

Federal Reforms to Medicaid Financing: What Counties Should Know

Tuesday, May 6, 2025 | 3 p.m. - 4 p.m. ET

Two-Part Webinar Series

Welcome Remarks



Hon. Wendy Root-Askew

District 4 Supervisor

Monterey County, California

NACo HSC Medicaid Subcommittee Chair

Medicaid 101 and the County Connection

Medicaid Operates as a Joint Federal- State- Local Partnership

Delivery of Medicaid- eligible
services at the county level

Varied care management and
payment models at the state level

State Flexibility on eligibility and
benefits

Broad Federal Guidance for
Medicaid

How Counties Support The Health and Well-Being of Residents

Counties are the Gateway to our Nation's Health System, Investing \$130 Billion Annually in Community Health

Counties as
Health
SafetyNet
Service
Providers



OVER 900 COUNTY-SUPPORTED
HOSPITALS



MORE THAN 700 COUNTY-OWNED AND
SUPPORTED LONG-TERM CARE FACILITIES



750 COUNTY BEHAVIORAL HEALTH AUTHORITIES



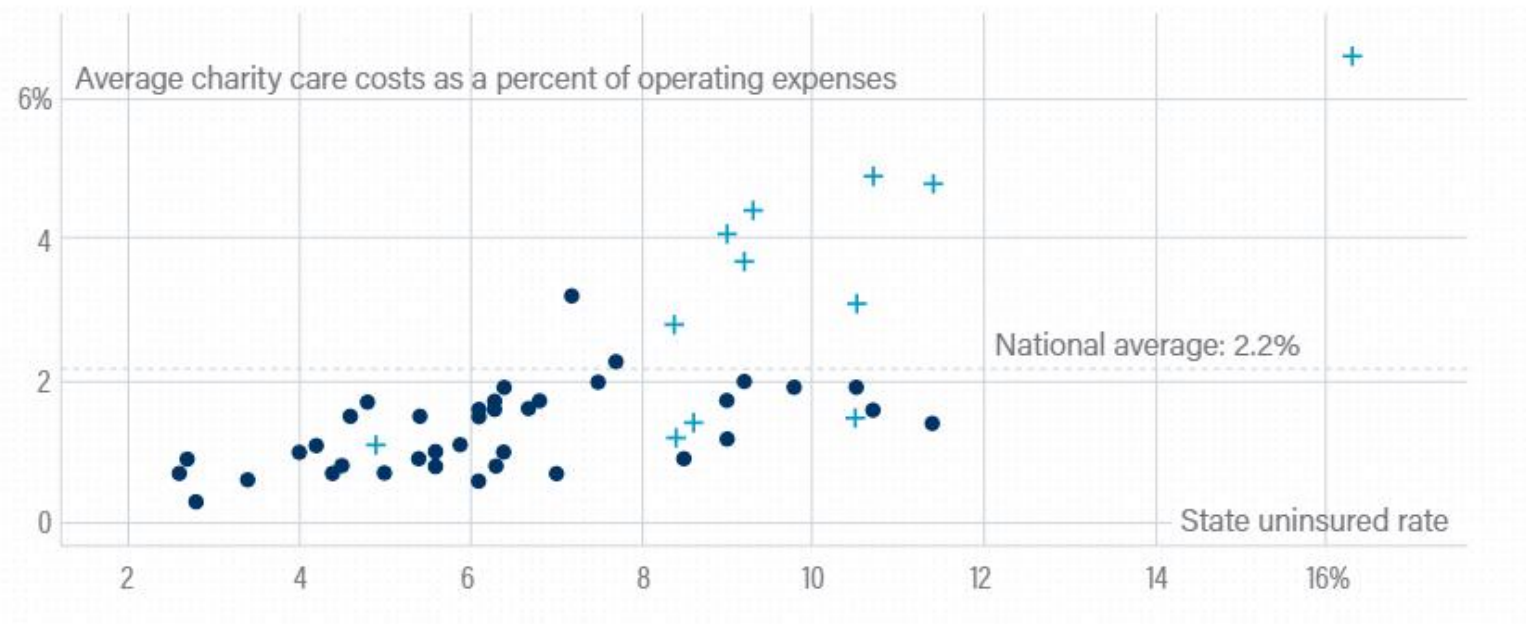
MORE THAN 1,900 COUNTY-SUPPORTED
LOCAL HEALTH DEPARTMENTS

**Many States Mandate
Counties to Provide
Some Level of Health
Care for Low- Income,
Uninsured or
Underinsured Residents**

