

MEDICAID EXPANSIONS

Despite a faltering economy, 24 states expanded or plan to expand benefits in their Medicaid programs in 2008 and 2009.

- ▶ A total of 19 states in the 2008 fiscal year expanded Medicaid services, and an additional five states plan to expand services in the 2009 fiscal year.
- ▶ Only three states reduced or cut services in the 2008 fiscal year and seven plan to reduce benefits in the 2009 fiscal year.
- ▶ In the 2007 fiscal year, three states—West Virginia, Idaho and Kentucky—used the flexibility under the Deficit Reduction Act of 2005 to reduce or restrict Medicaid benefits. West Virginia's restructuring was initially implemented as a pilot project and was expanded statewide in the 2008 fiscal year.
- ▶ In the 2007 fiscal year, Virginia and Washington used the federal act's benefit authority in the implementation of their disease/care management programs.
- ▶ Kansas, South Carolina and Wisconsin amended their state Medicaid programs to use the federal act's benefit flexibility. In the 2009 fiscal year, Kansas plans to use the Deficit Reduction Act to expand dental benefits.
- ▶ Medicaid programs may hit hard times down the road. During the last economic downturn from 2001 to 2004, most of the major Medicaid restrictions came later in the downturn cycle, not at the very beginning.

In 2008 and 2009 states are more interested in expanding eligibility and simplifying the application process than in restricting eligibility.

- ▶ During the 2002 economic downturn, nearly all states enacted policies to restrict eligibility, but more recently, the opposite has been true: 26 states expanded Medicaid by raising eligibility levels or by extending coverage to new populations in the 2008 fiscal year and 22 states planned to do so in the 2009 fiscal year.
- ▶ For the 2008 and 2009 fiscal years, the most common eligibility expansions included changes to financial eligibility requirements for Medicaid with 15 states increasing income standards and four states increasing asset limits.
- ▶ Only five states cut eligibility in 2008 fiscal year and four states adopted cuts for 2009.
- ▶ In the 2008 fiscal year, 22 states implemented changes to simplify the Medicaid application process and 21 states plan to make changes in the 2009 fiscal year. This is in contrast to the 2007 fiscal year when only 12 states made changes to simplify the application process.
- ▶ Only three states made or plan to make restrictive changes to the application process in either the 2008 or 2009 fiscal year.

In 2008 and 2009 states continued to expand or improve their Medicaid health care delivery systems.

- ▶ In the 2008 fiscal year, 16 states made changes to their Medicaid managed care programs and 18 states have adopted changes for the 2009 fiscal year, including expanding to new geographic areas and enrolling additional populations.
- ▶ To improve care for people with chronic illness, most states have adopted formal disease management or care management programs. In the 2008 fiscal year, 16 states implemented new programs or enhanced existing programs, and 14 states adopted plans for new initiatives in the 2009 fiscal year.



MEDICAID POLICY ACTIONS, 2008-2009

| State | Expanded Benefits | Expanded Eligibility | Simplified Application | Managed Care Initiatives | Disease/Case Management Initiative |
|-------------------|-------------------|----------------------|------------------------|--------------------------|------------------------------------|
| Alabama | | X | X | | X |
| Alaska | | X | | | |
| Arizona | X | X | X | | |
| Arkansas | X | | X | | |
| California | X | | X | X | X |
| Colorado | | X | X | | X |
| Connecticut | | X | | X | X |
| Delaware | | X | | X | |
| Dist. of Columbia | X | X | | X | X |
| Florida | | X | | X | X |
| Georgia | | X | | | |
| Hawaii | X | | | X | X |
| Idaho | X | | X | | |
| Illinois | | X | | X | |
| Indiana | | X | X | X | X |
| Iowa | X | X | X | X | X |
| Kansas | X | | X | | |
| Kentucky | | X | | | |
| Louisiana | X | X | X | | X |
| Maine | | | | X | X |
| Maryland | | | X | | |
| Massachusetts | | | X | | |
| Michigan | | | X | X | |
| Minnesota | X | X | X | X | |
| Mississippi | | X | X | | |
| Missouri | | X | X | X | |
| Montana | | X | | | X |
| Nebraska | X | X | | | |
| Nevada | | | X | | X |
| New Hampshire | X | | | | |
| New Jersey | | | | X | |
| New Mexico | X | | X | X | |
| New York | X | X | X | X | X |
| North Carolina | X | X | X | X | X |
| North Dakota | | X | | | X |
| Ohio | X | X | X | | |
| Oklahoma | X | X | X | | X |
| Oregon | X | X | X | X | |
| Pennsylvania | X | X | X | | X |
| Rhode Island | | | | X | |
| South Carolina | | | | | |
| South Dakota | X | | | X | X |
| Tennessee | | X | | X | |
| Texas | X | X | X | | X |
| Utah | X | | | | |
| Vermont | X | X | X | X | X |
| Virginia | X | X | | X | X |
| Washington | | X | X | X | X |
| West Virginia | | | | X | |
| Wisconsin | | X | X | | X |

Source: Kaiser Commission for Medicaid and the Uninsured, "Headed for a Crunch: An Update on Medicaid Spending, Coverage and Policy Heading into an Economic Downturn—Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2008 and 2009," September 2008.