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Medicaid and CHIP Payment and Access Commission



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NEWS RELEASE

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MEDICAID AND CHIP PAYMENT AND ACCESS COMMISSION (MACPAC) RELEASES MARCH 2012 *REPORT TO THE CONGRESS ON MEDICAID AND CHIP*

Commission makes recommendations on Medicaid and persons with disabilities and on program integrity

Today the Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2012 *Report to the Congress on Medicaid and CHIP*. Medicaid and the State Children's Health Insurance Program (CHIP) play important roles in our health care system. In fiscal year (FY 2011), Medicaid financed care for an estimated 70 million people at a cost of \$432 billion and CHIP served 8 million children with spending of \$12 billion.¹

Building upon the Commission's analytic work in 2011, the March 2012 *Report to the Congress on Medicaid and CHIP* presents data and analysis that advance several areas of high priority to the Congress, including Medicaid and persons with disabilities, access to care for children, Medicaid and CHIP financing, and program integrity. The Commission makes recommendations in this Report in two key areas: to advance innovative approaches to improving care, controlling costs, and updating quality measurement for the 9.1 million persons under age 65 qualifying for Medicaid on the basis of a disability; and to improve federal and state program integrity efforts in the Medicaid program.

Medicaid plays an important role for persons with disabilities, and understanding this large and diverse population is critically important. Between 1975 and 2008, enrollees with disabilities were the fastest growing eligibility group in Medicaid and accounted for half of overall (inflation-adjusted) Medicaid spending growth. Medicaid spends more on them than on any other eligibility group. Moreover, most people with disabilities in Medicaid rely exclusively on Medicaid for their health and long-term care needs. Among the 9.1 million persons under age 65 who qualified on the basis of a disability in FY 2008, 5.6 million (62 percent) generally relied on Medicaid as their only source of coverage, while the remaining 3.5 million were individuals dually enrolled in both Medicaid and Medicare.

"The Commission chose to focus on Medicaid-only enrollees who qualify on the basis of a disability because these enrollees often have multiple chronic conditions that require complex treatment plans, social supports and coordination across a number of providers," said Diane Rowland, Sc.D., chair of the Commission. "Our focus on this diverse population," said Rowland, "is designed to advance the discussion of how best to organize and assess the quality of care they receive, including the coordination of acute and long-term services and supports." Issues related to individuals who are dually eligible for Medicaid and Medicare will be a focus in future reports to the Congress.

Based on a review of Medicaid eligibility, population characteristics, benefits, spending, and approaches to quality measurement, the Commission recommends that the Secretary of the U.S. Department of Health and Human Services accelerate the advancement of targeted, efficient, and innovative approaches to providing high-quality care for persons with disabilities, especially those with Medicaid-only coverage. The Commission also recommends updating and improving quality measurement for Medicaid enrollees with disabilities.

The Commission plans to expand its analytic work to include all persons with disabilities enrolled in Medicaid. "We hope that our report will encourage state and federal agencies as they move forward with innovations to reduce costs and

¹ Figures reflect FY 2011 data of the number of individuals ever enrolled in each program and include the U.S. territories.



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improve the care provided for this diverse and high-need group of Medicaid beneficiaries,” said David Sundwall, M.D., vice chair of the Commission.

A second set of recommendations focus on program integrity. In Medicaid, program integrity consists of efforts to deter and detect fraud and abuse and improve program management, monitoring, and oversight to help ensure that federal and state dollars are being spent appropriately and that enrollees receive necessary care. In this Report and during presentations at public meetings, the Commission reviewed the multiple agencies and initiatives involved in program integrity and examined their key responsibilities. “The Commission found that success in this area depends on effective coordination and collaboration among the various players,” said Lu Zawistowich, Sc.D., executive director, MACPAC, “as well as initiatives that strike the right balance between effective oversight and minimal administrative burden.”

The first recommendation on program integrity addresses the importance of improving coordination and removing program redundancies across federal and state program integrity initiatives. The second recommendation focuses on improving analytic tools and accelerating and broadening the dissemination of best practices to enhance states’ abilities to deter and detect fraud and abuse.

Other issues addressed in this Report, include:

- **Access to care for children in Medicaid or CHIP.** A MACPAC analysis assesses differences in children’s access to care attributable to source of coverage for children with similar health, demographic, and socioeconomic characteristics. Survey results show that children enrolled in Medicaid or CHIP have better access to care than uninsured children and similar access to care as children with employer-sponsored insurance (ESI). Future work of the Commission will address access to care for adults in Medicaid and the impact of provider participation in Medicaid on access.
- **State approaches for financing Medicaid.** This chapter reviews the range of approaches that states use to finance their non-federal share of Medicaid expenditures and begins to explore the interaction between state Medicaid financing and provider payment, including the use of supplemental payments to providers.
- **Update on Federal CHIP financing.** This Report provides a brief update to its 2011 MACBasic, Federal CHIP Financing, available at <http://www.macpac.gov/reports>.
- **MACStats.** A standing supplement for Reports to the Congress, MACStats compiles national and state-specific program data to facilitate Medicaid and CHIP policy analysis. Pulling together information from multiples sources, the 2012 MACStats provides updated data on eligibility, benefits, and spending.

The March 2012 *Report to the Congress on Medicaid and CHIP* can be downloaded from MACPAC’s website: www.macpac.gov. For more information, contact Michelle Herman at 202-273-2460.

MACPAC is the first nonpartisan congressional support agency solely focused on issues affecting Medicaid and the State Children’s Health Insurance Program (CHIP). MACPAC was established by the Children’s Health Insurance Program Reauthorization Act (CHIPRA) of 2009. MACPAC’s statutory charge requires that the Commission review and advise the Congress on federal and state Medicaid and CHIP policies on issues involving payment; access; eligibility; enrollment and retention; coverage; quality; and interactions of Medicaid and CHIP with Medicare and other components of the U.S. health care delivery system.