Average Hospital Charity (Uncompensated Care) Costs as a Percent of Operating Expenses

Hospital Charity Care Costs in 2023 Were Generally Higher in States that Had Not Expanded Medicaid

+ Non-expansion state (n = 12 states*) ● Expansion state (n = 39 states, including DC)



Source: KFF analysis of RAND Hospital Data, 2023

Counties contribute financially to Medicaid in 25 states including the District of Columbia. Of these states, 19 mandate counties to contribute to the non-federal share of Medicaid costs and/or administrative, program, physical health and behavioral health costs. Mandated county contributions are the highest in New York. Counties in New York send approximately \$7.6 billion per year – or \$145 million per week – to the state for Medicaid costs.

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Chat Prompt:
Does your county contribute
to the non-federal share of
Medicaid? If so, how much?

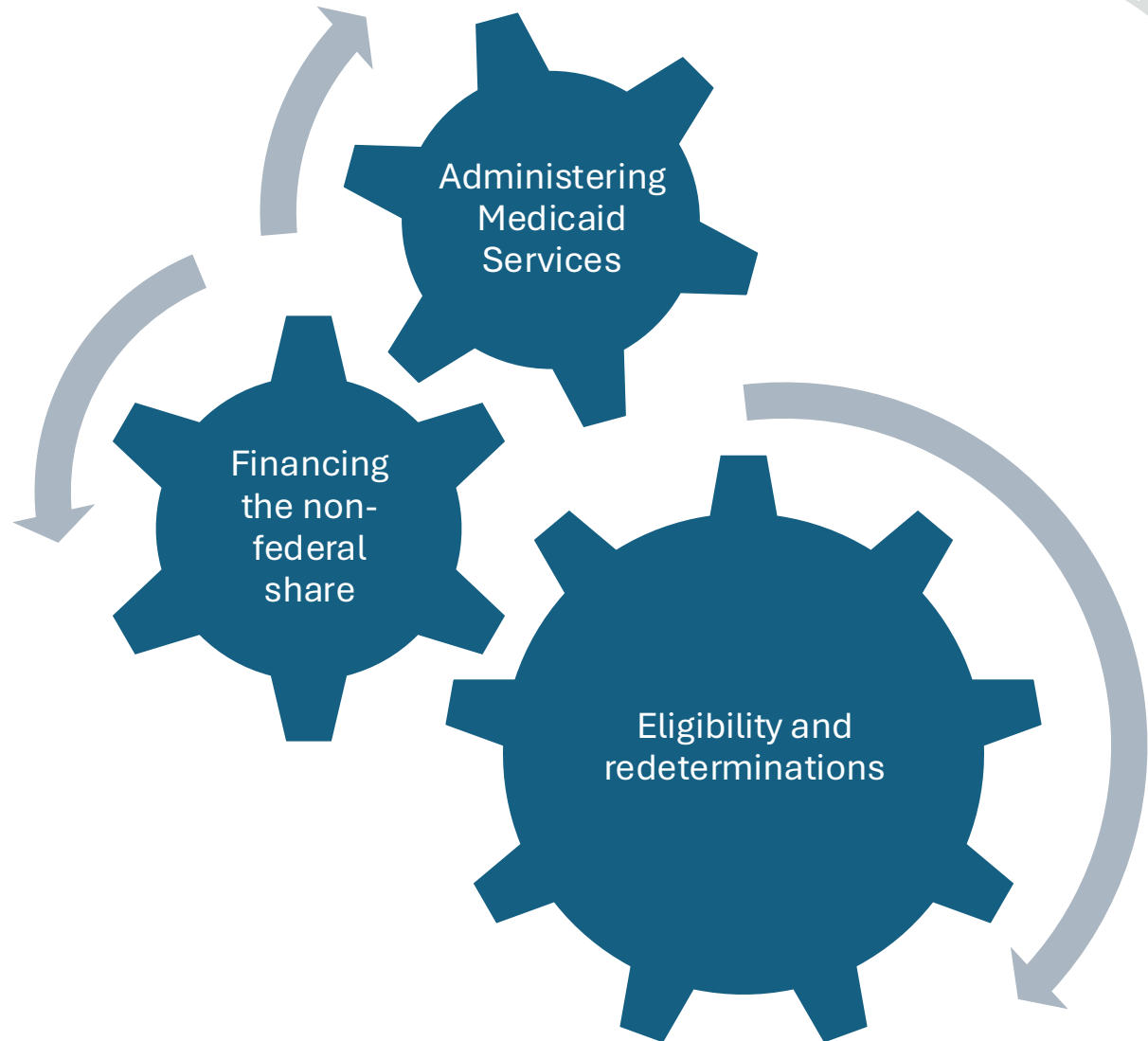
The County Role in Medicaid: Administration

