

## **Medicaid and Health Care Reform**

### **Summary of Position Paper Approved by the ACP Board of Regents, April 2011**

#### **How Will Medicaid Change under Health Reform?**

Medicaid is a joint federal and state safety net program that provides vital health services to vulnerable populations that qualify based on certain categorical and income criteria such as being poor or disabled. States determine eligibility for enrollment subject to federal regulations, but there is great variation in income eligibility levels, covered benefits, and reimbursement rates among the states.

In 2014, the Patient Protection and Affordable Care Act (ACA) will expand access to Medicaid regardless of categorical eligibility so that anyone whose income is below 133% of the federal poverty level (FPL) will be eligible for coverage. The ACA will also increase payments to Medicare rates in 2013 and 2014 for certain services provided by primary care physicians. There are also changes in federal funding, prescription drug pricing, and payments to hospitals.

#### **What Impact Will This Have?**

This change will greatly expand access to the Medicaid program, potentially increasing program enrollment by over 16-18 million. Ten states may see Medicaid enrollment increase by 50%.

The law will dramatically alter the landscape of health care coverage and delivery. While more uninsured Americans will have access to coverage under Medicaid, the system will likely continue to face challenges involving financing, delivery system reform, and the health care workforce.

#### **Key Findings and Recommendations from the Paper**

ACP will continue to focus on analyzing and encouraging effective models to redesign how care is delivered, financed, and reimbursed under Medicaid to:

- Provide more value for the services provided;
- Ensure access to physicians;
- Create a more viable long-term financing mechanism; and
- Address how long-term care should be improved and financed.

ACP recommends the following:

- The Medicaid program should continue to serve as the coverage foundation for low-income individuals. States and the federal government must work together to reduce enrollment barriers and adopt policies that will result in a stronger patient-physician relationship. Medicaid payments to physicians and health care facilities should reflect the cost of providing services, and Medicaid resources must be allocated in a prudent manner that emphasizes evidence-based care and reduces inefficiencies. Medicaid

should be held accountable for adopting policies and projects that improve quality of care and health status.

- In the case of long-term care, Medicaid beneficiaries should be offered more flexibility to choose among alternatives to nursing home care.
- Federal and state stakeholders must work together to streamline and improve the Medicaid waiver process to test new and existing methods of delivering and paying for health care services.
- States' efforts to reform their Medicaid programs should not result in reduced access to care for patients, and should ensure access to innovative delivery system reforms like the patient-centered medical home.
- Congress should increase the amount of federal Medicaid dollars that go to the program during economic downturns, since more people rely on the Medicaid program when faced with unemployment.
- Medicaid program stakeholders should consider alternative financing structures to ensure solvency, high quality of care, and uninterrupted access for beneficiaries, while alleviating the program's financial pressure on states.

### **For More Information**

This issue brief is a summary of *Medicaid and Health Care Reform*. The full paper is available at [http://www.acponline.org/advocacy/where\\_we\\_stand/policy/reform\\_medicaid.pdf](http://www.acponline.org/advocacy/where_we_stand/policy/reform_medicaid.pdf).