State Health Programs: Medicaid and all others

Council of State Governments
Medicaid Leadership Academy

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Health Programs Funded by States

- Medicaid & CHIP
- Mental health care
- State retiree health benefits
- State employee health benefits
- Substance use disorder treatment
- Prison health

State Health Care Spending
States’ Hats

• Insurer: Medicaid & CHIP

• Care Provider for Uninsured and Underinsured: Mental Health Care and Substance Use Disorder Treatment

• Custodian/Enforcer: Prison Health

• Employer: State Employees & Retirees
### The Controllable and the Uncontrollable

**Controllable**
- Medicaid expansion or not
- Breadth of benefits & income eligibility levels above floor (Medicaid, BH)
- Criminal justice code
- Provider reimbursement rates
- Incentives (tobacco tax, bike lanes)
- State tax levels

**Uncontrollable**
- Demographics, including of state employees
- Underlying cost of services (i.e., RN salary)
- Vibrancy of private sector ESI (universities, hi-tech)
- Epidemics (AIDS, opioid)
- FMAP
- Must provide services to inmates
- Countercyclical
Overlaps (and Underlaps)

• States fund and provide similar health services through many agencies: clinics, prisons, schools, courts

• Some individuals are served by many agencies that usually don’t/can’t share information: Medicaid, courts/prisons, SUD providers, housing agencies

• Many are dually BH diagnosed & physically ill

• Mentally ill and addicted individuals often cycle between community (EDs) and confinement w/o care handoffs

• Wide state variation in menu of services offered to whom
Medicaid’s Reach

• Largest health insurer by enrollment: From 10% in ND & VA - 33% in NM & WV, 2014. But we spend more on Medicare

• Children – 43% covered by Medicaid/CHIP, 2014

• Maternity - 45% of births, 2010. From 25% in Hawaii - 70% in Louisiana

• Nursing Homes - largest payer

• Mental Illness – will be largest payer by 2020

• AIDS – largest payer
State Medicaid Enrollment Varied Widely, Even in 2010 before ACA

* Expanding Medicaid under ACA.
Medicaid - A Federal/State Program

• Federal government pays at least 50% of all health care services for those previously eligible, but 6 states are over 70% (FY15). A state $ cut is also at least one federal $ lost.

• State spending on Medicaid is high, second only to their spending on primary & secondary education. But...

• Federal Medicaid funds are states’ largest source of federal revenue

• Median individual state Medicaid budget $6.8 billion FY 15 (federal & state $$).
Top 10 Dx for Medicaid Re-Hospitalizations, 2011

- Mood Disorders
- Schizophrenia, other psychosis
- Diabetes mellitus
- Other complications of pregnancy
- Alcohol-related disorders
- Early or threatened labor
- CHF
- Septicemia
- COPD
- Substance-related disorders
MH/SUD Diagnoses Affect Cost of Treatment
MH/SUD Share of All-Health Spending Through 2020

Diagram showing the share of all-health spending for M/SUD, MH, and SUD from 1986 to 2020.
Prison Populations Skyrocketed 677% from 1971 to 2011

Sources: Sourcebook of Criminal Justice Statistics, University at Albany; US Department of Justice, Bureau of Justice Statistics
Health Status of Inmates

• Higher incidence of chronic and infectious diseases, such as AIDS and hepatitis C, and mental illness

• In 2010, roughly 65 percent had an alcohol or drug use disorder
  – Seven times likelier than individuals in the community to have such a condition

• 1/3 suffered from mental illness, higher among women

• 1/4 had a co-occurring mental illness and substance use disorder

• National rate of hepatitis C among inmates was 17.4 % in 2006. Rate in general population is 1 %
The Number of Prisoners Age 55 and Older Increased by 250%, 1999-2014
Data Limitations

• Agency data is siloed and so are services

• Spending, utilization, & outcomes data is sparse, delayed, and is rarely able to be linked to same client

• Often unable to determine unduplicated users and/or recidivism rates especially in MH/SUD

• Managed care increasingly used for Medicaid enrollees but states often miss detailed utilization data as a result

• More $$$ ≠ higher quality but neither do fewer $
State Spending on Health Care

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>$181 billion</td>
<td>2012</td>
</tr>
<tr>
<td>State Employees</td>
<td>25 billion</td>
<td>2013</td>
</tr>
<tr>
<td>Mental Health</td>
<td>22 billion</td>
<td>2009</td>
</tr>
<tr>
<td>State Retirees</td>
<td>18 billion</td>
<td>2013</td>
</tr>
<tr>
<td>Prison</td>
<td>8 billion</td>
<td>2015</td>
</tr>
<tr>
<td>SUD</td>
<td>8 billion</td>
<td>2009</td>
</tr>
<tr>
<td>CHIP</td>
<td>4 billion</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$266 billion</strong></td>
<td></td>
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</tbody>
</table>

States’ own source revenue (2012): $1.1 trillion
Share spent on health care approximately: **24%**
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