States where counties have sole responsibility for Medicaid eligibility, enrollment and renewals



Source: KFF, An Examination of Medicaid Renewal Outcomes and Enrollment Changes at the End of the Unwinding

The County Role in Medicaid



Medicaid in County Behavioral Health and Primary Care

Medicaid Services: Required vs Optional



States are Obligated to Provide Certain Benefits to Medicaid Enrollees

MANDATORY SERVICES INCLUDE:

- Inpatient hospital services
- Outpatient hospital services
- Nursing facility services
- Home health services
- Physician services
- Certified pediatric and family nurse practitioner services
- Federally qualified health center services
- Tobacco cessation counseling for pregnant women
- Family planning services
- Nurse midwife services
- Transportation to medical care
- Laboratory and x-ray services
- Rural health clinic services
- Freestanding birth center services (when licensed/recognized by state)
- EPSDT: early and periodic screening, diagnostic and treatment services

States can Choose to Provide Certain Benefits on Top of Basic Medicaid Services

OPTIONAL SERVICES INCLUDE:

- Prescription drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language services
- Personal care
- Services in intermediate care facility for mental health
- Dental services
- Dentures
- Prosthetics
- Eyeglasses
- Chiropractic services
- Inpatient psychiatric services for individuals under age 21
- Other diagnostic, screening, preventive and rehabilitative services
- Hospice
- Case management
- Private duty nursing services
- Maternal Postpartum Health Services (one year postpartum)

