Highlights from MACPAC April 2020 Public Webcast Meeting

Overview

On April 2, 2020, the Medicaid and Chip Payment and Access Commission (MACPAC) held a live webcast in lieu of an in-person meeting due to the ongoing COVID-19 pandemic. The meeting focused on reviewing and approving chapters and recommendations that will be included in MACPAC's upcoming June 2020 Report to Congress. The Commission reviewed four topics that were covered in their February meeting: integrating care for dually eligible beneficiaries, improving participation in the Medicare savings program, coordinating benefits with TRICARE, and Medicaid's role in maternity care. MACPAC also introduced two new topics related to COVID-19: 1) Considerations in designing automatic Medicaid financing changes in times of crisis, and 2) Medicaid's overall response to the COVID-19 pandemic.

Integrating Care for Dually Eligible Beneficiaries

MACPAC staff and Commissioners reviewed content to be included in Chapters 1 and 2 of their June 2020 Report.

Chapter 1 will provide background and context. The chapter will note that dually-eligible beneficiaries have more complex care needs, higher rates of medical service usage, and account for a large and disproportionate share of Medicare and Medicaid spending, making these beneficiaries a unique challenge for the Medicare and Medicaid programs. This chapter will also explain challenges resulting from a lack of care coordination and provide a review and evaluation of integrated care models, including Medicare-Medicaid Plans (MMPs), dual eligible special needs plans (D-SNPs), and other special needs plans including highly integrated dual eligible special needs plans (HIDE SNPs) and fully integrated dual eligible special needs plans (FIDE SNPs). The chapter will note that while preliminary findings on integrated care models are mixed, some findings suggest integrated care will lead to reductions in hospitalization and readmission, nursing facility admission, and per-person Medicare spending.

Chapter 2 will discuss integrated care policy issues and offer two recommendations to Congress. Recommendations aim to further four objectives: increase enrollment in integrated products, increase the availability of integrated products, promote greater integration in existing products, and lay the groundwork for the future of integrated care.

MACPAC's first draft recommendation suggests that the Centers for Medicare and Medicaid Services (CMS) create an exception to the special enrollment period (SEP) for dually-eligible beneficiaries eligible for MMPs, allowing these individuals to thereby enroll on a monthly basis, which will result in a continuous SEP. MACPAC reasons this change would allow MMP-eligible individuals to "benefit from the continuity of care that the narrower SEP was intended to promote while retaining state preferences to enroll eligible beneficiaries on a continuous (monthly) basis."

MACPAC's second draft recommendation suggests Congress provide additional federal funds for expanding state capacity to develop Medicare expertise. MACPAC reasons this would increase the expansion of integrated care models since Medicare expertise is an obstacle for states attempting to implement such programs and resources to develop expertise are scarce. Additional funds could help states cover upfront costs, hire dedicated staff, and conduct extensive planning necessary for implementing integrated care models.

In their comments, Commissioners expressed concerns about how COVID-19 will affect Congress's response to MACPAC's policy recommendations, given the tremendous financial stress the pandemic will put on federal and state budgets.

Improving Participation in the Medicare Savings Programs

MACPAC staff discussed policy recommendations addressing low enrollment in Medicare Savings Programs (MSPs) to be included in their report. The Commission's recommendations are intended to address several key

barriers to enrollment in MSPs, including varied state approaches to program administration, conflicting requirements between MSPs and similar federal programs, and lack of awareness among eligible beneficiaries.

MACPAC will recommend that Congress amends the section of the Social Security Act governing state administration of MSPs to require that states use the same definitions of income, household size, and assets for determining eligibility for MSPs as the Social Security Administration (SSA) uses when determining eligibility for the Part D Low-Income Subsidy (LIS) Program. This recommendation will eliminate the need to re-verify SSA LIS data, and enable states to process applications transferred from SSA without requiring additional information from beneficiaries. Further, the Commission will recommend that Congress amends Section 1144 of the Social Security Act to "require SSA to transfer continuing LIS program eligibility data to states on an annual basis" to ease administrative burden.

Coordination of Benefits with TRICARE

MACPAC staff discussed issues in coordinating benefits for the approximately 867,000 beneficiaries receiving health care coverage through both TRICARE and Medicaid and their two policy recommendations to be included in their June Report.

MACPAC identified three factors causing coordination of care issues for Medicaid and TRICARE:

- Lack of an active data sharing agreement between Medicaid and TRICARE;
- Infrequent data matches, and;
- Lack of coordination between TRICARE and Medicaid MCOs.

To address these factors, MACPAC will recommend that the CMS facilitate state Medicaid agency coordination of benefits with TRICARE by "working with the Department of Defense (DOD) to develop a mechanism for routinely sharing eligibility and coverage data between state Medicaid agencies and the Defense Health Agency." MACPAC reasons that increased data availability between the two programs will help improve coordination and ensure Medicaid properly fills its role as the payer of last resort.

MACPAC will also recommend that Congress directs DOD to require its contracted TRICARE carriers to implement the same third-party liability policies as other health insurers. MACPAC believes this will protect Medicaid from improper payment of claims that are the responsibility of TRICARE, thereby preventing cost shifting from DOD to Medicaid, and helping the two government programs to better coordinate benefits.

