

Medicaid's Role: Issues for the Future

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for the
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FIGURE 1

Who Does Medicaid Serve:

Medicaid has many roles in our health care system.

Health Insurance Coverage

31 million children & 16 million adults in low-income families; 9 million persons with disabilities

Assistance to Medicare Beneficiaries

9.1 million aged and disabled — 20% of Medicare beneficiaries

Long-Term Care Assistance

1.6 million institutional residents; 2.8 million community-based residents

MEDICAID

Support for Health Care System and Safety-net

17% of national health spending; 40% of long-term care services

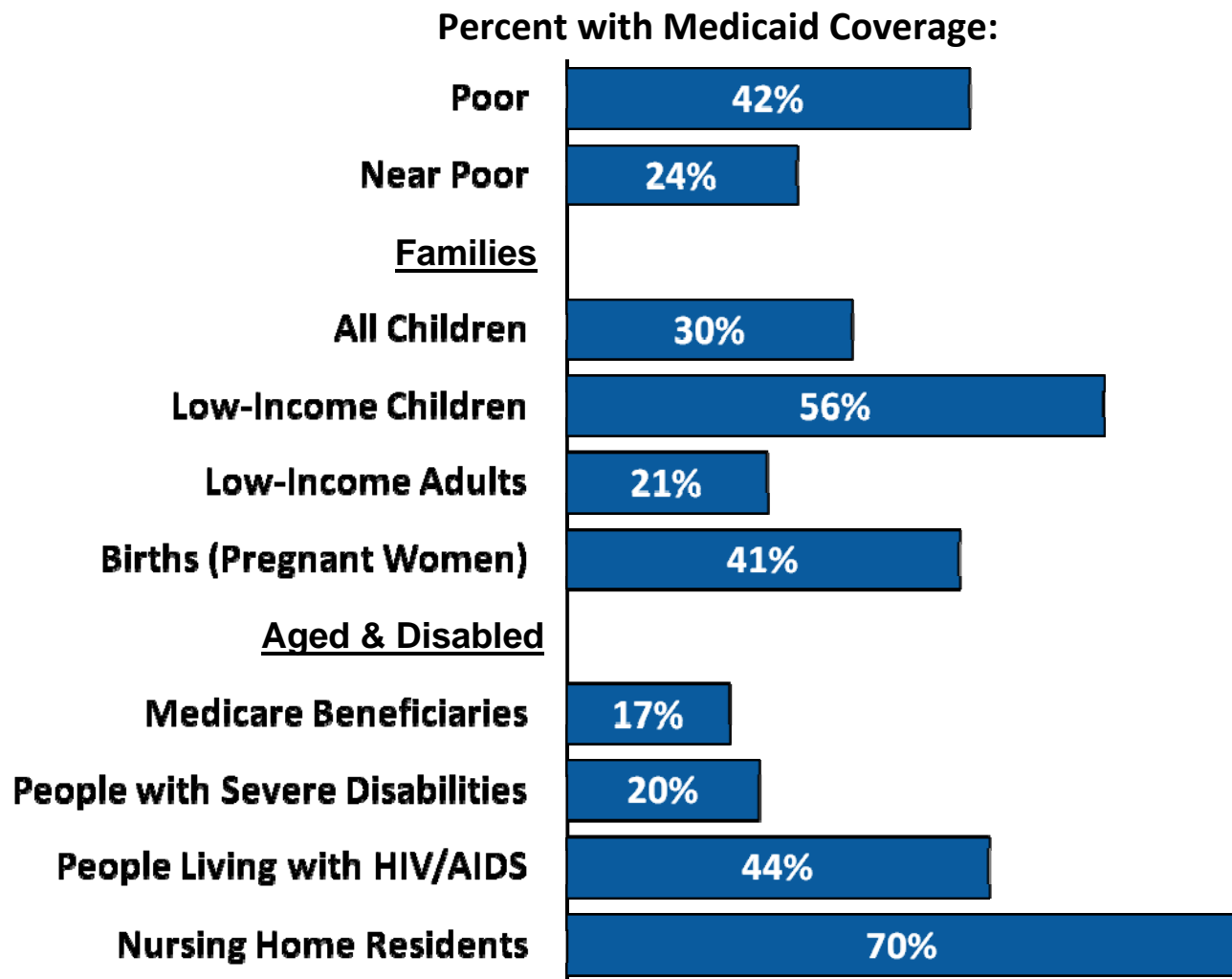
State Capacity for Health Coverage

Federal share for FFY 2012 ranges from 50 - 74.2%

FIGURE 2

Who Does Medicaid Serve:

Medicaid plays a critical role for selected populations.



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of 2009 ASEC Supplement to the CPS; Birth data from *Maternal and Child Health Update: States Increase Eligibility for Children's Health in 2007*, National Governors Association, 2008; Medicare data from USDHHS.

FIGURE 3

Who Does Medicaid Serve:

