



An Overview: Eight Main Reforms to the Federal Financing of Medicaid

- 1) Distributes/Designates a per-capita capitation payment or per enrollee payment to states based upon the number of enrollees in 4 different categories:
 - a. Elderly
 - b. Blind or disabled
 - c. Children
 - d. Adults
- 2) Distributes/Designates quality of care bonuses to top performing states in each of these four categories.
- 3) Reduces the state match for each state to the lowest state match required under the current federal matching assistance program (FMAP) which is currently paid by Mississippi. In return, states are no longer allowed to use provider taxes or intergovernmental transfers to fund their state match.
- 4) Reduces the discrepancy between states by adjusting federal per capita payment to each state and for each category to the mean of all states for a given category plus or minus 10%. The transition from current payment rates to the adjusted rates will be over ten years. The transition begins in year two after enactment.
- 5) Creates a state option to combine Medicare and Medicaid payments for full-benefit dual eligibles to be administered by the state. The purpose is to align incentives and thereby improve outcomes while saving state taxpayer dollars.
- 6) All recovery from fraud and abuse would be retained by the state.
- 7) States retain all savings from bringing in Medicaid health delivery under cost.
- 8) This proposal is meant to strictly address Medicaid financing. We intend to introduce a second Implementation/Administrative proposal to address additional concerns.