

From Ellen Pinnes and The Disability Coalition:

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How Health Care Reform Is Already Helping

Part IV. Medicaid – Making Sure People Don't Lose Access to Coverage

There will be a big expansion in Medicaid eligibility in 2014 when the Affordable Care Act (ACA) goes fully into effect, making many more people with low incomes eligible for Medicaid coverage and taking a big bite out of the number of uninsured in the U.S. (We'll cover that in future bulletins.) But since its enactment in 2010, the ACA also has been helping to protect people who already have Medicaid coverage.

The Great Recession that started in 2008 has meant that almost all states (including New Mexico) have faced budget difficulties in recent years. They've responded to the big losses in revenues by cutting spending, and Medicaid is a tempting target for cuts because it's a big expenditure item for states – even though the federal government pays most of the cost of the program. In past years, one of the things states did to cope with drops in revenue was to cut eligibility for Medicaid, saving money by forcing people off the program and depriving them of access to services.

But the ACA forbids this – while states are still allowed to make changes to Medicaid benefits or provider payment rates to save money, they can't reduce eligibility for the program. (This continues a requirement that was first enacted in the American Recovery and Reinvestment Act, the "stimulus bill", in 2009.) The goal of the ACA is to expand health coverage, and throwing people off Medicaid and into the ranks of the uninsured is contrary to that. So the law protects people who are eligible for Medicaid under the rules the state had when the ACA was enacted, and doesn't let the state refuse to cover them.

And the law won't let the state get around these eligibility protection rules by making the application process more difficult for consumers, which would make it harder to get on or stay on Medicaid. Those kinds of actions also are barred by the ACA.

This ban on cutting Medicaid eligibility will stay in place until January 1, 2014, when the major coverage expansions under the ACA go into effect.

In New Mexico, there were 487,000 people enrolled in Medicaid when the ACA became law in March 2010. The latest figures from the Human Services Department (January 2012) show enrollment at almost 512,000. Thanks to the eligibility protections of the ACA, Medicaid has continued to meet the growing need for help in a difficult economy, rather than dropping groups of people from the program in order to save the state money.

Next: How Health Care Reform Is Already Helping – Medicare