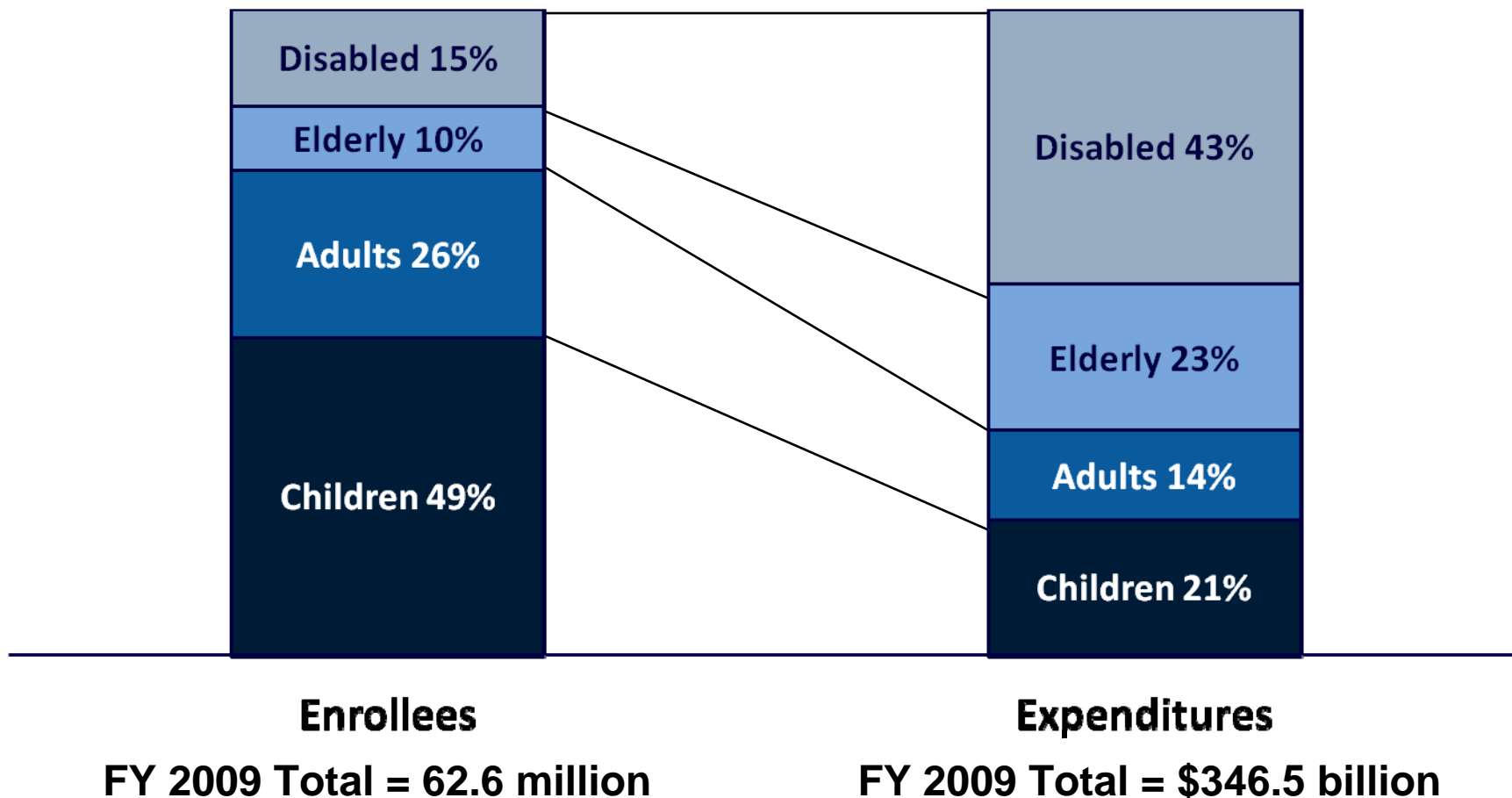
Medicaid provides benefits to reflect the needs of the population it serves.

Low-Income Families	<ul style="list-style-type: none">• Pregnant Women: Pre-natal care and delivery costs• Children: Routine and specialized care for childhood development (immunizations, dental, vision, speech therapy)• Families: Affordable coverage to prepare for the unexpected (emergency dental, hospitalizations, antibiotics)
Individuals with Disabilities	<ul style="list-style-type: none">• Autistic Child: In-home therapy, speech/occupational therapy• Cerebral Palsy: Assistance to gain independence (personal care, case management and assistive technology)• HIV/AIDS: Physician services, prescription drugs• Mental Illness: Prescription drugs, physicians services
Elderly Individuals	<ul style="list-style-type: none">• Medicare beneficiary: Help paying for Medicare premiums and cost sharing• Community Waiver Participant: Community based care and personal care• Nursing Home Resident: Care paid by Medicaid since Medicare does not cover institutional care

FIGURE 4

Who Does Medicaid Serve:

The elderly and disabled dominate Medicaid spending.



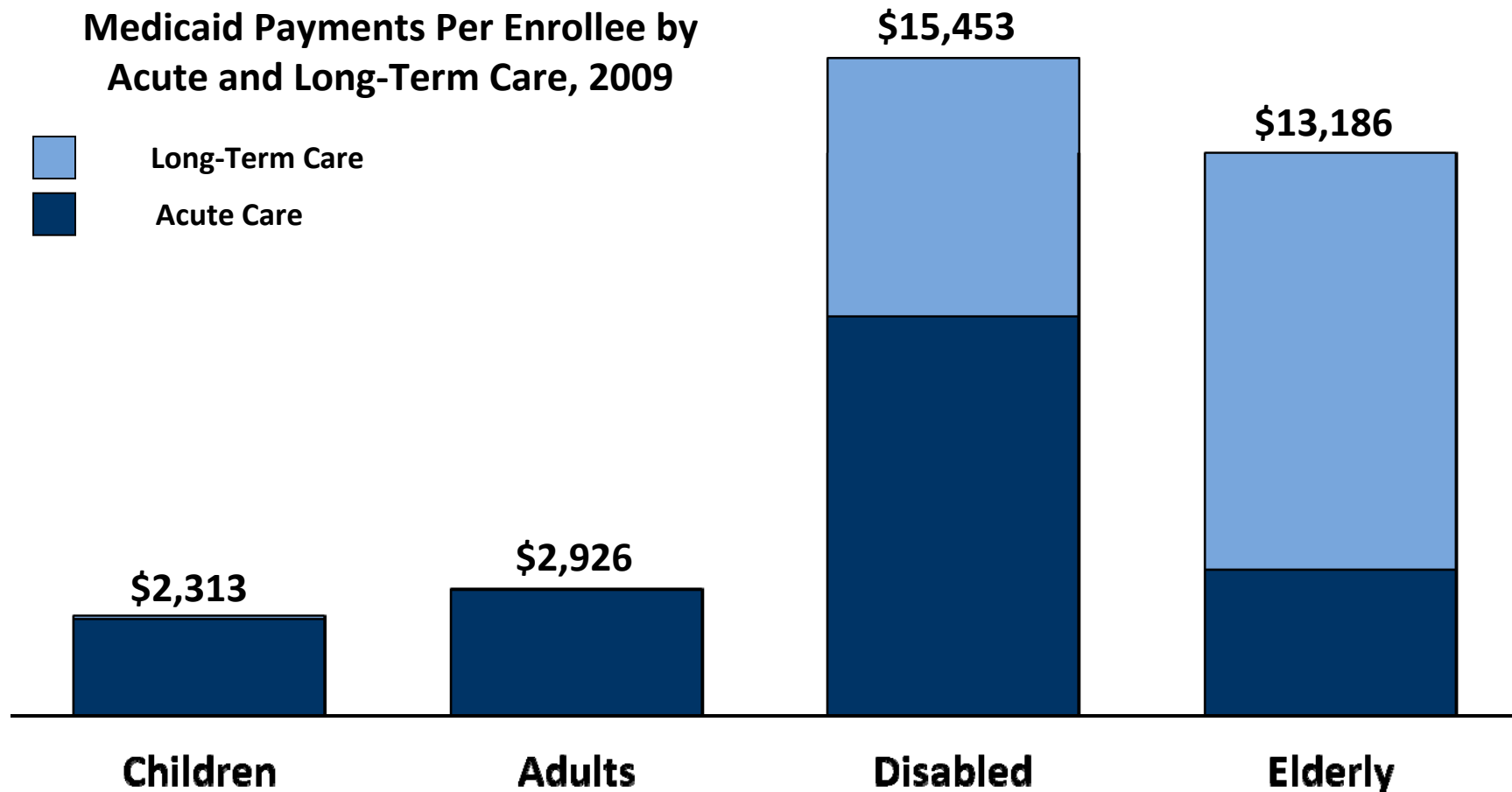
NOTE: Percentages may not add up to 100 due to rounding.

