

Federal Reforms to Medicaid Financing: What Counties Should Know

Monday, May 12 | 3 p.m. - 4 p.m. ET

Two-Part Webinar Series

Welcome Remarks





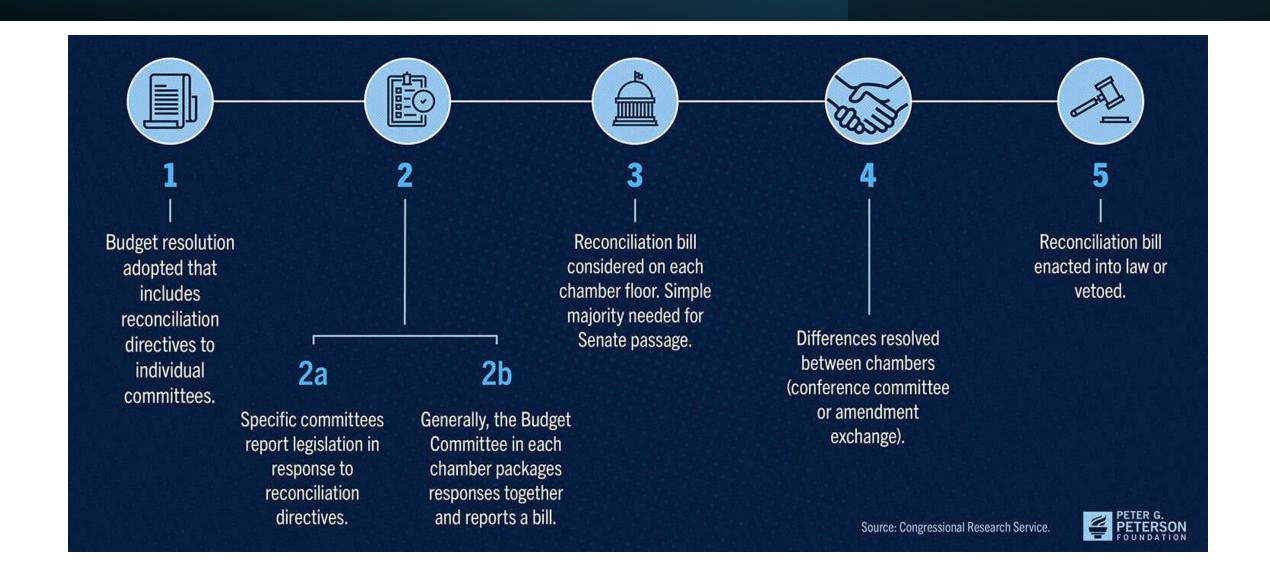
Hon. Wendy Root-Askew
District 4 Supervisor
Monterey County, California
NACo HSC Medicaid Subcommittee Chair



Setting the Scene: Political Context and Legislative Backdrop

What is Reconciliation?





