



NASHIA Tip of the Month!

Understanding Medicaid in Your State

William A. B. Ditto, MSW, LSW
Chair, Public Policy Committee, NASHIA
Former Director, NJ Division of Disability Services

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"Getting to know you, getting to know all about you" is a line from an old song. When it comes to your state Medicaid agency, you should take the time to "know all about" it. *Why?* Because Medicaid can finance a range of services and supports for people with brain injuries!

Medicaid is a state and federal partnership program that provides medical assistance to individuals who have a low income or have insufficient funds to pay for necessary medical services. Starting as a federal program back in 1965 (Title XIX of the Social Security Act), the Medicaid program has expanded considerably in the past 49 years.

Each state has designed its own Medicaid program, with federal guidance, and is able to create its own eligibility standards and determine the services it will cover. The state also determines provider credentials and standards. Therefore in order to understand a state's Medicaid program you need to remember that it will be individualized. People like to say "you see one Medicaid program, you've seen one Medicaid program."

Individuals may qualify for Medicaid coverage in a number of ways. If income is low and assets few, the individual may receive Supplemental Security Income (SSI) and obtain Medicaid coverage as part of the benefit package. Individuals with low Social Security (SS) benefits may also qualify for "Medicaid only" in certain states. Under recently enacted legislation, some states now offer eligibility to individuals under a Medicaid Expansion program. For those individuals who qualify for nursing facility care (via clinical evaluation) the eligibility criteria are different. If they qualify financially for Medicaid, they turn over available income and the Medicaid covers the difference between the cost of care and the person's income (less a modest personal needs allowance).

Although state participation in the Medicaid program is voluntary, by 1982 every state was participating when Arizona created its Medicaid program. Each state receives federal match funds which are referred to as Federal Medical Assistance Percentages (FMAP). This is the amount the federal government will contribute towards Medicaid costs in a state. In 2014 these rates go from 50% (lowest match rate) to a high of 73.58% (Mississippi). Translated, this means that for every \$100 Mississippi spends on Medicaid, the state pays \$26.42 and the federal government provides a match amount of \$73.58. The FMAP is based on a formula that takes into account state economic conditions. On average, the federal Medicaid program provides approximately 57% of Medicaid expenses across the nation.

The largest percentage of Medicaid funds go to providing payment for nursing facility care of persons with disabilities and the elderly. The program pays for about 60% of all nursing facility patients. This service, along with a dozen other services is considered "mandatory" Medicaid services which every state must provide to get FMAP. Beyond that all other services are "optional" and a choice that each state may make from an extensive list of approved federal Medicaid services.

Medicaid is a public insurance program, and does not make payments to eligible individuals, but instead to the professionals, organizations and health care facilities that provide the services. Starting in the 1980's many states have moved from a "fee-for-service" method of paying providers to the use of managed care as way of containing costs. Keep in mind that Medicaid is, in essence, an entitlement program. This means that if an individual meets the state's eligibility criteria, the state must provide covered services that are deemed medically necessary.

Managed care allows states to pay a capitated monthly fee to a managed care organization (MCO) for each "member" it covers. The MCO then assumes the financial risk for providing necessary care through its network of providers. This model of service delivery can cover acute care services as well as long term care services for Medicaid beneficiaries. One significant difference between Medicaid MCOs and commercial managed care plans is that the state contracts with the MCO and the MCO must agree to provide all services that were covered under the fee-for-service program and this provision is strictly enforced by the states. Beneficiaries have the option of a "fair hearing" by the state if they are denied any necessary medical service or if the MCO proposes to reduce the amount of service the individual is receiving.

The Patient Protection and Affordable Care Act of 2010 created the ability for states to expand both eligibility and to receive increased FMAP in order to cover more individuals with low to moderate incomes who lack insurance. These Medicaid Expansion programs are entirely voluntary and undertaken only by state decision. As the result of a federal court decision, the federal government is obligated to provide 100% of the cost of covering certain newly eligible individuals in the "expanded" group effective in January 2014.

Medicaid is a "means tested" program, which looks at income and assets. However there are Medicaid "Waivers" which allow the state to disregard (or waive) some of the standard Medicaid eligibility requirements, in order to serve specific populations, with federal approval. Many of the waiver programs have been created to keep individuals at home and in their communities instead of being in nursing facilities or other institutions. These waivers are generally referred to as "Home and Community-Based Service" (HCBS) waivers.

This is a very brief and general overview of the Medicaid program. Take time to learn all about your state's Medicaid programs so you can better advocate for individuals you serve or to influence the decisions that your state makes about Medicaid eligibility and coverage. Many states have excellent web sites that will give you the opportunity to better understand how this program operates in your state. As you can see, this is a complex federal/state partnership and *no two states are alike*.

For further information contact NASHIA at info@nashia.org.