

Medicaid 101: ***Medicaid's Role for Seniors and People with Disabilities***

Alliance for Health Reform

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Medicaid covers a broad range of people and conditions

- Children and adults with disabilities
- People with intellectual and developmental disabilities
- People with HIV/AIDS
- People with physical disabilities
- People with mental illness
- People with neurological conditions
- People with Alzheimer's disease and related conditions



Formal Determination of Disability is a Critical Starting Point

- For non-elderly people with disabilities, the first step to receiving public benefits is for the Social Security Administration (SSA) to determine that they have a disability
 - **Strict standard of disability:** Disability must be severe and permanent or long-lasting
 - **Application process difficult to navigate:** Many initially rejected and many require assistance from lawyers or benefits counselors
 - **For some conditions, early access to health care can be difficult**



SSI is the Major Pathway to Medicaid

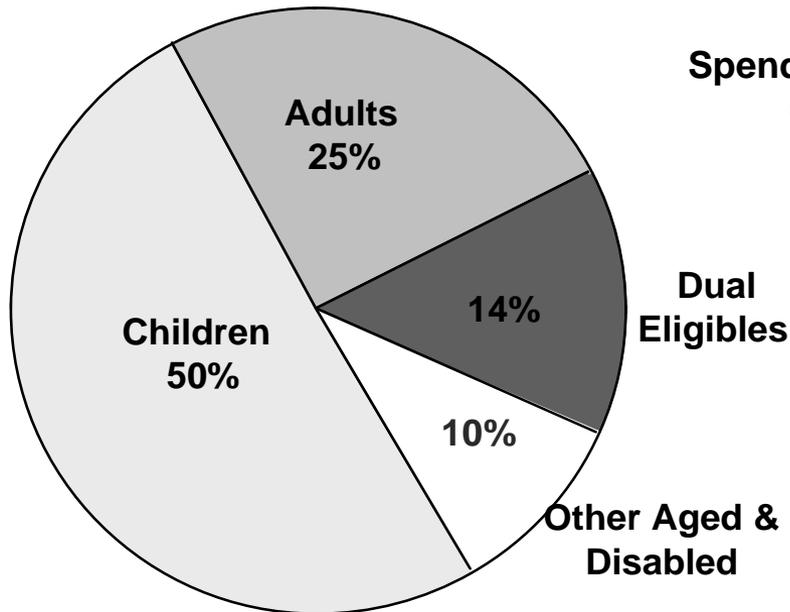
- Complex array of public programs
- Supplemental Security Income (SSI) ensures income of 74% of the poverty level for both seniors and people under 65 with disabilities (\$623 in monthly income in 2007 for an individual)
- SSI generally provides a pathway to Medicaid eligibility
- Low-income people can receive benefits from overlapping programs (*i.e. SSI can supplement Social Security or SSDI*)
- Dual eligibles are people who receive both Medicare and Medicaid



Figure 5

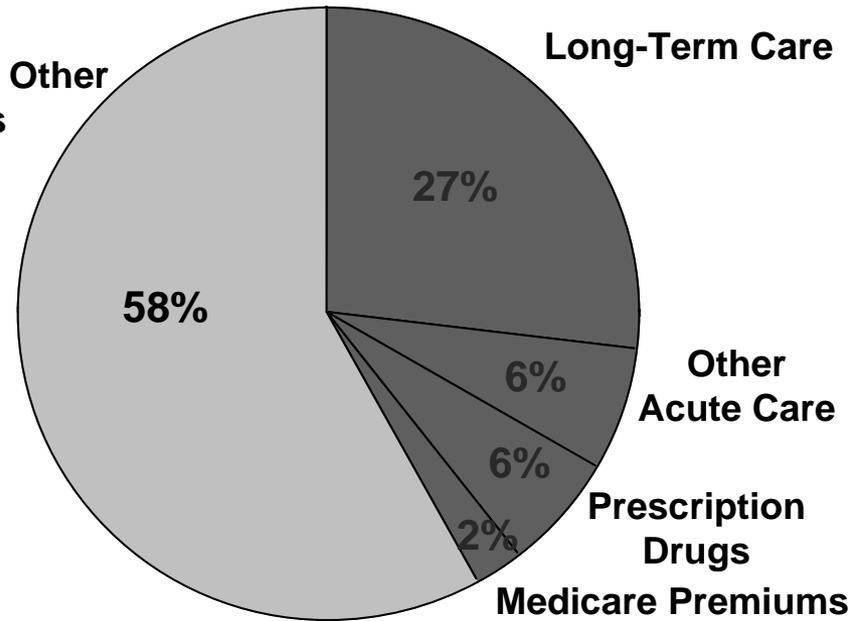
A large share of Medicaid spending is for dual eligibles (2003)

