



Strengthening Medicaid in National Health Reform

Medicaid has long provided a foundation of health care coverage for people with low incomes and special health care needs, and should serve as a cornerstone of national reform. Specifically, national health reform should strengthen and expand Medicaid to provide comprehensive coverage and high-quality, culturally-appropriate care to children, and people with low-incomes or special health needs.

Legislation should reflect the following principles:

- **Expand minimum eligibility to 150 percent of the federal poverty level in Medicaid and 300 percent in CHIP, and include legal immigrants.** Increasing eligibility will help more families get the quality health care they need.
- **Encourage states to expand eligibility and benefits beyond federal minimums by providing federal matching funds.** This flexibility is needed to serve residents of many states, given wide variation in cost of living and other local factors.
- **Protect requirements for comprehensive services for all patients, especially children, through Medicaid.** Low-income children are at greater risk for poor health outcomes, and Medicaid provides comprehensive services through the Early Periodic Screening Diagnosis and Treatment (EPSDT) Program. These services are best delivered through a single source, not by wrapping supplemental services around a narrow benefit package, which could weaken the coordination of care for families. However, wrap-around coverage is important for middle- and higher-income children and adults with special health care needs, who often have private coverage that does not cover services such as durable medical equipment.
- **Set strong and transparent standards for health plans that serve the special populations covered by Medicaid.** Federal and state policymakers should hold plans accountable by strengthening standards for quality, network adequacy, and cultural and linguistic competency.
- **Maintain strong cost-sharing protections.** Increased cost-sharing—in the form of premiums, co-payments and deductibles—makes coverage unaffordable and leads families to forgo necessary treatments. Medicaid should continue cost-sharing protections that shield families from financial harm.
- **Encourage greater provider participation in the Medicaid program by increasing payments to providers.** Some states have difficulty recruiting necessary primary care providers and specialists to Medicaid, especially for underserved areas and minority and immigrant populations. A minimum standard for Medicaid provider rates could help remedy this problem and improve access for patients.

- **Develop quality measures in Medicaid that ensure high-quality, cost-effective services and coordinated care across health settings.** Our ultimate goal is to improve health outcomes by expanding coverage and ensuring high-quality care. As a starting point, apply Medicare quality standards to Medicaid where appropriate, and extend the CHIPRA quality provisions to Medicaid as proposed by the Senate Finance Committee. Medicaid should transition to a stronger medical home model that coordinates care across settings for all services for every Medicaid enrollee. Additional quality measures must focus on children, who have markedly different care needs than adults, and on reducing ethnic disparities.
- **Create simple, streamlined ways for people to enroll in and renew Medicaid coverage.** Improve enrollment and retention for all enrollees by eliminating face-to-face interviews and asset tests and requiring 12-month continuous eligibility. Create standardized, family-friendly application forms, and fund community-based outreach.
- **Automatically increase federal Medicaid matching funds in periods of economic downturn.** Because Medicaid is a countercyclical program, the federal government needs to help states respond to increased Medicaid costs when unemployment rises and state revenues decline.