



Marvin Lindsey, MSW, CADC
Chief Executive Officer
3085 Stevenson Drive, Suite 203
Springfield, Illinois 62703
Phone: 217/585-1600
Fax: 217/585-1601
www.cbha.net

Kaiser Family Foundation



October 2021 Prepared by: States Respond to COVID-19 Challenges but Also Take Advantage of New Opportunities to Address Long-Standing Issues

Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2021 and 2022

EXECUTIVE SUMMARY

The coronavirus pandemic has generated both a public health crisis and an economic crisis, with major implications for Medicaid—a countercyclical program—and its beneficiaries. The pandemic has profoundly affected Medicaid program spending, enrollment, and policy, challenging state Medicaid agencies, providers, and enrollees in a variety of ways. As states continue to respond to pandemic challenges, they are also pushing forward non-emergency initiatives as well as preparing for the unwinding of the public health emergency (PHE) and the return to a new normal of operations. The current PHE declaration expires on January 16, 2022, though the Biden Administration could renew the declaration again and has notified states that it will provide 60 days of notice prior to the declaration’s termination or expiration. The duration of the PHE will affect a range of emergency policy options in place as well as a 6.2 percentage point increase in the federal match rate (“FMAP”) (retroactive to January 1, 2020) available if states meet certain “maintenance of eligibility” requirements included in the Families First Coronavirus Response Act (FFCRA).

This report highlights certain policies in place in state Medicaid programs in state fiscal year (FY) 2021 and policy changes implemented or planned for FY 2022, which began on July 1, 2021 for most states; we also highlight state experiences with policies adopted in response to the COVID-19 pandemic. The findings are drawn from the 21st annual budget survey of Medicaid officials in all 50 states and the District of Columbia conducted by the Kaiser Family Foundation (KFF) and Health Management Associates (HMA), in collaboration with the National Association of Medicaid Directors (NAMD). States completed this survey in mid-summer of 2021, following increased vaccination rates and declining COVID-19 cases but just prior to a new wave of COVID-19 infections, hospitalizations, and deaths driven by the highly contagious Delta variant. Overall, 47 states responded to this year’s survey, although response rates for specific questions varied. This report summarizes key findings across five sections: delivery systems, benefits and telehealth, social determinants of health (which also includes information on health equity and COVID-19 vaccine uptake), provider rates and taxes, and pharmacy

Key Themes Explored in KFF's 2021 Medicaid Budget Survey

DELIVERY SYSTEMS

- The vast majority of states that contract with managed care organizations (MCOs) reported that 75% or more of their Medicaid beneficiaries were enrolled in MCOs as of July 1, 2021.

BENEFITS AND TELEHEALTH

- The number of states reporting new benefits and benefit enhancements in FY 2021 and FY 2022 greatly outpaced the number of states reporting benefit cuts and limitations.
- An overwhelming majority of states noted the benefits of telehealth in maintaining or expanding access to care during the pandemic, particularly for behavioral health services.

SOCIAL DETERMINANTS OF HEALTH

- Most states reported that the COVID-19 pandemic prompted them to expand Medicaid programs to address social determinants of health, especially related to housing
- Three-quarters of responding states reported initiatives to address disparities in health care by race/ethnicity in Medicaid, with many focusing on specific health outcomes including maternal and infant health, behavioral health, and COVID-19 outcomes and vaccination rates
- States report a variety of MCO activities aimed at promoting the take-up of COVID-19 vaccinations

PROVIDER RATES AND TAXES

- Reported FFS rate increases outnumber rate restrictions in both FY 2021 and FY 2022, with more than two-thirds of states indicating payment changes related to COVID-19.
- Among states that implemented COVID-19-related risk corridors in 2020 or 2021 MCO contracts, about half reported that they have or will recoup funds, while recoupment in the remaining states remains undetermined.

PHARMACY

- A majority of responding states reported prohibiting spread pricing in MCO subcontracts with their pharmacy benefit managers (PBMs), which reflects a significant increase in state Medicaid agency oversight of MCO subcontracts with PBMs compared to previous surveys
- More than half of states reported newly implementing or expanding at least one initiative to contain prescription drug costs in FY 2021 and/or FY 2022. W

Click link for the entire report- [States Respond to COVID-19 Challenges but Also Take Advantage of New Opportunities to Address Long-Standing Issues: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2021 and 2022 | KFF](#)