

Health Reform: What Legislators Need to Know about Funding and Grant Opportunities

Donna Folkemer, Group Director,
National Conference of State Legislatures
Audrey M. Yowell, PhD, MSSS,
Health Resources and Services Administration,
Maternal and Child Health Bureau
Moushumi Beltangady, Special Assistant,
Administration for Children and Families
Judy Solomon, Senior Fellow,
Center on Budget and Policy Priorities



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State Grant Opportunities in PPACA

Donna Folkemer
Group Director
NCSL

202-624-8171

donna.folkemer@ncsl.org

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For NCSL's chart, go to

Summary of the State Grant Opportunities in the
Patient Protection and Affordable Care Act (H.R. 3590)

See the text of the document at

<http://www.ncsl.org/portals/1/documents/health/GrantOpsPPACA.pdf>

Research conducted and document prepared by
Rachel Morgan, Senior Health Policy Specialist
202-624-3569, rachel.morgan@ncsl.org



Goals of Presentation

Identify appropriated funds available to states during fiscal years 2010 and 2011 to support health reform obligations and options.

Categorize appropriations by topic, by availability to some or all states, and by purpose.

Tell you what we know and don't know about requirements for each appropriation.



Categories of Appropriations

Insurance Reforms

Healthcare Workforce

Medicaid and Medicare

Quality, Prevention and Wellness



Appropriations for Insurance Reforms

Health Insurance Consumer
Information

Premium Review Grants

Assistance to Establish Exchanges



Health Insurance Consumer Information

Grants to states--\$30 million for FY 2010

State must have independent office of health insurance consumer assistance or ombudsman that meets HHS requirements

Must collect data and report to HHS on problems and inquiries.

Look at interim final rules for insurance web portals at 45 CFR 159.
Provides some perspective on information to be given to consumers.



Premium Review Grants

Grants to states--\$250 million FY 2010 - FY 2014. Allocated by formula.

May help states with mandate to work with HHS on a process for annual review of health insurance premium increases.

Support review of premium increases . Support establishing data centers to analyze and disseminate information to stakeholders and public.

Requirements for medical reimbursement data centers include rate setting standards, release of health cost information, and independence from payers or providers.



Planning Grants for Health Exchanges

2011 Implementation. Funding to be determined.
Will be awarded within 1 year of enactment .

Help states with planning an exchange.

States are required to establish an exchange by
January 1, 2014.



Appropriations for Health Workforce

School Based Health Clinic/Center Grants

Continuing Ed Support for Health Professionals in Underserved Communities

Demo Projects to Address Health Professions Workforce Needs



A bit more on Health Workforce Grants

\$50 million over four years to School Based Health Clinics. Preference to centers that serve Medicaid or CHIP children.

Continuing Ed Support. \$5 million over five years for telelearning and similar activities. States and others are eligible applicants.

Demo Projects Addressing Health Professions Workforce Needs. \$85 million a year for four years. Develop core competencies and certification for personal or home care aides. Awards to six states.



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Appropriations for Medicaid and Medicare

Medicaid: State Option to Provide Health Home for Enrollees with Chronic Conditions--Planning Grants

Medicaid: Grant Program for Healthy Lifestyles

Medicare: Program for Early Detection of Conditions Related to Environmental Health Hazards



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A bit more on Medicaid and Medicare Grants

Medicaid:

\$25 million in Planning Grants to states to work on Medicaid state plan option promoting health homes for persons with chronic conditions. State contribution required.

Medicaid: \$100 million in grants to sets up comprehensive health promotion/disease prevention programs.

Medicare: \$23 million in competitive grants available to states and others to screen at-risk individuals for environmental health conditions



Quality, Prevention, Wellness

Pregnancy Assistance Fund

Grants for Early Childhood Home Visitation Programs



Pregnancy Assistance Fund

- Competitive Grants to states. \$25 million for each of years 2010 through 2019.
- Supports pregnant and parenting student services provided by institutions of higher learning, high schools or community service centers.
 - MOE requirement for state support of similar programs.
- 25% match requirement for entities applying for grants administered by the state with these dollars.



