

Highlights from MACPAC March 2021 Report to Congress

Overview

On March 15, 2021, the Medicaid and CHIP Payment and Access Commission (MACPAC) released its mandated report to Congress. The report contains five chapters, each pertaining to a different Medicaid topic that the Commission investigated, researched, and discussed over the past months. The report also makes relevant policy recommendations to Congress in each chapter. MACPAC's full March report can be found here on MACPAC's [website](#).

Chapter 1 covers considerations for designing a countercyclical Medicaid financing mechanism to improve Medicaid's responsiveness during economic downturns; Chapter 2 covers the importance of postpartum care in the year after delivery, and recommends Congress make it mandatory for states to extend postpartum coverage from 60 days to a full year with a full federal matching rate; Chapter 3 explores recommendations for reforming Medicaid estate recovery; Chapter 4 examines design considerations for creating a unified program for integrating care for dually eligible beneficiaries; Chapter 5 contains MACPAC's annual report on Medicaid disproportionate share hospital (DSH) allotments to states. This summary covers highlights from Chapters 1, 2, and 4.

Chapter 1: An Automatic Countercyclical Financing Adjustment for Medicaid

Chapter 1 describes the Commission's work on improving Medicaid's responsiveness to economic downturns. The chapter notes that Medicaid is a countercyclical program, since enrollment and spending tend to swell when economic downturns occur as individuals lose employer-sponsored insurance. The chapter also notes that typically states must wait on funding increases from Congress to help mitigate the fiscal impact of this increased spending, which often results in instability for states as federal relief gets tied up in the political process.

As a way to eliminate this instability, the Commission suggests introducing an automatic statutory countercyclical financing adjustment for Medicaid. The model that the Commission bases its recommendations on utilizes timely economic indicators to trigger an automatic increase in the Federal Medical Assistance Percentage (FMAP) in the event of a downturn. Increased automatic aid is also tied to some limits and conditions, including a maintenance of effort provision, a cap on a maximum FMAP increase, and limits on the application of FMAP to special matching rates.

MACPAC's recommendation to Congress in Chapter 1 is as follows:

1.1 Congress should amend the Social Security Act to provide an automatic Medicaid countercyclical financing model, using the prototype developed by the U.S. Government Accountability Office as the basis. The Commission recommends this policy change should also include:

- An eligibility maintenance of effort requirement for the period covered by an automatic countercyclical financing adjustment;
- An upper bound of 100 percent on countercyclical adjusted matching rates, and;
- An exclusion of the countercyclical adjusted federal matching rate from services and populations that receive special matching rates (e.g., for the new adult group) or are otherwise capped or have allotments (e.g., disproportionate share hospital payments, territories).

Chapter 2: Advancing Maternal and Infant Health by Extending the Postpartum Coverage Period

Chapter 2 underscores the importance of postpartum healthcare in the year after delivery and recommends that Congress extends mandatory postpartum coverage under Medicaid and CHIP to a full year postpartum as a way to lower the rate of maternal and infant mortality in the U.S. Chapter 2 also notes that healthcare coverage disruptions in the first year after delivery contribute to racial and ethnic disparities in maternal and infant health, further making the case for the postpartum coverage extension as a way to improve health equity.

Considering the fiscal impact such a mandate would have on states, the Commission also recommends in Chapter 2 that Congress fully fund this coverage extension by providing a 100 percent federal match for these services.

MACPAC's recommendations to Congress in Chapter 2 are as follows:

- 2.1 Congress should extend the postpartum coverage period for individuals who were eligible and enrolled in Medicaid while pregnant to a full year of coverage, regardless of changes in income. Services provided to individuals during the extended postpartum coverage period will receive an enhanced 100 percent federal matching rate.
- 2.2 Congress should extend the postpartum coverage period for individuals who were eligible and enrolled in the State Children's Health Insurance Program while pregnant (if the state provides such coverage) to a full year of coverage, regardless of changes in income (*note: states would continue to receive the CHIP enhanced matching rate for the extension of the postpartum coverage period*).
- 2.3 Congress should require states to provide full Medicaid benefits to individuals enrolled in all pregnancy-related pathways.

Chapter 4: Establishing a Unified Program for Dually Eligible Beneficiaries: Design Considerations

Chapter 4 reviews design considerations for a new, unified program for beneficiaries who are dually eligible for Medicare and Medicaid. In Chapter 4, the Commission notes that dually eligible beneficiaries often experience fragmented care and poor health outcomes as a result of poor coordination of Medicare and Medicaid benefits. As a way to address this issue, MACPAC discussed the potential for establishing a unified program for these beneficiaries and analyzed research on the topic of integrated care to synthesize key design considerations for such a program.

The Commission does not make any specific recommendations to Congress regarding establishing a new program for dually eligible beneficiaries in Chapter 4; instead, the Commission lays out key steps for establishing such a program and discusses key considerations. As a first step, MACPAC encourages policymakers to consider the overarching goals of a unified program, including beneficiary access to essential healthcare services, freedom for beneficiaries to make choices about their healthcare, consumer protections, and health equity. Chapter 4 also notes the "substantial" statutory and regulatory changes at the state and federal level necessary for establishing a new program.

At the end of the chapter, MACPAC notes its interest in further exploring this topic, and explains that the Commission will further consider "more immediate ways to improve integration of care for dually eligible beneficiaries". The Commission also notes that it will provide more insights on this topic in its June 2021 report to Congress.