State of the States

Please stand back. My head is exploding.
State Fiscal Conditions: Challenging

Change in Tax Revenue From Each State's Peak Quarter, Adjusted for Inflation
- 50 States
- 2006 to 2014

Pew Charitable Trusts
State Leadership Challenges
State Agency Strategic Alignments
Statewide MLTSS program

Regional MLTSS program

Source: Truven Health Analytics, 2012
MLTSS Programs - 2014

Current MLTSS program (regional **)

Duals demonstration program only

MLTSS is being planned or implemented (2015 or later)

Source: NASUAD 2014 State of the States; CMS
Federal Budget Update
Federal Budget: FY2016

• Current Status:
  – President’s Budget released in February;
  – House and Senate have passed their respective budget resolutions;
  – House released 302(b) allocations on Friday (none from Senate yet);
    • Labor-HHS: from $156.8 billion to $153 billion
  – Senate has expressed NIH as funding priority under L-HHS

• Next Steps:
  – Senate and House pass appropriations bill(s)
    • Democrats can potentially filibuster appropriations in the Senate
  – Senate and House come to resolution
  – President signs/vetoes

• Likely Outcome: Continuing Resolution
Federal Regulations
DOL FLSA Regulations

• DOL released regulations changed the definition of “companionship” and limited the ability of third-party employers to claim exemption from FLSA
• Regulations were scheduled to become effective January 1, 2015; however, a Federal Judge placed the major portions of the rule under injunction
• DOL has appealed the decision; the appeals court has agreed to an “expedited review”
  – Unlikely to see a decision before the end of summer: after most state legislatures adjourn
• DOL has asserted that states should be preparing for implementing the rule, and that they will not delay the effective/enforcement dates if the ruling is overturned
CMS HCBS Regulations

• Background: In January 2014, CMS released regulations that create new requirements for the provision of Medicaid HCBS services
  – The most significant provision is the requirement that all settings of HCBS services be “integrated into the community”
• The regulations required states to submit “transition plans” that discuss how they will come into compliance with the rule
  – March 17th was the CMS deadline for submission of statewide transition plans
  – 45 states and DC had submitted plans
  – CMS has indicated that they will not take punitive action at this time, and are instead working with states to facilitate final submission
Current Status

• Many of the transition plans were process-oriented and did not include substantive information on setting compliance;
  – The next step(s) involve assessment of whether residential and non-residential services meet the rule requirements
  – CMS has indicated that they intend to issue further guidance on how compliance will be assessed/demonstrated
• States have no transition period to come into compliance with conflict-free case management rules that were set out first in the BIP rules but were clarified in this regulation
• NASUAD continues to work with CMS regarding concerns about existing services, including Adult Health, Assisted Living, and Dementia Care
Medicaid Managed LTSS

- Regulation was released this week
- 600 pages
- Watch for review of the regulation by NASUAD by next week
For more information, please visit: www.nasuad.org

Or call us at: 202-898-2583