

Medicaid Programs Focus on Delivery Systems, Benefits, and Reimbursement Rates

Findings from the Annual Medicaid Budget Survey
November 2023



The independent source for health policy research, polling, and news.

Today, we are releasing 2 reports that draw on findings from our 23rd annual survey of Medicaid directors.

- Surveyed Medicaid directors (48 responding states, including DC)
- Conducted in July-September 2023
- Study findings and other research in 2 reports:
 - *Medicaid Enrollment and Spending Growth Amid the Unwinding of the Continuous Enrollment Provision: FY 2023 & 2024*, provides an analysis of national trends in Medicaid enrollment and spending
 - *Amid Unwinding of Pandemic-Era Policies, Medicaid Programs Continue to Focus on Delivery Systems, Benefits, and Reimbursement Rates*, jointly released with NAMD, provides a detailed look at the policy and programmatic changes in Medicaid programs across states

Panelists and Presenters



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Jennifer Strohecker

Medicaid Director, Utah Department of Health and Human Services

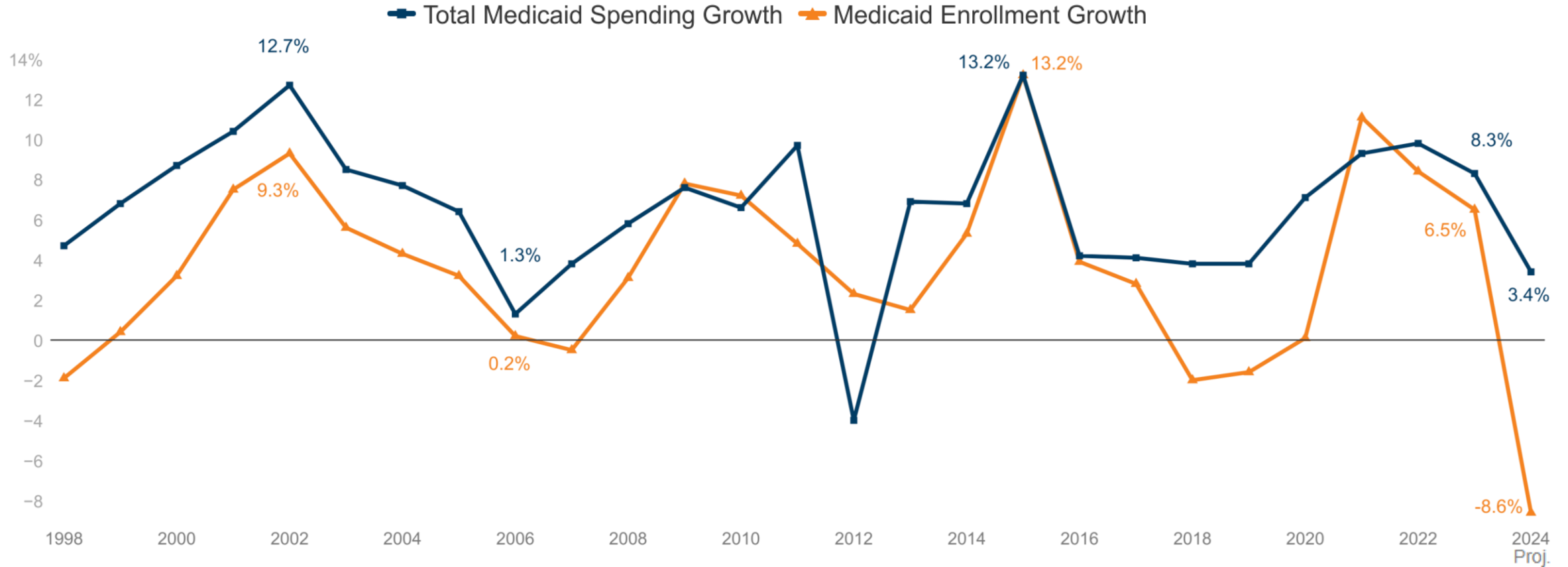


Kate McEvoy

Executive Director of the National Association of Medicaid Directors

Figure 3

Enrollment is expected to decline in FY 2024 as the unwinding continues, leading to slowing total spending growth.

