



## American Indians/Alaska Natives Medicaid Issues

American Academy of Pediatrics  
Congressional Briefing  
March 12, 2007

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### **MEDICAID: The Basics**

- **Medicaid** = State-run health program for low-income persons
  - Federal - State Match program
  - Feds pays between 50% and 83% of the costs of covered services; State pays the remainder
  - Percent paid by Feds is called the "FMAP"
  - FMAP varies from State to State
- **Medicare** = Federal health program for --
  - persons age 65 and over
  - end-stage renal disease patients
  - some children
  - Totally Federally funded; no State funding

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## **MEDICAID: The Basics**

- State Medicaid Plan --
  - defines covered services
  - establishes eligibility
  - meet Federal minimums
  - approved by CMS to qualify for Federal match
- Deficit Reduction Act -- gave states more flexibility in design of Medicaid programs

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## **AI/ANs and Medicaid**

- AI/ANs are eligible for Medicaid to same extent as all other persons who meet eligibility requirements
- Severe shortage of reliable data on number of AI/ANs eligible for or enrolled in Medicaid
  - CMS does not now collect these data
  - Census Bureau says 278,000 AI/AN children enrolled in Medicaid in 2005
    - Census reflects data from self-identification as AI/AN
    - Reflects higher numbers than AI/ANs served by IHS health system
- Absence of reliable data hampers outreach efforts

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## AI/ANs and Medicaid

- AI/ANs are under-enrolled in Medicaid
  - IHS/tribal health care available
  - reduced incentives to enroll
  - language barriers
  - specialized outreach needed, especially in sparsely-populated areas of Indian Country
- States with highest concentrations of AI/ANs --
  - AK, AZ, CA, NM, OK
  - as % of population: ND, SD

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## AI/ANs and Medicaid

- Federal Trust Responsibility for Indian Health
  - Basis for existence of Indian Health Service
  - Basis for 100 % FMAP
- 100% FMAP applies to --
  - Medicaid covered services
  - provided to AI/AN patients
  - in IHS and tribally-operated facilities
- 100% FMAP means Feds pay full cost; no State match required
- **No other category of provider or beneficiary attracts 100% FMAP**

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## AI/ANs and Medicaid

- 100% FMAP does not apply to --
  - Contract Health Services
  - Services provided by Urban Indian Programs
- State challenges to CMS denial of 100% FMAP for CHS
  - CMS vigorously fights these challenges
  - So far, CMS is winning
- CMS position based on Federal budget impact
  - CBO 2001 estimate of extending 100% FMAP to cover CHS:  
>\$2.3 billion in outlays over 10 years

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## Medicaid Payments to IHS/Tribal Programs

- Sec. 1911 of SSA makes "facilities of the IHS" eligible for Medicaid payments
  - applies to both IHS and tribally operated facilities
  - payment rate established annually by IHS/CMS/OMB
- FQHC designation available to tribal, urban clinics
- IHS regulations make IHS the payor of last resort for Contract Health Services [42 CFR 136.61]
  - alternate resources must pay first --Medicaid, state/local health programs, private insurance
  - proposed IHCIA legislation would codify payor of last resort rule

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## **AI/AN Children**

- Qualify for Medicaid and SCHIP according to eligibility criteria of the State
- SCHIP law requires State Plan to ensure that SCHIP assistance is provided to targeted low-income AI/AN children in the State [42 USC 1397bb(b)(3)(D)]
- CMS regulation prohibits imposition of any cost-sharing on Indian children
  - implements SCHIP law
  - based on Federal trust responsibility
  - 42 CFR §457.535

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## **Tribal-State Medicaid Consultation**

- CMS Medicaid Director urged State Medicaid Directors to consult with Tribes on proposed changes to State Medicaid and SCHIP programs (Nov. 9, 2006 letter)
- Tribal-State consultation more important now due to new Medicaid flexibility given to States in Deficit Reduction Act
  - Evaluate impact of proposed changes on --
    - AI/AN access to Medicaid, SCHIP
    - IHS and tribal health programs' access to Medicaid, SCHIP payments

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## **Medicaid: "Across State Borders" Issue**

- IHS and tribal health programs often serve AI/ANs enrolled in Medicaid program of another state, but cannot collect from other state's Medicaid program without a provider agreement
  - IHS + tribal treatment facilities for Indian youth + adults
  - BIA boarding schools
  - IHS + tribal health programs which serve AI/ANs who live in other states
- Tribal Technical Advisory Group highlighted issue with CMS
  - CMS Acting Administrator Norwalk recently directed CMS staff to design a model provider agreement for use by States

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## **Indian Health Care Improvement Act Reauthorization bills**

- H.R. 1328 (Pallone, Rahall, Don Young, et al.), Mar. 6, 2007
- Senate bill introduction expected very soon
- Amendments to Social Security Act included to --
  - enhance outreach to AI/ANs for SCHIP enrollment
  - remove barriers to AI/AN enrollment in Medicaid, SCHIP
  - improve access to M+M+SCHIP payments by IHS and tribal providers
  - direct CMS to collect + report data on AI/ANs enrolled in M+M+SCHIP
- Bi-partisan amendments approved by Finance Comte in 2006

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