THE HENRY J. KAISER FAMILY FOUNDATION

THE KAISER COMMISSION ON
Medicaid and the Uninsured

Implementing Coverage and Payment Initiatives:
Findings from the Annual Kaiser 50-State Medicaid Budget Survey

Robin Rudowitz
Associate Director, Kaiser Commission on Medicaid and the Uninsured
The Henry J. Kaiser Family Foundation

Vern Smith
Senior Fellow
Health Management Associates

Washington, DC
October 13, 2016

Figure 2

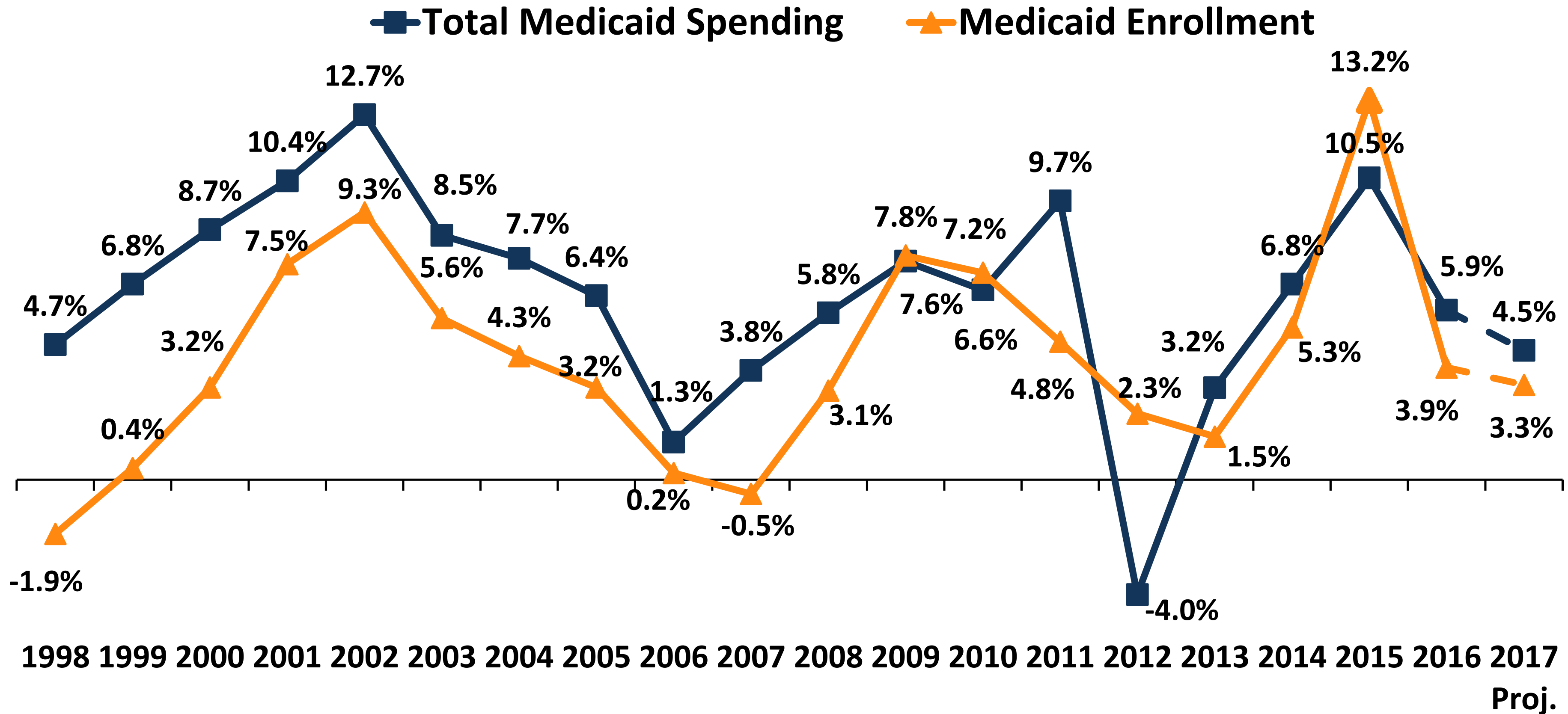
Today we are releasing 3 reports that draw on findings from our 16th annual survey of Medicaid Directors.

- 16th Annual Survey of Medicaid directors in all 50 states and DC
- Conducted in July and August 2016
- Study findings and other research used for 3 reports
  - ***Medicaid Enrollment & Spending Growth: FY 2016 & 2017*** provides an analysis of national trends in Medicaid enrollment and spending;
  - ***Implementing Coverage and Payment Initiatives***, jointly released with NAMD, provides a detailed look at the policy and program changes in Medicaid programs across all states; and
  - ***Putting Medicaid in the Larger Budget Context: An In-Depth Look at Four States in FY 2016 and 2017*** uses case studies to examine Medicaid programs in Maryland, Montana, New York, and Oklahoma

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 3

Recessions and the implementation of the ACA resulted in peaks in total Medicaid spending and enrollment.

