

## TRANSCRIPT:

### Medicaid Expansion Video

I'm Samantha O'Leary. I am the Vice President of Public Market Strategy with the Community & State national policy and strategy team. I spend my days thinking about our strategic response to policy changes at both the federal and state level, primarily around the Medicaid program, but other federal and state government programs that impact the lives and health care of members of Community & State.

### What is Medicaid Expansion?

Medicaid Expansion was a part of the Affordable Care Act, also called the ACA, which created the opportunity for states to expand - literally expand - eligibility for the Medicaid program to low-income adults up to 138% of the federal poverty level. It created access to Medicaid for essentially two different groups that fall into that category: individuals who are low income but are childless; as well as individuals who are low income but of a higher, low-income scale than were previously, historically covered by Medicaid.

### Who is covered by Medicaid Expansion?

Medicaid Expansion covers primarily childless adults who are low income, up to 138 percent of the federal poverty level.

### Why does Medicaid Expansion differ by state and how?

Medicaid Expansion was authorized by the Affordable Care Act, or the ACA, in 2010. In 2012, the Supreme Court heard arguments regarding the constitutionality of the entire ACA. While the Supreme Court upheld the majority of the ACA as constitutional, it deemed that the portion of the law specific to Medicaid Expansion could not be fully upheld. It could not be mandated through the ACA that states had to expand Medicaid eligibility up to 138% of the federal poverty level because there would be a significant expansion as well in state funding for that program. Therefore, Medicaid Expansion then turned into essentially an option for states that was authorized under the ACA. States could choose to expand their eligibility, extend their eligibility to this childless adults, low-income group up to 138% of the federal poverty level.

How many states have adopted Medicaid Expansion?

To date, 36 states plus DC have adopted that option to expand Medicaid.

How is Medicaid Expansion financed?

Similar to typical Medicaid, Medicaid Expansion is a jointly funded federal and state program with the federal government and state government jointly financing the program. How it differs from traditional Medicaid is actually that the federal government chips in the majority of the funding for Medicaid Expansion. For every \$1 a state spends on Medicaid Expansion-covered services, the federal government chips in a significant portion. During the first few years that Medicaid Expansion was authorized, the federal government actually covered 100% of those costs. Over time, that percentage that the federal government covers has ratcheted down, year by year and starting next year in 2020 that percentage will be 90 percent in perpetuity. So, from 2020 onward, the federal government will cover 90 cents on the dollar for every dollar a state spends in Medicaid Expansion.

What is the role of managed care in Medicaid Expansion?

The majority of states that have chosen to pick up Medicaid Expansion have done so using Medicaid managed care as the primary payer and delivery system for their Medicaid Expansion programs in lieu of high-volume, high-cost fee-for-service.