TOP 5 2014 ISSUES HEALTH

THE COUNCIL OF STATE GOVERNMENTS

Medicaid

Two questions face Medicaid programs in the states. The first, whether to expand eligibility to 138 percent of the federal poverty level, has been answered in the affirmative by 25 states and the District of Columbia, as of January 2014. In the other states, the question is likely to be revisited as states feel the lure of federal funding to cover all the cost of expansion for three calendar years beginning Jan. 1, 2014. Additional pressure may come from the uninsured people who seek insurance through health insurance exchanges but learn they are not eligible for federal tax subsidies to make premiums affordable if their incomes are below 100 percent of the federal poverty level.

The second question for states is how to reform their Medicaid programs to achieve better health care outcomes at reduced costs. Some states, such as Virginia, Texas and Wyoming, have opted for reform before expanding eligibility. Other states, such as Oregon, Minnesota and Arkansas, are engaged in multi-pronged system redesign at the same time they are expanding Medicaid eligibility. Medicaid spending growth, whether related to increased enrollment or increased per capita costs, continues to absorb almost all of states' annual revenue growth, crowding out other state priorities.

Health Insurance Exchanges

The minority of states that decided to run state-based exchanges—only 14 states and the District of Columbia, as of January 2014—encountered fewer problems and enrolled more uninsured people in Medicaid and private insurance plans in the early months of open enrollment than the error-prone federal exchange. States, including the seven that early on indicated a partnership with the federal government, still can move to a state-based exchange. While insurance premiums in the exchanges initially came in below estimates, insurance providers in 2014 will have more information to use in setting premiums for the 2015 plan year. Who and how many enroll by the close of open enrollment in March 2014 will be critical.

Mental Health

Lawmakers and their constituents are still reeling from the violence in Newtown, Conn. in December 2012. While a number of legislatures grappled with gun issues—and to a lesser extent school safety and mental health services—immediately after the deaths at Sandy Hook Elementary School, the adequacy of state mental health systems remains a huge question. State mental health budgets were gutted following the 2008 recession. According to the National Association of State Mental Health Program Directors, reductions totaled $4.35 billion between 2009 and 2012. Some funding has been restored as state economies recover, but advocates and providers will continue to push for parity between behavioral health and physical health in insurance policy coverage, Medicaid and state systems development and funding. Several states have adopted certification and funding for mental health first aid.

Health Workforce Adequacy

States will continue to grapple with the shortage of health care providers. Once primarily a problem in rural areas and underserved urban neighborhoods, the issue will be exacerbated as more individuals gain health insurance coverage and seek access to services. State policymakers will be engaged in debates around scope of practice, increased professional training through new medical schools and residencies, and efficiency measures, such as telemedicine, electronic health records and networks. Policymakers also will be asked to look at the consolidation of health care, as mega-hospitals emerge and hospitals buy formerly independent provider practices.

Baby Boomers Entering Senior Years

The oldest baby boomers hit the official retirement age of 67 in 2013. Evidence suggests this generation has done less to plan and save for retirement than previous seniors. According to one survey, 60 percent have lost value in their investments due to the economic retrenchment. About 4 in 10 say they are delaying retirement. Clearly, there will be more people over 65, both absolutely and proportionately, and they are likely to live longer, whether in good health or not. The implications are myriad. States will face increased pressure for community-based residential services in lieu of nursing homes. Many older Americans will need financial assistance on top of federal Medicare. Increasing numbers of older seniors with Alzheimer's disease and other dementias will need extra assistance. The larger number of cognitively impaired seniors will complicate the movement to self-directed medical care.

For more information on these topics and for additional resources on health policy, see » *www.csg.org/top5in2014*

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YOUR CSG HEALTH RESOURCE »
DEBRA MILLER

THE COUNCIL OF STATE GOVERNMENTS

Debra Miller joined CSG in 2007. She has more than 30 years experience in the state public policy arena as a policy analyst, legislative lobbyist, state government employee and child advocate. Miller directs the health policy unit, provides staff support to CSG's Health Policy Task Force, and supervised the cooperative agreements between CSG and the Centers for Disease Control and Prevention to educate state legislators on public health topics, including chronic diseases, HIV/AIDS and STDs.

Prior to joining CSG, she worked for 23 years for Kentucky Youth Advocates, a private nonprofit organization. While at KYA, Miller was the organization's primary lobbyist, secured major foundation grants, and served on legislative and governor-appointed commissions and advisory councils. She also worked for Kentucky state government for five years in the area of developmental disabilities. Miller has a master's degree in social work from the University of Kentucky and a bachelor's degree from Duke University.

GET INVOLVED »

CSG provides state leaders a variety of regional and national opportunities to actively engage on issues of importance to their jurisdictions and constituents. CSG's regional and national committees and task forces are designed to encourage multi-state problem solving, the sharing of best practices, and networking among state officials and between the public and private sectors.

CSG's Health Policy Task Force is chaired this year by Sen. Edna Brown from Ohio. Over the past two years, the task force has focused on several key issues, including health care reform, Medicaid, chronic disease prevention, and mental health. For two years, the task force has sponsored a Medicaid Leadership Policy Academy for state legislators.

The committee will hold its next meeting as part of the combined CSG National & CSG West 2014 Annual Conference, August 9-13 in Anchorage, Alaska.

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