Medicaid Overview

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The Henry J. Kaiser Family Foundation

Council of State Governments / Medicaid Leadership Policy Academy

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Medicaid’s Origins

- Enacted in 1965 as title XIX of the Social Security Act
- Means-tested; originally focused on the public assistance population

Entitlement

**Eligible Individuals** are entitled to a defined set of benefits

**States** are entitled to federal matching funds

Federal

Sets core requirements on eligibility and benefits

State

Flexibility to administer the program within federal guidelines

partnership
Medicaid plays a central role in our health care system.

- Health Insurance Coverage
- Assistance to Medicare Beneficiaries
- Long-Term Care Assistance
- Support for Health Care System and Safety-Net
- State Capacity for Health Coverage
Figure 3

Medicaid spending is mostly for the elderly and people with disabilities.

Enrollees
Total = 68.0 Million

Expenditures
Total = $397.6 Billion

SOURCE: KCMU/Urban Institute estimates based on data from FY 2011 MSIS and CMS-64. MSIS FY 2010 data were used for FL, KS, ME, MD, MT, NM, NJ, OK, TX, and UT, but adjusted to 2011 CMS-64.
Medicaid and private insurance provide similar access to care – the uninsured fare far less well.

NOTES: Access measures reflect experience in past 12 months. Respondents who said usual source of care was the emergency room are not counted as having a usual source of care. *Difference from ESI is statistically significant (p<.05)

SOURCE: KCMU analysis of 2014 NHIS data.
Medicaid costs are shared by the states and the federal government based on each state’s federal matching rate.

NOTE: FMAP percentages are rounded to the nearest tenth of a percentage point. These FMAPs reflect the state’s regular FMAP in effect Oct. 1, 2016-Sept. 30, 2017; they do not reflect the 100% FMAP for persons newly eligible in states that adopted the ACA Medicaid expansion.

Figure 6

Medicaid is a budget item and a revenue item in state budgets.

- Total State Spending: $1.74 Trillion
  - Medicaid: 54.5%
  - Elementary & Secondary Education: 19.8%
  - Other: 25.6%

- State General Funds: $705.7 Billion
  - Medicaid: 46.2%
  - Elementary & Secondary Education: 35.4%
  - Other: 18.4%

- Federal Funds: $529.9 Billion
  - Medicaid: 9.8%
  - Elementary & Secondary Education: 50.4%
  - Other: 39.8%

Source: Kaiser Commission on Medicaid and the Uninsured estimates based on the NASBO’s November 2015 State Expenditure Report (data for Actual FY 2014.)
Economic conditions and policy changes drive growth in Medicaid enrollment and total spending.

Annual Percentage Changes, 1998 - 2016

Medicaid Total Spending

Medicaid Enrollment


NOTE: Percentage changes from June to June of each year. Data for FY 2016 are projections based on enacted budgets.

SOURCE: Historic Medicaid enrollment growth rates are as reported in Medicaid Enrollment June 2013 Data Snapshot, KCMU, January 2014. Historic Medicaid spending growth rates are derived from KCMU Analysis of CMS Form 64 Data. FY 2014-2016 data are derived from the KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.
NOTE: The June 2012 Supreme Court decision in National Federation of Independent Business v. Sebelius maintained the Medicaid expansion, but limited the Secretary’s authority to enforce it, effectively making the expansion optional for states. 138% FPL = $16,424 for an individual and $27,724 for a family of three in 2015.

The ACA Medicaid expansion fills historic gaps in coverage.
All states were required to modernize Medicaid application and enrollment processes.

**Figure 9**

<table>
<thead>
<tr>
<th>PAST</th>
<th>ACA Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apply in person</td>
<td>Multiple options to apply</td>
</tr>
<tr>
<td>Provide paper documentation</td>
<td>Electronic verification</td>
</tr>
<tr>
<td>Wait for eligibility determination</td>
<td>Real-time determination</td>
</tr>
<tr>
<td></td>
<td>Dear __, You are eligible for...</td>
</tr>
</tbody>
</table>

No Wrong Door to Coverage

Medicaid CHIP Marketplace

ACA Vision

Dear __, You are eligible for...
32 states (including DC) had adopted the ACA Medicaid Expansion as of September 2016.

NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion. SOURCE: “Status of State Action on the Medicaid Expansion Decision,” KFF State Health Facts, updated July 7, 2016. http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/
NOTE: These medians are based on Medicaid expansion decisions made by January 28, 2016, including Louisiana's decision to expand. Eligibility levels are based on 2015 federal poverty levels (FPLs) for a family of three for children, pregnant women, and parents, and for an individual for childless adults. In 2015, the FPL was $20,090 for a family of three and $11,770 for an individual. Thresholds include the standard five percentage point of the federal poverty level (FPL) disregard.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2016.
About half of the remaining uninsured are eligible for financial assistance but not enrolled in coverage.

