

Medicaid Expansion

White Paper

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Background

The Patient Protection and Affordable Care Act (ACA) would expand eligibility for Medicaid to individuals earning less than 133 percent of the federal poverty level beginning January 1, 2014. According to some estimates, as many as 80,000 Montanans could qualify for the program under these criteria – that’s nearly double the number currently enrolled.

The U.S. Supreme Court is expected to rule on the constitutionality of the Medicaid expansion later this spring. If it goes forward, an expansion of this magnitude holds serious implications for the infrastructure and resources of the Medicaid program.

Among these concerns is whether the state’s information technology systems can handle both the application and the billing functions that will be required, and whether the Department of Public Health and Human Services has the eligibility personnel in its county offices to receive and process applications.

At this point, we don’t think statutory changes are needed to implement the expansion. However, it is critical to think through the budget implications we face.

The 2013 session of the Montana Legislature is the only opportunity for the state to address these issues. Complicating matters, because Medicaid eligibility will be handled through the health insurance exchange, eligibility processes will have to be up and running by October 1, 2013, when the exchange is scheduled to begin its “open season” for enrollment.

Action Plan

This issue could fall into the purview of either the Select Committee on Efficiency in Government or the Children, Families, Health and Human Services Interim Committee. Whichever takes it on, two general actions are needed:

- Identify the infrastructure and resources that will be needed to implement the expansion
- Develop an appropriations request that provides the staffing, capital and other resources needed to implement the expansion.

As to how this is done, MHA suggests several steps:

- Hearings and additional committee meetings at which:
 - DPHHS and Governor’s Budget Office officials report on their action plan for implementation, key issues they have identified and their proposals for ensuring compliance.
 - Stakeholders discuss the state’s ability to implement.
- Independent analysis by the Legislative Fiscal Division and/or the Legislative Auditor that assesses DPHHS’ ability to implement the expansion and identifies gaps in the agency’s ability to meet implementation deadlines.
- Committee recommendations for legislative action in the 2013 session.