The Behavioral Health Landscape

COUNTIES OPERATE 750 COUNTY BEHAVIORAL HEALTH AUTHORITIES

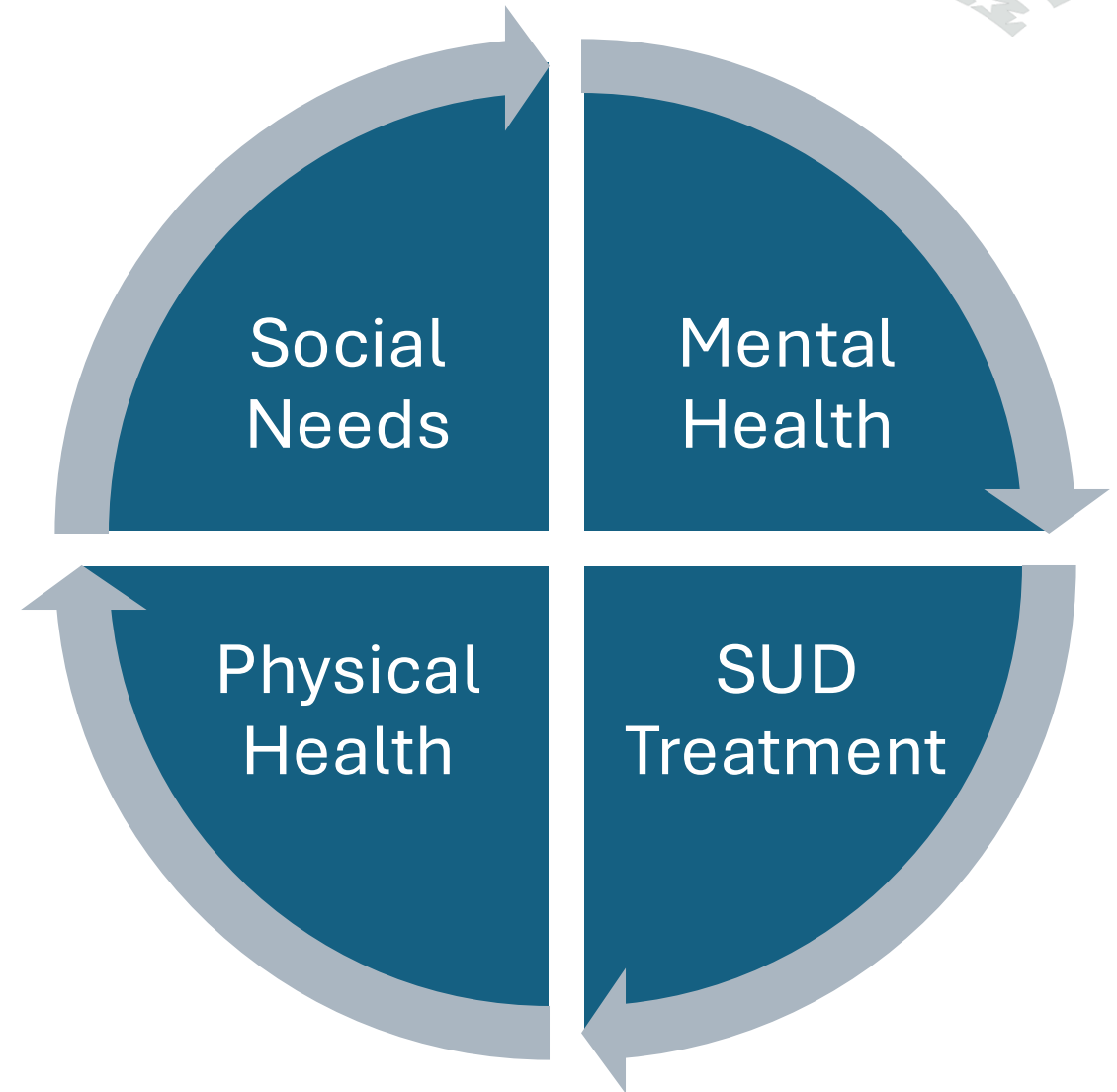
75%

U.S. population is reliant on county-
based behavioral health services

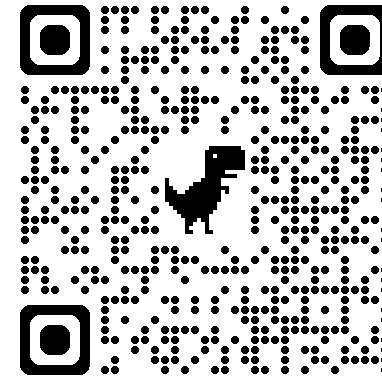
750

County-supported or operated
behavioral health authorities

The Role of Integrated Care



Arundel County, Md. Mobile Integrated Community Health (MICH)



Mobile Integrated Community Health (MICH)

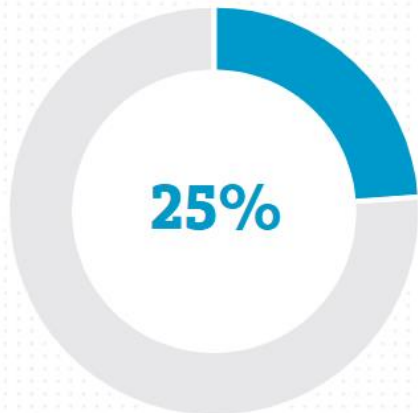
The Mobile Integrated Community Health (MICH) Program public private partnership addresses situations when a 911 medical emergency response and transport to a local emergency department may not best meet the needs of the client.

