



Georgetown University
Health Policy Institute
CENTER FOR CHILDREN
AND FAMILIES

Medicaid Learning Lab

A yellow lightbulb icon with a brain inside, symbolizing ideas and learning.

Session 1: *An Overview of Medicaid and CHIP*

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Session 1: An Overview of Medicaid and CHIP

- Critical health insurance safety net
- History, administration, and financing
- Eligibility
- Benefits and EPSDT
- Cost-sharing, delivery systems, and waivers

Poll

- What type of organization do you work for?



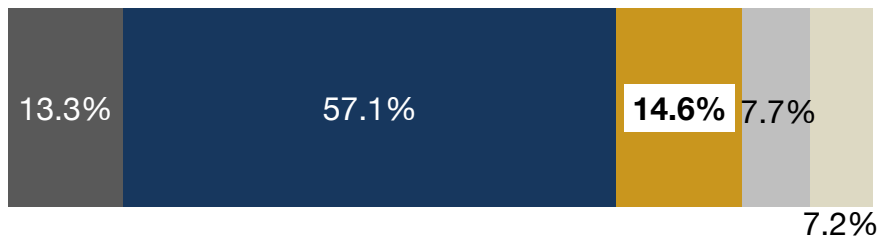
MEDICAID IS THE PRIMARY SOURCE OF HEALTH INSURANCE FOR LOW-INCOME CHILDREN AND FAMILIES