SOURCE: KCMU/Urban Institute estimates based on data from FY 2009 MSIS and CMS-64, 2012. MSIS FY 2008 data were used for MA, PA, UT, and WI, but adjusted to 2009 CMS-64.

FIGURE 5

Who Does Medicaid Serve:

Medical and long-term care needs drive spending.



SOURCE: KCMU/Urban Institute estimates based on data from FY 2009 MSIS and CMS-64, 2012. MSIS FY 2008 data were used for MA, PA, UT, and WI, but adjusted to 2009 CMS-64.

Medicaid and Low-Income Families



Anthony

Oklahoma City, OK

Health Care Needs

Orthopedic care and speech therapy

Situation

Improved physical abilities after surgery and physical therapy, and improved participation in class after speech therapy



Kay

Portland, OR

High blood pressure, diabetes, mental illness

After Hurricane Katrina, received coverage through Medicaid and was able to seek diagnosis and treatment



Michelle & Anthwonnia

Silver Spring, MD

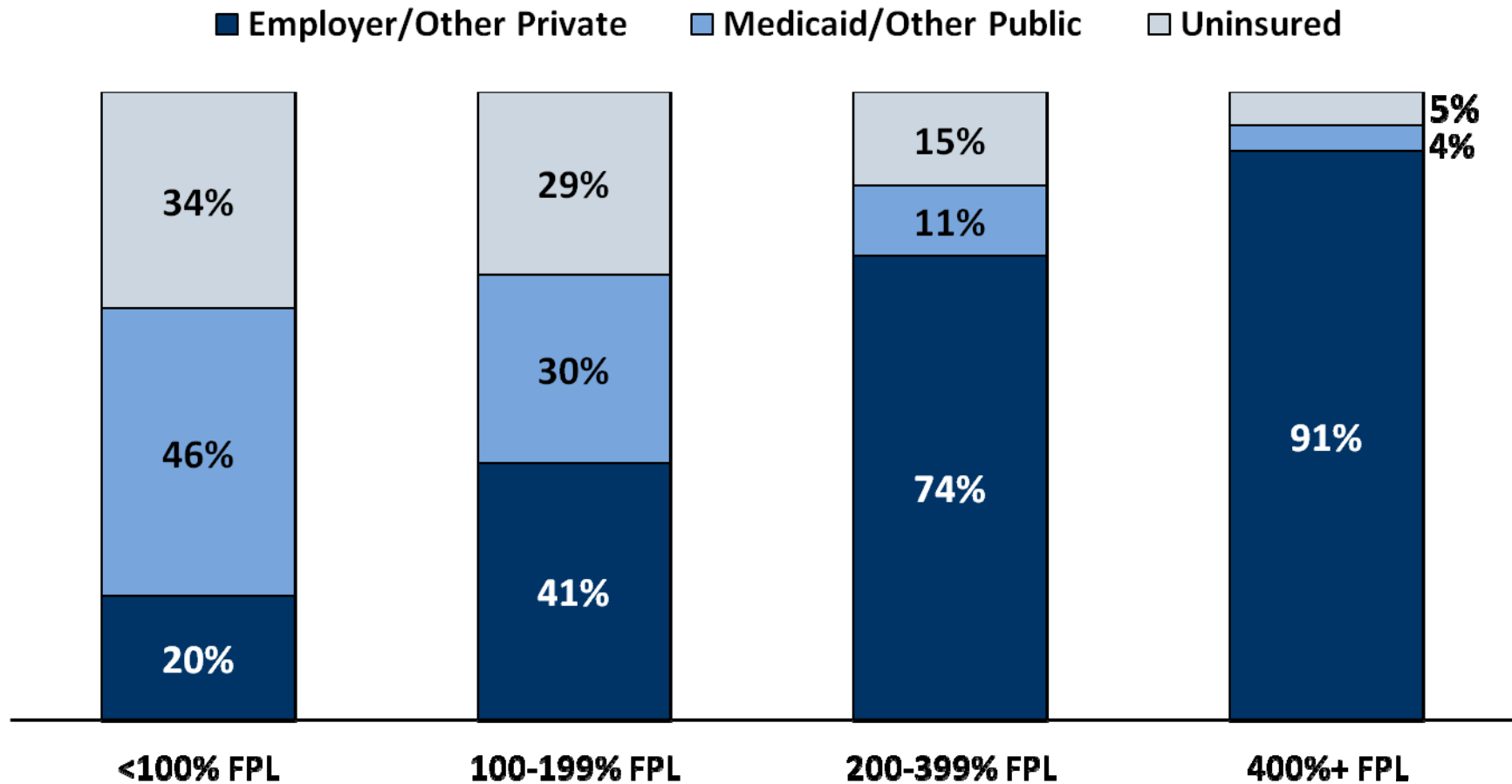
Prenatal care for Michelle; newborn care for Anthwonnia

Born premature, Anthwonnia now is at a healthy weight and receives regular newborn care

FIGURE 7

Medicaid and Low-Income Families:

Many low-income families are uninsured.

