# HEALTH REFORM AT A GLANCE:
# MAINTAINING AND IMPROVING MEDICAID

Medicaid covers health and long-term care services for over 60 million low-income Americans. States have over 40 years of experience operating the program with federal matching funds. The discussion draft builds upon this existing state-based administrative structure to extend coverage to uninsured Americans who have incomes near or below poverty. The discussion draft would also improve Medicaid payments to primary care practitioners to address concerns about access to needed services by current Medicaid beneficiaries as well as those who will be newly enrolled. After the new Health Insurance Exchange has been running for several years and built up enough capacity, low-income individuals and families would have the choice of enrolling in Medicaid or in a health insurance plan offered through the exchange.

The Children's Health Insurance Program (CHIP) covers over 6 million low-income children who are not eligible for Medicaid. CHIP expires in 2013, the year that the new Health Insurance Exchange would begin operation. The discussion draft ensures that children covered by CHIP at that time could enroll in a plan of their family's choice in the Health Insurance Exchange with no disruption in coverage and with financial assistance to make their new coverage affordable.

## Medicaid Provisions in the Discussion Draft:

### Covering Low-income Uninsured Americans

- Effective 2013, individuals with family incomes at or below 133% of poverty ($14,400 for an individual in 2009) would be eligible for Medicaid. The cost of care for those newly enrolled in Medicaid as a result of this policy would be paid by the federal government, with no state contribution.

- Those individuals with incomes at or below 133% of poverty who lose health insurance coverage within the previous 6 months (e.g., a young college graduate whose coverage under her parents' policy ends) would have the choice of enrolling in Medicaid or enrolling in the Health Insurance Exchange with assistance for their premiums.

- State Medicaid programs would continue to cover those with incomes above 133% of poverty using the eligibility rules that states now have in place.

- After the Exchange has been in operation for 4 years, all individuals eligible for Medicaid could choose to enroll in the Health Insurance Exchange rather than stay in Medicaid.

### Improving Access to Services

- Medicaid payments to primary care physicians and practitioners for primary care services are increased from 80% of Medicare rates in 2010, to 90% in 2011, and 100% in 2012 and thereafter. The costs of raising these rates would be paid by the federal government.