

Medicaid Update

University of Texas School of Law
2017 Estate Planning, Guardianship and Elder Law Conference

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This Medicaid Update Includes--



- Status of major changes to *long-term care Medicaid* considered recently by **Congress**
- Recent policy changes re Texas Medicaid eligibility by **Texas Health & Human Services Commission**
- Discussion and **forms** for current Medicaid strategies: **Qualified Income Trust, Lady Bird Deed, Transfer on Death Deed, LBD/TOD Grantee Trust, Third-Party Supplemental Needs Trust**

Proposal: Per Capita Limit on Federal Contribution to Medicaid



- Included in some form in every major bill to “repeal and replace” the Affordable Care Act
- **Federal contribution is 62%** of cost of Texas Medicaid
- Would freeze the federal contribution based on **per capita TX expenditures in each of 5 categories**—e.g. (1) elderly, (2) blind & disabled, etc.
- **Bills vary re inflation increase:** general consumer price index or higher medical component of cpi

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Potential Economic Effects of Per Capita Limit



- **Substantial reductions if based on general rate of inflation**
- Cost of **new medications, surgical procedures,** forces reductions in other Medicaid spending
- Any lengthened life expectancy from **medical progress** forces reductions
- Epidemics, declining financial support for public health, increased birth rates of special needs babies from anti-abortion policies--all force reductions

Potential Policy Effects of Per Capita Limit

- Termination of optional Medicaid programs
- Medicaid home care programs—longer waiting periods or termination of programs
- Further reduction of HHSC efforts at lowering barriers to eligibility applications (Business Process Redesign on steroids)
- Eligibility restrictions requiring litigation to enforce federal rights—e.g. re use of annuities for eligibility, harder to increase the Spousal Protected Resource Amount

Optional Medicaid Services at Risk

- Birthing center (limited)
- Case management for people with chronic mental illness, women with high-risk pregnancies and infants, and persons with mental retardation and related conditions
- Certified Registered Nurse Anesthetists
- Chiropractic (limited)
- Christian Science Sanitarium
- Day activity and health service

Source: Texas Medicaid & CHIP in Perspective (2017), pages 63-67 (Not in the paper)



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