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Grants for Maternal, Infant and Early Childhood Home Visiting Programs

Section 2951 of the Patient Protection and Affordable Care Act (H.R. 3590)



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Maternal, Infant and Early Childhood Home Visiting Programs

Section 2951 of the Patient Protection and
Affordable Care Act (H.R. 3590)

See the full text of the requirements (pages 233-243)

<http://www.ncsl.org/documents/health/ppaca-consolidated.pdf>

Authorizes early childhood home visiting grants

Amends Title V [Maternal and Child Health Services Block Grant]
of the Social Security Act by adding a new section (Sec. 511)



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The purposes of the new law (Section 511) are:

- To strengthen and improve the programs and activities carried out under Title V
- To improve coordination of services for at-risk communities; and
- To identify and provide comprehensive services to improve outcomes for families who reside in at-risk communities



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\$1.5 billion over 5 years

FY 2010

\$100
million

FY 2011

\$250
million

FY 2012

\$350
million

FY 2013

\$400
million

FY 2014

\$400
million



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Requirements for States

To be eligible for a grant or in order to receive its Maternal and Child Health Block Grant, each state must conduct a statewide needs assessment within six months of the federal reform enactment (September 23, 2010).

The mandatory needs assessment must meet specific requirements and must be coordinated with assessments required under the Maternal and Child Health Block Grant, the Head Start Act, and the Child Abuse Prevention and Treatment Act.



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Requirements for States

Home visiting models must be evidence-based or promising approaches that meet certain requirements.

Establishes rigorous program objectives. Each state must establish measurable benchmarks in six areas: maternal and newborn health, prevention of injuries, school readiness, reduction in violence, family self-sufficiency, coordination of other community supports.

States must demonstrate improvements in at least four of the benchmark areas after the third year of the program in order to keep the grant.

Maintenance of Effort Requirement: States cannot use new federal funds to substitute for existing state funds for home visiting.



For questions or additional information about
home visiting contact:

Jennifer Saunders
Policy Associate, Health Program
NCSL, Denver Office
jennifer.saunders@ncsl.org
(303) 364-7700



For NCSL's funding chart go to

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**HEALTH REFORM: WHAT LEGISLATORS
NEED TO KNOW ABOUT MEDICAID
FUNDING**

Judith Solomon, Senior Fellow

National Conference of State Legislators
May 26, 2010

Federal Medical Assistance Percentage (FMAP)

- “Regular match rate”
 - currently ranges from 50 to 76 percent
 - States currently getting increase in regular match under Recovery Act
- Current Children’s Health Insurance Program (CHIP) match rates range from 65 to 83 percent
- In health reform:
 - Newly eligible matching rate
 - Matching rate for “expansion states”

Medicaid Expansion: The Basics

- All otherwise eligible individuals with incomes at or below 133 percent of the poverty line
- 16 million increase in enrollment by 2019
- Major changes in Medicaid income counting rules
- Newly eligible adults get “benchmark benefit” packages defined by the states

Financing the Expansion: New Eligibles

- Expansion fully funded by federal government in 2014, 2015 and 2016
- Match rate phases down beginning in 2017:
 - 2017: 95 percent
 - 2018: 94 percent
 - 2019: 93 percent
 - 2020 and subsequent years: 90 percent

Financing the Expansion: Children

- Current minimum eligibility level for children 6 to 18 is 100 percent of the poverty line
- In over 20 states children will move from CHIP to Medicaid
- Funding will likely remain at higher CHIP match

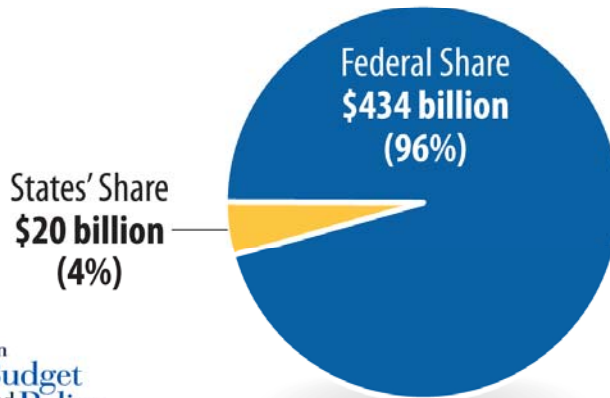
Financing the Expansion: “Expansion States”