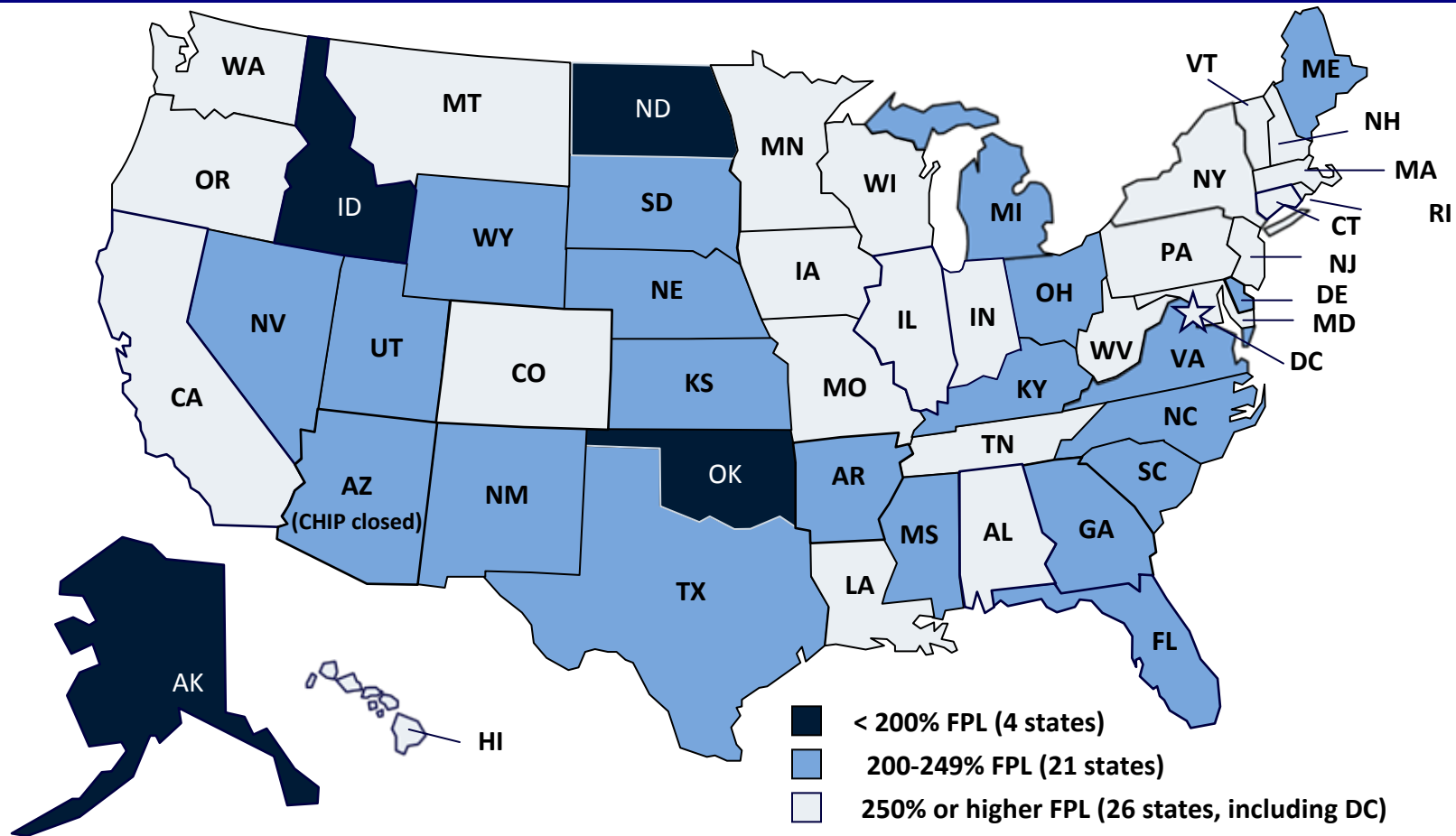


FPL= Federal Poverty Level. The FPL was \$22,050 for a family of four in 2010.
NOTE: 2010 Data.
SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.

FIGURE 8

Medicaid and Low-Income Families:

For children, Medicaid & CHIP offer broad eligibility.