Medicaid as a Behavioral Health Funder



Medicaid is the largest funder of behavioral health services, but it is not the only funder. Counties should and are utilizing other funding streams at their disposal to provide behavioral health care for residents, including:

- County general funds
- Behavioral health grants
- State or local earmarked tax revenue



MEDICAID ACCOUNTS FOR 25 PERCENT OF ALL HEALTH SPENDING ON SUBSTANCE USE DISORDERS AND SPENDING ON MENTAL HEALTH SERVICES.

Chat Prompt:
Does your county provide
mental health services
through Medicaid?

Medicaid and Key Populations: Reaching the Most Vulnerable

Who Does Medicaid Serve?

Medicaid has Traditionally Served the Elderly, Disabled, Low-Income Families, Children and Pregnant Women

Medicaid serves:

nearly
2 in 5 children



1 in 3
people with disabilities



1 in 5
Medicare beneficiaries



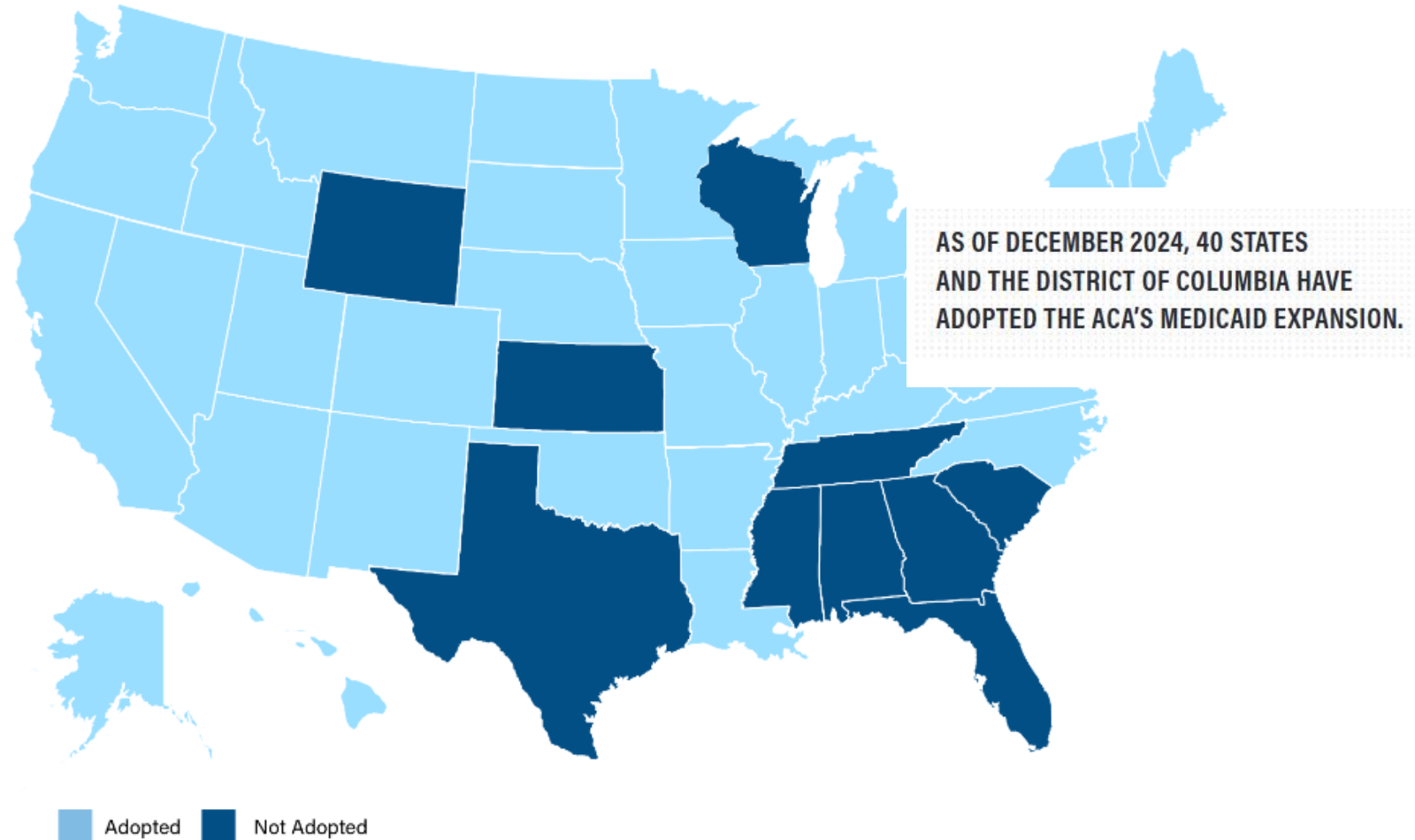
5 in 8
nursing home residents



Source: August 2024 Kaiser Family Foundation

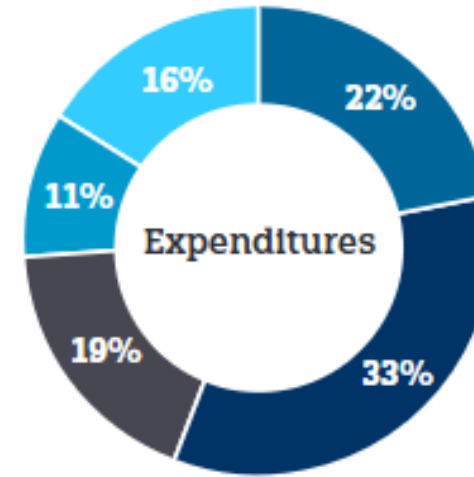
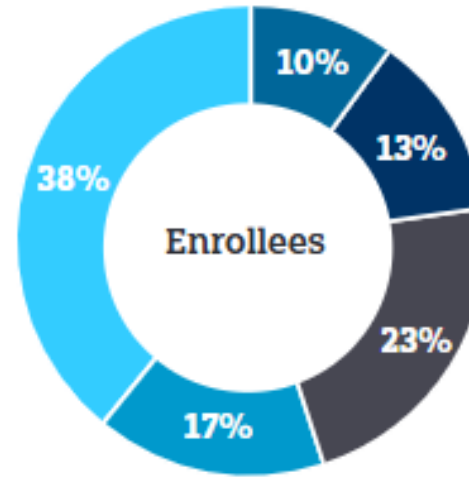
Status of State Action on the Medicaid Expansion Decision

Medicaid Expansion



Source: Kaiser Family Foundation's State Health Facts.