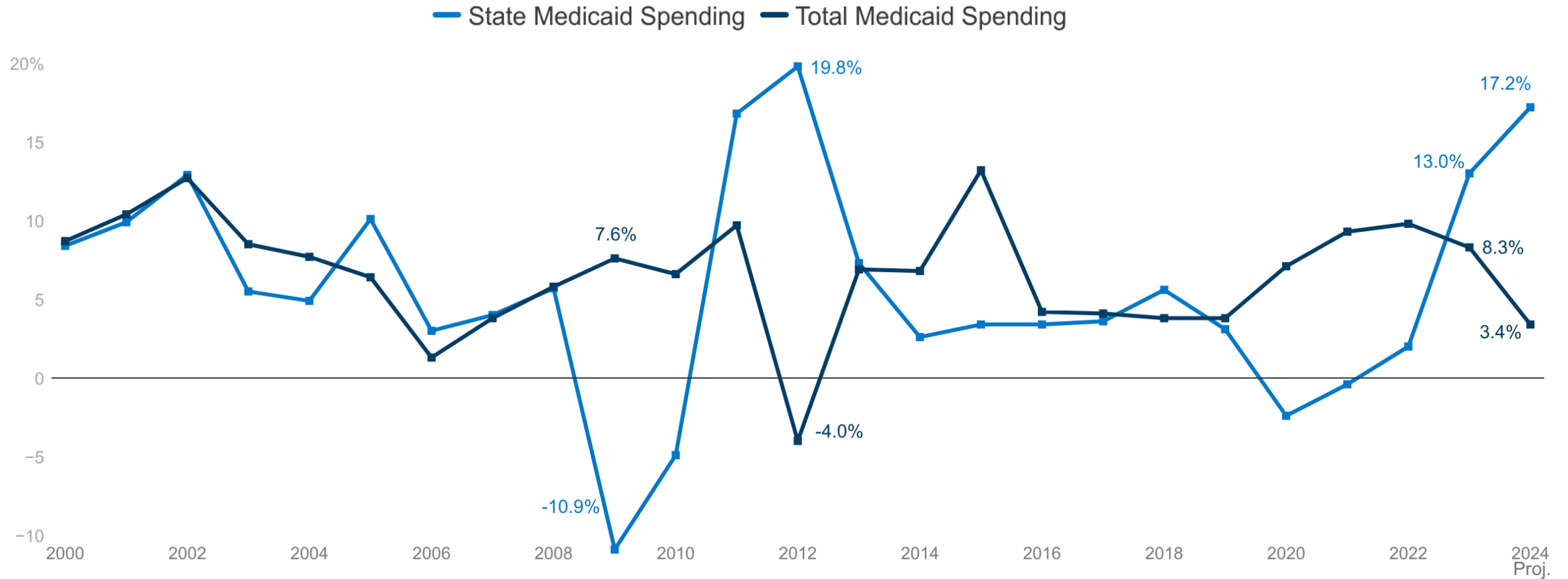


NOTE: Growth percentages refer to state fiscal year (FY). FY 2024 projections based on enacted budgets.

SOURCE: KFF annual Medicaid budget survey, November 2023. See Methods of “Medicaid Enrollment and Spending Growth Amid the Unwinding of the Continuous Enrollment Provision: FY 2023 & 2024” for more information.

Figure 4

The state share of Medicaid spending is expected to increase as the enhanced federal matching funds phase out.