- 12 states already cover parents and childless adults with incomes at least to 100 percent of the poverty line in Medicaid and/or state-funded programs
- Those covering childless adults in Medicaid will get enhanced matching rates phased up to reach 90 percent in 2020
- Those covering childless adults with state-only funds treated same as states without such coverage

Early Expansion Option

- Allows states to cover people with incomes as high as 133 percent of the poverty line beginning April 1, 2010
- Provides federal matching funds at regular match until 2014 when state would get higher match for new eligibles
- Connecticut and DC have submitted state plan amendments to get federal match for state-funded programs for childless adults

According to CBO Estimates Federal Government Bears Overwhelming Cost of Medicaid Expansion



Center on
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Priorities

Potential for Reduced Spending in State-Funded Programs

- Some individuals newly eligible for Medicaid receive state-funded services that will be covered through Medicaid, such as:
 - State and local spending on hospital uncompensated care
 - Mental health and substance abuse programs
 - Other public health programs

Payments for Primary Care Physicians

- In 2013 and 2014 payments for certain primary care services must equal Medicare payment rates
- Increases in payments necessary to equal Medicare are fully funded by the federal government

Funding for Long-Term Services and Supports

- New options provide flexibility and payment incentives to shift care from institutions to the community
- Several of these options provide increased federal payments for home- and community-based services (HCBS)

State Balancing Incentive Payment Program

- Provides higher federal match rates for HCBS services from October 1, 2011 to September 30, 2015
 - 5 percentage point increase in states that now spend less than 25% of long-term service spending on HCBS (target of 25%)
 - 2 percentage point increase in states that spend less than 50% (target of 50%)
- Additional funding must be used for new or expanded HCBS
- Capped at \$3 billion

Community First Choice Option

- Provides home and community-based attendant services and supports for eligible beneficiaries who would otherwise require care in an institution
- 6 percentage point increase in regular federal matching rate for these services
- Begins October 1, 2011

Money Follows the Person Rebalancing Demonstration

- Extends funding through 2016
- Changes eligibility rule so funding available for beneficiaries in an institution for 90 days or more (had been at least 6 months and up to 2 years at state option)
- \$450 million available per year

Health Homes for Beneficiaries with Chronic Conditions

- State option to establish “health homes” that coordinate and manage care for individuals with chronic conditions
- Planning grants available in January 1, 2011
- States get 90 percent federal match for health home services for the first 2 years the option is in effect

Any Questions?

- Use the Q and A panel on your screen.
- To find the archived webinar next week, go to <http://www.ncsl.org/default.aspx?TabId=20330>
- Please fill out the survey at the end of this webinar.

Thank you!



Health Reform: What Legislators Need to Know Webinar Series

Exchanges

Wednesday, June 2, 3PM EDT

http://ecom.ncsl.org/public/registration/mtg_reg.htm?mtg=WC060210

State Actions So Far

Wednesday, June 9, 3PM EDT

http://ecom.ncsl.org/public/registration/mtg_reg.htm?mtg=wc060910



Additional Resources

HRSA's Maternal and Child Health Bureau

<http://mchb.hrsa.gov/>

Administration for Children and Families

<http://www.acf.hhs.gov/>

Center on Budget and Policy Priorities

<http://www.cbpp.org/>

NCSL's Health Webpage

<http://www.ncsl.org/IssuesResearch/Health/tabid/160/Default.aspx>



Additional Resources

Kaiser Commission on Medicaid and the Uninsured, "Financing New Medicaid Coverage Under Health Reform: The Role of the Federal Government and States" May 2010,

<http://www.kff.org/healthreform/8072.cfm>

National Senior Citizens Law Center, "The Medicaid Long-Term Services and Supports Provisions in the Health Care Reform Law" April 2010,

http://www.nslc.org/areas/medicaid/health-reform-ltss/at_download/attachment