Reconciliation in the 119th Congress



House passed FY 2025 Budget Resolution on April 10



House: \$1.5 trillion savings over 10 years

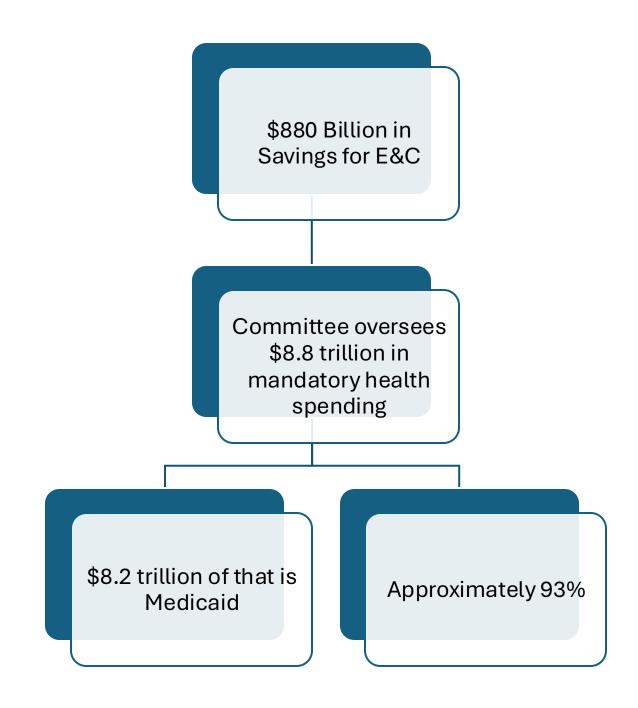


Senate: \$5 billion minimum savings over 10 years

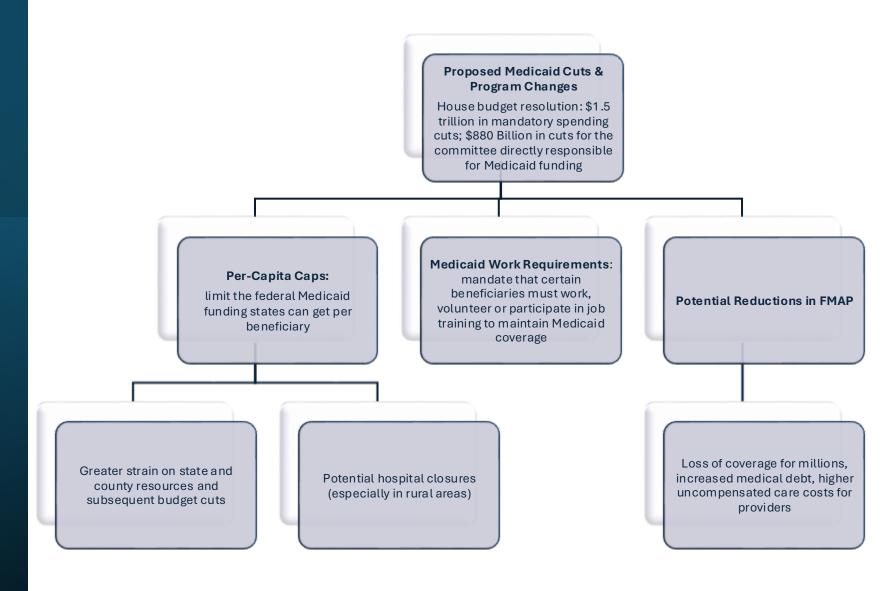


Medicaid in the center

What does this have to do with Medicaid?



What kind of changes were being considered?



Today's Webinar



Key Wins



Overview of Key Provisions for Counties



Provisions of Concern



House Energy & Commerce Committee Bill Text: Key Wins

Nursing Home Staffing Rule



Effectively delays implementation of the CMS rule on minimum staffing standards for long-term care facilities until after January 1, 2035



CMS rule would require 24/7 on-site registered nurses and other staffing minimums in long-term care facilities, aimed at improving resident care



CBO estimates the delay would save \$22 billion over 10 years

Delay of DSH Payment cuts



Pushes back scheduled DSH reductions for FYs 2026–2028 to FYs 2029–2031



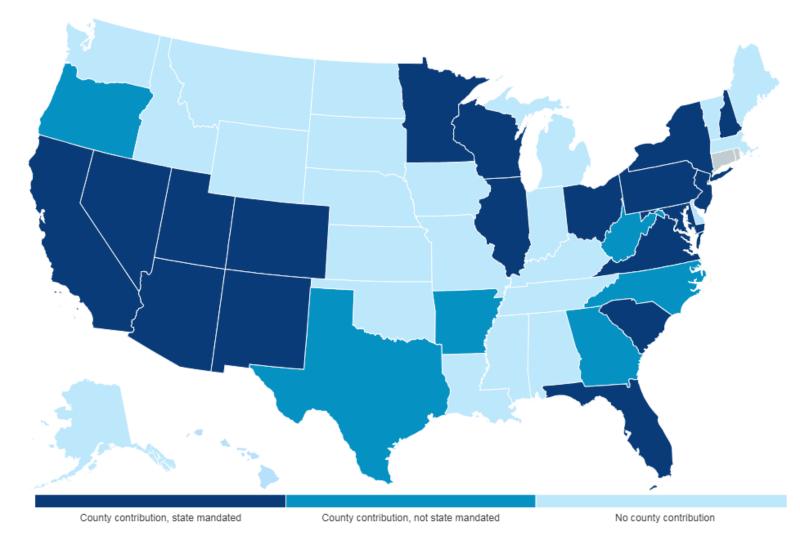
Congress has repeatedly delayed these reductions, most recently through September 2025



A win for counties that rely on DSH payments to support safety-net hospitals, especially those operated or supported by local governments

