



# Moving *Forward* – Facing Challenges in State Medicaid Programs

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# Federal-State Relationship

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## **NASMD's Top Priority for New Administration**

- CMS and states need to rebuild partnership to accomplish goals
- Relationship needs to be more collaborative
- Partnership is critical with current economy, budget constraints, and plans for healthcare reform

# **Mental Health Technical Advisory Group (TAG)**

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**NASMD has partnered with SAMHSA to reinstitute the Mental Health Technical Advisory Group (TAG).**

- **Meets monthly**
- **Chairs – Doug Porter, WA & Kevin Martone, NJ**
- **Serves as a forum for Medicaid and MH stakeholders**
- **Serves as a tool/resource for states to discuss best practices, funding issues, and other mental health related challenges facing states**

# Status of Regulations Under Moratorium

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**In 2007, CMS published 7 regulations in the Federal Register that would have caused significant financial loss to states. Congress passed legislation that put 6 of these rules under moratorium until March 30,2009.**

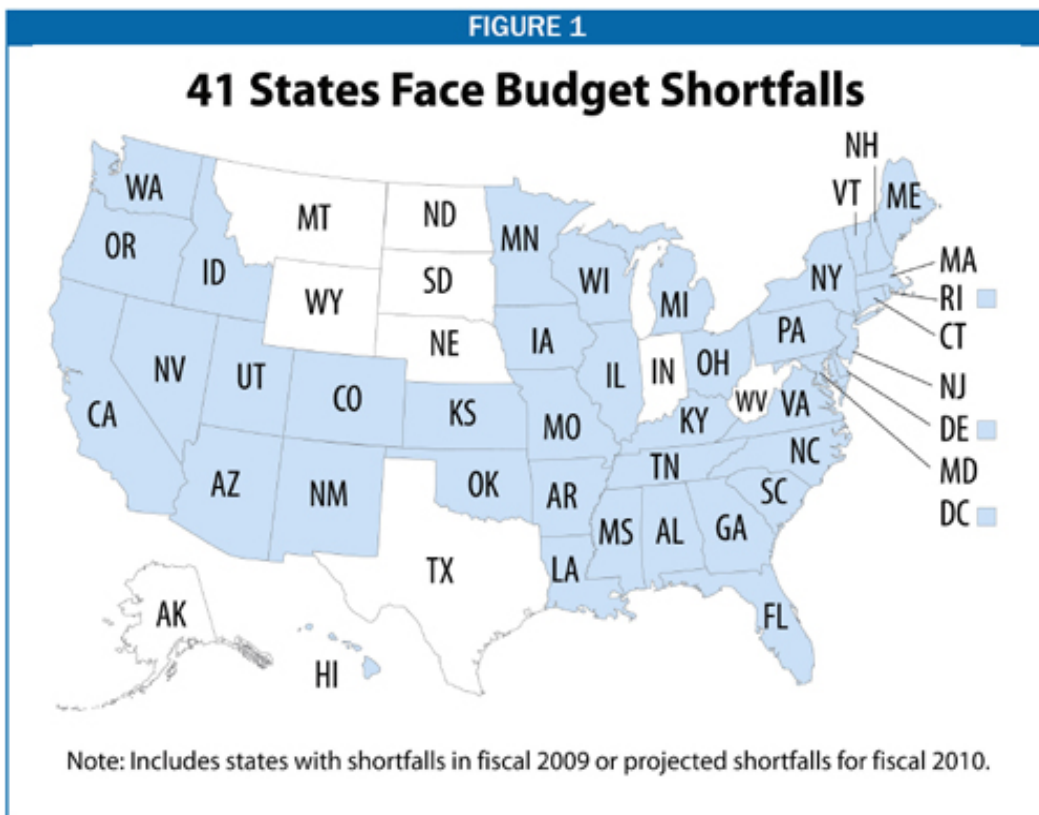
- Targeted Case Management
- Rehabilitation/Habilitation Services
- School-based administration/transportation services
- Healthcare provider tax
- Cost limit for providers operated by units of government
- Graduate Medical Education

**The regulation on Medicaid payment for outpatient services was excluded from the moratorium. The final rule goes into effect on December 8, 2008.**

# State Budget Challenges

## According to the Center on Budget and Policy Priorities

### Priorities:



- 41 states facing fiscal stress in their FY 2009 and/or FY 2010 budgets
- 31 states facing mid-year budget shortfalls
- Over half have already cut spending, used reserves, and raised revenues to balance current budget
- States' fiscal problems likely to continue for some time

# Fiscal Relief For States - Increased FMAP

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- **Economic downturn and massive job losses are contributing to gaps in state budgets and increases in Medicaid enrollment**
- **States cannot borrow money and must have balanced budgets**
- **Many states forced to cut funding to Medicaid and other crucial programs**
- **FMAP increase would allow states to maintain Medicaid enrollment**
- **Families who are able to obtain healthcare coverage may spend money on other things which could help to stimulate the economy**

# Medicaid Integrity Program

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- MIP to provide CMS the resources necessary to combat fraud, waste and abuse in Medicaid
- Offers an opportunity to identify, recover and prevent inappropriate Medicaid payments
- Supports the efforts of State Medicaid agencies through a combination of oversight and technical assistance
- Mental health providers can expect increase in number of audits
- Documentation of needs and services are critical

# NASMD

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