

**Testimony  
Department of Human Services  
Health Care Reform Review Committee  
Representative George Keiser, Chairman  
September 6, 2012**

Chairman Keiser, members of the Health Care Reform Review Committee, I am Maggie Anderson, Interim Executive Director and Director of the Medical Services Division for the Department of Human Services. I appear before you to provide information regarding the status of the Department's implementation of the Affordable Care Act (ACA) and the issues related to the state's option to expand Medicaid under the ACA.

**Medicaid Expansion**

As I reported at the July meeting of this committee, on June 28, 2012, the Supreme Court upheld the 2014 Medicaid expansion; however, they struck down the mandate and determined that the federal government could not withhold all federal Medicaid funding if a state chooses not to expand Medicaid. Therefore, the decision about whether to expand the Medicaid program will be left to each state.

At the July meeting, I also reported that the Department and the National Association of Medicaid Directors (NAMD) had asked clarifying questions of the Centers for Medicare and Medicaid Services (CMS). Per the request of committee, the questions posed by NAMD are attached to my testimony. Several of the questions have now been answered; however, we continue to seek guidance on several important questions, including: ***Can a state choose to expand Medicaid to a Federal Poverty Level (FPL) lower than the 133 percent (plus 5 percent income disregard)? (If a state expands to a level lower than 133 percent of the FPL, is the state still eligible for the enhanced federal funding?)***

Updates on questions that have been answered:

Modified Adjusted Gross Income

Expanding Medicaid for 6 to 19 year olds

Opting in and out of the Medicaid expansion

Ninety percent match for eligibility systems

Once we have the answers to all of the questions submitted, and once the Department has submitted the 2013-2015 budget request, we will begin reanalyzing the impact of the Medicaid expansion that was prepared in 2010. We expect the analysis to be available for the 2013 Legislative Assembly.

As part of the preparations of the 2013-2015 budget request, the Department will be estimating the impact of the “woodwork effect” – which is solely related to the “previously eligible” population. This is the group that is eligible for Medicaid today, but for various reasons, the individuals have not come forward for coverage. There is widespread agreement that many in this group will apply for coverage in 2014; regardless of whether the state chooses to expand Medicaid. This is a **small portion** of the overall impact of the Affordable Care Act, but needs to be considered as part of the ongoing preparations of the Department’s budget request.

I would be happy to answer any questions.