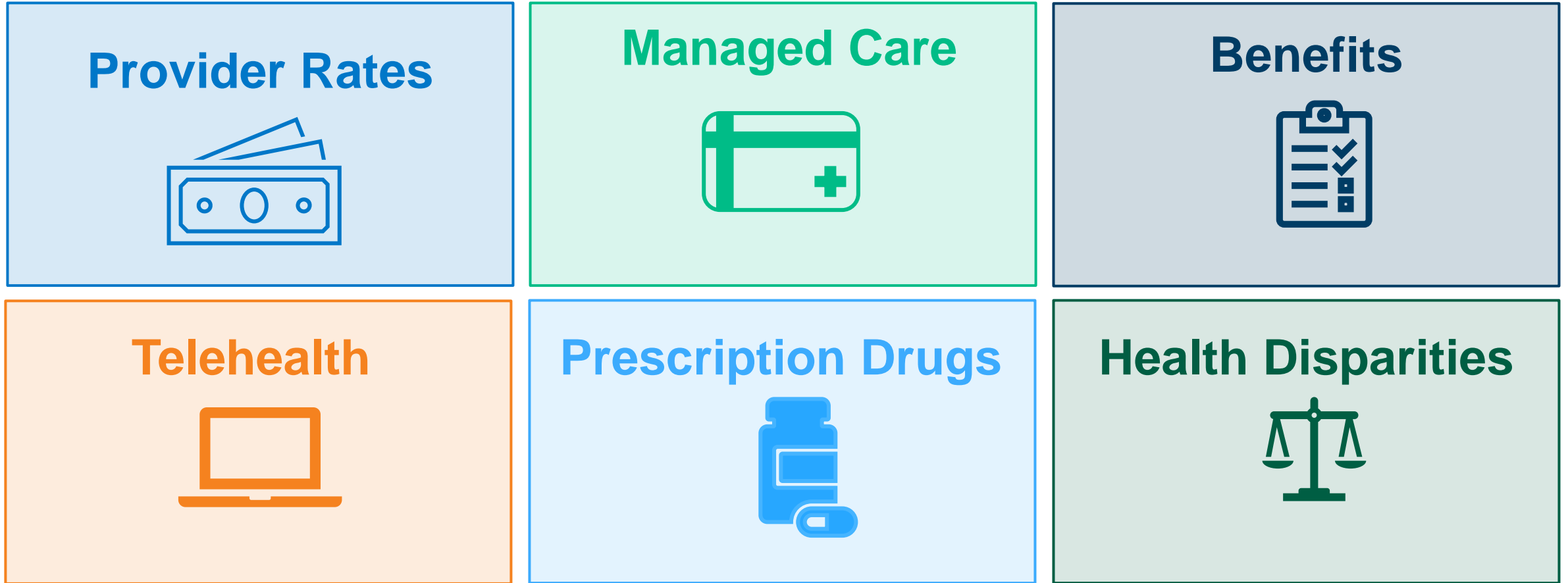


NOTE: Growth percentages refer to state fiscal year (FY). FY 2024 projections based on enacted budgets.

SOURCE: KFF annual Medicaid budget survey, November 2023. See Methods of “Medicaid Enrollment and Spending Growth Amid the Unwinding of the Continuous Enrollment Provision: FY 2023 & 2024” for more information.

Figure 5

The 2023-2024 Medicaid budget survey reveals key themes beyond unwinding in these topic areas.



SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 6

States reported fee-for-service rate increases for nursing facilities and HCBS providers more than for other provider categories.

