

Congress of the United States
Washington, DC 20515

January 11, 2017

Commissioners
The Medicaid and CHIP Payment and Access Commission
1800 M Street N.W.
Suite 650
Washington, DC 20036

Dear Commissioners:

Today Medicaid is an important safety net program that provides health coverage and long-term care services for some of our nation's most vulnerable patients. As legislative expansions and demographic developments require the Medicaid program to do more and more, we are concerned that the Medicaid safety net faces increased strain in the years to come, which could cause further access and health care quality problems for beneficiaries.

Medicaid is the world's largest health insurance program—covering more than 77 million Americans in 2016 and the Congressional Budget Office (CBO) estimates Medicaid will provide health care or long-term care for up to 98 million Americans in 2017.¹ The program already consumes more general revenue from the federal government than Medicare and a recent tally estimates that the size of the population covered by Medicaid is greater than the entire population of the 29 least populous States, *combined*.² In fact, if Medicaid enrollment were its own country, Medicaid would be the 21st most populous country in the world – larger than France, Italy, or the United Kingdom.

The growth of the Medicaid program continues a longstanding trend within the program. Medicaid program expenditures and enrollment are both about three times larger than they were under President Clinton in 1997.³ CBO warns that the federal share of Medicaid outlays is expected to roughly double over the coming decade, increasing from \$371 billion in 2015 to more than \$624 billion in 2026. That means that by 2026, total federal and state expenditures on Medicaid will cost about \$1 trillion *each year*.⁴

¹ <https://www.cbo.gov/sites/default/files/recurringdata/51301-2016-03-medicaid.pdf>

² <https://energycommerce.house.gov/news-center/blog-posts/ec-shares-handly-medicaid-overview-tool>

³ <https://www.macpac.gov/wp-content/uploads/2015/01/Figure-1.-Medicaid-Enrollment-and-Spending-FY-1966-FY-2013.pdf>

⁴ Federal Medicaid spending has grown by more than 2,500 percent since 1980.

Troublingly, there is already a growing range of literature showing that many Medicaid beneficiaries are indeed facing challenges related to access and quality. With Medicaid expenditures growing, many States face difficult choices about which benefits and populations are served. Due to these budget pressures, some States have been forced to make changes which result in more children and individuals with intellectual and developmental disabilities being placed on waiting lists—thus ultimately delaying or even denying care to some of the most vulnerable patients served by Medicaid.⁵

In this environment, we believe it is important to better understand the optional eligibility groups and optional benefits States are covering. Clearly, some optional benefits – such as prescription drug coverage – are important for virtually all beneficiaries. Yet other benefits may be more necessary as a covered benefit for a subset of beneficiaries. However, this information is not easily discernable in one source for each state. Instead, this information exists across multiple, disaggregated sources that make meaningful review a challenge. The information currently available from the Centers for Medicare & Medicaid Services is limited to a list of mandatory and optional eligibility groups, as well as mandatory and optional benefits.⁶

Congress in particular needs to have the most comprehensive and current information available, especially given that CBO warns that federal spending for mandatory programs and net interest will exceed total federal revenues by the 2027 – 2036 period. Without action, the unrestrained spending on Medicaid, which increases for each benefit and individual covered, could crowd out funding for other critical State and federal priorities like education, criminal justice enforcement, and transportation.⁷

To better inform Congressional oversight, we request MACPAC immediately initiate work to report on optional eligibility groups covered and optional benefits in each State Medicaid program for the most recent year data is available. Specifically, we request that MACPAC's work specify the following for each State:

- The intersection of the coverage of optional eligibility groups and the receipt of optional benefits for those groups to show the extent to which, for example, optional populations in given State are receiving optional benefits.
- The number of people covered by each State who qualify for Medicaid through an optional eligibility category.
- The Federal and State expenditures for each category of (a) optional populations; and, (b) optional benefits in each State.

⁵ <http://kff.org/health-reform/state-indicator/waiting-lists-for-hcbs-waivers/>

⁶ Benefits: <https://www.medicaid.gov/medicaid/benefits/list-of-benefits/index.html>

Eligibility groups: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Eligibility-Groups.pdf>

⁷ Source: Extended baseline projections in CBO's *July 2016 Long-Term Budget Outlook*.

Such comprehensive data would not only be helpful in informing Congressional efforts to best ensure that the Medicaid program continues to provide health care coverage and long-term care services for some of our nation's most vulnerable patients, but it would also assist researchers and other Medicaid stakeholders. This is a significant undertaking, but an appropriate and valuable use of MACPAC resources, which we believe can be completed within a six-month time frame.

Thank you for your timely consideration of our request. We respectfully request your reply to our request outlining your intended actions and timeframes, by January 25, 2017. Please contact Josh Trent of the Committee on Energy and Commerce Majority staff at 202-225-2927, or Kim Brandt of the Senate Finance Majority staff at 202-224-4515 with any questions.

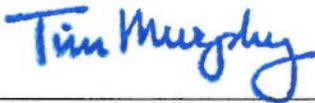
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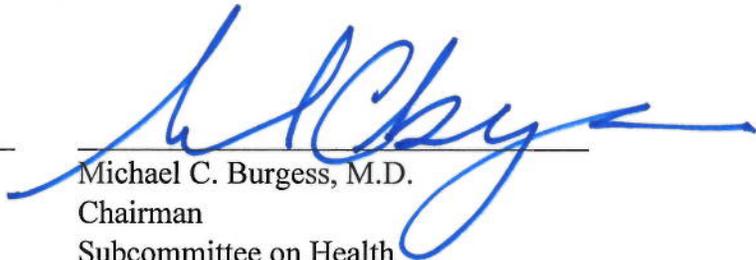
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