

How will health reform impact Medicaid?

Both the Senate Health, Education, Labor and Pensions (HELP) Affordable Choices Act and the House Tri-Committee H.R. 3200, seek to expand health insurance coverage to low-income Americans by expanding Medicaid.

Eligibility Expansion. The Senate version expands Medicaid to all individuals with incomes up to 150 percent of the federal poverty level (FPL). The House version expands Medicaid to all individuals up to 133 percent FPL. All individuals include children, pregnant women, parents, and adults without dependent children. This last group is currently not eligible for Medicaid and is the population served by county indigent programs under Section 17000 of the Welfare and Institutions Code.

State Sharing. The Senate version provides states with 100 percent federal funding through 2015 to cover the expansion. The House version funds the expansion with 100 percent federal financing through 2014 and 90 percent federal financing beginning in 2015.

The House version also reduces the Medicaid matching rate by 0.5 percent for states with above average reductions in uninsured.

Disproportionate Share Hospital (DSH) funding. The House version also reduces Medicaid DSH payments by \$6 billion in 2019. The largest percentage reductions to state DSH allotments would be imposed on states with the lowest uninsured rates and those do not target DSH payments.

Other provisions. The House includes numerous Medicaid provisions, including the following:

- Provides automatic Medicaid coverage to uninsured newborns for up to 60 days.
- Provides Medicaid coverage to tobacco cessation drugs and counseling services for pregnant women.
- Grants states the option of covering nurse home visitation services for first-time mothers and mothers of young children.
- Grants states the option of creating a coverage option for family planning services for categorically needy groups.
- Gives states the option of covering services provided at freestanding birth centers.
- Includes public health clinics under the Vaccines for Children program and provides states with 100 percent Medicaid matching funds to cover this group.
- Gives states the options of covering low-income persons with HIV under Medicaid; this option would sunset January 1, 2013.
- Extends Transitional Medical Assistance.
- Extends prescription drug discounts to Medicaid Managed Care enrollees.