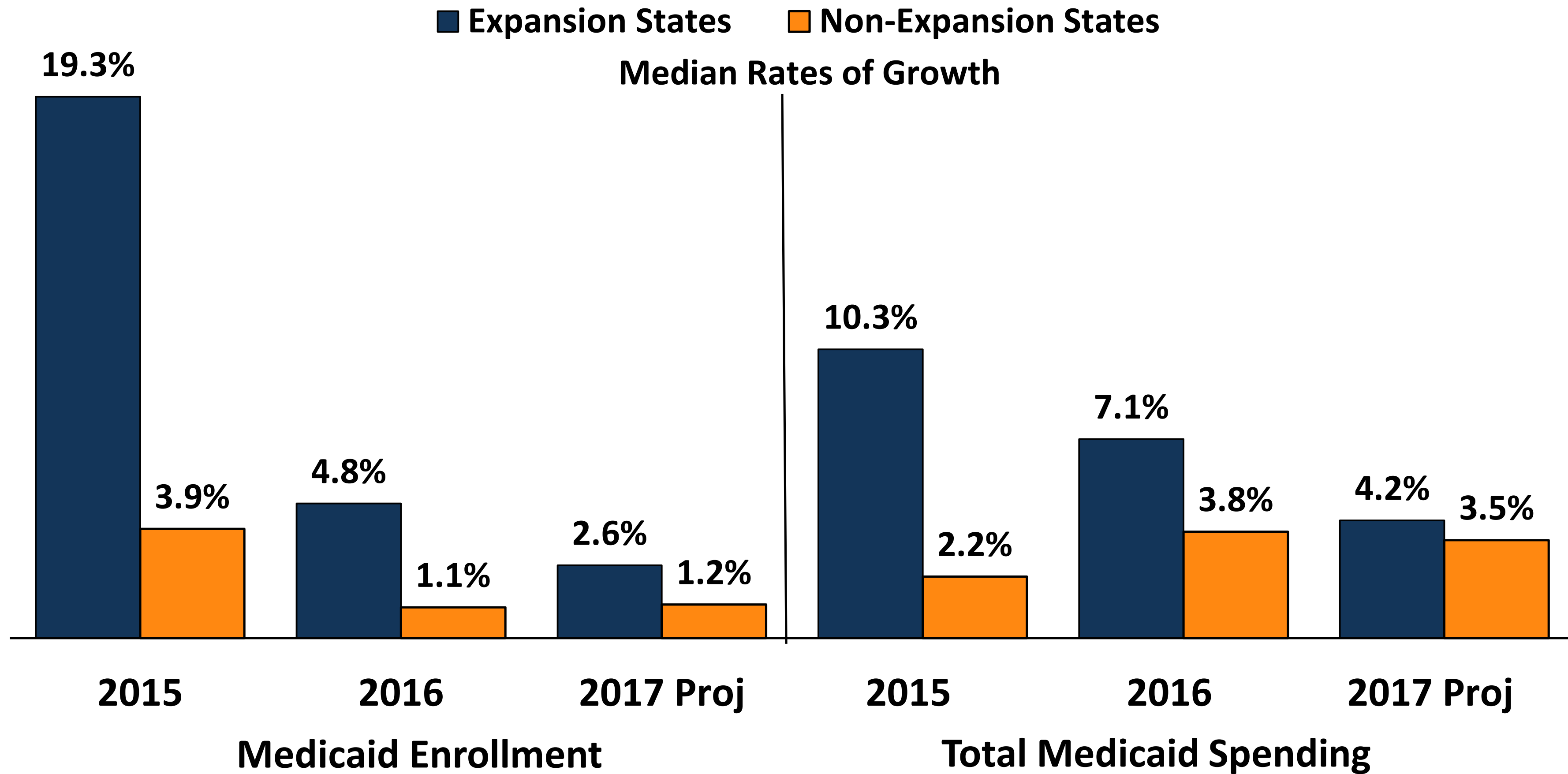


NOTE: For FY 1998-2013, enrollment percentage changes are from June to June of each year. FY 2014-2016 reflects growth in average monthly enrollment. Spending growth percentages refer to state fiscal year. FY 2017 data are projections based on enacted budgets.
SOURCE: Kaiser Family Foundation, *Medicaid Enrollment & Spending Growth: FY 2016 & FY 2017*; October 2016, available at: http://kff.org/medicaid/issue-brief/putting-medicaid-in-the-larger-budget-context-an-in-depth-look-at-four-states-in-fy-2016-and-fy-2017.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 4

Medicaid enrollment and total spending growth for expansion and non-expansion states are slowing in FY 2016 and projected to slow in 2017.

