Medicaid 101

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FIGURE 1

Medicaid has many roles in our health care system.

- **Health Insurance Coverage**
  - 31 million children & 16 million adults in low-income families;
  - 16 million elderly and persons with disabilities

- **Assistance to Medicare Beneficiaries**
  - 9.4 million aged and disabled — 20% of Medicare beneficiaries

- **Long-Term Care Assistance**
  - 1.6 million institutional residents; 2.8 million community-based residents

- **Support for Health Care System and Safety-net**
  - 16% of national health spending;
  - 40% of long-term care services

- **State Capacity for Health Coverage**
  - Federal share can range from 50 - 83%;
  - For FFY 2013, ranges from 50 – 73.4%

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Medicaid and the Uninsured
FIGURE 2
The elderly and disabled account for the majority of Medicaid spending.

Enrollees
FFY 2009 = 62.7 million

Expenditures
FFY 2009 = $346.5 billion

NOTE: Percentages may not add up to 100 due to rounding.
SOURCE: KCMU/Urban Institute estimates based on data from FFY 2009 MSIS and CMS-64, 2012. MSIS FFY 2008 data were used for PA, UT, and WI, but adjusted to 2009 CMS-64.
Dual eligible beneficiaries account for 38% of Medicaid spending.

Medicaid Enrollment

- Children: 49%
- Adults: 26%
- Other Aged & Disabled: 10%
- Duals: 15%

Total = 62.7 Million

Medicaid Spending

- Non-Dual Spending: 62%
- Long-Term Care: 25%
- Prescribed Drugs: 0.4%
- Medicare Acute: 7%
- Other Acute: 2%
- Premiums: 3%

Total = $358.5 Billion

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FFY 2009 MSIS and CMS-64 reports, 2012. 2008 MSIS data was used for PA, UT, and WI, because 2009 data were unavailable.
FIGURE 4

Medicaid eligibility for adults lags far behind that for children.

Median Medicaid/CHIP Eligibility Thresholds, January 2013

- **Children**: 235%
- **Pregnant Women**: 185%
- **Elderly and Disabled**: 75%
- **Working Parents**: 61%
- **Jobless Parents**: 37%
- **Childless Adults**: 0%

Minimum Medicaid Eligibility under ACA Expansion - 138% FPL ($24,344 for a family of 3 in 2012)

SOURCE: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2013.
FIGURE 5

Medicaid provides access to care that is comparable to private insurance and better than access for the uninsured.

2011, Percent Reporting:  

- **Employer/Other Private**  
- **Medicaid/Other Public**  
- **Uninsured**

<table>
<thead>
<tr>
<th>Adults</th>
<th>Children</th>
<th>Adults</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Usual Source of Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td>10%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Medically Necessary Care Due to Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4%</td>
<td>10%</td>
<td>26%</td>
<td>11%</td>
</tr>
</tbody>
</table>

In past 12 months
Questions about dental care were analyzed for children age 2-17. All other questions were analyzed for all children under age 18. MD contact includes other health professionals. Respondents who said usual source of care was the emergency room were included among those not having a usual source of care. All differences between the uninsured and the two insurance groups are statistically significant (p<0.05).

SOURCE: KCMU analysis of 2012 NHIS data.
Medicaid is a budget item and a revenue item in state budgets.

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Elementary &amp; Secondary Education</th>
<th>All Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total State Spending</strong></td>
<td>23.7%</td>
<td>16.7%</td>
<td>56.1%</td>
</tr>
<tr>
<td><strong>General Funds</strong></td>
<td>43.7%</td>
<td>20.2%</td>
<td>35.1%</td>
</tr>
<tr>
<td><strong>Federal Funds</strong></td>
<td>43.8%</td>
<td>20.2%</td>
<td>35.1%</td>
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**SOURCE:** Actual FY 2011 data reported in: *State Expenditure Report*. NASBO, December 2012.
Medicaid enrollment and spending growth is accelerated during economic downturns.

NOTE: Enrollment percentage changes from June to June of each year. Spending growth percentages in state fiscal year.

SOURCE: Medicaid Enrollment June 2011 Data Snapshot, KCMU, June 2012. Spending Data from KCMU Analysis of CMS Form 64 Data for Historic Medicaid Growth Rates. FY 2012 and FY 2013 data based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2012.
FIGURE 8

State budget pressures have resulted in Medicaid cost containment efforts, but eligibility is protected.

NOTE: Past survey results indicate not all adopted actions are implemented. Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or hospitals. Survey was conducted in July and August 2012.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2012.
FIGURE 9
States are implementing a number delivery system and payment reforms, including initiatives focused on dual eligible beneficiaries.

NOTES: States were asked to report new initiatives in these areas. These counts for care coordination are not exclusive, some initiatives are counted in multiple areas. SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2012.
Expanding Medicaid is a key element of the ACA.
The ACA expands Medicaid eligibility to fill current gaps in coverage for adults.

**Medicaid Eligibility Today**
Limited to Specific Groups

**Medicaid Eligibility in 2014**
Extends to Adults ≤138% FPL*

- Elderly & Disabled
- Pregnant Women
- Children
- Parents
- Adults

*138% FPL = $15,856 for an individual and $26,951 for a family of three in 2013
The ACA streamlines enrollment processes to make it easier to obtain coverage.

Multiple Ways to Enroll

Single Application for Multiple Programs

Use of Electronic Data to Verify Eligibility

Real-Time Eligibility Determinations

Data Hub

Dear _____,
You are eligible for...

Multiple Options for Enrollment

Medicaid
CHIP
Exchange

Health Insurance

Figure 12
The federal government will fund the vast majority of Medicaid expansion costs.

**Federal**
- $952 Billion ($76 Billion increase in state revenue - $21.3 Million new enrollees by 2022)

**State**
- $76 Billion

**Cost**
(2013-2022)

**Impact**
- State Savings
- Provider Revenue
- Increased Economic Activity

*If all states expand Medicaid*
Obtaining Medicaid enables individuals to access care for unmet needs and preventive care, which improves their health and lives.

“Now...you can go to your doctor.” -Matthew

“[My doctor] helped me...to be knowledgeable about what hypertension is and how to prevent it.” -Nicole

“That’s a huge support system for me to...look for a job.”

“With my daughter now, I can play soccer with her.” -Salvador
Looking Ahead: Key Things to Watch in 2013

1. Affordable Care Act
   - How many states will implement the Medicaid expansion?
   - What will these decisions mean for coverage and costs?
   - What progress will states make in transforming enrollment systems over the next year?

2. Delivery System Reforms
   - How will managed care and other care coordination initiatives continue to develop?
   - Will these initiatives improve care and save money?
   - How many more states move forward with initiatives for dual eligible beneficiaries?

3. State and Federal Fiscal Issues
   - What Medicaid policy changes will be included in state budgets for state fiscal year 2014?
   - Will the automatic federal spending cuts go into effect?
   - How will alternative federal deficit reduction efforts affect Medicaid and state budgets?