

*Medicaid Block Grants and Per Capita Allocations



Impacts on Wisconsin and people with disabilities

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- * States are required to provide certain services under Federal Medicaid law
- * States can choose to provide additional optional services
- * Wisconsin provides almost all optional services
- * All services provided by Family Care and IRIS are optional Medicaid Services (HCBS waiver)
 - * The next two slides list services states must provide (Mandatory services) and optional services states can choose to provide.

*** How does Medicaid work now?**

Mandatory Medicaid Services

- Inpatient hospital services
- Outpatient hospital services
- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) (for kids)
- **Nursing facility services***
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner Services
- Freestanding Birth Center services
- Transportation to medical care
- Tobacco cessation counseling for pregnant women
- Tobacco Cessation



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Optional Medicaid Services

- Prescription drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehab services
- Podiatry services
- Optometry services
- Dental services
- Dentures
- Prosthetics
- Eyeglasses
- Chiropractic services
- Private duty nursing services
- Personal care
- Hospice
- Case management
- Services for Individuals Age 65 + in an IMD
- Other services approved by the Secretary
- TB Related Services
- Inpatient psychiatric services for individuals under age 21
- Services in ICF/ID
- Home and Community-Based Waivers – 1915(c)*
- State Plan Home and Community Based Services -1915(i)*
- Self-Directed Personal Assistant Services -1915 (j)*
- Community First Choice Option - 1915 (k)*



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- * The federal government pays ~60% of whatever it costs to provide services to people in a Medicaid program (like Family Care or IRIS). The state pays the remaining 40%.
- * Medicaid funding expands to cover more people if needed, and contracts if fewer people need services.
- * Currently if a person meets the eligibility requirements (generally poverty, age, and/or disability), he or she is entitled to the services available under the state Medicaid program.



* How does Medicaid work now?

- * Medicaid offers critical supports that are not available or accessible on the private market to:
 - * children,
 - * older adults,
 - * people with physical disabilities,
 - * people with intellectual/developmental disabilities,
 - * people with mental health conditions,
 - * and low-income working adults.
- * Children are the largest population of people in Wisconsin Medicaid programs (about 50%)
- * People with disabilities are in all of Wisconsin's Medicaid programs (not just long term care)

*** (Medicaid) Populations**

Family Care/Managed Long-Term Care	Children's Long Term Support Program
IRIS - Self-Directed Long-Term Care	Katie Beckett Program
CIP/COP (Long-Term Care Waivers)	Comprehensive Community Services
Family Care Partnership	Community Support Program
PACE	Community Recovery Services
Personal Care services (through Medicaid)	Targeted Case Management
Elderly Blind Disabled (EBD) Medicaid or Social Security(SSI) Medicaid	SeniorCare
Medical Assistance Purchase Plan (MAPP)	Wisconsin Chronic Disease program
Wisconsin Well Woman program	Family Planning Only Services program
BadgerCare	Services provided using a Wisconsin Forward Health card

 **Wisconsin Medicaid Programs**

- * Block grants would give states a fixed amount of money to spend on Medicaid services and programs.
- * If costs exceed the amount from the federal government, states could use state money to cover extra costs.
- * Or states could make decisions to reduce Medicaid costs, so only block grant money pays for Medicaid programs.



* Medicaid Block grant proposal

- * **Do** restrict the amount of funding provided to states for Medicaid.
 - * Analysis of previous Medicaid Block grant proposals estimate a 35-40% reduction in Federal Medicaid funding to states
- * **Do** pass decisions on whether to provide extra funding or cut Medicaid to states.
- * **Do not** guarantee states will receive enough funds to cover people currently in Medicaid, or meet changing needs of a population
- * **Do not** give states more flexibility. States have incredible flexibility already by using Medicaid waivers.
- * **Do not** adjust or account for rising health care or prescription costs or changing needs of the state population
- * **Do not** account for downturns in the economy or disease outbreaks

* **Block Grants do and do not...**

- * **To reduce Medicaid spending, states could:**
 - * Limit or eliminate some services or supports
 - * Establish wait lists for programs or services
 - * Establish “tiered” benefits for certain populations
 - * Restrict who is eligible for Medicaid
 - * eliminate coverage for whole populations or subpopulations
 - * Add requirements, like cost-sharing, for participants
 - * Eliminate entitlement to Medicaid
 - * Use prior authorization or other methods to reduce or restrict access to services
 - * Cut reimbursement rates for care providers
 - * Or other mechanisms to reduce Medicaid costs

*** What could Medicaid Block Grants mean for states and PWD?**

- * Governor Walker: Jan 9th letter to U.S. House Majority Leader requested Medicaid Block Grants to states.
- * Wisconsin DHS Medicaid Director Michael Heifitz presented on the high costs of covering the Elderly, Blind, and Disabled (EBD) Medicaid populations, and how the state might do a Medicaid Block Grant, per capita payments, or a hybrid that does not treat everyone the same. <http://www.wiseye.org/Video-Archive/Event-Detail/evhdid/11188#sthash.rZlI7tAn.dpuf> (starts minute 69:30)
- * Wisconsin Health News, panel including Assembly Health Committee Chair Rep. Joe Sanfelippo discussed the future of the Affordable Care Act and Medicaid: <http://www.wiseye.org/Video-Archive/Event-Detail/evhdid/11200#sthash.6hGBfqdl.dpuf>

* Wisconsin leaders on Medicaid Block Grants

- * Per capita allocation is another funding Medicaid mechanism that is being proposed by Congress.
 - * A Per Capita allocation awards states a set dollar amount per person enrolled in Medicaid to cover all Medicaid costs.
 - * Costs that exceed the per capita allocation would be born by states.
 - * States could chose to provide more state money to cover actual costs, or reduce Medicaid spending so the federal funds.
 - * Many of the questions and concerns that apply to Medicaid block grants are also applicable to a per capita allocation system

* Medicaid Per Capita Allocation proposal

- * **Do** restrict the amount of funding provided to states for Medicaid
 - * Analysis of previous Medicaid Per Capita allocation proposals estimates a reduction of Federal Medicaid funding to comparable to Medicaid Block Grants (35-40%)
- * **Do** mean that the amount of federal contribution increases if more people are enrolled in Medicaid programs.
- * **Do not** mean that the per capita allocation is sufficient to cover all Medicaid costs needed by an individual or a state Medicaid program as a whole.
- * **Do** pass decisions on whether to provide extra funding or cut Medicaid to states.
- * **Do not** adjust or account for rising health care or prescription costs or changing needs of individuals or populations (An individual with I/DD at 18 may not have the same needs at 45)
- * **Do not** account for higher cost individuals and populations with more complex needs
- * **Do not** automatically increase per capita allocations for individuals whose needs change or become more intense.

* **Per Capita Medicaid Caps Do and Do Not**

- * **To reduce Medicaid spending, states could:**
 - * Limit or eliminate some services or supports
 - * Establish wait lists for programs or services
 - * Establish “tiered” benefits for certain populations
 - * Restrict who is eligible for Medicaid
 - * eliminate coverage for whole populations or subpopulations
 - * Add requirements, like cost-sharing, for participants
 - * Eliminate entitlement to Medicaid
 - * Use prior authorization or other methods to reduce or restrict access to services
 - * Cut reimbursement rates for care providers
 - * Or other mechanisms to reduce Medicaid costs

* **What could Per Capita allocations mean for states and PWD?**