Our Mission

- CMS aims to be a major force and a trustworthy partner for the improvement of health and health care for all Americans
- CMCS carries this mission forward with a particular emphasis on making Medicaid and CHIP the best programs they can be
- Beneficiaries are our focus
- Partnerships are critical to success
Implementing the Affordable Care Act

- Working with States (Governor’s offices, Medicaid, CHIP, Insurance Commissioners)
- Coordinating with the Center for Consumer Information and Insurance Oversight (CCIIIO) and other federal agencies
- Sharing ideas about what reform means with a broad array of stakeholders
- Promulgating regulations and guidance; providing technical assistance
Affordable Care Act Guidance to Date

- Early Option for Low-income Adults
- Medicaid Drug Rebates
- National Correct Coding Initiative
- Family Planning
- Waiver Transparency
- Health Homes
- Medicaid IT Support
- HCBS Improvements
- Extending Period for Returning Provider Overpayments
- Money Follows the Person extension
- Hospice Care for Children
- Recovery Audit Contractors
- Adult Quality Measures
Sources of Coverage by 2019 for Individuals Under 65

- Medicaid & CHIP: 25m
- Employer: 23m
- Nongroup & Other: 24m
- Uninsured: 51m
- Exchanges: 159m

Source: Congressional Budget Office, March 2010
## Minimum Medicaid Eligibility Levels Now and 2014

<table>
<thead>
<tr>
<th>Population</th>
<th>Current Minimum Eligibility Levels (average)</th>
<th>2014 Minimum Eligibility Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>100%/133% (241%)</td>
<td>241% Average - Will vary by State</td>
</tr>
<tr>
<td>Parents</td>
<td>41% (64%)</td>
<td>133%</td>
</tr>
<tr>
<td>Disabled Adults</td>
<td>74% (SSI-related)</td>
<td>133%</td>
</tr>
<tr>
<td>Other Adults</td>
<td>0%*</td>
<td>133%</td>
</tr>
</tbody>
</table>

* 5 States provide Medicaid or Medicaid look-alike coverage to certain childless adults; 15 States provide a limited benefit package to certain childless adults.
2014 Health Insurance Subsidies

- Medicaid/CHIP Children
- Medicaid Adults
- Exchange Subsidies

- Varies by State

- FPL: Federally Poverty Level
New Paradigm

- Not a safety net but a full partner in assuring coverage for all
- A culture of coverage where eligible = enrolled
- A **system** of coverage and care
Who Pays?

(in billions)

Total $464.7 billion

Federal - $443.5
State - $21.1

Source: Congressional Budget Office and Medicaid Coverage and Spending in Health Reform, John Holahan and Irene Headen/Kaiser Commission, May 26, 2010
Return on Investment

State/Local Expenditures = +1%

Federal Funds to States = +20%

Number of People Covered = +33%

Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group (September 2010)
Coverage: Pathway to Better Care, Better Health, Lower Costs

Population Health

Experience Of Care

Per Capita Cost
In 2014, benchmark and benchmark equivalent plans must begin providing at least “essential health benefits”

“Mental health and substance use disorder services, including behavioral health treatment” are included as a category within “essential health benefits”

MHPAEA/MH Parity applies

Secretary will issue guidance
Concentration of Medicaid Spending

Source: Medicaid Statistical Information System Claims Data for FY 2008
Medicaid MH/SA Service Users and Expenditures

Users
- Mental Health Service Users: 10.9%
- Substance Abuse Service Users: 0.7%
- All Other Medicaid Beneficiaries: 88.3%

Expenditures
- Mental Health Service Users: 29.9%
- Substance Abuse Service Users: 1.8%
- All Other Medicaid Beneficiaries: 68.3%

Source: SAMHSA
New Options

- Health homes
  - For people with multiple chronic conditions
  - 90% Enhanced FMAP

- 1915(i) Option
  - HCBS-like Services under State Plan

- Community First Choice
  - Ongoing 6% Enhanced FMAP
New Options continued…

- Money Follows the Person
  - Extended and Expanded
  - Enhanced FMAP for transitioned individuals through 2020

- Balancing Incentive Program
  - Commit to infrastructure changes and rebalancing
  - Enhanced FMAP for HCBS October 1, 2011 through 2014
Focus on Dual Eligibles

Total Spending = $311 billion

Duals as Share of Medicaid Spending
- Dual Eligibles: 39%
- Non-Duals: 61%

Medicaid Spending by Population Group
- Children: $2,135
- Non-Disabled Adults: $2,541
- Duals: $14,972

2014 is Now!
Key to Reaching Our Goals: Assuring that all Partners are at the Table