Medicaid Enrollment



Total = 51 Million

Medicaid Spending

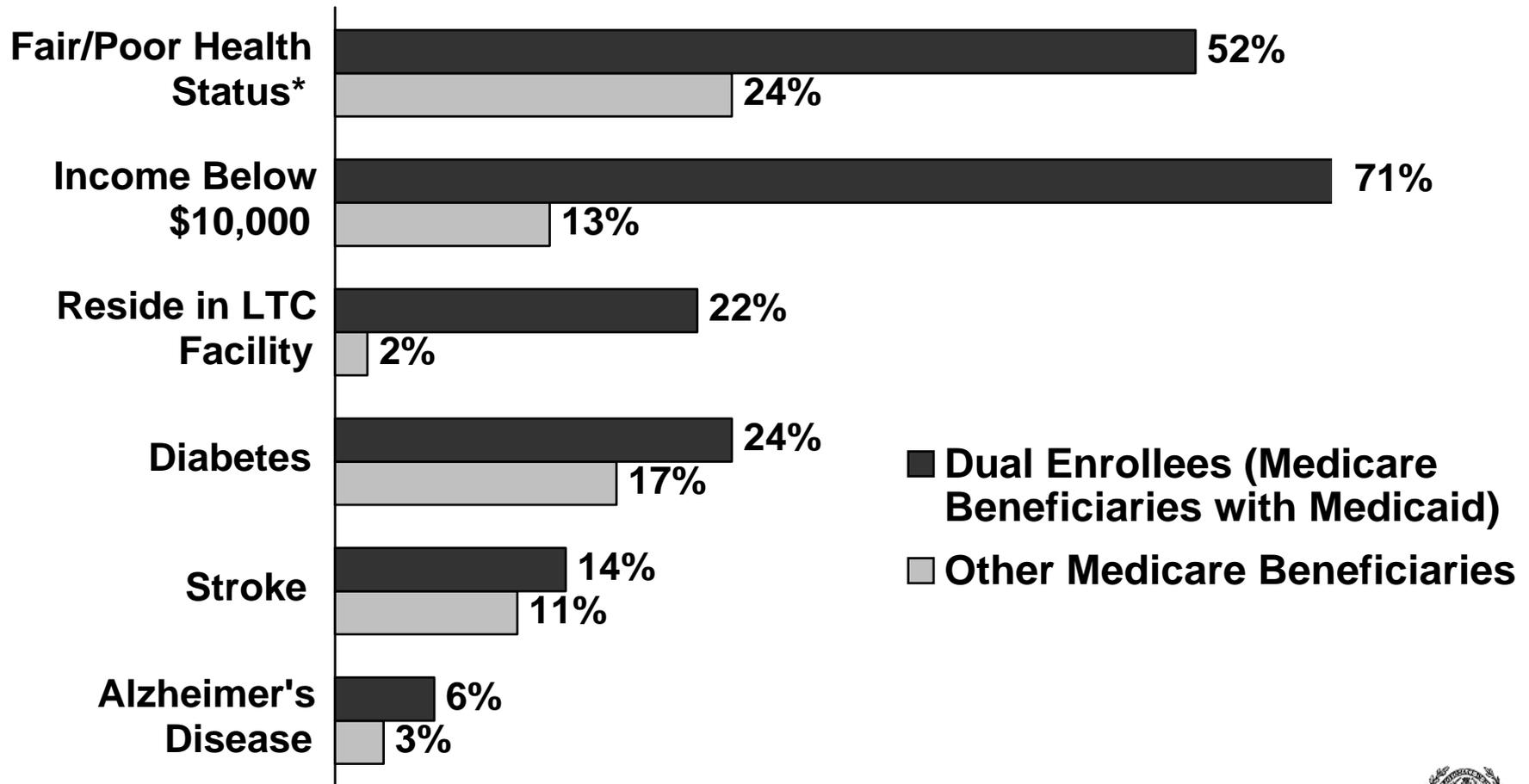


Total = \$232.8 Billion
(42% on Duals)



