

## Health Care Reform Review Committee

North Dakota Department of Human Services  
Affordable Care Act  
Overview of Medicaid and CHIP provisions  
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### **Medicaid Expansion**

Effective January 1, 2014, Medicaid will be expanded to include all individuals under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL based on modified adjusted gross income. All newly eligible adults will be guaranteed a benchmark benefit package that at least provides the essential health benefits (as defined for the Exchange). To finance the coverage for the newly eligible (those who were not previously eligible for a full benchmark benefit package or who were eligible for a capped program but were not enrolled), states will receive 100% federal financing for 2014 through 2016, 95% federal financing in 2017, 94% federal financing in 2018, 93% federal financing in 2019, and 90% federal financing for 2020 and subsequent years.

North Dakota Medicaid is expecting up to a 50% increase in enrollment because of the expansion. The North Dakota Medicaid enrollment as of April 2011 is 64,299.

### **Medicaid Payments to Physicians**

Medicaid payments in fee-for-service and managed care for primary care services provided by primary care doctors (family medicine, general internal medicine or pediatric medicine) must be increased to 100% of the Medicare payment rates for 2013 and 2014. States will receive 100% federal financing for the increased payment rates.

The North Dakota Medicaid Physician fee schedule already exceeds 100% of the Medicare fee schedule; therefore, North Dakota will not need to make changes and will not receive any increased financing for this provision.

## **Maintenance of Effort**

States must maintain current Medicaid and CHIP eligibility levels for children until 2019 and maintain current Medicaid eligibility levels for adults until the Exchange is fully operational.

## **Program Integrity**

Requires states to incorporate claims processing edits to implement the National Correct Coding Initiative, enhance provider enrollment screening activities, and to contract for the services of a Recovery Audit Contractor (RAC).

The Department implemented the National Correct Coding Initiative edits on October 1, 2010, and on June 10, 2011 awarded the RAC contract to Fox Systems, Inc. In addition, steps are being taken to implement the enhanced Medicaid provider enrollment screening activities.

## **Health Care Acquired Conditions**

Prohibit federal payments to states for Medicaid services related to health care acquired conditions.

Staff of the Department of Human Services is working to ensure full implementation prior to July 1, 2012.

## **Money Follows the Person Extension**

Extend the Medicaid Money Follows the Person Rebalancing Demonstration program through September 2016.

North Dakota will be allowed to extend its Money Follows the Person Demonstration Program which will enable more individuals to be transitioned from facilities to homes and community based settings.

### **Extension of Medicaid Coverage for Foster Care Children**

Effective January 1, 2014, all individuals who were in foster care and receiving Medicaid as of the date they turned 18 (or such higher age as the state has elected) will now continue to be eligible for Medicaid through age 25.

### **Children's Health Insurance Program**

Require states to maintain current income eligibility levels for children in Medicaid and the Children's Health Insurance Program (CHIP) until 2019 and extend funding for CHIP through 2015. The CHIP benefit package and cost-sharing rules will continue under current law.

### **Other Provisions**

The Affordable Care Act also contains many optional Demonstrations, Waivers and State Plan Amendments. Several Examples are:

- Chronic Disease Management

- Health Homes

- Family Planning

- Bundled Payments