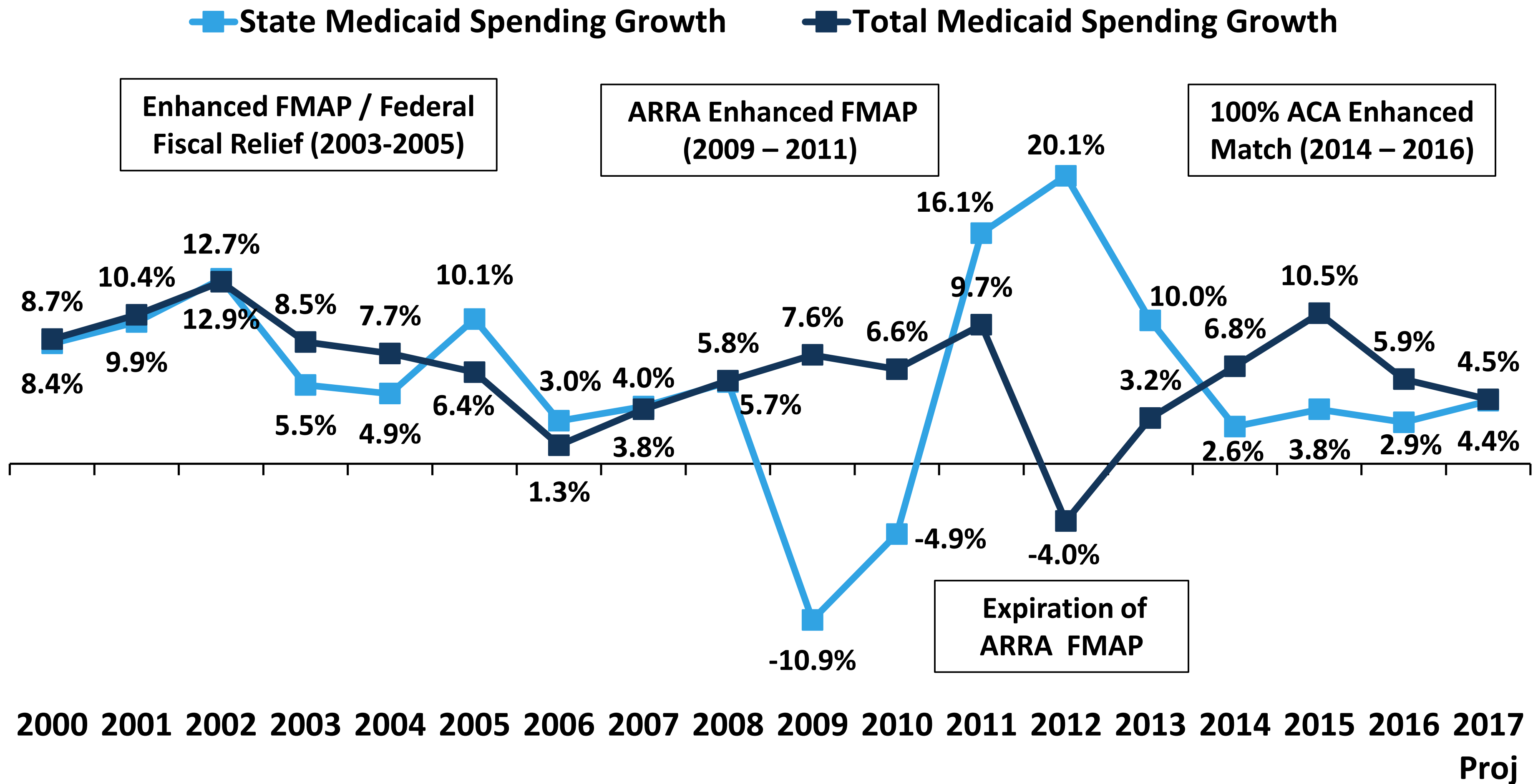


NOTE: Percentages reflect the median percent change for each group of states for each year. FY 2017 growth reflects projections in enacted budgets. In FY 2016, Alaska and Montana moved and in FY 2017, Louisiana moved to the expansion state group.
SOURCE: Kaiser Family Foundation, *Medicaid Enrollment & Spending Growth: FY 2016 & FY 2017*; October 2016, available at: http://kff.org/medicaid/issue-brief/putting-medicaid-in-the-larger-budget-context-an-in-depth-look-at-four-states-in-fy-2016-and-fy-2017.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 5

Growth in total and state share of Medicaid spending is generally parallel, except when statutory changes impact FMAP.



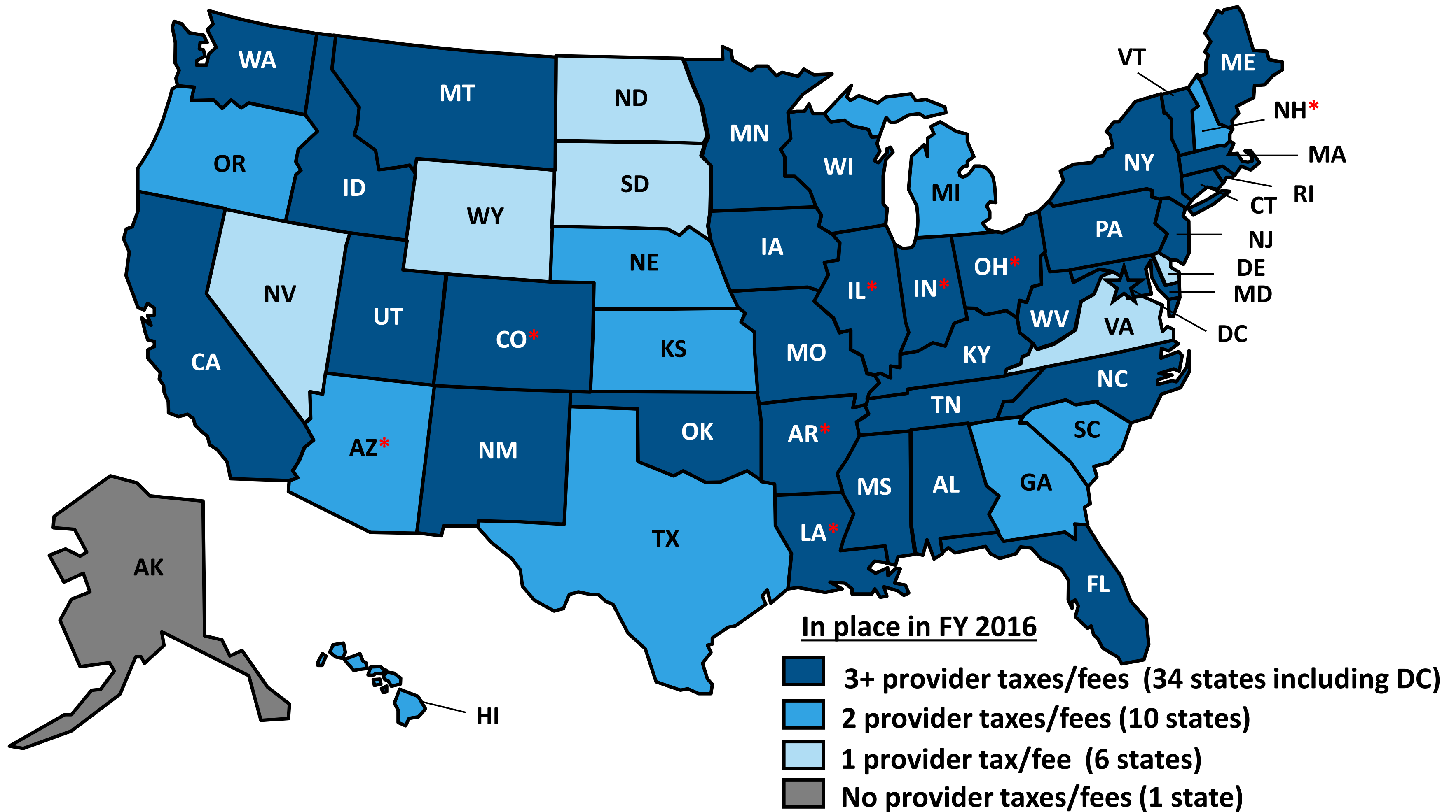
NOTE: FY 2017 projections based on enacted budgets. State spending for FY 2000-2015 includes all non-federal spending. State Medicaid spending for FYs 2016 - 2017 refers to state spending, largely general fund.

