
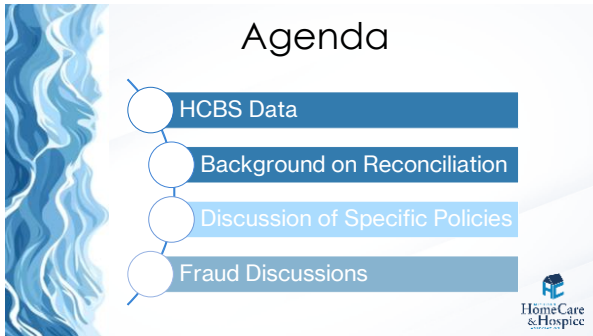


Medicaid in The News:
Key Issues

Medicaid in The News:
Key Issues




1

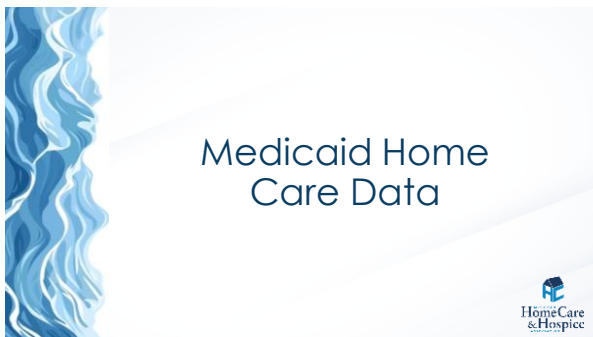


Agenda


- HCBS Data
- Background on Reconciliation
- Discussion of Specific Policies
- Fraud Discussions



2



Medicaid Home Care Data



3

Medicaid Home Care and HCBS

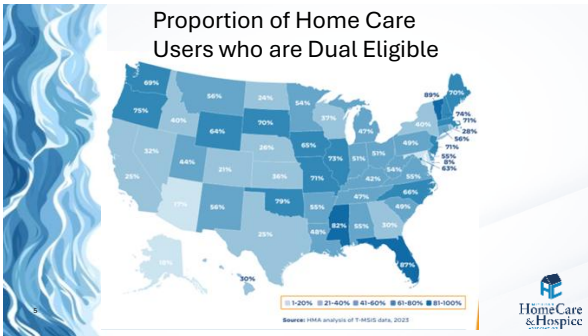
Universe of Home Care Users within HCBS and All Medicaid

	n	% of total	% of All HCBS
Total Individuals Ever Enrolled in Medicaid: 2023	108,910,655	100%	
Mathematica - All HCBS Users	7,125,646	6.5%	100%
Institute - Home Care Users	3,306,072	3.0%	46.4%



4

Proportion of Home Care Users who are Dual Eligible



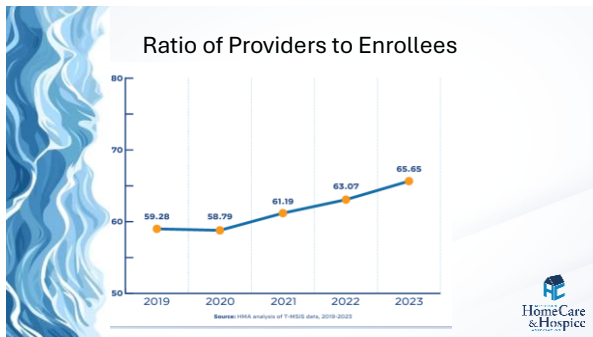
5

Urban – Rural Distribution of Home Care Users & Providers

Primary RUCA code	Home Care Users	Home Care Providers	USA Population
1-Metropolitan core	77.00%	30.93%	71.90%
2-Metropolitan high commuting	5.80%	14.47%	10.30%
3-Metropolitan low commuting	0.80%	4.90%	1.20%
4-Micropolitan core	6.70%	12.10%	5.40%
5-Micropolitan high commuting	1.30%	5.69%	2.30%
6-Micropolitan low commuting	0.40%	3.61%	0.70%
7-Small town core	2.00%	6.92%	1.60%
8-Small town high commuting	0.40%	3.44%	0.60%
9-Small town low commuting	0.20%	2.51%	0.30%
10-Rural	4.80%	11.30%	5.70%



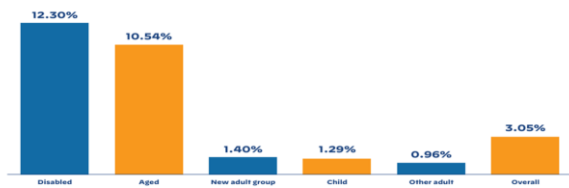
6



7

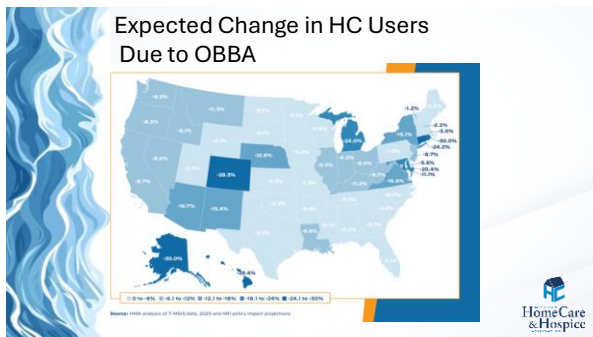
Proportion of Each Medicaid Eligibility Category using HCBS Home Care

To understand the dynamics of eligibility category and home care utilization, we examined the proportion of individuals in each category who received home care services. Overall, approximately 3% of all Medicaid enrollees used any home care service in 2023. Unsurprisingly, aging and disability were the categories with largest percentage of individuals who received home care at 10.5% and 12.3% respectively. Though only a small percentage of ACA expansion enrollees (1.4%) received home care services, this is still higher than many policy makers may realize as it is often characterized as a "non-disabled childless adult" enrollment category.