FFS Provider Rate Increases Adopted for FY 2024



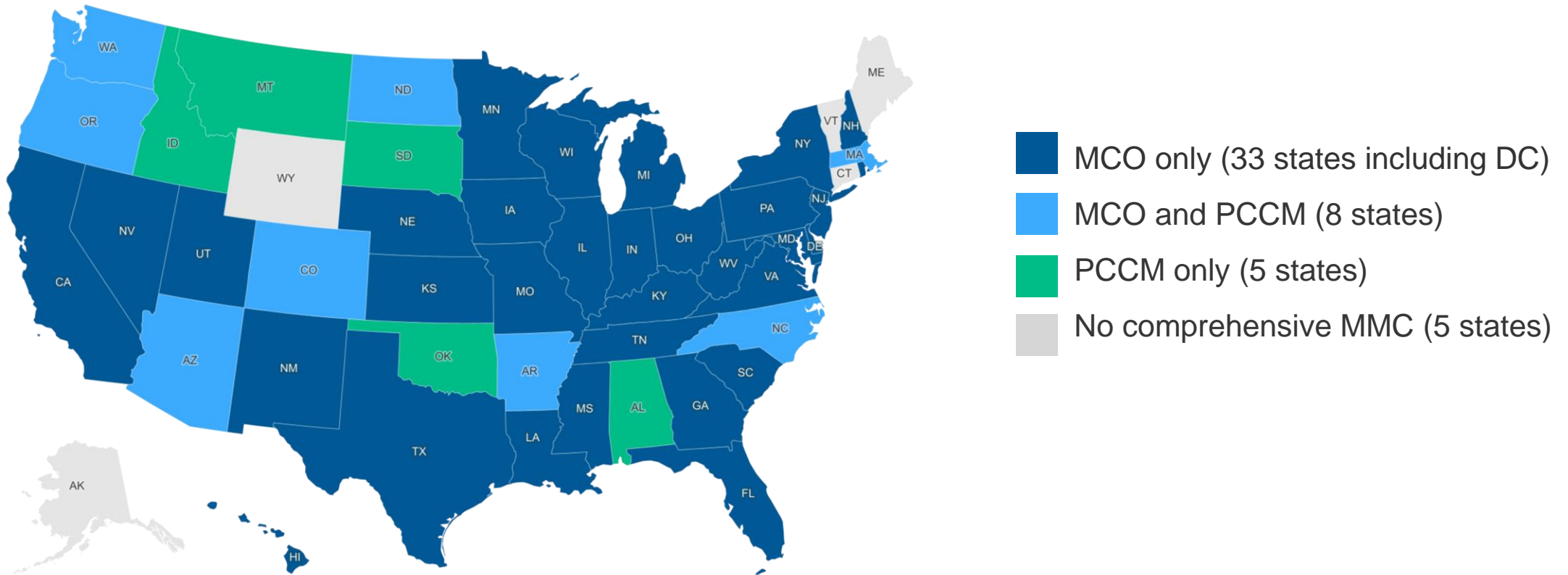
NOTE: HCBS = home and community-based services. Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or inpatient hospitals. FL, MN, and SC did not respond to the 2023 survey.

SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 7

Capitated managed care remains the predominant delivery system for Medicaid in most states.

Comprehensive Medicaid Managed Care Models in States as of July 1, 2023



NOTE: Publicly available data used to verify status of states that did not respond to the 2023 survey (FL, MN, SC).

SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 8

Nearly two-thirds of MCO states reported implementing “risk corridors” to manage pandemic-related uncertainty.

States Implementing a Pandemic-Related MCO Risk Corridor and Recouping MCO Payments Made for 2020, 2021, or 2022

	# of States	States
States imposing a pandemic-related risk corridor	23	CA, GA, HI, IA, IL, IN, KS, LA, MA, MD, MI, MS, NC, ND, NH, NJ, NV, NY, OH, TN, VA, WI, WV
	# of States (n = 23)	States
States that have recouped or expect to recoup	18	HI, IA, IL, IN, KS, LA, MA, MD, MI, MS, NH, NJ, NV, NY, OH, TN, VA, WI
States where recoupment undetermined	3	CA, NC, WV
States that have not and do not expect to recoup	2	GA, ND