SOURCE: Kaiser Family Foundation, *Medicaid Enrollment & Spending Growth: FY 2016 & FY 2017*; October 2016, available at: http://kff.org/medicaid/issue-brief/putting-medicaid-in-the-larger-budget-context-an-in-depth-look-at-four-states-in-fy-2016-and-fy-2017.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 6

At least 8 states reported plans to use provider taxes to finance the state share of Medicaid expansion costs.



NOTES: Includes Medicaid provider taxes as reported by states. States may have other taxes on health insurance premiums or health insurance claims that are not reflected here. * Indicates states reporting plans to use provider taxes or fees to fund all or part of the state share of ACA Medicaid expansion costs beginning in January 2017. SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 7

The "Implementing Coverage and Payment Initiatives" report focuses on the key Medicaid policy areas:

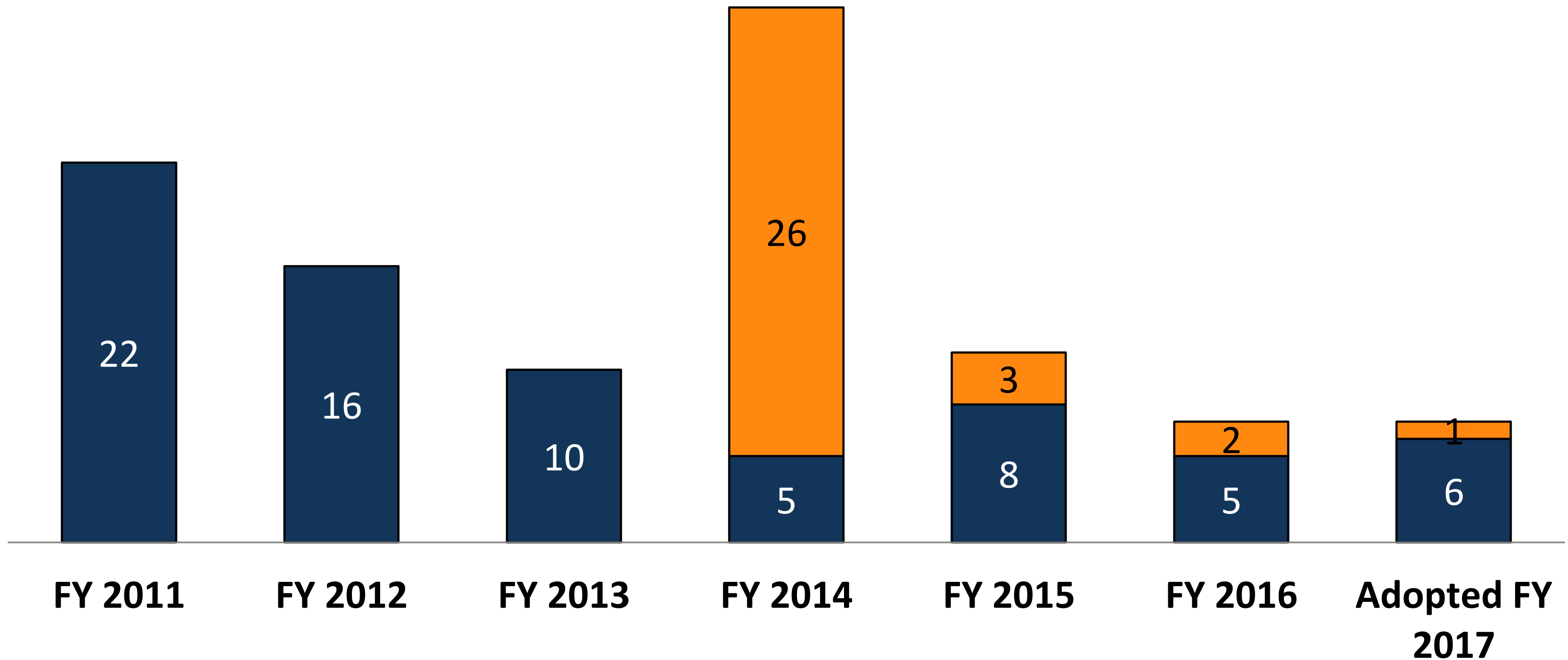
- Traditional Medicaid Policy Actions
  - Eligibility changes
  - Provider payment rates
  - Benefit changes (including prescription drugs)
  - Long Term Services and Supports (LTSS)
- Delivery System and Payment Initiatives
  - Managed care
  - Payment and delivery system reforms
- Medicaid Challenges and Priorities for 2017

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 8

Since 2014, 32 states adopted the ACA Medicaid expansions, plus a few states made targeted eligibility changes.