Sources of Coverage by Age and Income

Non Elderly Adults 19 – 64

Children 0 - 18

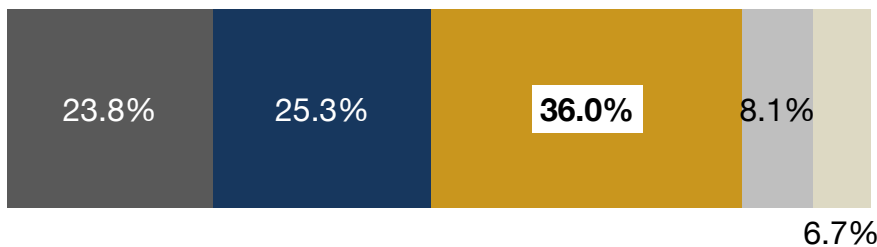
All Incomes



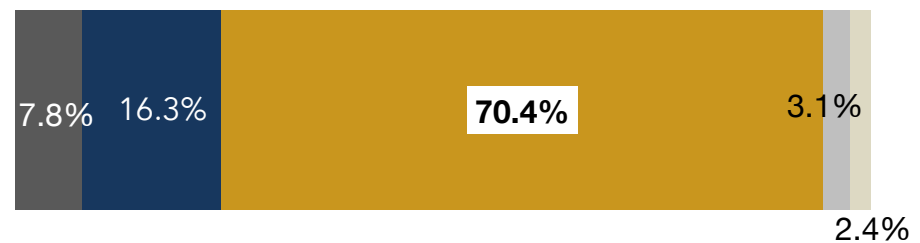
All Incomes



< 200% of Poverty



< 200% of Poverty

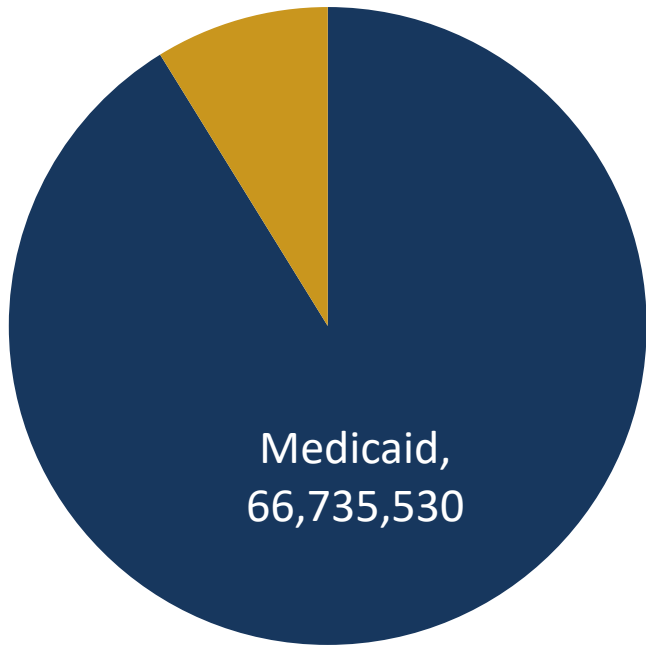


Uninsured
 Employer
 Medicaid and CHIP
 Direct Purchase
 Other

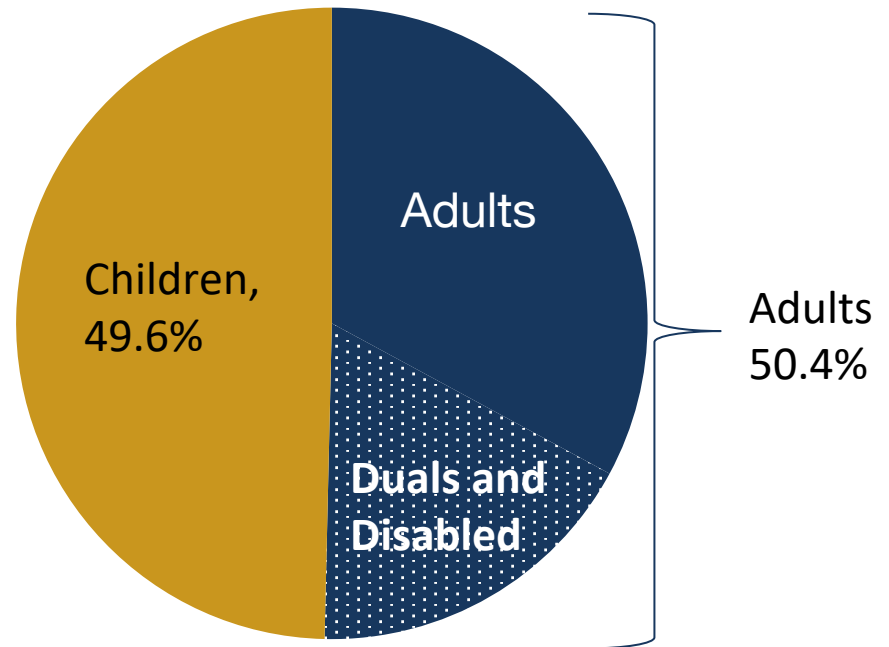
Medicaid and CHIP Enrollment

77.2 million; August 2020

CHIP,
6,446,346

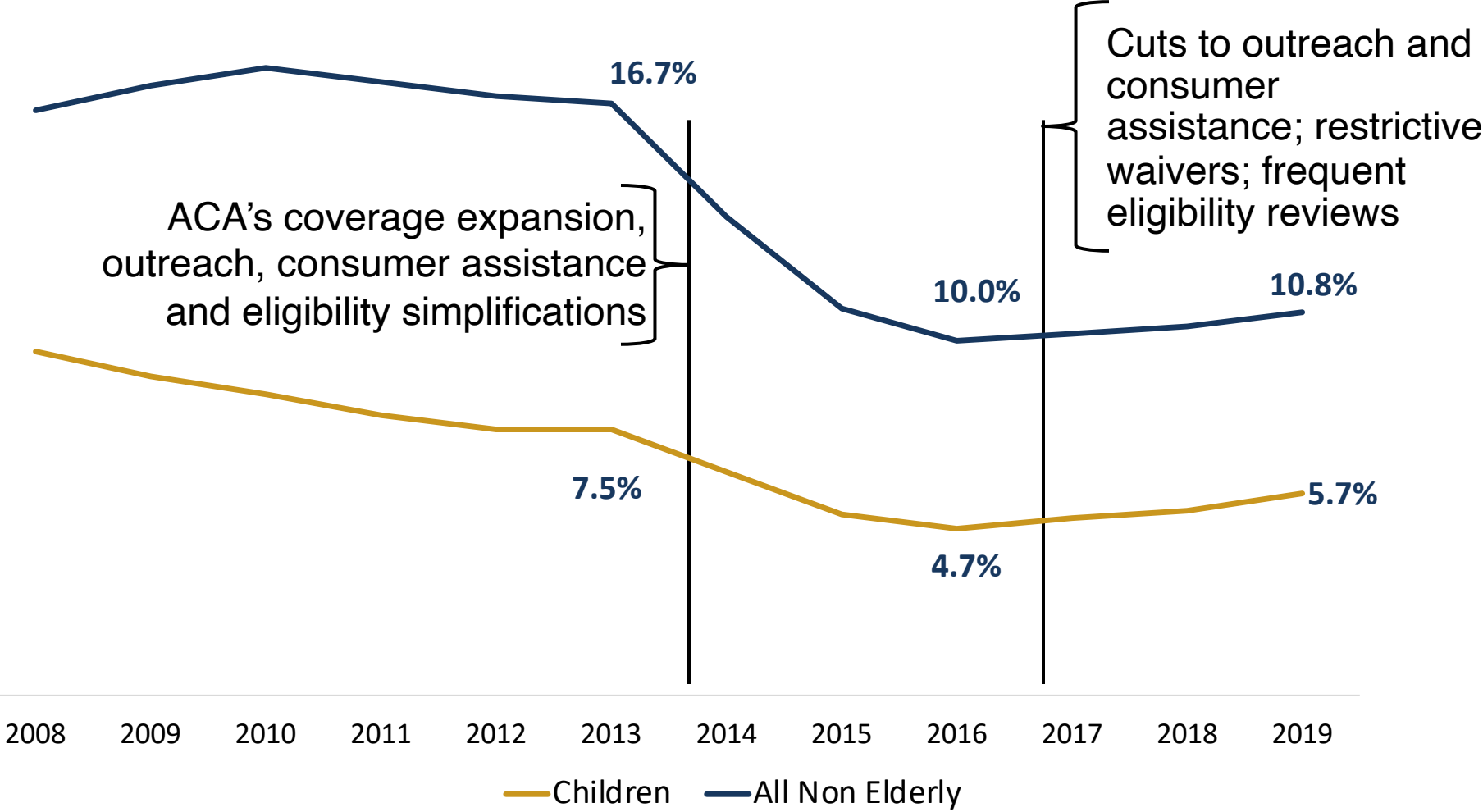


Medicaid and CHIP Total Enrollment 77,181,876



Share of Medicaid and CHIP Enrollment

Medicaid's Impact on Uninsured Rates



Poll

- How would you rate your Medicaid knowledge?

History of Medicaid

- Enacted in 1965 at the same time as Medicare
- Designed to **expand access to health care** for low-income individuals, specifically recipients of cash assistance through the Aid to Families with Dependent Children (AFDC) program, while Medicare focused on the elderly
- Evolved over the years to include medically-needy populations; aged, blind, and people with disabilities; pregnant women; emergency services for immigrants; and low-income adults

Medicaid's Legislative Milestones

- **1972:** Recipients of Supplemental Security Income (SSI) (disability-based)
- **1984-1990:** Incremental expansions to children, pregnant women, and parents
- **1986-1990:** Supplemental coverage for low-income Medicare recipients (“duals”)
- **1988:** 12-months Transitional Medical Assistance (TMA) for families leaving AFDC because of increased earnings
- **1996:** Medicaid eligibility de-linked from AFDC and mandatory §1931 parent group established
- **1997-1999:** Optional coverage for working individuals with disabilities who lose SSI due to earnings
- **1997:** Children's Health Insurance Program (CHIP)
- **2009:** Optional lawfully-residing children and pregnant women without the 5-year bar
- **2010:** Affordable Care Act expansion to adults; new eligibility standards