Elderly Adults & People with Disabilities



■ **People with Disabilities**

■ **Age 65+**

■ **Expansion Adults**

■ **Non-Expansion Adults**

■ **Children**

Data is based on FY 2020 figures

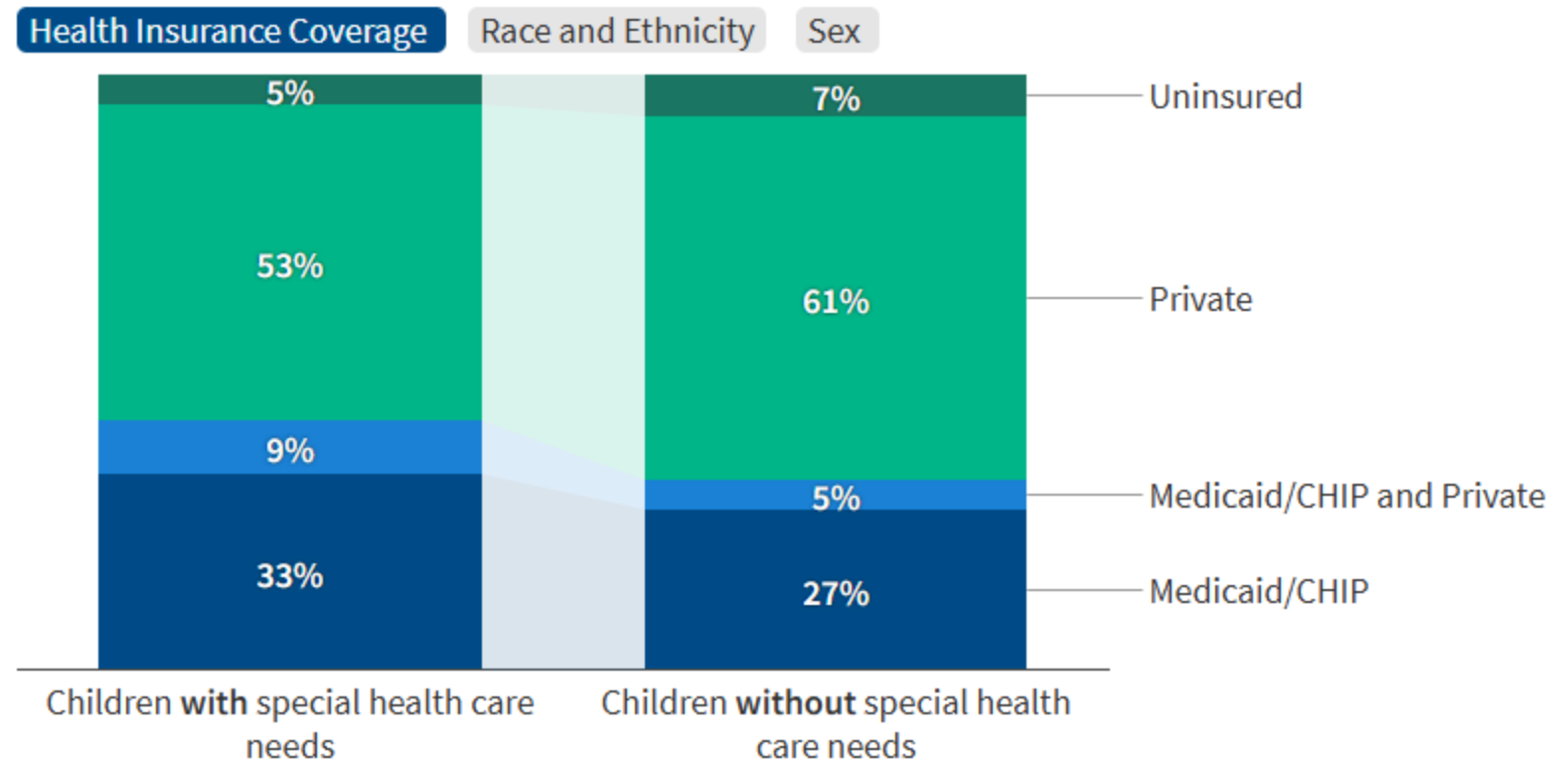
Source: CMS 2023 Medicaid and CHIP Beneficiary Profile

Children

Medicaid (in addition to CHIP) covers more than four in ten children with special health care needs compared with one-third of children without special health care