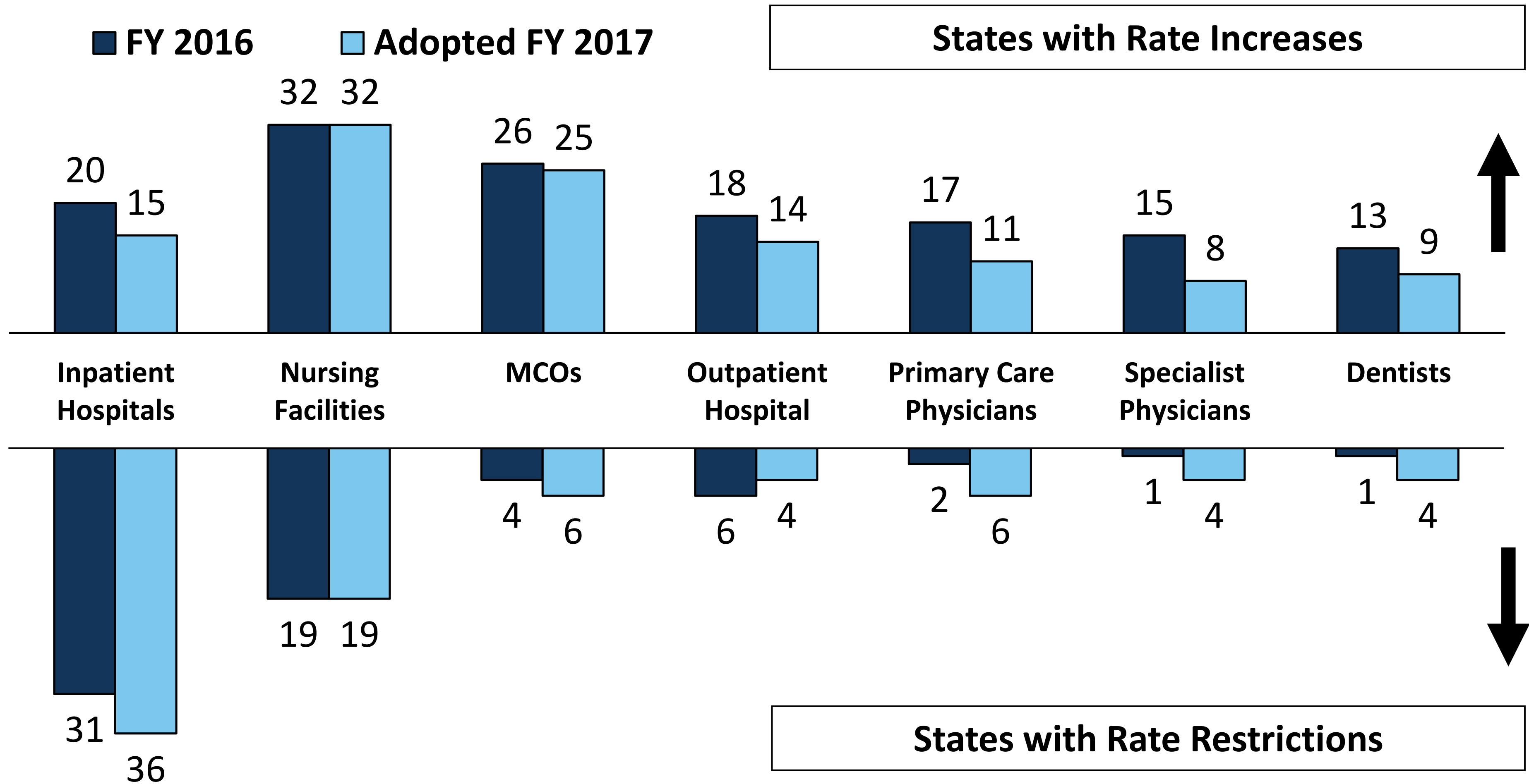


SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 9

States were most likely to increase payment rates for MCOs and nursing facilities.

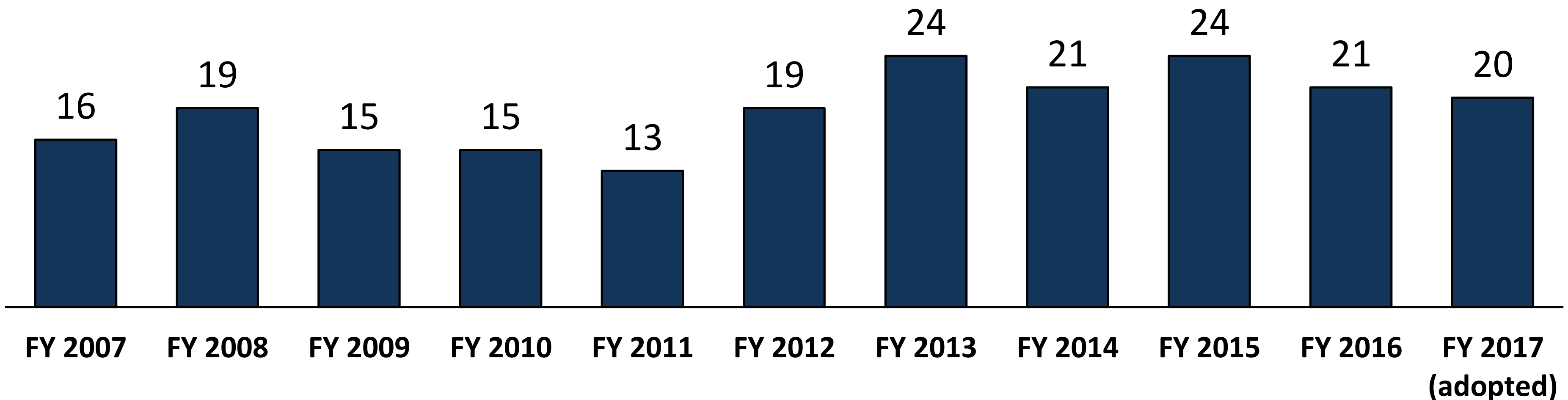


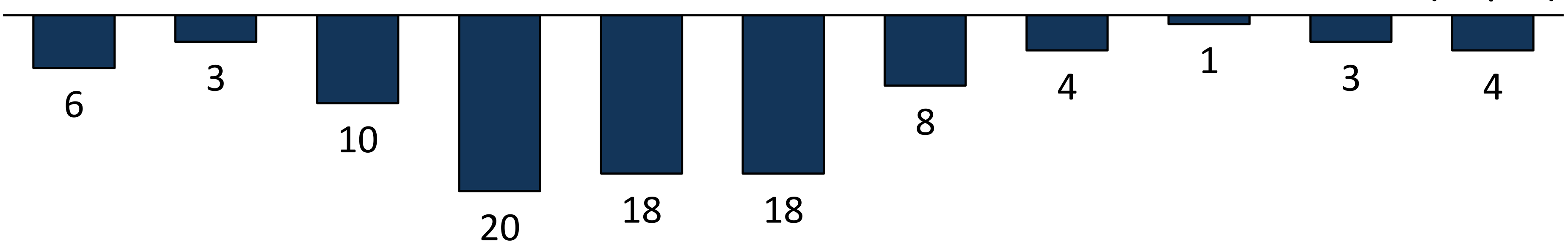
NOTES: Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or hospitals. FY 2017 rates had not been determined for MCOs in Florida or Minnesota at the time of the survey. Illinois did not provide a response for any FY 2017 rates as a budget for FY 2017 had not been enacted at the time of the survey. SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 10

Benefit enhancements in FY 2016 and planned for FY 2017 were most commonly reported for behavioral health / substance use disorder services.