Figure 6

Dual eligibles are poorer and more likely to need services not covered by Medicare



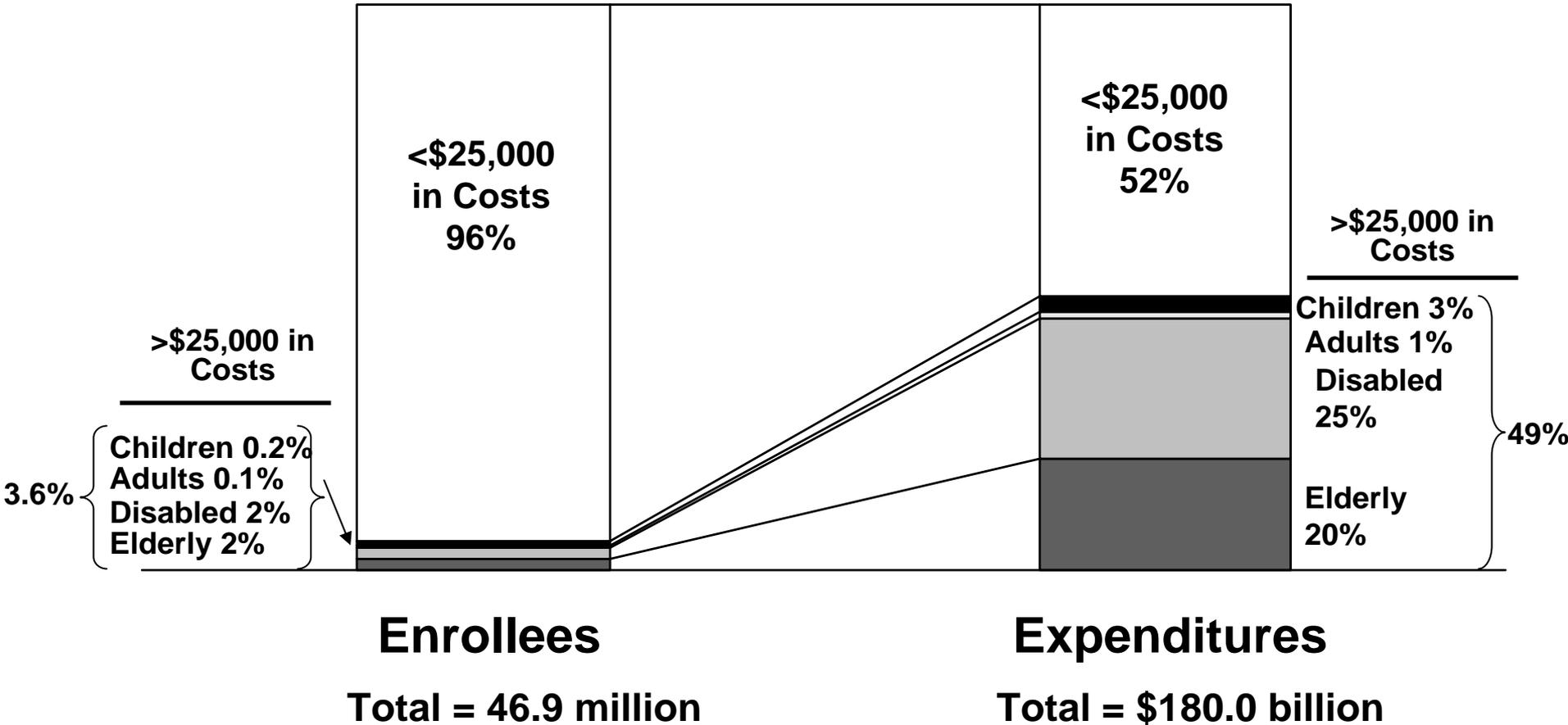
SOURCE: Kaiser Commission on Medicaid and the Uninsured estimates based on analysis of MCBS Cost & Use 2000.

*Includes only persons residing in the community.