Medicaid's Role in Maternity Care; Substance Use Disorder and Maternal and Infant Health

MACPAC's discussion of Medicaid's role in maternity care was largely a review of material covered in MACPAC's January and February public meetings (see our January and February summaries for a detailed report). MACPAC staff reviewed relevant maternal and infant health outcome data, Medicaid benefits for mothers with Medicaid, state and federal Medicaid efforts to improve maternal health outcomes, and areas for future work, including value-based purchasing, access to maternity providers, family planning services, and postpartum care. Staff noted that the Commission's previous work on maternal health, including a review of key findings from a 2020 Mathematica study, will be included in the June Report.

MACPAC will also include a special chapter dedicated to the Commission's work on maternal and infant health and substance use disorder (SUD) in their upcoming report. Staff discussed Medicaid authorities under which SUD treatment services can be established, the role of the criminal justice system and child welfare agencies in addressing SUD conditions, fragmentation of care delivery, and new models of care, such as the Maternal Opioid Misuse (MOM) and the Integrated Care for Kids (InCK) models. While the Commission's chapters on Infant and Maternal Health in the June Report will be mostly descriptive, MACPAC staff noted that the Commission will explore these areas further and consider making recommendations in later reports.

In their comments, Commissioners suggested MACPAC study the effects of COVID-19 on maternal and infant mortality and morbidity. Commissioners also suggested revisiting the role of the criminal justice system in SUD

cases, focusing policy on the incidence and effects of low birth weight and preterm births, and further examining continuity of care issues.

Considerations for Designing Automatic Medicaid Financing Changes in Times of Crisis

MACPAC staff presented on designing an automatic countercyclical mechanism for Medicaid financing changes during national crises. They explained how Medicaid functions in a recession by effectively serving as an economic stabilizer for states since they receive additional funding through the Federal Medical Assistance Percentage (FMAP) as enrollment grows. Medicaid can be used as a vehicle for fiscal stimulus when Congress passes legislation by enhancing the FMAP rate during downturns. In 2001, 2008 and during some disasters, Congress increased FMAP levels that resulted in states receiving additional federal dollars to offset economic pressure from recessions, effectively operating as stimulus.

MACPAC is exploring the idea of a new policy mechanism that automatically increases the FMAP in times of crisis. Considerations for such a mechanism include:

- Whether FMAP increases should be triggered by national conditions or state-level factors;
- What economic indicator(s) the mechanism should utilize to identify a recession;
- Whether FMAP increases should be uniform or based on state-level economic factors;
- Effects of increased federal spending on the economy, and;
- Whether an increase should be based on robust data, or prioritize rapid response.

Commissioners mostly asked clarifying questions about economic indicators and other design considerations. In their comments, Commissioners emphasized the importance of considering state-by-state factors when discussing Medicaid funding and suggested MACPAC pursue further research into the long-term effects of an automatic countercyclical FMAP-increase mechanism

Medicaid's Response to the COVID-19 Pandemic

MACPAC staff presented on Medicaid-related responses to the COVID-19 pandemic, discussing state and federal approaches.

Staff noted that states utilized a variety of federal and state authorities in their COVID-19 responses, including state plan amendments, Section 1135 waivers, Section 1115 waivers, Section 1915(c) waivers, executive orders, guidance from state agencies, and changes to managed care contracts. States used these authorities for a range of purposes, including expanding the use of telehealth, prohibiting cost sharing for COVID-19 related services, authorizing early prescription refills, waiving prior authorization requirements, opening special enrollment periods for exchange coverage, and declaring state emergencies.

Federal agencies, including the Department of Health and Human Services (HHS) and CMS, have also taken action to address the COVID-19 pandemic. HHS and CMS issued national waivers suspending requirements for practitioners providing services to Medicare, Medicaid and CHIP beneficiaries to be licensed in the state in which they provide services and waived certain conditions of participation for individual provider and provider types. CMS will likely continue to release guidance on an ongoing basis. Additionally, the United States Citizenship and Immigration Services office, responsible for making immigration determinations related to the so-called public charge rule, announced that publically paid-for COVID-19-related testing treatment, and preventative care will not affect public charge analysis.

Bills passed by Congress also affect Medicaid's role in the COVID-19 response. The Families First Coronavirus Response Act requires coverage of COVID-19 testing in Medicaid and CHIP without cost sharing for tests. It also offers states the option to provide Medicaid coverage to uninsured individuals for COVID-19 testing at a 100% federal match rate, and offers a 6.2% FMAP increase to states that meet maintenance of effort requirements. The Coronavirus Aid, Relief, and Economic Security (CARES) Act extends some Medicaid demonstrations, delays disproportionate share hospital (DSH) payment cuts until December 1, 2020, clarifies the definition of "uninsured" for purposes of the new state option to provide COVID-19 related coverage, allows

for non-physician certification of home health services, and allows for home and community-based services to be provided in acute care hospitals.

One Commissioner suggested MACPAC consider a recommendation to states and/or the federal government to extend a Medicaid special enrollment period for Americans losing their jobs or needing coverage as it relates to COVID-19, and it was noted that some states, like Maryland, have already implemented such a policy. In their comments, Commissioners also discussed the difficulty of responding to such a rapidly changing crisis, and the importance of timely research and recommendations.

MACPAC Chair Melanie Bella said COVID-19 will certainly have significant impacts on the Commission's work going forward, and that the pandemic could potentially open new avenues to innovate and make recommendations for long-lasting changes that could positively impact the Medicaid program in the years to come. "There's sort of this silver lining view where… you have a situation like this and many things that have been off-limits in the past are no longer off-limits. And you can oftentimes really make positive, lasting change to the status quo, which is the current system, because you have no choice. And so thinking about it in that vein I think is going to be really positive," said Chairman Bella in her closing remarks.