

# Medicaid and SCHIP Monitor

STATE  
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AAP Division of State Government Affairs

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## New and Notable

### State Budget Problems Intensify

Three months into the new fiscal year, the [Center on Budget and Policy Priorities \(CBPP\) reports](#) that 31 states and the District of Columbia face new mid-year budget shortfalls totaling \$24.3 billion, a total that does not include the undetermined budget gaps in Illinois and Wisconsin. These shortfalls are in addition to the \$48 billion in budget gaps that states closed while finalizing their 2009 budgets in July 2008. A corresponding [CBPP report](#) shows that states are facing 2 unique problems: short term borrowing complications caused by the credit crisis, and the larger challenge facing overall budgets. Meanwhile, a new [Nelson A. Rockefeller Institute of Government report](#) indicates that fiscal problems for states may be just beginning as revenue is expected to slow considerably. A final [CBPP report](#) confirms this, finding that of the 42 states that have reported 3rd quarter revenue for this year, 36 collected less revenue than a year ago after adjusting for inflation.

Another recent [Rockefeller Institute of Government report](#) shows that states are now slowing social program spending for the first time since 1983, and a number of states have already begun to discuss cuts to Medicaid. The National Governors Association, National Conference of State Legislatures, Council of State Governments, National League of Cities, and others have [called upon the federal government](#) to create a state economic recovery package that would increase federal spending in Medicaid as well as help fund state infrastructure projects during the economic downturn.

An updated [AAP report](#) on children's health insurance status, analyzing Current Population Survey data and showing that 9 million children remain uninsured. This report includes state-by-state data.

A new [National Health Law Program \(NHeLP\) fact sheet](#) explains the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program in detail and serves as a thorough educational piece about EPSDT requirements.

This new [Kaiser Commission on Medicaid and the Uninsured report](#) shows that Medicaid spending and enrollment increased in FY 2008 and provides updates on state Medicaid activity over the past year.

This [National Conference of State Legislatures \(NCSL\) table](#) shows state-by-state



### **Analysis Shows Medicaid Payment Has Increased Over Time, But Still Lags Medicare Payment**

An [August 2008 AAP News article](#) analyzed data from the Academy's [Medicaid Reimbursement Survey](#), a periodic survey conducted by the Academy of state fee-for-service Medicaid payment for approximately 200 of the most commonly used pediatric CPT codes. This article examined the results of the 4 AAP Medicaid Reimbursement Surveys over the past 10 years, specifically comparing payment rates for 3 of the most commonly used pediatric codes. It found that Medicaid payment for these 3 codes rose between 43% and 51% over that time frame, increasing faster than the Physician Service Consumer Price Index (CPI), which went up 32% over that same period. However, payment for these three codes remained between 72-82% of Medicare rates for the same services.

### **Study Shows Serious, Ongoing Enrollment Barriers Because of Citizenship Documentation Requirement**

A new [George Washington University Department of Health Policy report](#) finds that the citizenship documentation requirement put into effect by the Deficit Reduction Act of 2005 (DRA) continues to create lasting problems for potential Medicaid enrollees. The authors studied the effects of the DRA requirements 15-18 months after implementation as a "second wave" look at how the requirements were affecting possible enrollment. These authors surveyed health centers, and found that 3/4 of all reporting health centers indicated problems with citizenship documentation for 1 or more patient groups; 1/3 of groups report a longer and more difficult application and enrollment process; and that nearly 1/2 of health centers report Medicaid application and enrollment delays continue to affect their ability to access specialist care for patients, among other findings.

data on the increase in family and individual insurance plan premiums between 2004-2008.

#### **SCHIP Applications and Enrollment**

Go to <http://www.insurekidsnow.gov> and select your state from the drop-down menu. Or call 1-877-KIDS-NOW, and you will be connected to the SCHIP program in your state.



### Report Highlights "Welcome Mat" Effect

A new [Georgetown University Center for Children and Families \(CCF\) report](#) shows the positive effect significant state child health insurance expansions have had on children already eligible for existing state programs. Dubbed the "welcome mat" effect, the report highlights the positive role eligibility expansions in Illinois, Massachusetts, Pennsylvania, and Wisconsin have had on children eligible for state coverage under previous eligibility rules. More than half of newly-enrolled children in these states following these expansions were already eligible for coverage under pre-expansion eligibility rules. Authors cite the possible role of increased awareness of coverage opportunities; simplicity of a unified state message; enrollment simplification efforts; and the impact expansions have on the public image of state coverage as reasons for the increase in coverage.

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*The Division of State Government Affairs sends the Medicaid and SCHIP Monitor to the Academy's Executive Committee, Board of Directors, District Vice-Chairs, Chapter Presidents, Committee on State Government Affairs, Committee on Federal Government Affairs, Chapter Executive Directors, interested AAP members and staff, and other subscribers.*

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