Children's Medicaid/CHIP Eligibility by Income, January 2012

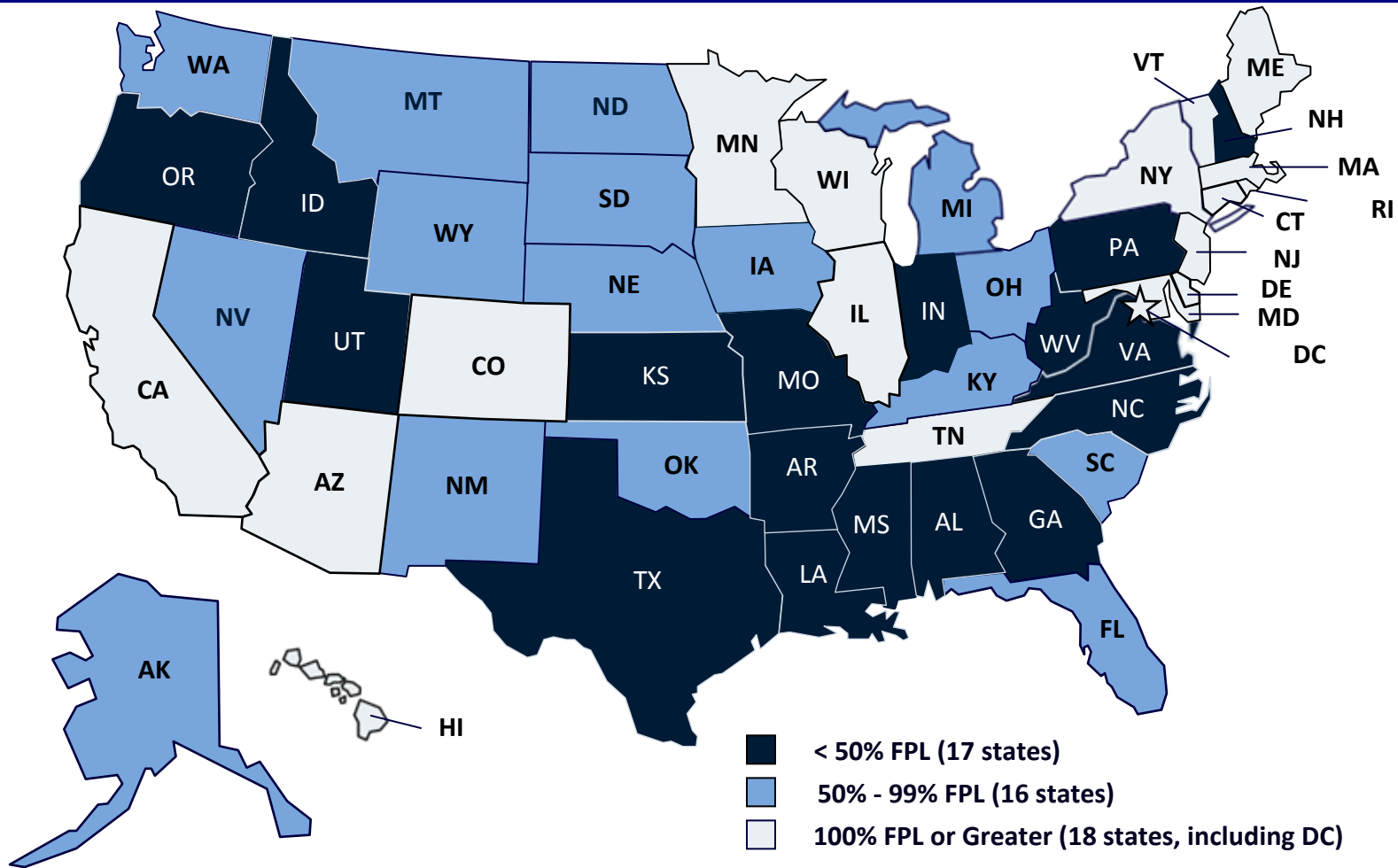
NOTE: The federal poverty line (FPL) for a family of three in 2012 is \$19,090 per year.

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, 2012.

FIGURE 9

Medicaid and Low-Income Families:

But Medicaid coverage for parents lags far behind.



Working Parents' Medicaid Eligibility by Income, January 2012

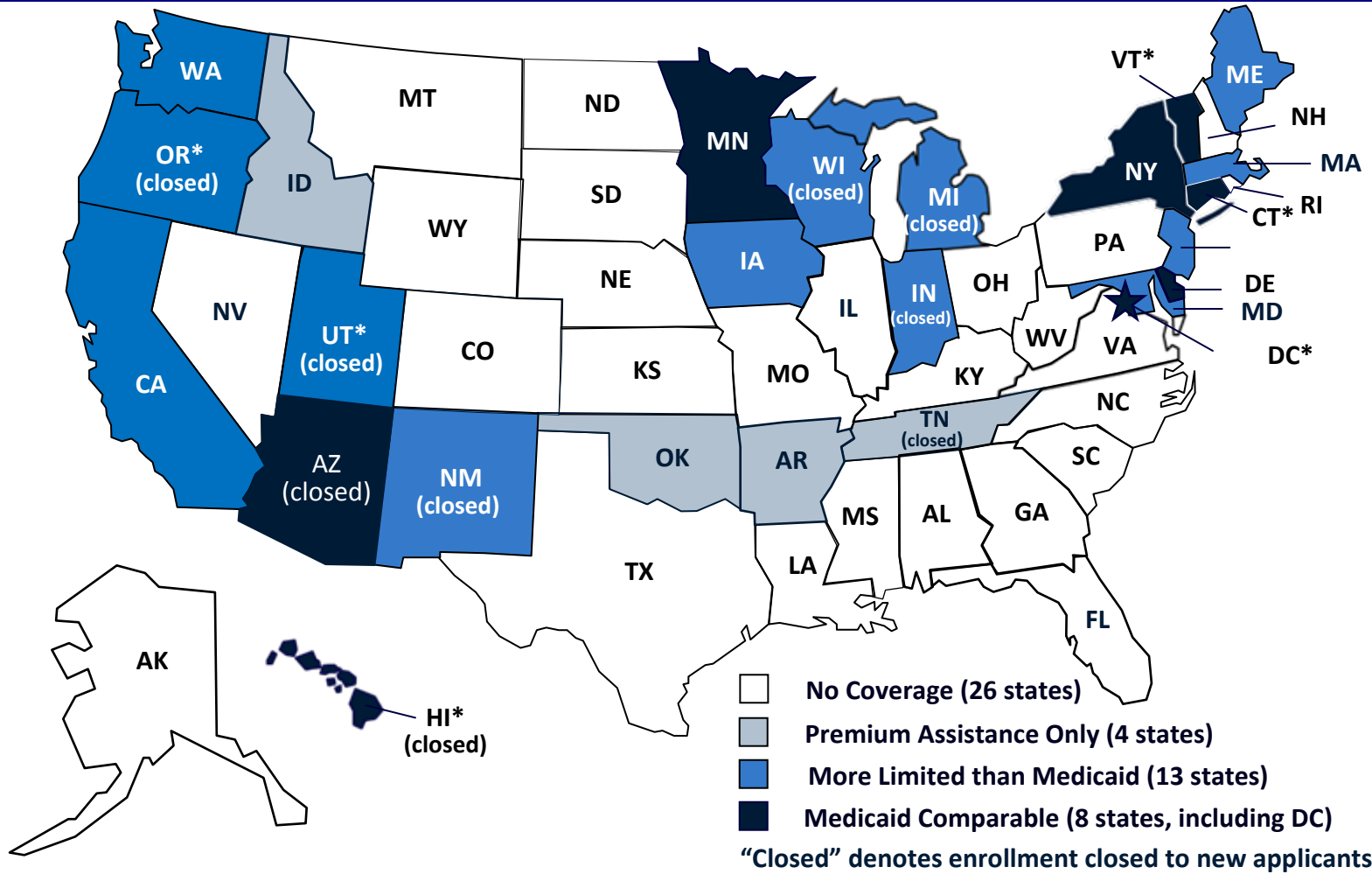
NOTE: The federal poverty line (FPL) for a family of three in 2012 is \$19,090 per year.