Figure 7

Small Share of Population Accounts for Large Share of Expenditures

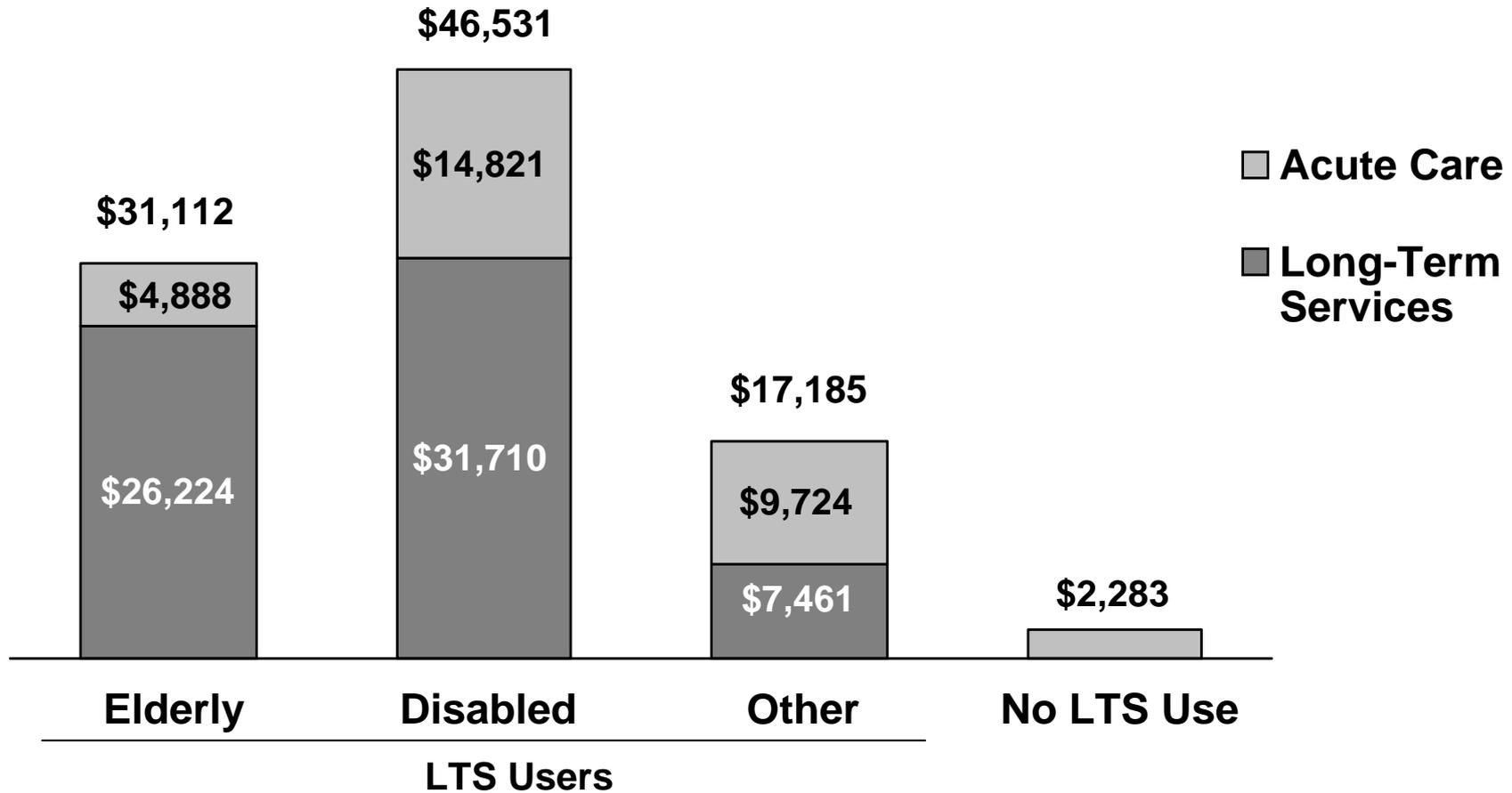


SOURCE: Sommers and Cohen, *Medicaid's High Cost Enrollees: How Much Do They Drive Program Spending?* Kaiser Commission on Medicaid and the Uninsured, March 2006. Based on MSIS 2001 data.



Figure 8

Need for Long-Term Services a Common Characteristic of High Cost Beneficiaries



Number of Enrollees: Elderly: 1.9 million; Disabled: 1.2 million; Other: 359,656; No LTS Use: 48 million

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on MSIS 2002 data.



