



MACPAC Releases March Report to Congress

Congressional advisory panel looks at safety-net hospital financing, vaccine access for adults enrolled in Medicaid, and efforts to transition beneficiaries out of institutions and into the community

The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2022 *Report to Congress on Medicaid and CHIP* today, examining issues of specific interest to Congress that address: transitioning Medicaid beneficiaries out of institutions and back into the community under the Money Follows the Person (MFP) program; improving vaccination rates and access for adults enrolled in Medicaid; and assessing hospital payment policy for the nation's safety net hospitals.

"In addition to responding to specific requests from Congress to examine the Money Follows the Person program and Medicaid disproportionate share hospitals allotments, this report presents the first installment of our work on access to vaccines for adults enrolled in Medicaid, laying the foundation for additional analysis and potential recommendations in our June report," said MACPAC Chair Melanie Bella.

Chapter 1 fulfills a congressionally mandated study on MFP, which has provided participating states with flexibility and enhanced funding to support more than 100,000 Medicaid beneficiaries in transitioning from institutional settings back into the community. Specifically, Congress asked the Commission to compare the MFP residence criteria, which requires participants to be transitioned into specific settings, to the more expansive set of settings that are permitted under the home- and community-based services (HCBS) settings rule. Congress directed MACPAC to identify settings that are available to MFP participants, and the settings that qualify for HCBS payment under the settings rule. This directive also asked the Commission to consider whether the MFP residence criteria should be harmonized with the HCBS settings rule. The Commission discussed varying views on aligning MFP residence criteria with the HCBS settings rule but concluded that there was not enough empirical data to support a recommendation to harmonize the MFP residence criteria with the HCBS settings rule. The chapter outlines the advantages and disadvantages of the current criteria as informed by stakeholder perspectives.

In Chapter 2, MACPAC focuses on vaccine access for adults enrolled in Medicaid. Adult Medicaid beneficiaries have lower vaccination rates than those covered by private insurance across nearly all vaccines, in large part due to limited coverage. The difference in vaccination rates among pregnant women is particularly stark. The rate for influenza vaccination was almost 21 percentage points lower for pregnant women enrolled in Medicaid than it was for those enrolled in private insurance. While mandatory coverage for all vaccines is a necessary first step to ensuring vaccine access and preventing illness, hospitalization,



and death from vaccine-preventable diseases, coverage alone may not be sufficient to improve vaccination rates significantly. The chapter highlights several policy considerations to improve vaccine access for Medicaid beneficiaries. The Commission will continue evaluating these options with an eye toward publishing additional findings and recommendations in our June 2022 report.

In Chapter 3, the Commission continues its annual, statutorily mandated obligation to report on Medicaid disproportionate share hospital (DSH) allotments to states. As in prior years, the Commission continues to find little meaningful relationship between state DSH allotments and the number of uninsured individuals; the amounts and sources of hospitals' uncompensated care costs; and the number of hospitals with high levels of uncompensated care that also provide essential community services for low-income, uninsured, and vulnerable populations.

The COVID-19 pandemic has had substantial effects on hospital finances, but the full effects on safety-net and DSH hospitals may not be clear until after the public health emergency has ended. To help address financial challenges related to the pandemic, Congress authorized relief funding to support providers. But provider relief funds mostly targeted hospitals with high patient revenue, and there was no relationship between total hospital relief funding and the number of uninsured in the area. The American Rescue Plan Act of 2021 (ARPA, P.L. 117-2) increased DSH allotments for the remainder of the public health emergency by applying an enhanced federal medical assistance percentage to the total DSH funds available to states. We estimate that ARPA increased federal allotments by \$1.5 billion for FY 2022. The Commission will continue to monitor the effects of the pandemic on safety-net providers as more data becomes available.

Download the March 2022 *Report to Congress on Medicaid and CHIP* and each of its chapters at macpac.gov.

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ABOUT MACPAC

The Medicaid and CHIP Payment and Access Commission is a non-partisan legislative branch agency that provides policy and data analysis and makes recommendations to Congress, the Secretary of the U.S. Department of Health and Human Services, and the states on a wide array of issues affecting Medicaid and the State Children's Health Insurance Program (CHIP). For more information, please visit: www.macpac.gov.