Federal-State Partnership: Medicaid

	Federal Government	States
Administration	<ul style="list-style-type: none"> • Oversight 	<ul style="list-style-type: none"> • Direct administration
Financing	<ul style="list-style-type: none"> • Federal Medical Assistance Percentage (FMAP) – federal share of costs* • Guaranteed federal funding with no cap 	<ul style="list-style-type: none"> • Non-federal share of costs • Some limits on source of state funds
Program Rules	<ul style="list-style-type: none"> • Minimum standards on eligibility, benefits, and access • Limits on cost sharing • Guaranteed enrollment for mandatory groups • Specific managed care rules 	<ul style="list-style-type: none"> • Optional eligibility groups • Optional services • Delivery system • Provider rates • Cost-sharing

How It Works

FEDERAL

Congress Enacts Laws

- MEDICAID - Title XIX of Social Security Act (SSA)
- CHIP - Title XXI (SSA)

CMS Promulgates Rules Subject to Public Comment

- Title 42, Chapter IV of the Code of the Federal Register
- www.ecfr.gov

CMS Issues Sub-Regulatory Guidance

- Letters to State Officials
- FAQs
- Informational Bulletins

STATE

Legislature / Executive Branch / State Agency

- State Law
- State Medicaid and CHIP Plans

State Agency Develops Administrative Rules

- Process Varies by State
- May involve more than one agency

State Maintains Policies & Procedures

- Operations Manuals
- Beneficiary Handbooks
- Provider Manuals

Top Resources

- Title XIX of the Social Security Act
 - (official online version at ssa.gov but House Legislative Council version at govinfo.gov is often more up-to-date)
- Title 42, Chapter IV of the Code of Federal Regulations
 - (official online version at ecfr.gov but law.cornell.edu is easier to navigate)
- Sub-regulatory guidance
 - Medicaid.gov
- MACPAC Resources
 - [Annotated Titles XIX and XXI](#)
 - [Reference Guide to Federal Medicaid Statute and Regulations](#)