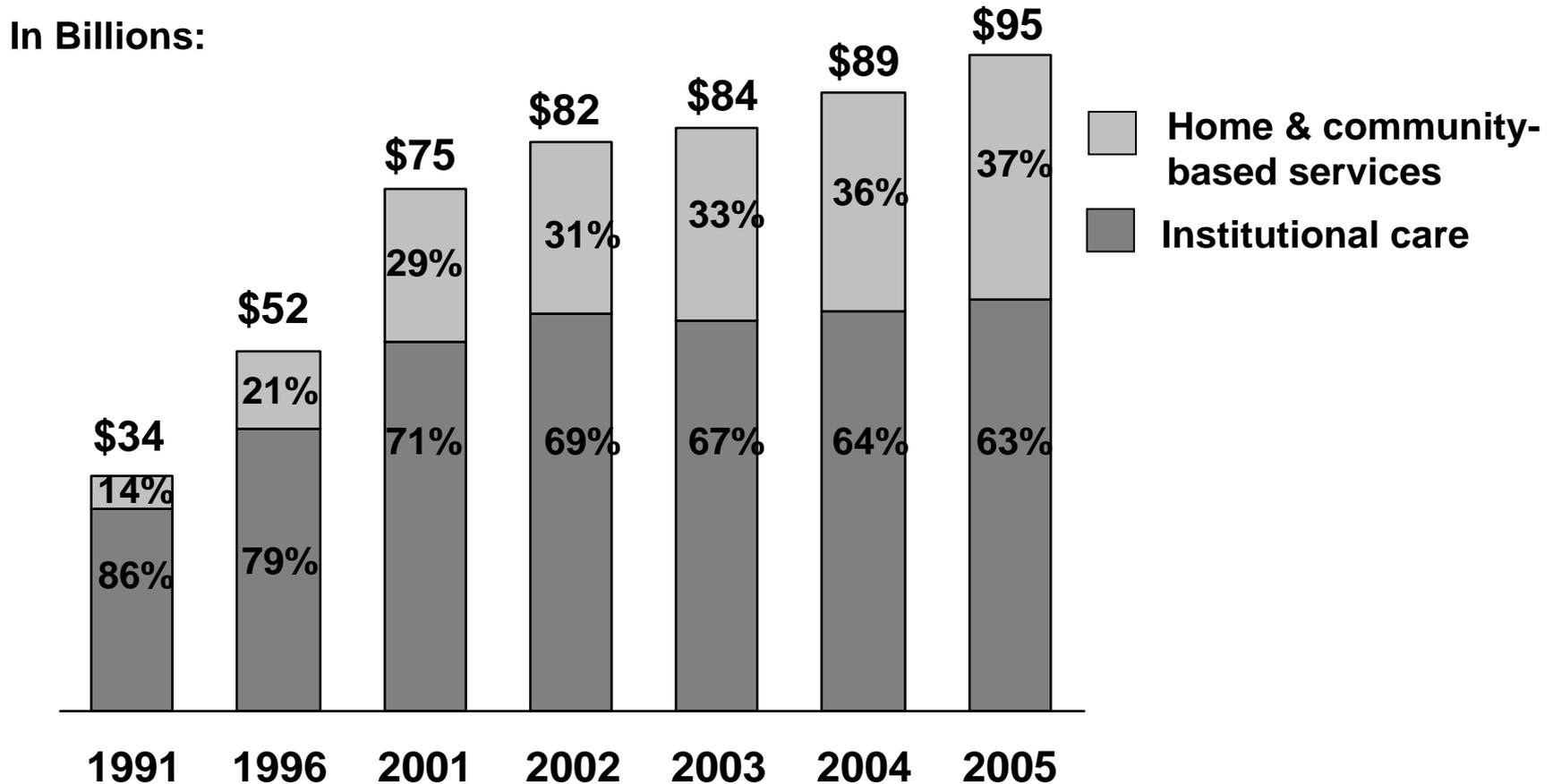
Medicaid Integrates Acute Care and Long-Term Services

- **Acute care:** Medical care services such as physician and hospital care, prescription drugs, and laboratory and diagnostic testing
- **Long-term services:** Services and supports people need when their ability to care for themselves has been reduced by a chronic illness or disability (such as dressing, bathing, preparing meals, taking medication, managing a home, and managing money)
 - Medicaid pays for 42% of national long-term services spending (compared to 20% for Medicare and 9% for private insurance)



