

# Federal Health Care Reform & Medicaid



## Implications for Minnesota



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# Medicaid Expansions: Senate Bill

- All legal residents under 133% of Federal Poverty Limit (FPL)
  - Includes childless adults
  - FPL = \$14,500 per year for single adult
- Costs for newly eligible enrollees covered 100% from 2014-16, then 90% by federal government
- Allow states to enroll newly eligible residents as early as April 1, 2010 at ordinary federal/state cost split until 2014



# Senate bill's implications for Minnesota

- Shift GAMC patients to Medicaid in April
  - Reduce state's cost of program by 50%
- Shift some MNCare patients to Medicaid
  - Reduce state's costs for MNCare
  - Extend solvency of Health Care Access Fund
  - Provide more comprehensive benefits
- Significant impact in *current* state budget; helps provide partial, long-term solution for GAMC enrollees

# Medicaid Expansions: House Bill



- All legal residents below 150% FPL
- Costs for newly eligible covered 100% in 2014, then 91% by federal government
- Extends stimulus bill's increased federal match for current Medicaid costs another 6 months
- No state early enrollment opportunity

# House bill's implications for Minnesota

- Broader expansions up to 150% of FPL would provide more federal funding for some MNCare enrollees
- 9% lower federal match for new eligibles in 2015; 1% higher match for 2016-20
- 6 month extension of stimulus bill's higher match for current Medicaid spending helps fill part of the hole in state's budget shortfall

# Medicaid Expansions: Implications for Minnesota

- **Under both Senate and House bills**
  - 100% federal coverage of GAMC enrollees and some MinnesotaCare enrollees in 2014
    - More than \$500 million in state budget relief
    - At least 90% federal coverage in 2015-19
- **More streamlined state programs**
  - Reduce benefit, enrollment, and other differentiations between GAMC, Medicaid and low-income MNCare