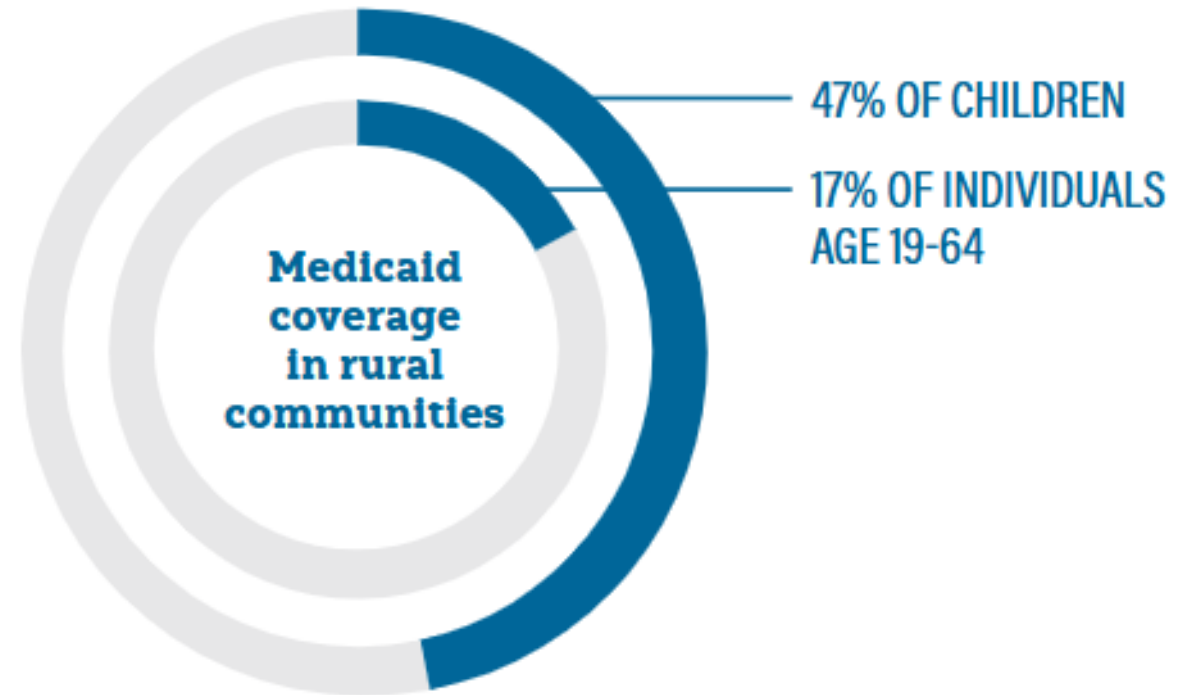
Medicaid is a Major Source of Health Coverage for Children With Special Health Care Needs

Health insurance status of children with and without special health care needs in 2023



Medicaid Enables Counties to Reach Rural Residents

Approximately 70 percent of America's counties have populations of less than 50,000. Medicaid provides primary coverage for 1 in 6 individuals ages 19-64 and 47 percent of children residing in rural communities, and has surpassed Medicare as the **largest source of public health coverage in rural areas**. Medicaid provides a key source of patient revenue that enables communities to retain health care facilities and providers.



Rural Residents

Rural Residents

Table 2

States with the Largest Difference in the Share of Children Covered by Medicaid/CHIP in Small Towns/Rural Areas and Metro Areas, 2023

State	Medicaid/CHIP Coverage in Metro Areas	Medicaid/CHIP Coverage in Small Towns/Rural Areas	Difference
Arizona	34.9%	55.9%	21.0
Florida	40.3%	51.9%	11.6
North Carolina	39.9%	48.8%	9.0
Virginia	30.0%	37.9%	7.9
South Carolina	43.4%	51.1%	7.8
California	41.4%	49.1%	7.7
Minnesota	29.7%	36.9%	7.2
Georgia	40.9%	47.8%	6.9
South Dakota	27.3%	33.6%	6.3
Alaska	33.3%	39.4%	6.1

Note: "Small Towns/Rural Areas" include non-metropolitan counties with no urban areas of at least 50,000 residents. The District of Columbia, New Jersey, and Rhode Island have no counties classified as Small Towns/Rural Areas.

Source: County-level Medicaid/CHIP coverage estimates are based on an analysis of 2022-2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). • [Embed](#) • [Download image](#)

Audience Q&A

Taking Action: County Engagement & Advocacy Opportunities



1

Engage by elevating your county story with your congressional officials

2

Use County Explorer or Medicaid and Counties data to further illustrate how Medicaid provides services to vulnerable residents in your community

3

Use NACo's template letter to reach out to your Congressional officials about the impact of financing reforms to Medicaid on your county

Taking Action: County Engagement & Advocacy Opportunities



NACo Medicaid Letter Template



NACo Report: Medicaid and Counties



NACo County Explorer Tool

Looking Ahead



Federal Financing Reforms to Medicaid (Part 2)



Monday, May 13 at 3:00 PM EST



Congressional policy reforms and advocacy opportunities
for counties

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Thank you!