Figure 10

Growth in Medicaid Long-Term Services Expenditures, 1991-2005



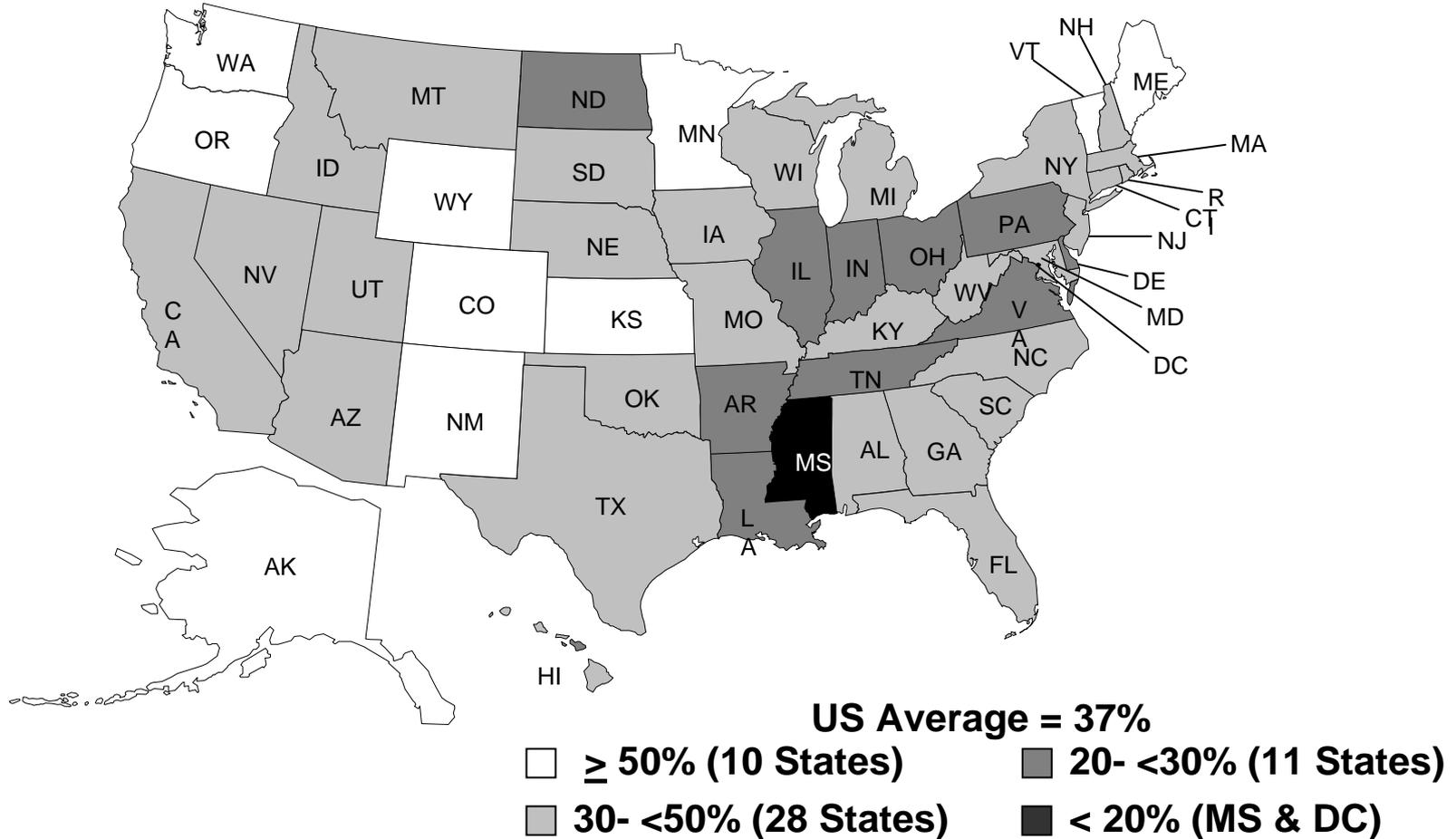
SOURCE: Burwell et al. 2006, CMS-64 data.

Note: Home and community-based care includes home health, personal care services and home and community-based service waivers.



Figure 11

States Vary in Share of Long-Term Services Spending in the Community



SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on FY 2004 data from CMS (Form 64).



Medicaid has a unique role in relation to private coverage and Medicare

- **Catastrophic needs:** Assists people with extensive needs at all stages of life
- **Essential public role:** Shoulders uniquely public responsibilities, such as covering children in foster care
- **Integrates acute and long-term services:** By contrast, private insurance and Medicare mostly cover acute care or short-term rehabilitation
- **Critical safety net:** Private insurance and Medicare not designed to meet the needs of some populations with extensive needs