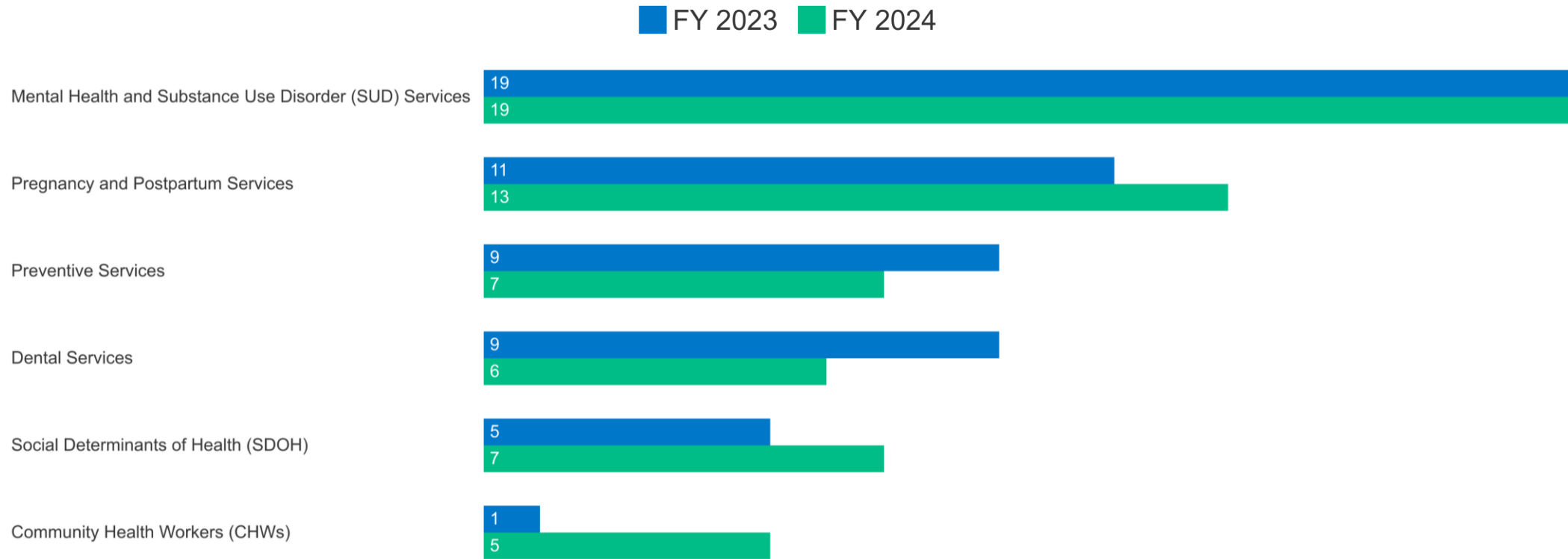
NOTE: FL, MN, and SC did not respond to the 2023 survey. WA did not provide a response to this survey question.

SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 9

Almost all reported benefit changes were expansions, with mental health / SUD expansions the most common.

Select Categories of Benefit Enhancements or Additions, FYs 2023 - 2024



NOTE: SUD = substance use disorder. FL, MN, and SC did not respond to the 2023 survey.

SOURCE: KFF annual Medicaid budget survey, November 2023

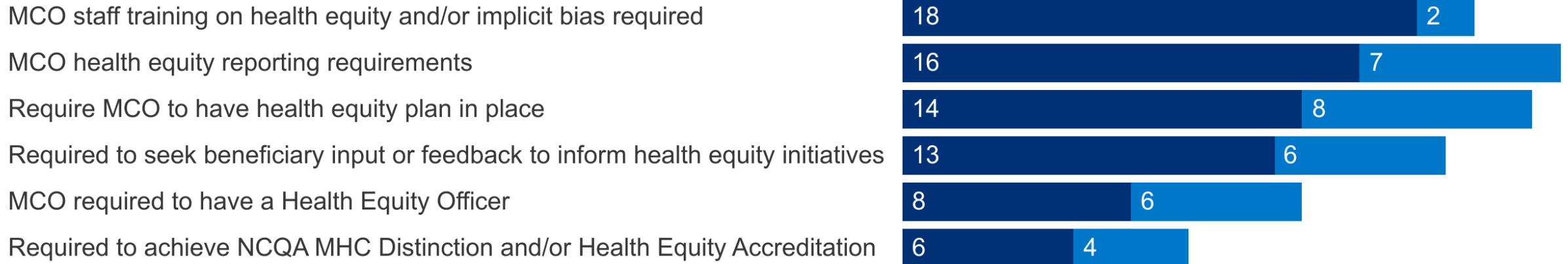
Figure 11

In FY 2024, 29 states are expected to have at least one MCO requirement related to reducing health disparities in place.

MCO Requirements Related to Reducing Disparities, FYs 2023 - 2024

■ In Place in FY 2023 ■ Plan to Require in FY 2024

Specified MCO Requirements Related to Reducing Disparities



NOTE: n = 36 MCO states. Response rates per policy varied.

SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 12

Beyond unwinding the continuous enrollment provision, states reported other key challenges and priorities.



SOURCE: KFF annual Medicaid budget survey, November 2023