

## MEDICAID & CHIP — PREDICTIONS FOR 2018

*Written by Stefanie Kurlanzik*



The beginning of 2018 looks to be a continuation of 2017's trend of uncertainty when it comes to the Affordable Care Act (ACA), Medicaid, and the Children's Health Insurance Program (CHIP). To the surprise of many by the end of 2017, the ACA was not fully repealed (although it lost some punch with the repeal of the individual mandate penalty in the December tax legislation); CHIP funding expired (although Congress extended for six years on January 22); and proposed changes to Medicaid financing were debated as part of broader health care reform efforts (even though Congressional efforts to change the federal funding scheme ultimately failed).

A few predictions for Medicaid and CHIP in 2018:

- 1. More States will seek Medicaid community engagement waivers.** The Trump Administration, through the Centers for Medicare & Medicaid Services (CMS), has publicly supported community engagement waivers (a.k.a. eligibility work requirements) and issued guidance to states on the federal approval parameters for such waivers on January 11. The next day, CMS approved Kentucky's request to impose a community engagement eligibility requirement on the childless adults. Lawsuits have been filed against CMS and Kentucky asserting that the community engagement waivers are inconsistent with the statutory purpose of the Medicaid program and, in the alternative, that CMS should have used rulemaking authority to institute such a change. However, we still expect CMS to quickly work to approve pending requests and for additional states to seek similar waivers unless and until they are legally told to stop.
- 2. CMS will issue another Medicaid and CHIP Managed Care Rule.** The Administration is reviewing the 2016 Medicaid and CHIP Managed Care Rule and is expected to issue a proposed rule that scales back some of those changes. Until this Administration's changes are made final, states are required to comply with the requirements (and by the implementation dates) dictated in the 2016 Final rule. However, CMS invited States to request delayed implementation for provisions in effect in 2017 that raise significant administrative burden—with exceptions for rate setting and provider payment related requirements—and we anticipate that CMS will invite similar requests for 2018 provisions of the Final rule.
- 3. Congress will propose changes to how Medicaid is federally financed.** We fully expect Congress to put Medicaid under the microscope this year and once again propose changes to how Medicaid is federally financed. But given that the Republican's Senate majority is even slimmer in 2018, it is unclear whether this effort will be successful.

4. **Congress will take one more shot at repealing the ACA.** Congressional Republicans, committed to repealing and replacing the Affordable Care Act, may forge another attempt before the 2018 midterm elections.

Like 2017, health care reform and specifically the ACA, Medicaid and CHIP will continue to be in the news in 2018. Unfortunately for States, tracking and reacting to these changes will continue to be difficult.