

Medicaid Program Levers

Senate Finance Committee

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Medicaid Basics



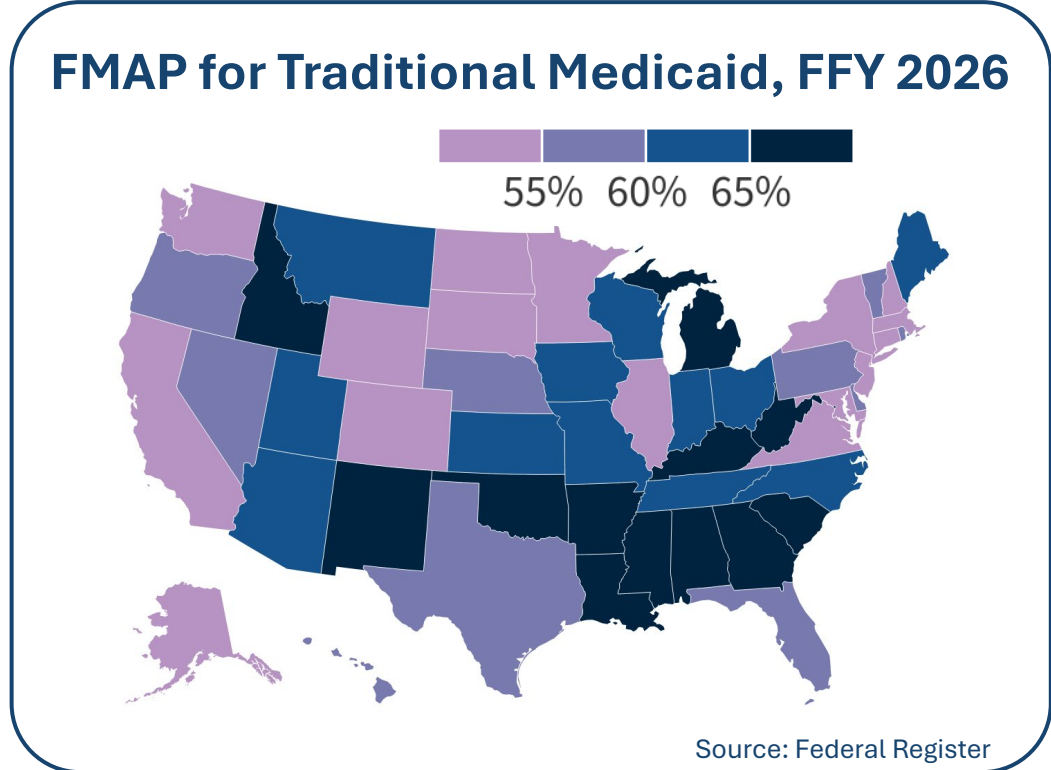
- Medicaid is a **joint federal and State public health insurance** program for low-income individuals and families
- The program is **designed to support vulnerable populations**, including children, pregnant women, seniors, individuals with disabilities, and other low-income groups
- **States have flexibility** in designing and administering Medicaid programs within federal guidelines
- Eligibility is based on **financial** (income) and **categorical** (age, disability, pregnancy) **criteria**



Federal Financial Participation



- Medicaid is **jointly funded** by the state and federal government
- The percentage of costs paid by the federal government is known as the Federal Medical Assistance Percentage (FMAP)
 - **Varies across states**, by eligibility category for beneficiaries, by medical service type, and across operational activities
 - The lower limit for FMAP is 50%



Federal Financial Participation



Category		FFY 2025 FMAP
Eligibility Type	Regular Medicaid	51.54%
	Children's Health Insurance Program (CHIP)	66.08%
	Expansion Population	90.00%
	Indian Health Services (IHS)	100.00%
Admin. Type	General Administration	50.00%
	IT System Maintenance & Operations	75.00%
	IT System Design & Development	90.00%

Mandatory and Optional Eligibility Groups



Federal

Title XIX of the Social Security Act mandates Medicaid coverage certain groups including low-income:

- Families and individuals
- Individuals with disabilities
- Pregnant women
- Children
- Individuals receiving supplemental security income

State

Alaska Statute 47.07.020 outlines eligibility groups for the Alaska Medicaid program:

- Requires coverage of all mandatory eligibility categories in Title XIX of the Social Security Act
- Lists additional optional eligibility groups covered by Alaska Medicaid
 - Example: Home and Community Based Services waiver recipients

Medicaid Expansion



- Alaska adopted Medicaid Expansion in 2015
 - The Affordable Care Act (2010) allowed states to expand Medicaid coverage to low-income adults (ages 19-64) up to 138% percent of the federal poverty level who were not otherwise Medicaid-eligible
- Nearly 1 in 10 Alaskans are covered through Medicaid Expansion

SFY 2024 Medicaid Claims and Enrollment Data	
Enrollees	83,005
Recipients	51,070
State Spending	\$51M
Federal Spending	\$714M



Mandatory and Optional Services



Federal:

- Title XIX of the Social Security Act mandates Medicaid coverage for certain services
 - Early and Periodic Screening, Diagnostic, and Treatment program for children under 21
- Affordable Care Act Essential Health Benefits

State:

- AS 47.07.030(a) requires that Alaska Medicaid cover all mandatory services under Title XIX of the Social Security Act
- AS 47.07.030(b) lists additional optional services Alaska Medicaid may cover. Examples include:
 - Prescription drugs
 - Emergency hospital services

Medicaid State Plan



The Medicaid State Plan is an agreement between the State and the federal government that outlines how the State will administer its Medicaid program.



- Defines who is eligible for Medicaid services
- Specifies the types of services covered
- Details how providers are reimbursed for services
- Explains how the State will administer the program

State Plan Amendment Process



Changes to the Medicaid State Plan are called State Plan Amendments (SPAs) and must be reviewed and approved at the federal government by the Centers for Medicare and Medicaid Services (CMS).



Waivers



The U.S. Secretary of Health and Human Services may grant waivers to certain Medicaid provisions, allowing states to test and implement innovative approaches.

Demonstration Waivers

- Example: Section 1115 Demonstration Waivers



Program Waivers

- Example: Section 1915(c) Home and Community-Based Services Waivers



Reimbursement Rates



Medicaid reimbursement rates are developed at the state level, subject to federal approval.

Types of Rates

Per Diem

Encounter

Fee-for-Service

Percent of Charges

Diagnosis
Related Groups

Rate Adjustments

Inflation

Rebasing

Legislative

Federal

Changes to the Medicaid Program



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Federal Financial Participation

Eligibility

Services

Rates

Federal Mechanisms

Statutory changes

Appropriations Acts

Rulemaking

State Mechanisms

Statutory changes

Regulatory changes

State Plan Amendments

Questions?

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