MEDICAID HOME CARE CHARTBOOK WWW.RESEARCHINSTITUTEFORHOMECARE.ORG

8




9



OBBA and Medicaid



10



Background

On July 4th, President Trump signed a "reconciliation" bill into law that made significant changes to Federal spending policy


- Reconciliation is necessary to pass legislation without any Democrat votes
- Comes with significant process and content restrictions

The core of the bill is an extension and expansion of lower taxes coupled with spending reductions to offset the budgetary impacts


Medicaid reductions represent a significant portion of the legislation

- Estimated at \$911 billion over ten years
- KFF estimates the Michigan share of the cuts will be \$32 billion, but potentially as high as \$40 billion.

<https://www.kff.org/medicaid/issue-brief/2017/08/medicaid-spending-reductions-across-the-states-enacted-reconciliation-package/>



11



Key Bill Provisions

Sec. 71107. Increasing frequency of eligibility redeterminations for certain individuals.

- Changes expansion redeterminations from 12 to 6 months (Native Americans/American Indians are exempt)

Sec. 71108. Revising home equity limit for determining eligibility for long-term care services under the Medicaid program.


- Would drop the limit from 1.07million (indexed to inflation) to \$1 million flat

Sec. 71111. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs.

- Rule was intended to address nursing home/LTC quality; raised concerns about cost, ability to recruit workforce

Sec. 71112. Reducing State Medicaid Costs (aka Modifying retroactive coverage under the Medicaid and CHIP)


- Limit coverage from current 3-months to 1-month prior to application for ACA expansion enrollees; 2-months for everyone else



12

Sec. 7115 Provider Taxes


Nonexpansion states:	Expansion states:
<ul style="list-style-type: none"> • Provider tax threshold is frozen at whatever was in place on the date of enactment of the legislation • States would not be permitted to expand taxes to new types of providers or services, nor would they be allowed to increase any existing tax rates 	<ul style="list-style-type: none"> • provider tax threshold is frozen • the maximum allowable provider tax rate slowly decreases on the following schedule: <ul style="list-style-type: none"> • 5.5% for Federal fiscal year (FFY) 2028 • 5% for FFY 2029 • 4.5% for FFY 2030 • 4% for FFY 2031 • 3.5% for FFY 2032 and beyond. • Nursing facilities and intermediate care facilities for individuals with intellectual disabilities will not be subject to the lower threshold; taxes are frozen • OHA projects that Oregon will see a loss of \$12 billion from the federal government over the next 10 years due to this provision.



13

Sec. 7115 Provider Taxes

Nonexpansion states:	Expansion states:
<ul style="list-style-type: none"> • Limited to 110 percent of the Medicare rate • If there is no Medicare rate, then 110% of the Medicaid State plan rate 	<ul style="list-style-type: none"> • Limited to 100 percent of the Medicare rate • If there is no Medicare rate, the Medicaid State plan rate • January 1, 2028: SDPs that exceed these limits must decrease by 10% each year • Oregon expects -155 million reduction to OHSU this biennium



14

Medicaid “Work Requirements”

Beginning January 1, 2027, must meet 80 hours of “community engagement” via some combination of:


- Work
- School
- Volunteering

Applies to adults without disabilities age 19-64 (see exceptions on next slide)

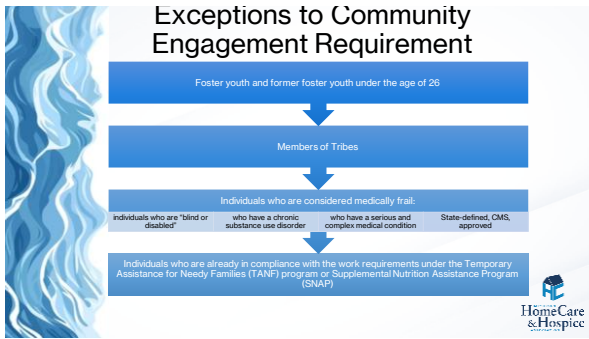
States would verify at least for the month preceding an individual’s enrollment/renewal (could be a longer period)

“Good Faith Effort” option for states to delay until Jan 1, 2029 with OMS approval

