

Medicaid and the Stimulus



Medicaid

The American Recovery and Reinvestment Act

- Signed into law February 18, 2009
- Provides temporary FMAP increase
 - *Only applies to Medicaid and Title IV-E foster care and adoption assistance
- Provides incentives for Electronic Health Records
- Provides temporary increase in DSH allotments
- Addresses Medicaid regulations

FMAP Modification

- Establishes a hold harmless provision to FY 2008 FMAP
- Provides temporary FMAP increase of 6.2 percentage points for 9 quarters
- Allows additional amounts based on a state's unemployment rate

Strings for FMAP Increase

- No increase if eligibility standards, methodologies, or procedures are more restrictive than what was in effect on July 1, 2008
- Must be in compliance with prompt pay requirements
- No rainy day funds
- Expansions are reimbursed at the normal FMAP, not the increased rate



Medicaid

Incentives for Electronic Health Records

- 100% Federal match for state payments to certain Medicaid providers for EHR technology (up to \$65,000 over a 5 year period for individual providers and a secretary-defined amount for hospitals)
- 90% Federal match for state administrative costs related to EHR technology implementation
- Providers eligible to receive incentive payments are determined by volume of Medicaid services provided

DSH Allotment Increase

- For FY 2009, the DSH allotment would be equal to 102.5% percent of the original 2009 allotments
- For FY 2010, the DSH allotment would be 102.5% of the amount of the adjusted 2009 amount

Medicaid Regulations Moratorium

- Extends the moratorium through June 30, 2009 on 3 Medicaid final regulations: targeted case management; provider taxes; and school-based administration and transportation services
- Adds a moratorium for the final outpatient hospital services regulation through June 30, 2009
- Provides a “Sense of Congress” that the Administration should not finalize proposed regulations for cost limits to certain providers, graduate medical education, or rehabilitative services



Beyond Medicaid

- Provides for premium reductions and additional election opportunities for health benefits under COBRA.
- Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider through a tax credit.
- The premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts for up to nine months for those eligible for COBRA during the period beginning September 1, 2008 and ending December 31, 2009 due to an involuntary termination of employment that occurred during that period.

FY 2009 Omnibus Spending Bill & the President's FY 2010 Budget Blueprint

- 2009/2010 Omnibus/Budget overview
- Budget Blueprint
 - sets aside \$630 billion for health care reform
 - Roundtable with industry leaders held in March 2009
 - Upcoming roundtable with state and local leaders:
TBA
 - Increases Medicaid drug rebate programs, availability of family planning services
 - Creates Medicaid & Medicare demonstration projects
 - Proposes to evaluate and modernize the disability definition for SSA (and Medicaid) and asset limits