

## MACPAC Releases March 2023 Report to Congress

### *Congressional advisory panel makes recommendations on race and ethnicity data collection, transparency in nursing facility payment data, and drug coverage*

The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2023 *Report to Congress on Medicaid and CHIP* today, recommending a series of measures aimed at improving the collection of race and ethnicity data, increasing transparency in nursing facility payment data, and giving states greater flexibility in following Medicare drug coverage decisions. It also includes MACPAC's annual, statutorily required report examining payment policy for safety net hospitals.

"This report contains a range of policy recommendations designed to address health equity, improve transparency of Medicaid payments to nursing facilities, and give states tools to effectively manage their Medicaid programs," said MACPAC Chair Melanie Bella. "We believe that the recommendations and insights included in this report will help ensure that Medicaid and the State Children's Health Insurance Program effectively and equitably serve the needs of beneficiaries."

Chapter 1 examines ways to improve the collection of race and ethnicity data in Medicaid, with recommendations intended to improve the accuracy of these data and increase response rates from applicants. Racial and ethnic health disparities persist throughout the U.S. health care system. These issues are exacerbated by the high rates of missing data on race and ethnicity, which may lead to an inaccurate and incomplete understanding of health disparities. MACPAC's recommendations to improve Medicaid application questions and application assistance training aims to address the primary challenges with collecting race and ethnicity data. In conjunction with ongoing work at the federal and state levels to address other challenges, these recommendations may contribute to improvements in the completeness and accuracy of race and ethnicity data collected from Medicaid applicants.

Chapter 2 focuses on the transparency of Medicaid payments to nursing facilities. Medicaid is the primary payer for most nursing facility residents and has an important role to play in improving the care residents receive. Facilities that serve a high share of Medicaid-covered residents have worse quality outcomes on average than other facilities, and the COVID-19 pandemic exacerbated many of these disparities. The Commission makes recommendations on collecting and reporting facility-level data on Medicaid payments to nursing facilities, updating the requirement for states to conduct regular analyses of Medicaid payments, and making facility-level findings publicly available.

In Chapter 3, the Commission makes recommendations that would allow states the option to align drug coverage with Medicare coverage with evidence requirements under a Medicare National Coverage Determination. Under Medicare Part B, the Centers for Medicare & Medicaid Services (CMS) has the authority to evaluate whether a service or prescription drug is reasonable and necessary. Under certain circumstances, CMS can link coverage of an item or service to participation in an approved clinical



study or to the collection of additional clinical data. The Commission's recommendations would, at a state's discretion, establish Medicare as a standard for acceptable coverage and could also encourage drug manufacturers to develop evidence of a drug's effectiveness in a timely manner.

Chapter 4 continues the Commission's work on our annual, statutorily mandated obligation to 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 and uninsured populations.

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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](http://www.macpac.gov).