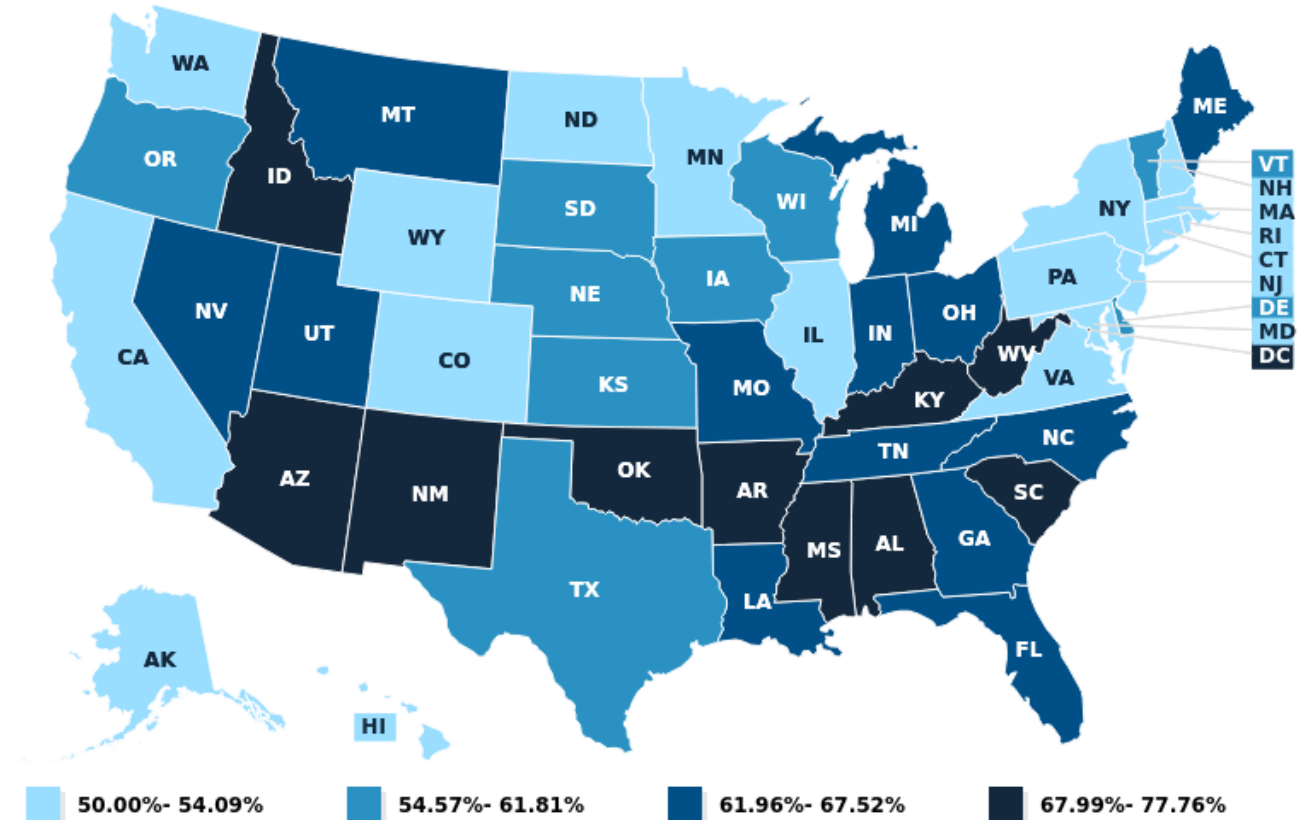


FINANCING

Federal Medical Assistance Percentage

by State, FFY 2021

- FMAP: Federal share of state expenditures
- Ranges from 50% to 83%
- Based on state per capita income, updated annually
- Rates vary for different groups and certain admin costs



SOURCE: Kaiser Family Foundation's State Health Facts.

