

MEDICAID POLICY ACTIONS

2009-2010 UPDATE

Although the American Recovery and Reinvestment Act helped states avoid or reduce cuts to Medicaid benefits, the number of states making benefit reductions in the 2009 and 2010 fiscal years increased significantly from the 2008 fiscal year.

- ▶ Ten states reduced benefits in 2009 and 15 states plan to reduce benefits in 2010.
- ▶ Massachusetts, Michigan, Nevada and Utah eliminated one or more services in 2009 and California and Utah plan to eliminate one or more services in 2010.
- ▶ In 2009, six states placed limits or put processes in place to control utilization on existing benefits and 13 states did so on existing benefits for 2010.
- ▶ In 2009, 15 states expanded benefits and 13 states plan to expand benefits in 2010. Four states in 2009 and seven states in 2010 are expanding mental health or substance abuse benefits; four states in 2009 and three states in 2010 are expanding dental benefits; and two states in 2009 and one state in 2010 are adding telemedicine services.
- ▶ Eight states implemented benefit plans under the Deficit Reduction Act in the 2007 or 2008 fiscal years; however, no states adopted plans in the 2009 fiscal year or plan to do so in the 2010 fiscal year.
- ▶ The American Recovery and Reinvestment Act helped to avoid or reduce provider rate cuts. Even so, 33 states froze or cut provider rates in 2009 and 39 states plan to do so in 2010.

Despite the economic downturn, 29 states made changes to improve the eligibility and application process in the 2009 fiscal year and 31 states plan to do so in the 2010 fiscal year.

- ▶ Fifteen states expanded Medicaid by raising eligibility levels or by extending coverage to new populations in 2009 and 18 states plan to do so in 2010.
- ▶ For the 2009 and 2010 fiscal years, the most common eligibility expansion included changes to financial eligibility requirements for Medicaid, with 10 states increasing income standards and six states increasing asset limits.
- ▶ To qualify for Recovery Act funds, 14 states changed eligibility standards or processes to comply with the maintenance of effort requirements of the Recovery Act.
- ▶ Due to the Recovery Act requirements, only one state cut eligibility in 2009. Rhode Island reduced the income level for extended family planning and parents from 185 percent to 175 percent of federal poverty level for 2009.
- ▶ Twenty-three states implemented changes to simplify the Medicaid application process in 2009 and 27 states plan to make changes in 2010. These changes included online applications, increased use of available data for application or renewal and extension of redetermination period, and elimination of face-to-face interview requirements.
- ▶ No states plan to implement restrictive application changes for either 2009 or 2010 due to the Recovery Act maintenance of efforts requirements.



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State	Reduced Benefits	Expanded Benefits	Expanded Eligibility	Simplified Application	Reduced Provider Rates
Alabama				X	X
Alaska			X	X	
Arizona					X
Arkansas		X	X	X	X
California	X			X	X
Colorado	X	X	X	X	X
Connecticut	X		X		X
Delaware					X
District of Columbia			X		X
Florida		X	X	X	X
Georgia			X		X
Hawaii	X	X			X
Idaho		X		X	X
Illinois					X
Indiana			X		X
Iowa			X	X	
Kansas				X	X
Kentucky				X	
Louisiana	X	X	X	X	X
Maine	X				X
Maryland		X	X	X	X
Massachusetts	X			X	X
Michigan	X			X	X
Minnesota	X		X	X	X
Mississippi		X			
Missouri			X	X	X
Montana		X	X	X	
Nebraska	X	X		X	
Nevada	X	X		X	X
New Hampshire	X	X	X	X	X
New Jersey	X			X	X
New Mexico		X	X	X	X
New York		X	X	X	X
North Carolina	X				X
North Dakota		X	X		
Ohio		X		X	X
Oklahoma	X	X	X	X	X
Oregon	X		X	X	
Pennsylvania		X		X	X
Rhode Island	X				X
South Carolina			X		X
South Dakota					X
Tennessee	X				X
Texas		X		X	X
Utah	X	X			X
Vermont		X		X	X
Virginia	X		X		X
Washington	X	X		X	X
West Virginia					
Wisconsin		X	X	X	X
Wyoming	X		X	X	X
TOTAL	22	23	24	32	42

Source: Kaiser Commission on Medicaid and the Uninsured, "The Crunch Continues: Medicaid Spending, Coverage and Policy in the Midst of a Recession," September 2009.