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January 23, 2017

Hon. Orrin G. Hatch
Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Hon. Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Hon. Michael C. Burgess, MD
Chairman
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Hon. Tim Murphy, PhD
Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Hatch, Walden, Burgess, and Murphy:

Thank you for your January 11th letter requesting that MACPAC prepare a report on optional eligibility groups covered and optional benefits in each state Medicaid program, including data on enrollment and federal and state expenditures. You also requested that the Commission complete its analysis and report back to you within six months, that is, no later than July 11, 2017.

As you know, examining trends in Medicaid spending is a key component of MACPAC's work. We report annually on spending trends in our statistical compendium, MACStats, and in a data book, produced with the Medicare Payment Advisory Commission, focused on beneficiaries dually eligible for Medicare and Medicaid. In the Commission's June 2016 report to Congress, we provided data on trends in Medicaid spending, including federal and state spending, and described how factors such as enrollment and service use have affected spending growth. The report also described policy levers related to eligibility, payment, and breadth of coverage that states use to manage their spending on Medicaid.

Clearly, understanding state policies regarding optional and mandatory benefits and optional and mandatory eligibility groups will be important to gaining a comprehensive grasp of how state policy choices related to population health needs and health system design affect total program

Medicaid and CHIP Payment and Access Commission

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spending. To this end, MACPAC staff had already begun an analysis on the share of Medicaid spending attributable to optional and mandatory Medicaid populations and benefits, so your request comes at an opportune time. In brief, we will be analyzing Medicaid administrative data to quantify the share of total Medicaid enrollment and spending by optional and mandatory populations, as well as the share of Medicaid spending attributable to optional and mandatory benefits on a state-by-state basis. We are currently developing the technical specifications for this analysis and taking steps to validate our analytic approach through consultation with external researchers knowledgeable in both use of these data and Medicaid program rules.

We believe that we can complete the analytic work, including finalizing technical specifications, data programming and analysis, and conducting quality and validity checks with internal and external reviewers, within the six-month time frame you requested.

We would be happy to brief you and your staff on our progress with this analysis, if it would be useful to you. If you have any questions regarding this work, please contact Anne Schwartz, executive director (202-350-2000, anne.schwartz@macpac.gov).

Sincerely,

Sara Rosenbaum, JD
Chair

Cc: Marsha Gold, ScD, Vice Chair
Anne L. Schwartz, PhD, Executive Director
MACPAC Commissioners