

Medicaid Expansion Under Health Care Reform

Under the Patient Protection and Affordable Care Act, recently signed into law, Medicaid will serve as a cornerstone for expanded health care coverage. As a result of this law, the Congressional Budget Office estimates that by 2019 an additional 16 million individuals will obtain coverage through Medicaid and CHIP (Children's Health Insurance Program). Although health care reform reaches far beyond Medicaid, the purpose of this article is to highlight some of the anticipated changes to Medicaid programs. Unless otherwise noted, the changes addressed herein are intended to go into effect January 1, 2014. As regulations are implemented between now and then, we will undoubtedly see additional modifications that will effect Medicaid coverage.

Adults under 65. States will be required to cover adults under age 65 with income up to 133% of the federal poverty. This is a significant change, as many states currently do not provide Medicaid to childless adults and/or only cover parents at much lower income levels. All newly eligible adults will be guaranteed a benchmark benefit package that at least provides essential health benefits.

Children. States will be required to provide all children with family income up to 133 percent of the FPL with Medicaid, including those currently covered through separate CHIP programs. States currently must provide Medicaid to children under age six with family income up to 133 percent of the FPL and those ages six through 18 with family income up to 100 percent of the FPL (although most states provide coverage at higher income levels).

Immigrants. The new law will not change current Medicaid requirements for immigrants. States must establish a five-year waiting period for lawfully residing adults (with a state option to waive the waiting period for children and pregnant women). Undocumented immigrants will remain ineligible for Medicaid.

Existing Medicaid for Adults. While states may certainly increase Medicaid eligibility levels to 133% of the FPL before 2014, states are required to at least maintain existing Medicaid eligibility levels for adults and children in place as of March 23, 2010 until 2014. Maintenance of current eligibility levels is a condition to receipt of federal Medicaid funding.

Foster Care Children. Starting in 2014, children under age 26 who were receiving Medicaid but "aged out" of foster care will be newly eligible to continue receiving Medicaid.

Medicaid Reimbursement for Primary Care. The new law will increase Medicaid payments for primary care services provided by primary care doctors to 100% of the Medicare payment rates for 2013 and 2014. States will receive 100% federal funding for the cost of the increasing payment rates.

Please see our website at www.outreachservices.com for further updates regarding this legislation.

Information for this article was obtained from the Georgetown University Health Policy Institute Center for Children and Families' report on Key Medicaid, CHIP, and Low-Income Provisions in The Health Care Reform Package (updated April 2010)(<http://ccf.georgetown.edu/index/key-provisions-in-health-care-reform-package>) and the Kaiser Family Foundation's Summary of New Health Reform Law (last modified March 26, 2010)(<http://www.kff.org/healthreform/8061.cfm>).