No Broad Federal Medical Assistance Percentage (FMAP) Reductions

2022 Federal Medical Benefits: Medicaid Contribution Mandate for Counties

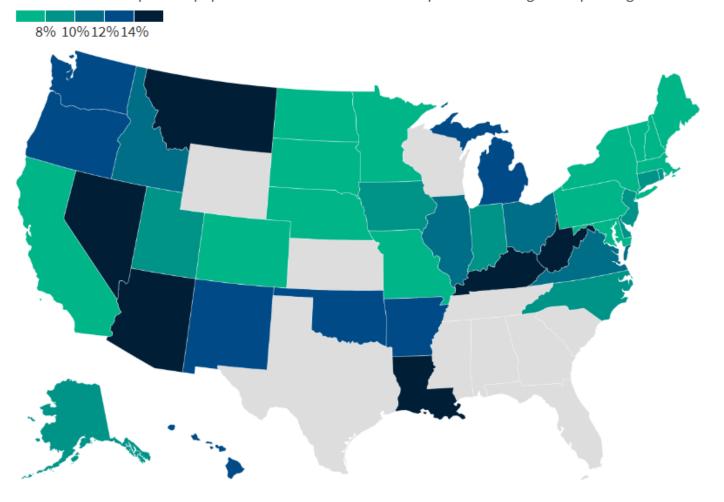


Source: NACo County Explorer explorer.naco.org, NACo Research, 2022

No Spending Caps

A Per Capita Cap on the Medicaid Expansion Population Could Increase State Spending By \$246 Billion Overall or 4% to 20% Across Expansion States

Percent change in state Medicaid spending over 10-year period (FY 2025 - FY 2034) under a per capita cap on the Medicaid expansion population if states maintain ACA expansion coverage and spending



Note: Changes show the increase in state spending (FY 2025-2034) if federal expenditures on the ACA Medicaid expansion population were limited by the growth in medical inflation starting in FY 2027. State spending would increase by \$246B or 7% across all states.

Source: KFF analysis of Medicaid enrollment and spending data from various sources. See Methods of "A Medicaid Per Capita Cap on the ACA Expansion Population: State by State Estimates" for more information about projections and assumptions • Get the data • Download PNG





House Energy & Commerce Committee Bill Text: Other Provisions





Monthly address checks (beginning 2029)

Quarterly death checks for enrollees (starting 2028)

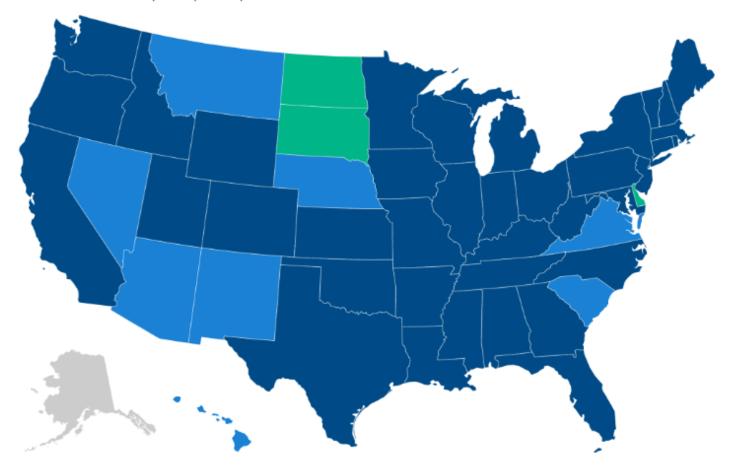
Monthly provider eligibility and death screenings (starting 2028)

Twice-yearly eligibility redeterminations (starting 2027)

Restrictions on Provider & MCO Taxes

All States but Alaska Had at Least One Provider Tax and Many States had Three or More Provider Taxes in SFY 2024

- 3+ Provider Taxes/Fees (39 states including DC)
- 2 Provider Taxes/Fees (8 states)
- 1 Provider Tax/Fee (3 states)
- No Provider Taxes/Fees (1 state)



Note: SFY = state fiscal year. Includes Medicaid provider taxes as reported by states. FL did not respond to the 2024 survey; publicly available data used to verify taxes in place.