NOTES: States were asked to report benefit restrictions, eliminations, enhancements, and additions in FY 2016 and FY 2017. Excluded from these changes are the implementation of alternative benefit plans for the Medicaid expansion group. Home and community-based services (HCBS) and pharmacy benefit changes are also excluded.

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 11

States are focused on pharmacy cost-containment, but also efforts to address the opioid epidemic.

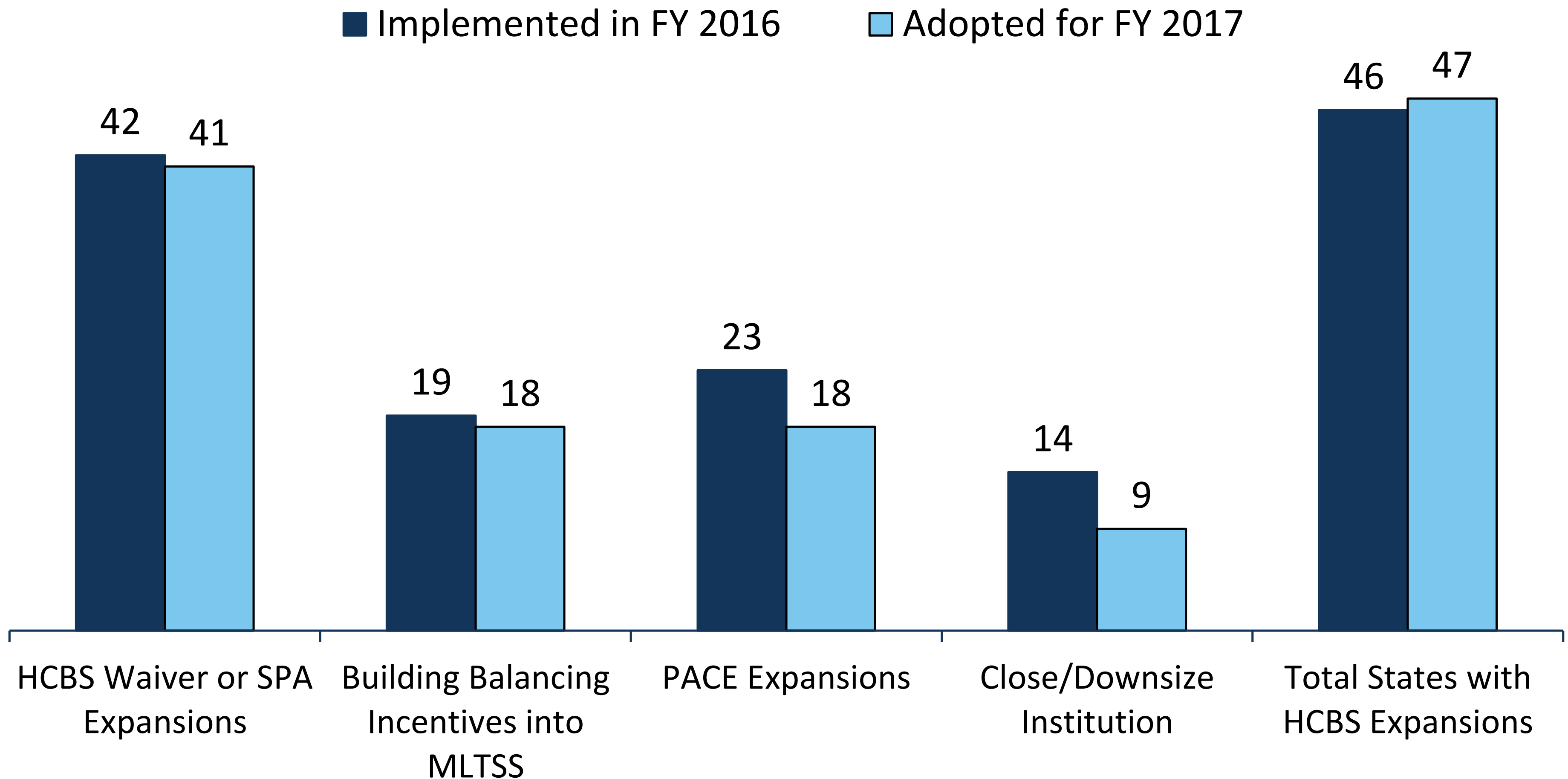
- 31 states in FY 2016 and 23 in FY 2017 reported implementing or plans to implement pharmacy cost containment efforts.
- Most states with MCOs carve drugs into capitation payments.
- Nearly all states reported specific opioid-focused pharmacy management policies. Activity is increasing, but most states had policies in place in FY 2015:
  - Quantity limits (46 states)
  - Use of prior authorization (45 states)
  - Required use of Prescription Drug Monitoring Programs (12 states)
  - Expanded access to naloxone (26 states)

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 12

Almost every state is expanding community-based LTSS.