Eligibility for ACA Coverage Among Nonelderly Uninsured as of 2015

- Medicaid Eligible Adult: 18%
- Medicaid/CHIP Eligible Child: 10%
- Tax Credit Eligible: 22%
- In the Coverage Gap: 9%
- Ineligible for Financial Assistance due to Income: 12%
- Ineligible for Financial Assistance due to ESI Offer: 15%
- Ineligible for Coverage Due to Immigration Status: 15%
- Ineligible for Financial Assistance due to Income: 12%

Total = 32.3 Million Nonelderly Uninsured

NOTES: Numbers may not sum to subtotals or 100% due to rounding. Tax Credit Eligible share includes adults in MN and NY who are eligible for coverage through the Basic Health Plan.

Most people left without coverage options are in working families.

**Work Status of Adults in the Coverage Gap**

<table>
<thead>
<tr>
<th>Family work status:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time worker</td>
<td>41%</td>
</tr>
<tr>
<td>Part-time worker</td>
<td>21%</td>
</tr>
<tr>
<td>No worker</td>
<td>38%</td>
</tr>
</tbody>
</table>

Total = 2.9 Million in the Coverage Gap

**Firm size and industry among those working:**

- 100+ employees: 46%
- 50-99 employees: 6%
- <50 employees: 48%
- Agriculture/Service: 55%
- Professional/Public Admin: 14%
- Education/Health: 17%
- Manufacturing/Infrastructure: 8%
- Other: 6%

Total = 1.5 Million Workers in the Coverage Gap

Notes: Totals may not sum to 100% due to rounding.
Source: Kaiser Family Foundation analysis based on 2015 Medicaid eligibility levels updated to reflect state Medicaid expansion decisions as of January 2016 and 2015 Current Population Survey data.
Studies point to positive results from the Medicaid expansion.

- Uninsured
  + Provider Revenue
  + Access to Care

- Uncompensated Care Costs
- State-funded health programs (e.g. Corrections)

+ State Economic Activity
  - Jobs and Revenues

Federal + State Funds

SOURCES: The Effects of Medicaid Expansion under the ACA: Findings from a Literature Review, KCMU, June 2016;
Over half of all Medicaid beneficiaries receive their care in comprehensive risk-based MCOs.

As of July 1, 2014

U.S. Overall = 61%

SOURCE: Medicaid Managed Care Enrollment and Program Characteristics, CMS, Spring 2016.
Data as of July 1, 2014.
Medicaid programs continue to add and expand payment and delivery system reforms in FYs 2015 and 2016.

Managed Care Expansions to New Groups

Managed Care Quality Initiatives

Emerging Delivery System Initiatives

HCBS Expansions

NOTE: Managed Care Expansions to New Groups refers to expansions to new groups, new regions, increasing the use of mandatory enrollment, and new RBMC programs. Other Delivery System Initiatives include new or expanded initiatives related to PCMH, Health Homes, ACOs, Episodes of Care, DSRIP and initiatives focused on dual eligible beneficiaries.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.
States are using an array of Medicaid delivery system models.

**Kentucky**
Medicaid Managed Care
(Behavioral health and dental integrated)

**Washington**
Medicaid Managed Care
Separate Behavioral Health Organizations, plan to integrate statewide by 2020
Accountable Communities of Health (ACH) Waiver - focus on social determinants
Dental Fee-for-service

**Colorado**
Accountable Care Collaboratives (ACC) with Regional Care Collaborative Organizations (RCCOs)
Separate Behavioral Health Organizations, plan to integrate RCCOs and BHOs to Regional Accountable Entities (RAEs)
New Dental Benefit – Cap $1000

**Connecticut**
Managed Fee-for-Service through Administrative Services Organizations
Intensive Care Management (ICM)
Behavioral Health Homes
Dental ASO Contracts
Medicaid directors reported many key priorities.

<table>
<thead>
<tr>
<th>Medicaid Priorities</th>
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<td>ACA Implementation</td>
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<tr>
<td>Cost Control</td>
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<tr>
<td>Payment and Delivery System Reform</td>
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<tr>
<td>Systems and Administration</td>
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<tr>
<td>Population Health and Social Determinants of Health</td>
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There are many “Faces of Medicaid”.

For more information on the Medicaid program and health reform, visit...

www.kff.org