Source: Annual KFF survey of state Medicaid officials conducted by Health Management Associates, October 2024 • Get the data • Download PNG



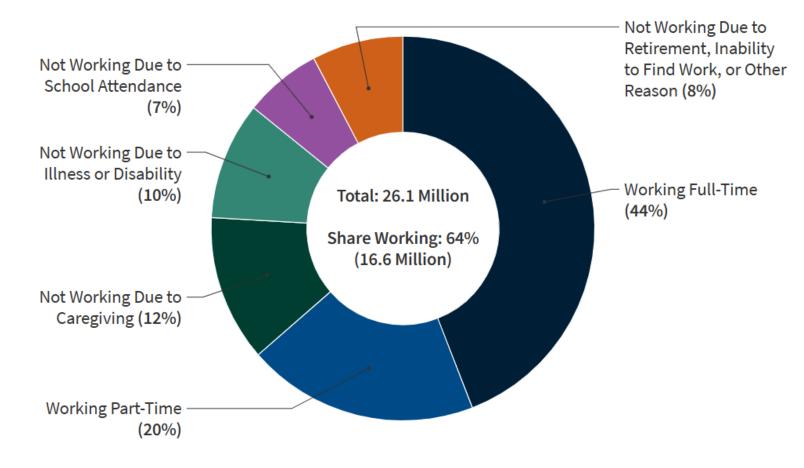


House Energy & Commerce Committee Bill Text: Provisions of Concern

Work Requirements

Work Status & Barriers to Work Among Medicaid Adults, 2023

Includes Medicaid covered adults (age 19-64) who do not receive benefits from Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) and are not also covered by Medicare.



Note: Total may not sum to 100% due to rounding. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one job.

Source: KFF analysis of the March 2024 Current Population Survey ASEC Supplement • Get the data • Download PNG



Select FMAP Reductions for Expansion Populations*



Reduces federal match for ACA expansion population from 90% to 80% for states that provide Medicaid coverage to undocumented immigrants



Seven states & D.C. offer Medicaid to income eligible individuals despite immigration status

- California

- New York

- Colorado

- Oregon

- Illinois

- Washington

- Minnesota

D.C.

Reducing Presumptive Eligibility Coverage & Repealing Medicaid Expansion Incentive



Presumptive Eligibility
Coverage: Allows individuals
to access medical care
without delays by providing
temporary coverage pending
the full Medicaid application
evaluation and approval.



Medicaid Expansion Incentive:

Allows states that enact Medicaid expansion to receive an increase percentage on their traditional FMAP rate for two years following implementation of expansion.

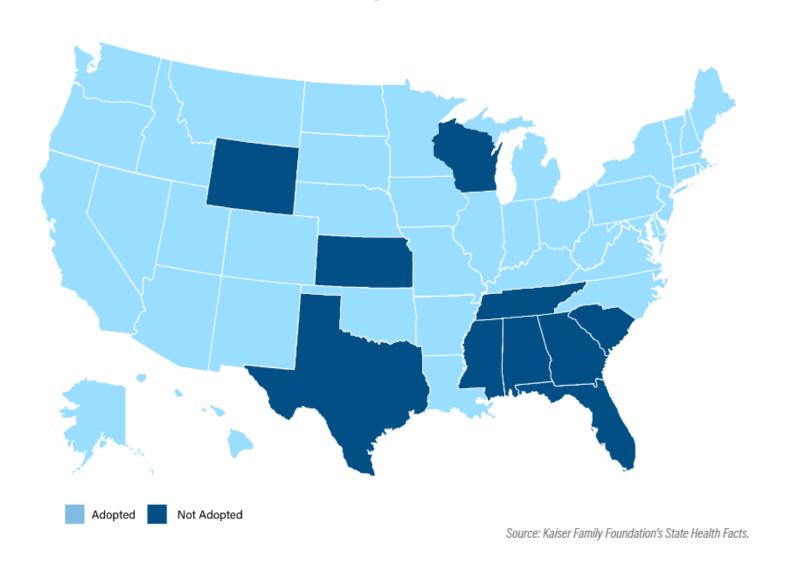






Status of State Action on the Medicaid Expansion Decision

Cost sharing for the expansion population





Audience Q&A



Next Steps & Advocacy Opportunities

Next Steps: Process Timeline



Today/Tomorrow:
Potential Text
Changes &
Drafting of
Amendments



This Week: Committee Bill Mark-ups



House Budget Combines bills into one packet and does full House Vote



Aiming for passage before Memorial Day and enactment by July

Next Steps: Headwinds



GOP narrow House majority threatens bill passage



Amendments and revisions due to Byrd bath



Risk of Senate rejection

Next Steps & Advocacy Opportunities



1

Engage by elevating your county story with you 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

Next Steps & Advocacy Opportunities







NACo Medicaid Letter Template



NACo Report:

Medicaid and Counties



NACo County Explorer Tool



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Thank you!