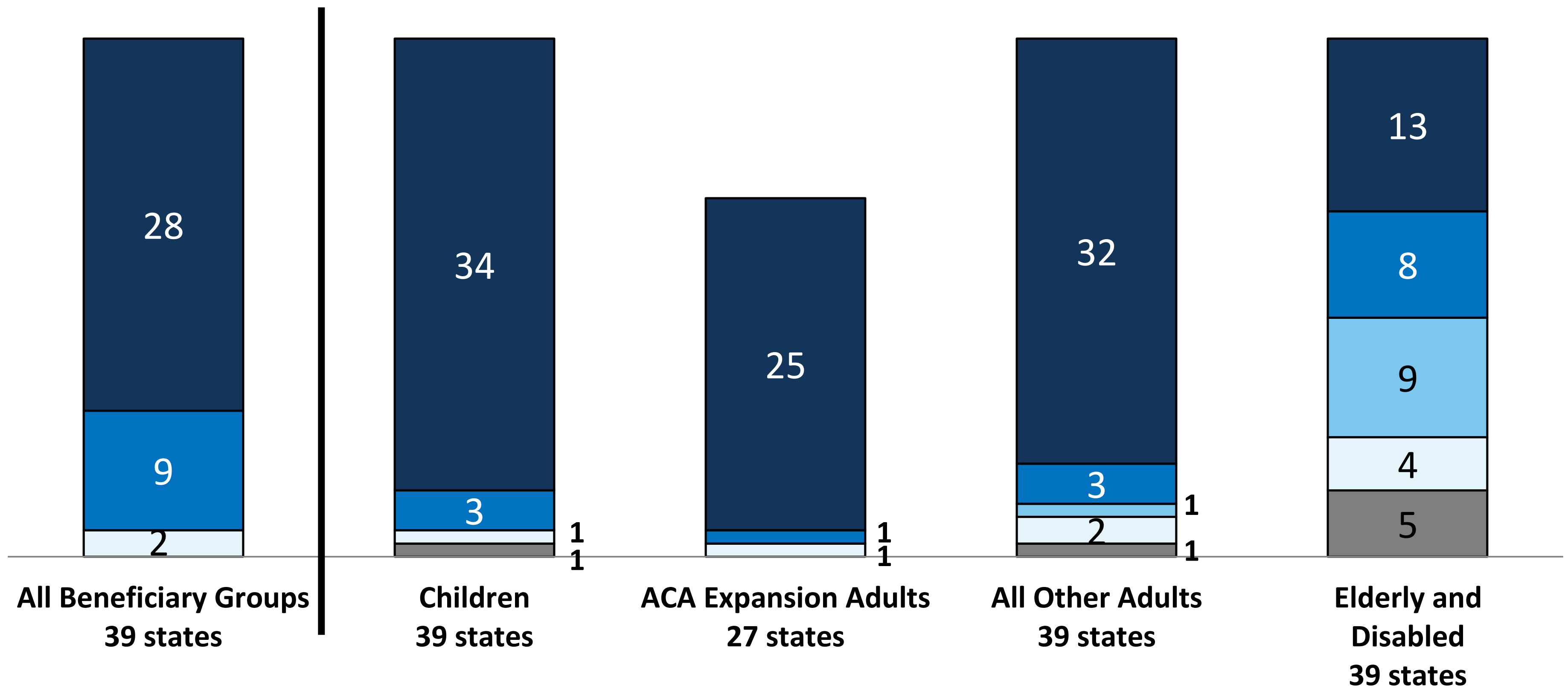


NOTES: "HCBS Waiver or SPA Expansion" includes increases to the number of Section 1915(c) waiver slots, serving more people under existing waiver caps, or the addition of Section 1915(i) or Section 1915(k) state plan options to serve more individuals.
SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 13

In 28 states, at least 75% of all Medicaid beneficiaries are in an MCO.

