NACCHO
National Association of County & City Health Officials
The National Connection for Local Public Health

03-05

STATEMENT OF POLICY

Medicaid

Policy

The National Association of County and City Health Officials (NACCHO) recognizes the importance of the Medicaid program in providing healthcare services to vulnerable low-income Americans and legal residents. Medicaid is unique because of the federal, state, and county partnership in its administration and financing. NACCHO encourages local health officials to remain aware of and contribute to the planning and discussion surrounding proposed changes to the Medicaid program in states and at the federal level.

NACCHO supports Medicaid policy that does the following:

- Promotes and ensures access to appropriate preventive services, medical, long-term and mental healthcare for low-income families, children, pregnant women, elderly, and people with disabilities in a manner that will increase positive health outcomes and improve the health status of these populations.
- Requires states, in consultation with county and city governments, to set Medicaid reimbursement rates at levels that do not discourage providers from accepting Medicaid patients.
- Enhances federal payments to states in times of severe economic strain that should be passed through to counties and cities commensurate with their contribution to the non-federal share.
- Expands eligibility for Medicaid to individuals up to 138 percent of the federal poverty level (FPL) and eliminates categorical eligibility requirements and pre-existing condition exclusions.

NACCHO opposes legislative or administrative changes to Medicaid that would significantly diminish this important safety net program including the following:

- Capping the amount of the federal contribution to Medicaid or converting Medicaid from an entitlement program to a per capita allotment or Block Grant program with reduced federal payments.
- Instituting citizenship and identity documentation requirements for Medicaid eligibility that delay service delivery.

Justification

Medicaid is the nation's largest source of healthcare coverage in the United States, covering approximately 73 million American citizens.[1] Medicaid predominantly provides services to low-income adults, children, pregnant women, elderly adults and people with disabilities Administred

by each state, Medicaid is financed jointly by states and the federal government. The federal share, or the Federal Medical Assistance Percentage (FMAP) is computed from a formula that takes into account the average per capita income for each State relative to the national average. By law, the FMAP cannot be less than 50% [2]

ACA established a national minimum eligibility threshold in Medicaid of 138% of the Federal Poverty level (FPL) for nearly all individuals under age 65, making Medicaid the base of coverage for low-income people within the ACA's broader coverage system. The law establishes uniform methods for determining Medicaid eligibility and has requirements to simplify enrollment procedures. Incentives will be offered to increase provider participation and to encourage states to cover preventive services. About 16 million more people are projected to gain Medicaid or Children's Health Insurance Program (CHIP) coverage by 2019. The Congressional Budget Office estimates that the federal government will finance about 96 percent of the coverage increases associated with reform between 2010 and 2019 ($434 billion), and states will contribute four percent ($20 billion).[2]

Medicaid spending accounted for 28.2 percent of total state spending in fiscal year 2015.[3] States are concerned about the ever-growing cost of the program and are seeking relief from some of the Medicaid requirements in the ACA. There are efforts in Congress to address governors' concerns and the cost to the federal government. Examples of policies under consideration include repeal of the Medicaid expansion and conversion of the federal share of Medicaid spending into a block grant indexed for inflation and population growth.

If successful, rolling back of the current Medicaid program will affect public health services. Capping or block-granting Medicaid will likely shift costs to states and local governments, healthcare providers and individuals least able to afford them, and jeopardize access to needed services for millions of people including people with disabilities. Such actions could result in many more individuals becoming uninsured, compounding current problems of lack of coverage, overuse of hospital emergency departments, limited access to long term care services and increased healthcare costs. The public health system is in a state of change due to a continual reduction in resources and capacity from all levels of government. Many local health departments, as gatekeepers of Medicaid enrollment and the primary providers of services for those who qualify, will be among the first to experience the impact of any changes to the health insurance program.

References

1. The Centers for Medicare and Medicaid. 2015 Actuarial Report . Retrieved on January 3, 2017, from https://www.medicaid.gov/medicaid/index.html
2. The Henry J. Kaiser Family Foundation. State Health Facts. Retrieved on January 4, 2017, from http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0
3. National Association of State Budget Officers. FY2015 State Expenditure Report. Retrieved on January 4, 2017, from http://www.nasbo.org/mainsite/reports-data/state-expenditure-report.

Record of Action

Adopted by NACCHO Board of Directors September 2003
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