

HLC Principles on Medicaid

HLC believes that Medicaid should continue to be an important and viable safety net that provides stable and continuous coverage nationwide to low-income individuals and families without access to either employer-sponsored insurance or the private individual market. We offer the following principles for consideration by policymakers as they debate Medicaid reform.

Medicaid Funding

Policymakers should ensure that Medicaid continues to be viable and sustainable over time. This includes:

- Ensuring that Medicaid funding rates reflect increases in the costs for medical care, growth in the volume and intensity of services per person, and demographic effects such as the aging of the population. Funding should also be flexible enough to take into account changes over time and unforeseen circumstances such as economic downturns, major disasters, and epidemics.
- Putting safeguards in place to ensure that Medicaid funds are used to provide services that will improve the health status of Medicaid-eligible Americans.
- Making sure that the Medicaid funding formula is actuarially sound to provide adequate funding to cover quality services for beneficiaries. This formula should be developed in a process that maximizes transparency of the data, assumptions, and methodologies behind each state's contracted rate, as well as being adjusted based on individual state needs.
- Ensuring equitable treatment between expansion and nonexpansion states, and ensuring continuity of coverage for individuals and families currently enrolled in the program.
- Ensuring that funds for those individuals dually eligible for Medicaid and Medicare are not subject to capped payments.

Medicaid Eligibility, Access, and Enrollment

Policymakers should ensure that Medicaid continues to serve as a safety net for low-income individuals and families without other options. This includes:

- Giving states the flexibility to subsidize or provide tax credits for employer-sponsored coverage for employees who would otherwise be eligible for Medicaid.
- Providing able-bodied adults with the services needed to seek employment, work, receive education, or perform community service (without making these requirements punitive).

- Providing individuals with disabilities with supportive services so that they can work if able, and ensuring that employment will not negatively affect their eligibility for Medicaid.
- Enhancing beneficiary access to private health plans administering Medicaid managed care.
- Ensuring that those eligible for Medicaid are enrolled in the most efficient manner and minimizing inefficiencies and disruptions in care due to churn by streamlining the application process.

Medicaid Beneficiaries

Policymakers should especially work to provide the sickest and most vulnerable Medicaid beneficiaries with comprehensive and patient-centered services. This includes:

- Supporting managed care plans in their efforts to integrate care for people with complex health needs, including physical and behavioral health services.
- Strengthening care coordination, including medication adherence, for beneficiaries with chronic conditions.
- Aligning benefits and incentives that improve access to care for dual eligible beneficiaries.

Medicaid Providers

Policymakers should support the hospitals, physicians, and other healthcare providers who serve Medicaid beneficiaries. This includes:

- Giving states the flexibility to adopt value-based arrangements with providers.
- Supporting best practices in health information exchange among Medicaid providers.
- Giving adequate reimbursement to hospitals that serve Medicaid patients.
- Supporting team-based care where medical professionals are permitted to practice to the full extent of their license and are reimbursed for those services.

Other Medicaid Services and Benefits

Policymakers should enhance state flexibility to craft Medicaid programs that best meet the needs of their populations. This includes:

- Developing innovative programs to address the social determinants of health, including (but not limited to) transportation, housing, and access to nutritious food. Policymakers should encourage the use of community health workers (CHWs) to link Medicaid beneficiaries to these programs.
- Providing Medicaid beneficiaries with access to telemedicine services.

- Maintaining first-dollar coverage of preventive services to encourage beneficiaries to use these services.
- Facilitating innovation in long-term care, particularly home- and community-based services (HCBS).
- Supporting programs that educate consumers on health literacy.
- Supporting consumer-centered programs like prefunded health savings accounts, and allowing incentive payments to consumers for achieving agreed-upon goals.