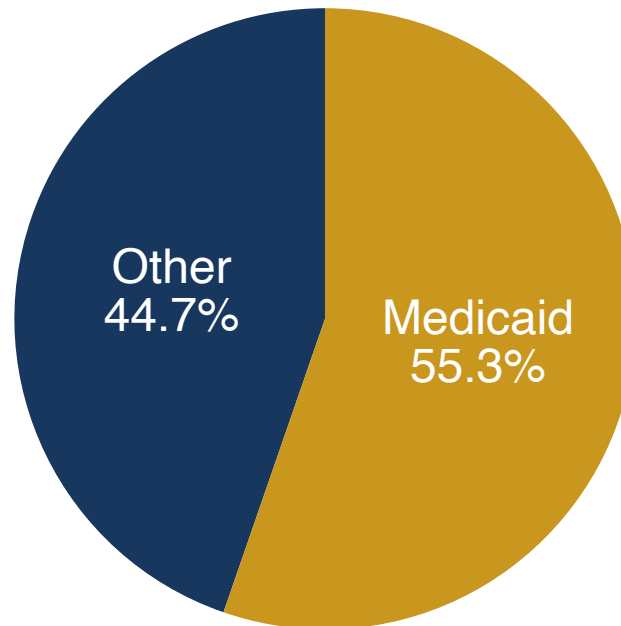
Other Medicaid Financing Facts

- Supplemental Payments
 - Disproportionate Share Hospital Payments (DSH) help offset hospital uncompensated care costs
 - Upper payment limit (UPL) supplemental payments are intended to make up difference between fee-for-service payments and Medicare rates
- Countercyclical Spending
 - Enrollment and spending increase in response to economic downturns, when state revenues are down
 - Congress often provides stimulus in the form of a bump in state FMAP during economic downturns, usually in exchange for certain “Maintenance of Effort” (MOE) provisions

Medicaid is the Largest Source of Federal Funds for States

FFY 2020

This includes public assistance; elementary, secondary, and higher education; corrections; transportation; and other programs





MEDICAID ELIGIBILITY

Eligibility Groups

Mandatory

- Poverty-related infants, children, and pregnant women
- Low-income parents
- Families receiving transitional medical assistance
- Children in and aging out of foster care
- Elderly and disabled individuals receiving SSI
- Certain working individuals with disabilities

Optional

- Children, pregnant women, parents, and elderly and disabled individuals with incomes above federal minimum standards
- Medically needy
- Adults without dependent children
- Home and Community Based Services (HCBS) and Section 1115 waiver enrollees
- Enrollees covered only for specific diseases or services

Broad Eligibility Requirements Vary Across Categorical Groups

Income

Applicable poverty threshold varies by state and categorical group (e.g., children, pregnant women)

Resources

For some categorical groups (e.g., elderly), assets such as cars and savings account must have total value below certain levels

Immigration Status

Generally limited to citizens and lawfully residing immigrants after a 5-year waiting period

Residency


Must live in the state and intend so stay indefinitely

Different Financial Rules

The ACA implemented new Modified Adjusted Gross Income (MAGI) rules to align eligibility with Marketplace financial assistance

Non- MAGI	MAGI
<ul style="list-style-type: none">• Individuals with disabilities• Elderly dually-eligible for Medicare and Medicaid• Individuals receiving long-term services and supports (LTSS)	<ul style="list-style-type: none">• Children• Parent/caretakers• Pregnant women• ACA expansion adults• Family planning• Breast and cervical cancer early detection program

