

## **POLICY QUESTIONS FOR GOVERNORS' CONSIDERATION**

### **Policy Question 1 – Default Option**

The working paper proposes structural reforms to Medicaid by giving states an option between converting financing to a per capita cap or block grant model for some populations, and providing states necessary control of the program to ensure predictability and sustainability over time. To address the equity issue, the working paper also proposes that states adopting these structural reforms would be eligible for the enhanced match for adults. Some states may prefer not to convert their expansion population to a per capita cap or block grant model.

**Should states have an option to remain under the current structure with federal financial participation reduced to regular FMAP for the expansion population, rather than adopt a per capita cap or block grant model for this population?**

### **Policy Question 2 – Medicaid Financing for Adults between 100% - 138%FPL**

Serious questions and concerns exist with regard to the viability and stability of the Obamacare Marketplace. In particular, states should consider the impact of potential reforms and affordability of coverage for adults 100% - 138% FPL if they migrate from current Medicaid coverage. Repeal and replace must be considered simultaneous to Medicaid reform and ensure a smooth transition for adults in need of insurance coverage. Income should be factored into the replacement tax credits or subsidies and be tiered to ensure there are no disincentives to work.

States will consider a transition to the regular match rate for the adult population between 100% – 138% FPL if the marketplace is stabilized and tax credits or subsidies are determined to be adequate for basic health coverage.

**Should states propose reducing the upper limit for the enhanced match for adults from 138% FPL to 100% FPL and, if so, what are the conditions that need to be in place before making a change?**