



# Issues and Challenges in State Medicaid Programs

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# States - Laboratory For Health Care Reform



- Fifty states, Puerto Rico, and the territories are working on health care solutions
- The States are in a unique position to address a variety of health care reform ideas
- Through Medicaid waivers, states have tested various health care initiatives
- States are in the best position to implement innovative ideas and strategies

# Federal - State Relationship

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- CMS and states need to rebuild partnership
- Relationship needs to be more collaborative
- Partnership is critical with current economy, budget constraints, and plans for healthcare reform

# Impact of Recession on State Budgets

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- Economic downturn and massive job losses are contributing to significant shortfalls in state budgets and increases in Medicaid enrollment
- States must have balanced budgets
- Many states forced to cut funding to Medicaid and other crucial programs



# Economic Stimulus – Fiscal Relief For States



- Temporary increase in government spending provides the largest and quickest return
- States need additional resources to support increase in demand for Medicaid, unemployment benefits, food stamps, and other safety-net services

# The Benefit of Government Spending Increases

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## Fiscal Stimulus “Bang for the Buck”

According to Moody’s Economy.com, for each dollar spent by the federal government, the GDP would see the following return:

- FMAP Increase and General Aid to States – 1.38
- Extending Unemployment Benefits – 1.63
- Temporary Increase in Food Stamps – 1.73
- Increased Infrastructure Spending (which includes Information Systems spending) – 1.59

# Federal Medical Assistance Percentage



- Increased funding for state Medicaid programs must be a crucial part to any stimulus package
- FMAP increase would allow states to maintain Medicaid enrollment
- Allows states to avoid making cuts to Medicaid programs
- Maintaining Medicaid-funded health care jobs stimulates the economy.

# NASMD's Priorities for New Administration

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- Temporary increase in Federal Medical Assistance Percentage (FMAP)
- An expedited reauthorization of SCHIP that preserves state flexibility
- Repeal the seven costly Medicaid regulations
- Restructuring collections of the federal share of disallowed claims
- Suspend the Medicare Part D “Clawback”
- Remove enrollment barriers for legitimate citizens (Citizen Documentation Requirements)

# NASMD

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