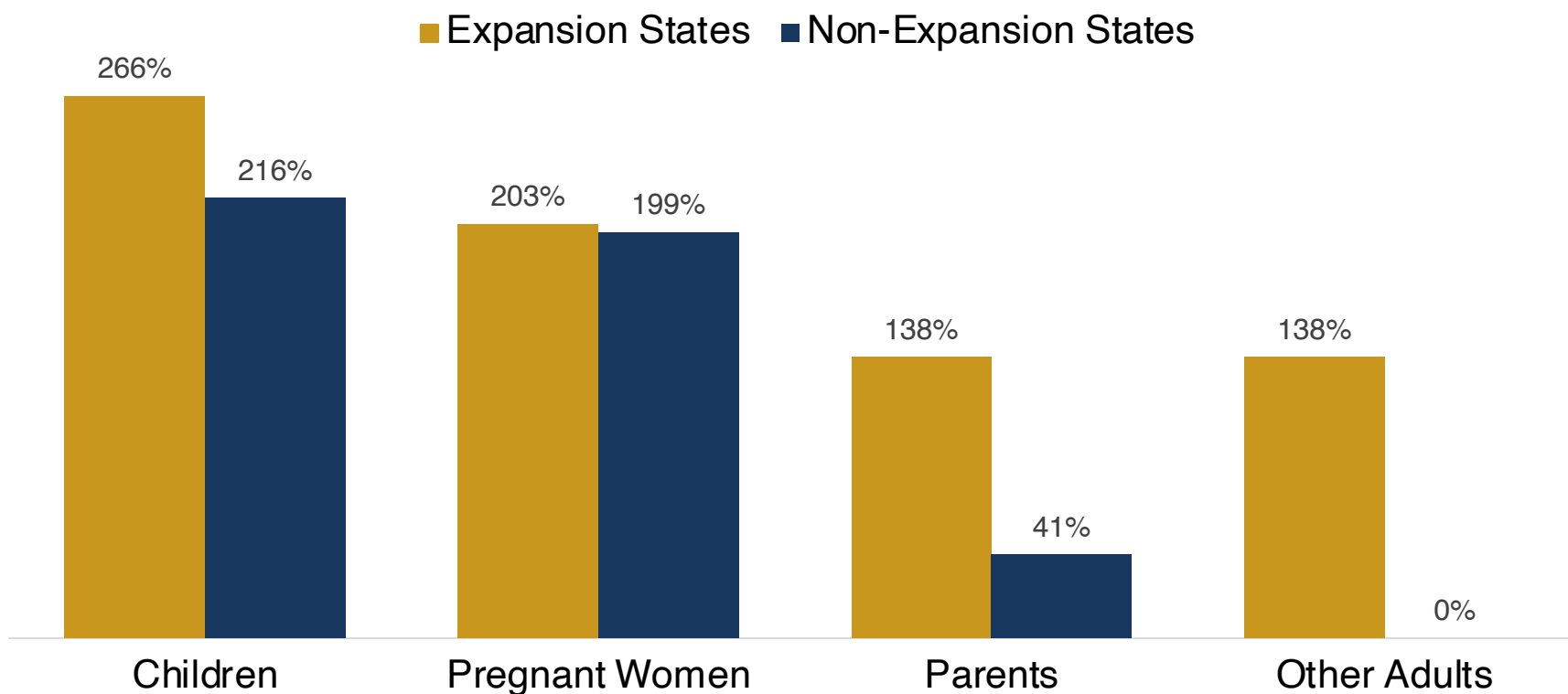
Much of the focus of the



Medicaid Learning Lab

Median Income Eligibility Limits based on Medicaid Expansion Implementation

January 2020



Federal Poverty Level and Income Eligibility

- Income eligibility can be based on a dollar threshold or percent of the HHS Federal Poverty Level (FPL)
- The poverty level is updated annually and is adjusted upward to account for inflation
- The FPL equivalent rate for dollar-based thresholds will erode over time

2021 Federal Poverty Level		
Poverty Level	Single Individual	Family of Three
100%	\$12,880	\$21,960
138%	\$17,609	\$29,974
200%	\$25,250	\$43,440



MEDICAID BENEFITS

Benefits: Mandatory

- Inpatient hospital
- Outpatient hospital
- Rural health clinic
- Federally qualified health center (FQHC)
- Nursing facility services (> age 21)
- Freestanding birth centers
- Physician services
- Nurse-midwife services
- Certified pediatric and family nurse practitioner services
- Early and periodic screening, diagnostic, and treatment (EPSDT) services (< age 21, includes vision and dental)
- Laboratory and X-ray
- Home health
- Medical transportation
- Family planning services and supplies
- Tobacco cessation counseling and prescription drugs for pregnant women

Benefits: Optional*

- Prescription drugs
- Dental services
- Intermediate care facilities for individuals with intellectual disabilities (ICF/ID)
- Services in an institution for mental disease (IMD) for 65 and older
- Clinic services
- Occupational therapy
- Physical therapy
- Speech, hearing, and language disorder services
- Targeted case management
- Prosthetic devices
- Hospice services
- Eyeglasses
- Dentures
- Other diagnostic, screening, preventive, and rehabilitative services
- Respiratory care services
- Home and community-based services
- Community supported living arrangements
- Personal care services
- Private duty nursing services
- Primary care case management
- Health homes for enrollees with chronic conditions
- Other licensed practitioner services (e.g., podiatrist, optometrist)
- Services for certain diseases (e.g., tuberculosis, sickle cell disease)
- Chiropractic services
- Program for All-Inclusive Care for the Elderly (PACE) services
- Services furnished in a religious, non-medical health care institution

Children's Medicaid Benefits

Building Blocks of Medicaid's Early, Periodic, Screening, Diagnostic, and Treatment Benefit

Identify problems **early**, starting at birth

Check children's health and development at **periodic** intervals

Provide development, vision, and hearing **screenings** to detect problems

Perform **diagnostic** tests to identify risks

Provide **treatment** for any problems found

- Covers ALL Medicaid-allowable services considered “medically necessary” to correct and ameliorate physical and mental health conditions
- Optional benefits are mandatory for children if medically necessary
- States cannot impose hard limits; must provide wrap-around services if premium assistance or managed care limits benefits