SOURCE: Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

FIGURE 10

Medicaid and Low-Income Families:

And most non-disabled adults without children lack coverage.



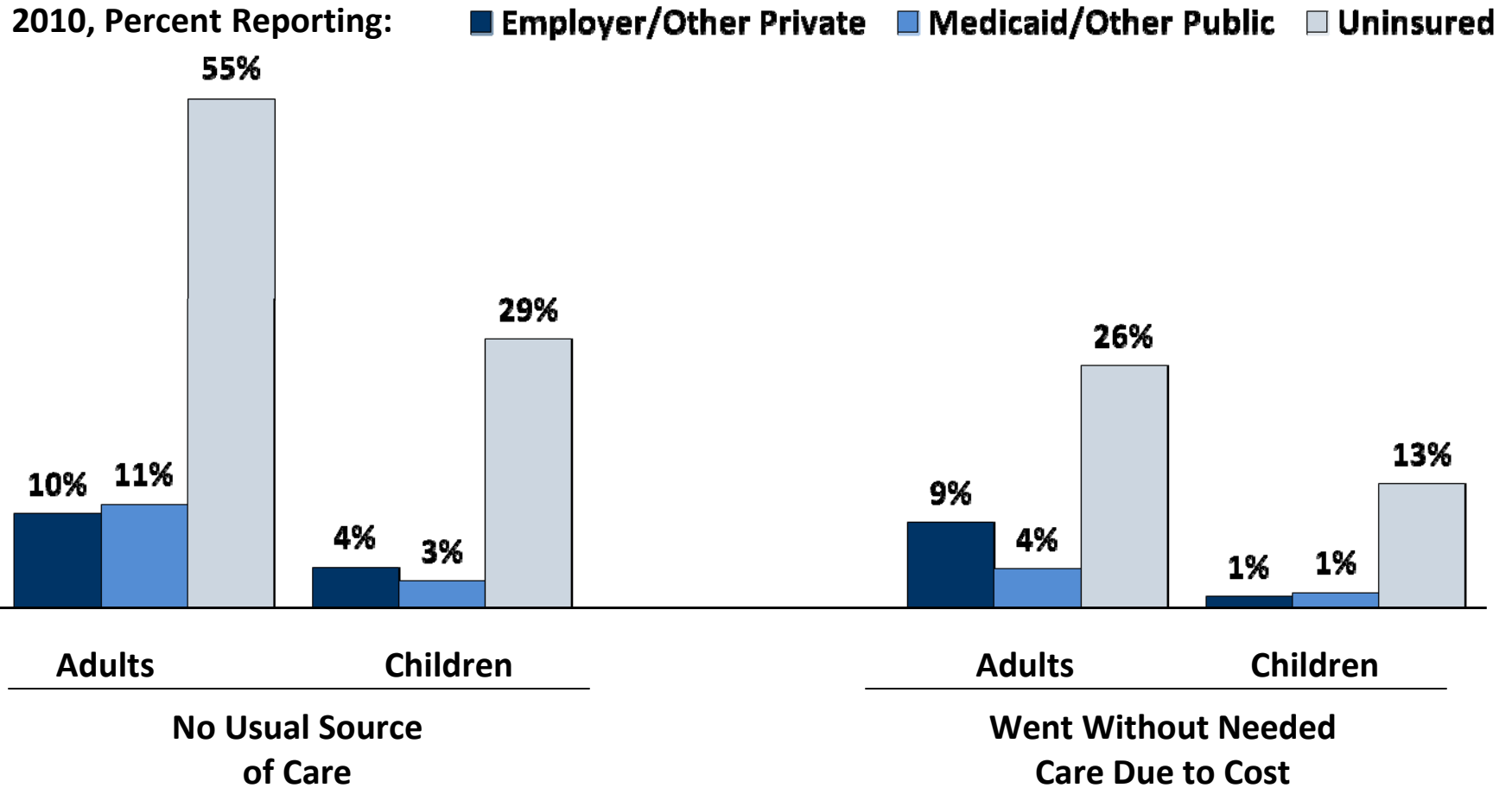
Scope of Coverage of Low-Income Adults , January 2012

NOTE: Map identifies the broadest scope of coverage in the state.

