



June 14, 2013

NEWS RELEASE

Contact: Laura Diamond
202-350-2033

**MEDICAID AND CHIP PAYMENT AND ACCESS COMMISSION (MACPAC)
RELEASES JUNE 2013 REPORT TO THE CONGRESS**

Report advances the policy conversation on critical issues affecting Medicaid and CHIP

Washington, DC, June 14, 2013 – Examining key policy issues facing Medicaid and the State Children’s Health Insurance Program (CHIP), the Medicaid and CHIP Payment and Access Commission (MACPAC) today released its June 2013 *Report to the Congress on Medicaid and CHIP*.

The report examines Medicaid and CHIP eligibility and coverage for maternity services, the newly implemented increase in Medicaid physician payment for primary care services, access to care for persons with disabilities, the availability of data on Medicaid and CHIP that can be used for oversight and program monitoring, and ways to improve the effectiveness of program integrity efforts.

“The report advances the policy conversation on critical issues affecting Medicaid and CHIP as they continue to serve their long-standing purpose of providing health care coverage to millions of low-income children, pregnant women, seniors, and persons with disabilities,” said Diane Rowland, Sc.D., chair of the Commission. “It also provides new insights on maternity services and the Medicaid primary care physician payment increase.”

“The Commission’s work is intended to help the Congress better understand Medicaid and CHIP in the context of the larger health care marketplace at a time when these two major purchasers are being shaped by changes resulting from the Affordable Care Act (ACA),” said David Sundwall, MD, vice chair of the Commission.

“The analyses in this report lays the foundation for future MACPAC work on key ACA implementation issues as well as other areas where Medicaid and CHIP could be improved to achieve better value for enrollees, states, providers, and the federal government,” said Anne L. Schwartz, Ph.D, the Commission’s executive director.

Highlights of the June 2013 report include:

- In 2010, Medicaid and CHIP paid for almost half of all births in the United States (about 1.8 million hospital births). Depending on the eligibility pathway, services covered under Medicaid and CHIP range from full Medicaid benefits to coverage of only services related to the pregnancy to emergency coverage for labor and delivery. Because separate eligibility pathways based on pregnancy will continue under the ACA, the possibility of churning exists among Medicaid, CHIP, exchange coverage, and uninsurance as women gain and lose eligibility based on pregnancy.

Medicaid and CHIP Payment and Access Commission

Diane Rowland, ScD, *Chair* • David Sundwall, MD, *Vice Chair* • Anne L. Schwartz, PhD, *Executive Director*
1800 M Street NW, Suite 650 South, Washington DC 20036 • Phone (202) 350-2000 • Fax (202) 273-2452
www.macpac.gov

- A provision of the ACA that became effective January 2013 increases to Medicare levels the payment rates of primary care services furnished by primary care physicians in 2013 and 2014. Interviews with states, providers, and managed care organizations highlight concerns about the time allotted to implement the provision, difficulty in identifying eligible providers, and challenges in making the system modifications necessary for the increased payment. Little is yet known about how payment increases will affect access to care and physician participation.
- A review of the research literature on access to care for adults with disabilities covered solely by Medicaid and living in the community finds that most studies are old and present inconclusive findings, suggesting the need for additional research and analysis to develop a better understanding of enabling services on access to care, disability competency, and accessibility of providers.
- This report examines efforts by the Centers for Medicare and Medicaid Services (CMS) to improve the timeliness, quality, and availability of data on Medicaid and CHIP including MacPro, the Transformed Medicaid Statistical Information System (T-MSIS), and the Medicaid Information Technology Architecture (MITA) initiative. MACPAC encourages CMS to continue seeking input from states and recognizes that data improvements require federal and state investments and may take several years to fully realize.
- In this report, MACPAC continues its focus on program integrity by highlighting two programs, Medicaid Eligibility Quality Control (MEQC) and Payment Error Rate Measurement (PERM), that both review the accuracy of eligibility determinations. The rules for the two programs overlap and don't align well. Future Commission work will focus on identifying opportunities to streamline regulatory requirements and point the way to eliminating redundant functions.
- This report also includes MACStats, a standing data supplement for all MACPAC reports to the Congress. Findings of note include:
 - children account for the largest enrollment growth in absolute numbers over the program's long history (an increase of more than 20 million since FY 1975),
 - individuals eligible on the basis of a disability account for half of real Medicaid spending growth,
 - users of Medicaid long-term services and supports are a small but high-cost population (6 percent of enrollees but nearly half of spending), and
 - the share of enrollees in managed care – both comprehensive plans and those with limited benefits – continues to increase.

The June 2013 *Report to the Congress on Medicaid and CHIP* can be downloaded from MACPAC's website: www.macpac.gov. For more information, contact Laura Diamond at 202-350-2033.