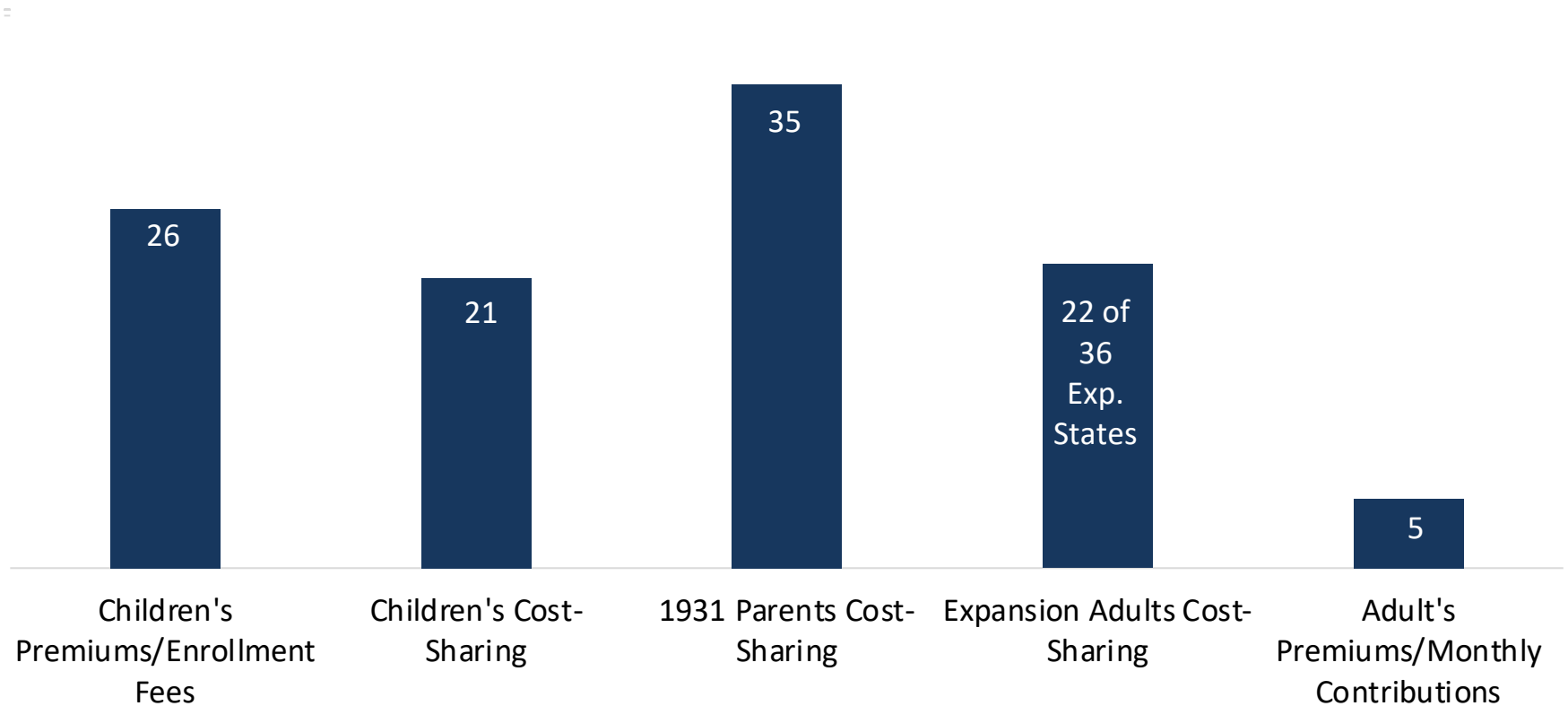
PREMIUMS AND COST-SHARING; DELIVERY SYSTEMS; WAIVERS

Premium and Cost-Sharing Rules

- Medicaid premiums
 - None under 150% FPL for children
 - None under 150% FPL for adults (without waiver)
- Medicaid cost-sharing
 - None for children <133% FPL
 - Nominal for adults
 - None for family planning, emergency, pregnancy-related services
- CHIP has more flexibility
 - Premiums and cost-sharing may start at 133% FPL
- Total premiums and cost-sharing cannot exceed 5% of family income in either Medicaid or CHIP

of States Charging Premiums or Cost-Sharing in Medicaid or CHIP

January 2020



Delivery Systems

- Fee-for-service (FFS)
 - State contracts directly with providers and pays them for covered services
- Managed care
 - State contracts with managed care organization(s) (MCO) to deliver services through a provider network
 - Different types of managed care arrangements
- Premium assistance
 - Medicaid and CHIP funds used to purchase private insurance that is cost-effective and comparable
 - State provides benefit and cost-sharing “wraps” to achieve comparability
- Combination of these approaches

Medicaid Demonstration Waivers

- Allows HHS Secretary to waive certain federal rules
- Section 1115
 - Must be experimental, pilot, or demonstration
 - Must **promote the objectives of the Medicaid program**
 - Subject to specific requirements
- Very popular among states; 45 states currently have 61 approved 1115 waivers
 - Four “work requirement” waivers set aside by courts
 - Biden administration will withdraw controversial approvals
- Sections 1915(b) and (c) apply to managed care for exempt populations and home and community-based services

Poll

- Help us prioritize upcoming Medicaid Learning Lab sessions. What is a top topic you'd like to see addressed sooner than later in this series?



CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)

CHIP History

- Enacted in 1997 to expand coverage to *uninsured* children
- Intended to incentivize states with higher federal match and greater program flexibility
- State share is 30 percent less than Medicaid
- Block grant program with time-limited funding; requires Congressional extension of funding
- States must monitor for substitution of private insurance; some through uninsured “waiting periods”
- Must include outreach in state plan that includes all public coverage options

CHIP Legislative Milestones

- **2009:** CHIP Reauthorization Act (CHIPRA) extended funding 5 years and offered new state options to cover lawfully-residing children and pregnant women; laid groundwork for eligibility simplifications in the ACA
- **2010:** ACA extended funding 2 years with additional federal match (23 percentage point bump) and MOE
- **2015:** Medicare Access and CHIP Reauthorization Act (MACRA) extended funding 2 years and adjusted the formula to accommodate the ACA bump
- **2018:** HEALTHY KIDS and ACCESS Acts phased out the ACA bump and extended funding through 2027 with MOE

CHIP: Federal-State Partnership

	Federal Government	States
Administration	<ul style="list-style-type: none"> • Oversight 	<ul style="list-style-type: none"> • Direct administration
Financing	<ul style="list-style-type: none"> • Enhanced FMAP • 65% to 85% of costs up to allotments • 10% cap on administrative costs 	<ul style="list-style-type: none"> • All non-federal share of costs
Program Rules	<ul style="list-style-type: none"> • Fewer minimum standards than Medicaid • Children must be uninsured (i.e., targeted low-income child) • Not entitlement 	<ul style="list-style-type: none"> • Delivery system • Provider payment rates • Eligibility rules, benefits, and cost sharing within guidelines*

State Options for CHIP Program Design

Medicaid Expansion (M-CHIP)	Separate CHIP Program	Combination of Approaches
16 States	2 States	33 States
All Medicaid rules apply except children must be uninsured	Based on one of three benchmark plans or Secretary approved	Medicaid expansion for certain children based on age or income
State option to use Medicaid funds to cover insured children	Greater flexibility in eligibility, benefits, cost-sharing	Separate CHIP program for other children

CHIP Eligibility

- Children above Medicaid income levels
 - 200% FPL or
 - 50 percentage points > Medicaid limit in place in 1997
 - Pre-ACA, states used income disregards and deductions to achieve higher income eligibility thresholds; those levels are grandfathered as of enactment of the ACA
- Unborn children at state option
 - Covers prenatal care for women regardless of immigration status
- Pregnant women
 - State must provide Medicaid at 185% FPL or higher
 - Income eligibility cannot be higher than for children

Separate CHIP Program Benefits

Mandatory Benefits

- Well child; preventive care
- Immunizations
- Emergency care
- Inpatient and outpatient hospital services
- Physician services
- Lab and x-ray
- Dental services
- Mental health parity

Actuarially Equivalent to Benchmark Plan

- HMO with state's largest enrollment
- State Employee Plan
- Federal Employee Plan

13 of 35 Separate
CHIP Programs
Provide EPSDT
Services

Medicaid in the News

Current Events

- Work requirements and other restrictive waivers
- Public charge
- Medicaid expansion
- Marketplace affordability
- Preparing for the end of the PHE
- Extended Postpartum coverage

Longer Term Initiatives

- Health equity
- Social determinants of health
- Movement to value-based purchasing
- Access and quality improvement
- Managed care accountability and transparency

Future Topics

- Financing
- Eligibility determination and enrollment processes
- EPSDT children's benefit
- Section 1115 waivers
- Immigrant coverage
- Pregnancy and maternal health
- Early childhood
- Outreach and consumer assistance
- Prescription drugs
- Health equity
- Managed care related topics (accountability, procurement, quality, enrollment)
- Retention and renewal processes
- Access and network adequacy
- Premiums and cost-sharing
- Quality reporting and improvement

For More Information

Center for Children and Families website

- ccf.georgetown.edu

Say Ahhh! Our child health policy blog

- <http://ccf.georgetown.edu/blog/>

Children's Health Care Report Card
Interactive Data Hub -

- <https://kidshealthcarereport.ccf.georgetown.edu/>

Kaiser Family Foundation State Health
Facts

- <https://www.kff.org/statedata/>