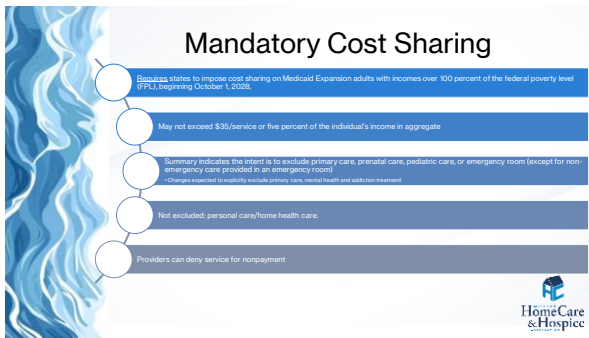
Regulation implementing the requirements is under review at the White House as of 4/1



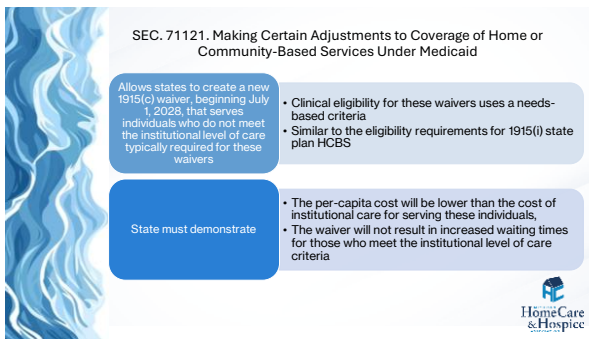
15



16



17




18

Next Steps

States will be responsible for implementing new requirements and for balancing budgets once the cuts are implemented

Already seeing States expressing concern/reducing outlays in response

- Colorado – repeal of previously scheduled rate increases & additional proposed cuts
- Idaho – across the board reductions with more proposed
- North Carolina – ongoing debate



19


What about the Medicaid Access Rule?

Delay/repeal not included in Reconciliation due to Congressional rules

Rulemaking becomes likely avenue for changes

OMB request for information regarding deregulatory actions

Presidential order – repeal 10 regulations for every new rule



20

Medicaid and Fraud Initiatives



21

Fraud Oversight and Investigations


CMS has focused on program integrity as a top priority

- Includes care at home services in both Medicare and Medicaid

Immediate actions are occurring in Minnesota, California, Maine, New York, and Florida

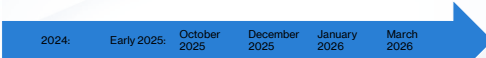
- Other states will likely be included in the future

Understanding the context can help prepare and protect your business



22

Timeline in Minnesota




2024:	Early 2025:	October 2025	December 2025	January 2026	March 2026
<ul style="list-style-type: none"> CMS and State begin investigations into certain services Concerns identified with certain "high-risk" services 	<ul style="list-style-type: none"> State Agency identified 14 services at high risk of fraud Initiate additional oversight 	<ul style="list-style-type: none"> Prepayment Reviews begin Housing stabilization services end 	<ul style="list-style-type: none"> CMS requests Corrective Action Plan 	<ul style="list-style-type: none"> CMS issues notice of deferral 	<ul style="list-style-type: none"> CMS imposes reduced deferral State sues in response



23

Issues in Minnesota

State Medicaid Agency identified 14 At-Risk Services	<ul style="list-style-type: none"> Services found to be "at risk" of fraud Not necessarily indicating substantiated fraud
State Medicaid Agency initiated prepayment reviews of 14 services	<ul style="list-style-type: none"> Led to claims (even 'clean' claims) held to the Federal maximum timeframe
CMS asserted insufficient action	<ul style="list-style-type: none"> Required corrective action plan by Dec. 31 CAP rejected by CMS, triggering 'deferral'



24

Issues in Minnesota

Adult companion services.	Adult day services.
Adult rehabilitative mental health services.	Assertive community treatment.
Community First Services and Supports (CFSS)/ personal care assistance (PCA).	Early Intensive Developmental and Behavioral Intervention (EIDBI) services.
Housing Stabilization Services.	Individualized home supports.
Integrated community supports.	Intensive residential treatment services.
Night supervision services.	Nonemergency medical transportation services.
Peer recovery services.	Recuperative care services







25


Congressional Activity



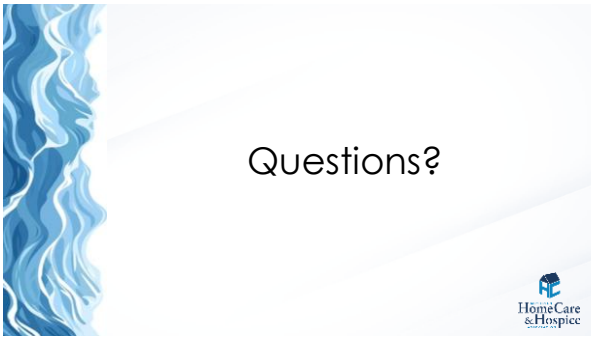
26

Congressional Activity

-  Audits and payment reviews likely to increase
-  Potential risk for payment delays/disallowances
-  Ensuring compliance will be crucial
*Improper payments are often treated similarly to fraud, even if not the same
-  Potential Activities: (1) Internal reviews of authorizations, documentation, all proper paperwork and coding
(2) Review and ensure corporate compliance plan is updated
(3) Training staff on procedures and requirements



27



28



29
