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MACPAC Releases March 2021 Report to Congress

Congressional advisory panel makes recommendations for improving Medicaid's responsiveness during economic downturns, addressing disparities

The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March [2021 Report to Congress on Medicaid and CHIP](#) today, recommending that Congress adopt measures aimed at improving Medicaid's responsiveness during economic downturns; addressing concerns about high rates of maternal morbidity and mortality; and reexamining Medicaid's estate recovery policies. The report also contains additional topics of interest to Congress such as integrating care for people who are dually eligible for Medicaid and Medicare, and improving hospital payment policy for the nation's safety net hospitals.

"This report offers Congress a number of timely recommendations it can take to improve Medicaid's programmatic response to national challenges related to the COVID-19 pandemic, as well as racial and ethnic disparities in health," said MACPAC Chair Melanie Bella.

[Chapter 1](#) addresses the challenge that states face during recessions when Medicaid enrollment grows and state revenues decline. Although Congress has often stepped in to provide fiscal relief in the form of increased federal matching funds, the Commission recommends an automatic countercyclical Medicaid financing adjustment that would ensure that additional federal funds flow quickly to Medicaid during economic downturns, and provide states with greater budget predictability.

[Chapter 2](#) focuses on Medicaid's essential role in maternal health, highlighting the importance of postpartum care in the year after delivery and the unacceptably high rates of maternal mortality and morbidity among people of color generally and among those covered by Medicaid specifically. Medicaid coverage for individuals enrolled in Medicaid coverage by virtue of their pregnancy ends after 60 days postpartum, causing disruptions to care and access to coverage. Drawing on a deep body of evidence, Chapter 2 contains recommendations that would expand postpartum coverage under Medicaid, including making it mandatory for states to extend postpartum coverage from 60 days to a full year with 100 percent federal matching rate.

[Chapter 3](#) examines the burden of Medicaid estate recovery, which often falls on those with modest means, and may disproportionately affect people of color and perpetuate intergenerational poverty. Federal law requires state Medicaid programs to seek recovery from the estates of certain deceased beneficiaries for payments for long-term services and supports (LTSS) and other services. The chapter contains three recommendations related to easing the burden of estate recovery, including making estate recovery optional, rather than mandatory, as was allowed under prior law.



[Chapter 4](#) continues the Commission’s work integrating care for individuals who are dually eligible for Medicaid and Medicare. The chapter examines key design issues that would have to be addressed to establish a unified program for the dual eligible population. Medicare and Medicaid are administered and financed differently, and were designed to accomplish different goals, making fully integrating these programs a challenge. A unified program could simplify coverage for beneficiaries, providing care and services under a single umbrella.

The [final chapter](#) contains MACPAC’s annual report on Medicaid disproportionate share hospital (DSH) allotments to states. As in prior years, the Commission continues to find little meaningful relationship between state DSH allotments and the number of uninsured individuals; the amounts and sources of hospitals’ uncompensated care costs; and the number of hospitals with high levels of uncompensated care that also provide essential community services for low-income, uninsured and vulnerable populations. It also summarizes limited information about the early effects of the COVID-19 pandemic on safety-net hospitals. MACPAC has been required by statute to report on these indicators of hospitals’ need for DSH funds since 2016.

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ABOUT MACPAC

The Medicaid and CHIP Payment and Access Commission is a non-partisan legislative branch agency that provides policy and data analysis and makes recommendations to Congress, the Secretary of the U.S. Department of Health and Human Services, and the states on a wide array of issues affecting Medicaid and the State Children’s Health Insurance Program (CHIP). For more information, please visit: www.macpac.gov.