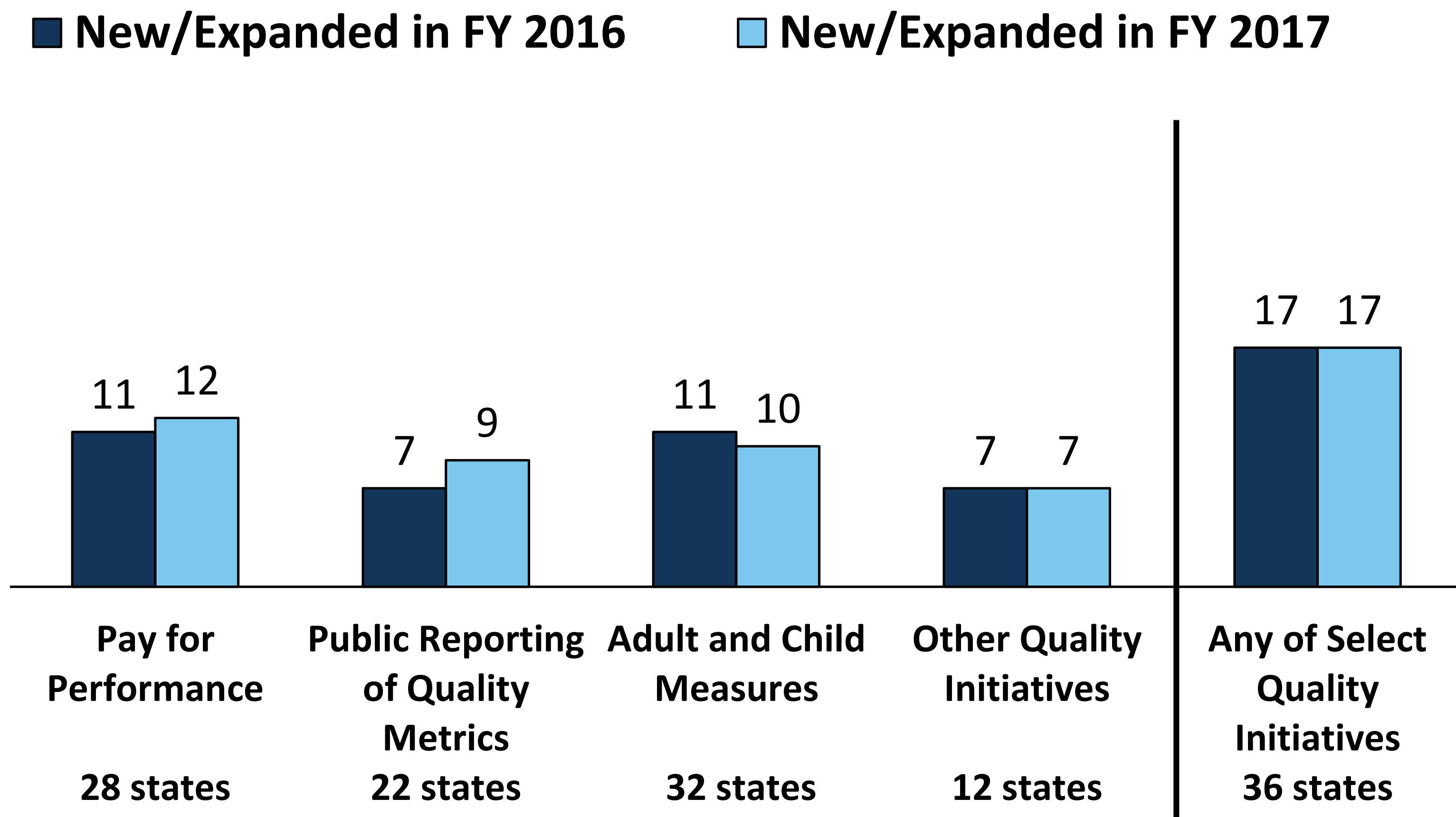


NOTES: Limited to 39 states with MCOs in place on July 1, 2016. Of the 32 states that had implemented the ACA Medicaid expansion as of July 1, 2016, 27 had MCOs in operation. SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 14

17 states implemented new or expanded quality initiatives in MCOs in FY 2016, and 17 plan to do so in FY 2017.

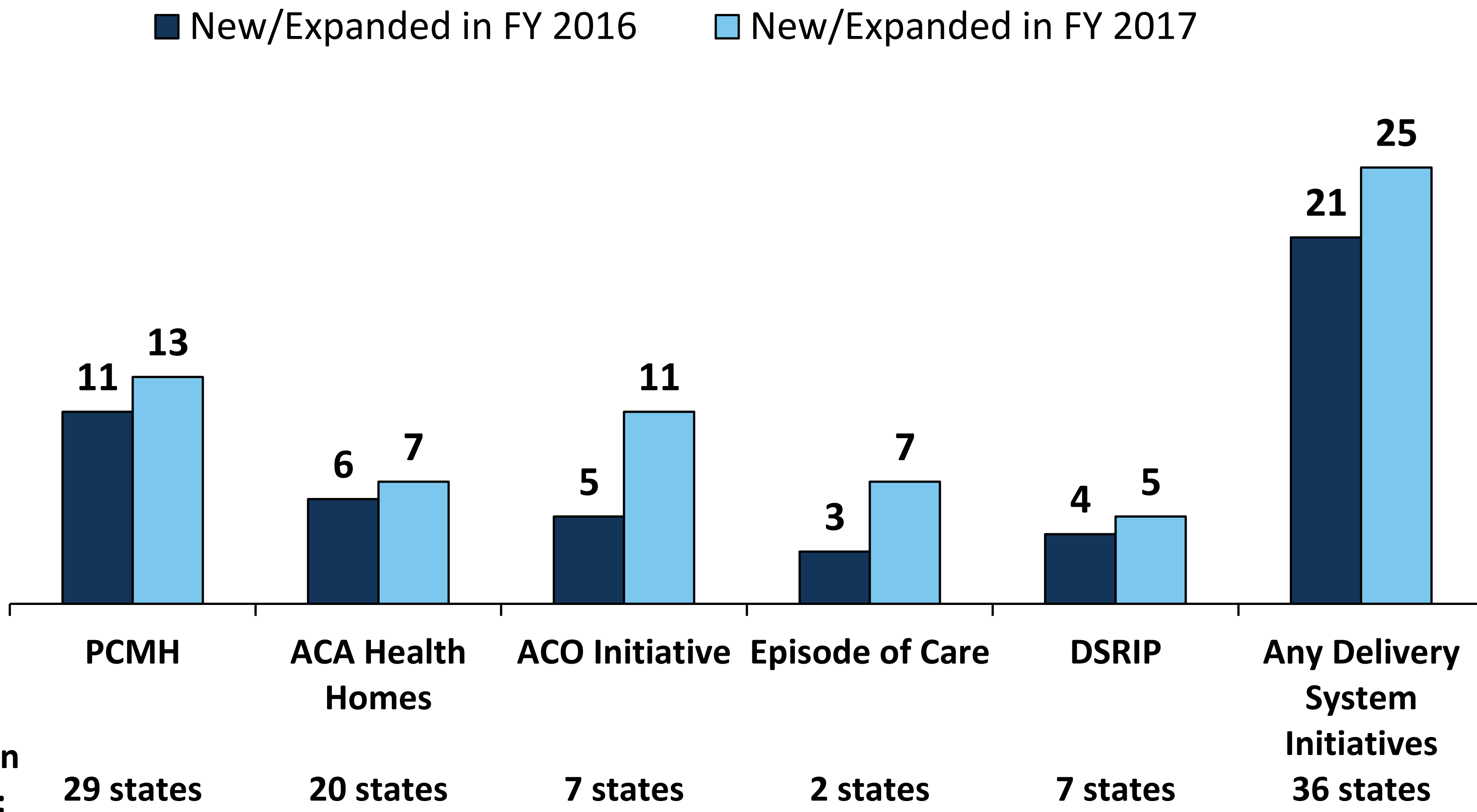


NOTES: States with MCOs indicated if selected quality initiatives were in place in FY 2015, new or expanded in FY 2016 or FY 2017.
SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 15

21 states implemented an array of delivery system initiatives in FY 2016 and 25 states plan to do so in FY 2017.



NOTES: Expansions of existing initiatives include rollouts of existing initiatives to new areas or groups, and other increases in enrollment or providers.

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION

Figure 16

Looking ahead, Medicaid priorities are focused on an array of strategies aimed to target populations to achieve broad state goals.

Strategies	Populations	Goals
Integration Physical and Behavioral Health	Seriously Mentally Ill	Cost Containment
Opioid Harm Reduction	Criminal Justice Involved	Increase Access
Value Based Purchasing	Elderly and Disabled	Improved Outcomes
Focus on Social Needs	Duals	Improved Population Health
Managed Long-Term Care		
ACO, Episode of Care, Health Homes, DSRIP		

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2016.

THE HENRY J. KAISER FAMILY FOUNDATION