MACPAC

Advising Congress on
Medicaid and CHIP Policy

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MACPAC Releases March 2025 Report to Congress

Congressional advisory panel proposes recommendations to improve transparency in Medicaid managed care, enhance access to home- and community-based services, and reduce state and federal administrative burdens

The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2025 *Report to Congress on Medicaid and CHIP* today, with recommendations on improving the external quality review (EQR) process in Medicaid managed care, enhancing timely access to home- and community-based services (HCBS), and reducing states' administrative burdens to providing HCBS services for Medicaid beneficiaries.

"This report offers recommendations and insights that both state and federal policymakers can use to enhance transparency in the Medicaid program, reduce administrative burdens, and significantly improve the experience for its beneficiaries," MACPAC Chair Verlon Johnson said.

Chapter 1 makes three recommendations to enhance the managed care EQR process. Managed care is the primary health care delivery system in Medicaid, with 73 percent of beneficiaries enrolled in a comprehensive, full-risk managed care organization. As managed care continues to grow, both federal and state stakeholders have placed greater emphasis on effective oversight to ensure beneficiaries can access the services they need. State Medicaid agencies perform an annual independent review of the quality of care and access to services under each managed care contract, known as the EQR process. MACPAC assessed how states implement federal EQR requirements, the role the Centers for Medicare & Medicaid Services (CMS) plays in overseeing the process, and if the EQR process supports accountability for states and MCOs and improves care for beneficiaries.

MACPAC's analysis identified gaps in how the EQR process and its findings are used to oversee managed care plans and enhance quality. Stakeholders reported difficulties in understanding states' reporting of EQR findings, as well as challenges in accessing EQR reports due to the lack of a centralized repository. The Commission offers three recommendations to the U.S. Department of Health and Human Services aimed at improving the transparency and accessibility of findings in the EQR annual technical reports.

Chapter 2 examines HCBS and makes a recommendation to improve timely access to these services. Medicaid HCBS are designed to support individuals with long-term services and supports (LTSS) needs, enabling them to live in their own homes or in home-like settings within the community. To qualify for Medicaid HCBS, individuals must meet both financial and functional eligibility requirements. Financial eligibility for those with LTSS needs considers income and assets, while functional eligibility is assessed using a specific tool. States have various methods to expedite Medicaid eligibility determinations and enrollment for individuals who do not have income determined by modified adjusted gross income (MAGI) and require HCBS.

This chapter focuses on the use of presumptive eligibility, expedited eligibility options for non-MAGI populations, and provisional plans of care. It offers background information on these topics, along with findings from stakeholder interviews, an environmental scan, and a review of Section 1915(c) HCBS waivers. The chapter concludes with a recommendation to the U.S. Department of Health and Human Services to instruct CMS to issue

guidance on how states can implement provisional plans of care, addressing policy and operational considerations under Sections 1915(c), 1915(i), 1915(k), and 1115 of the Social Security Act.

The final chapter of the March report analyzes the federal administrative requirements for HCBS programs and makes a recommendation to Congress to reduce the administrative burden for both states and the federal government. States primarily cover HCBS through Section 1915(c) waivers. In MACPAC's June 2023 report to Congress, we analyzed barriers for beneficiaries trying to access HCBS and the challenges states face in managing HCBS programs. Through interviews with state Medicaid officials and other experts, administrative complexity emerged as a particular challenge. This chapter outlines our key findings regarding administrative complexity across various HCBS authorities, explores opportunities for streamlining, and provides the rationale for our recommendation. It concludes with a recommendation to Congress to extend the renewal period for HCBS programs operating under Section 1915(c) waivers and Section 1915(i) state plan amendments from 5 years to 10 years.

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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.