SOURCE: Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

FIGURE 11

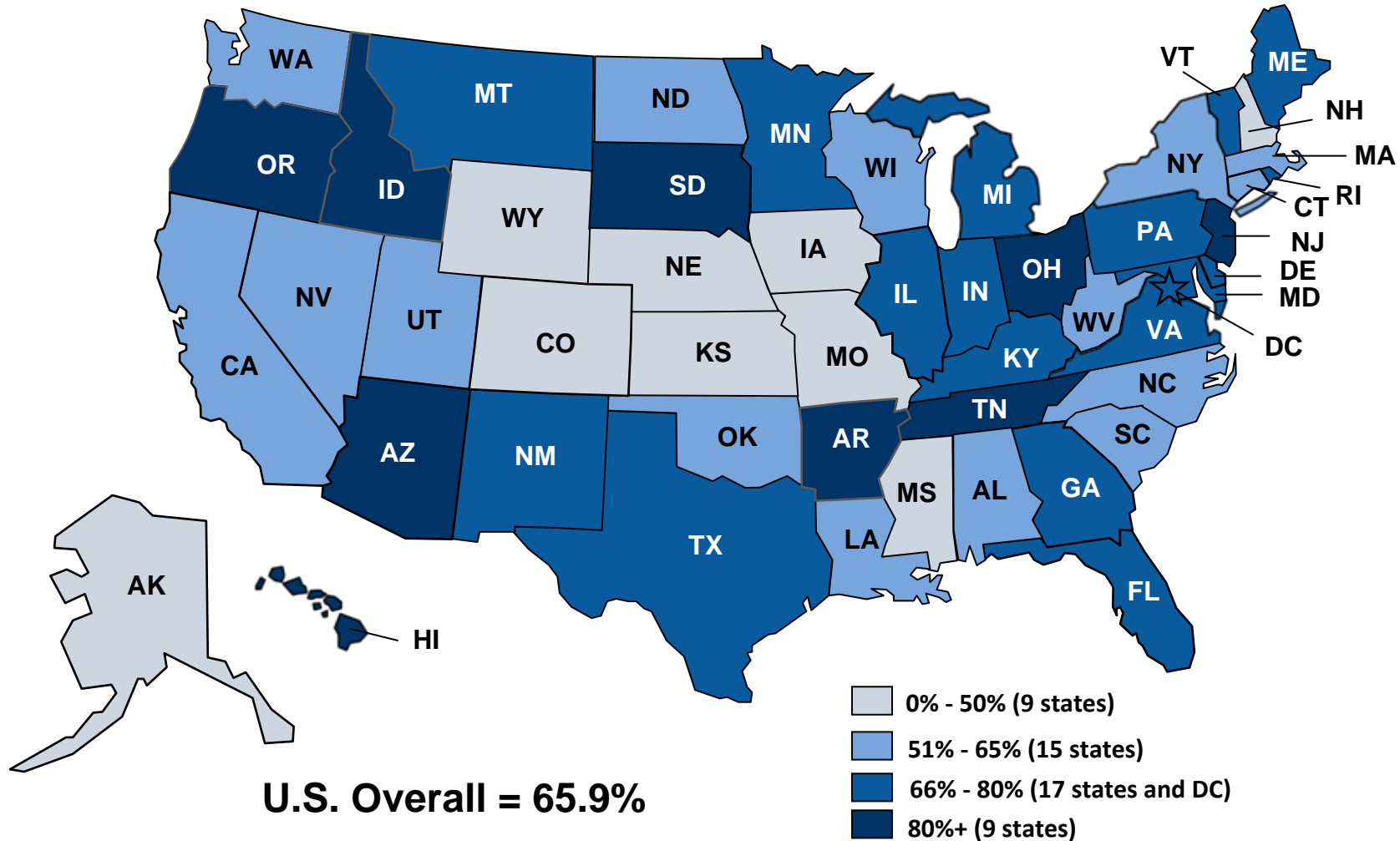
Medicaid and Low-Income Families : Medicaid coverage helps people get care.



NOTE: In past 12 months
SOURCE: KCMU analysis of 2010 NHIS data.

FIGURE 12

Medicaid and Low-Income Families: Increasingly through managed care arrangements.

