



Historical Review of Proposals to Reform Medicaid

Medicaid and CHIP Payment and Access Commission
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Overview

- Context and methodology
- Key Medicaid reform approaches
- Observations and takeaways
- Reforms going forward

Context and methodology

Context

- Medicaid and CHIP often the subject of reform debate in Congress and policy community
- Reform proposals reflect policy concerns of the day, perspectives of authors, and likelihood of enactment
- In 2015 Members of Congress requested that MACPAC “evaluate... past reform proposals from presidents’ budgets, blue ribbon policy commissions, think tanks, governors’ associations and Medicaid commissions”
- Understanding objectives and outcomes of past proposals informs analysis of policy options under consideration today

Methodology

- Literature review of comprehensive proposals offered by presidents, policy commissions, governors associations, think tanks
- Given sheer number of reform ideas, we focused on those that propose:
 - Substantial reforms related to Medicaid, CHIP, or Medicare-Medicaid dually eligible beneficiaries
 - Reforms at the federal rather than individual state level
 - Well-defined, specific recommendations
- Timeframe
 - Presidents' budgets since 1980
 - Blue ribbon policy and Medicaid commissions since 1990
 - Governors' associations and think tanks since 1997

Key Medicaid reform approaches

Key Medicaid reform approaches

- Most reform proposals seek to achieve multiple objectives
- The key approaches to Medicaid reform we identified include:
 - Changes to Medicaid’s financing structure or methodology
 - Expansions to coverage or eligibility
 - Delivery and payment system reform
 - Targeted spending reductions
 - Promoting market dynamics
 - Increasing state flexibility

Key Medicaid reform approaches

- Changes to financing structure or methodology
 - Block grants
 - Per capita caps
 - Federal-state “swaps” of program benefits
 - Changes in federal-state matching rates
- Expand coverage or eligibility
 - Expand Medicaid to additional groups (e.g., pregnant women, children)
 - Expand Medicaid or CHIP to higher income levels
 - Buy-in to Medicaid or CHIP

Key Medicaid reform approaches

- Delivery and payment system reform
 - Alternative payment systems
 - Medicare-Medicaid coordination for dually eligible enrollees
 - LTSS
- Targeted spending reductions
- Promoting market dynamics
 - Premium support, vouchers
 - Competitive bidding
- Increasing state flexibility
 - For benefits, eligibility, program management
 - Waivers

Observations

Observations and takeaways

- Reform objectives reflect policy concerns of the day
- Differing objectives, common threads
- Coverage expansions have advanced
- Little movement on major financing reforms
- Calls for state flexibility
- Recent focus on value-driven approaches to cost control
- Building on CHIP
- LTSS often not addressed

Reforms going forward

Reforms going forward

- Achieving major Medicaid or CHIP reforms can be challenging
 - Program variation across states creates winners and losers
 - Diverse enrollee needs can make reforms complex
 - Competing incentives of federal-state financing
 - Medicare-Medicaid coordination is challenging
- Next steps



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