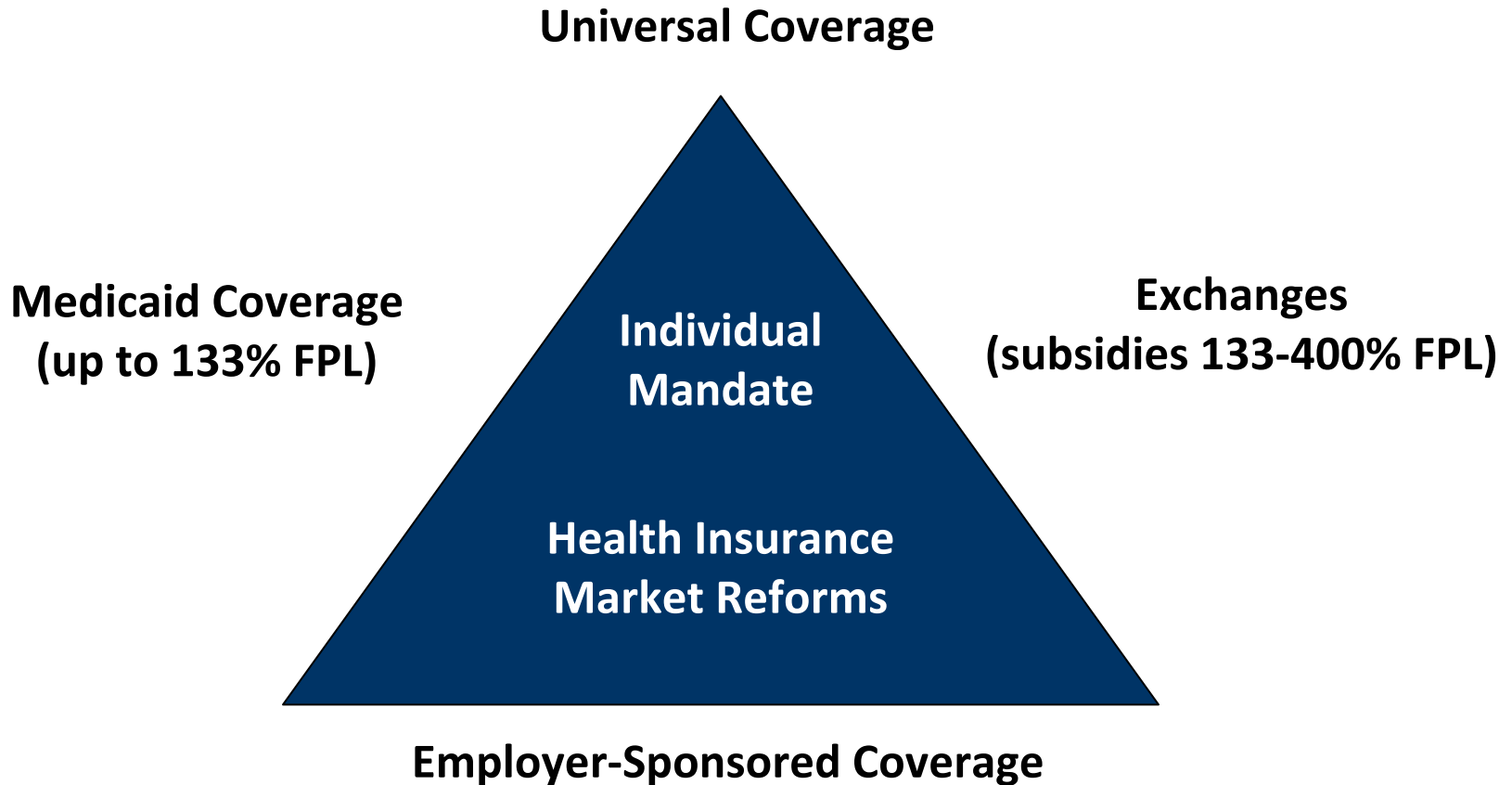


Comprehensive Medicaid Managed Care Penetration by State, October 2010
SOURCE: KCMU/HMA Survey of Medicaid Managed Care, September 2011.

FIGURE 13

Medicaid and Low-Income Families:

The Affordable Care Act will broaden coverage.

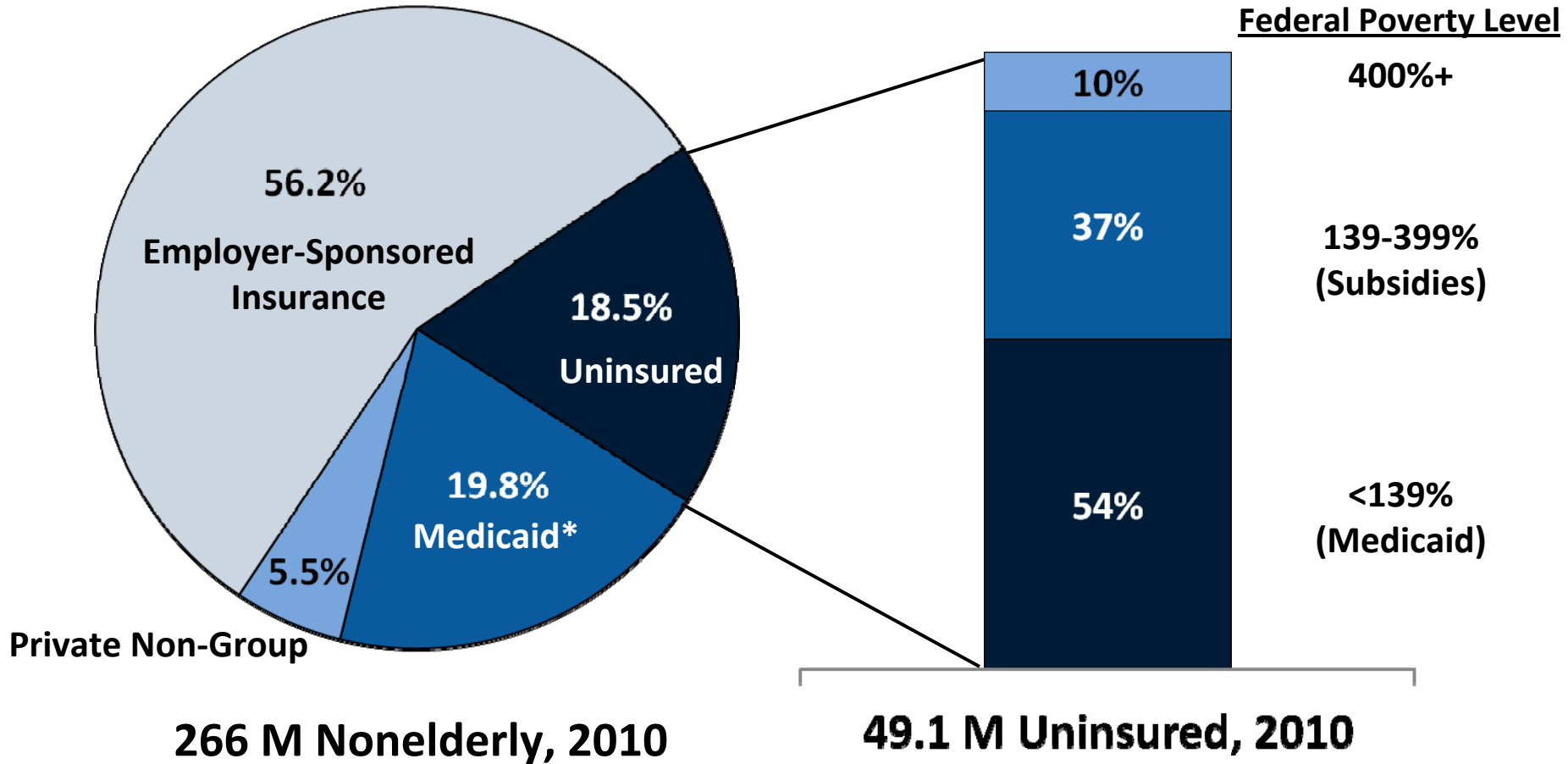


NOTE: In 2012, 133% FPL for family of 4 is \$30,657 and 400% FPL is \$92,200

FIGURE 14

Medicaid and Low-Income Families:

By expanding coverage options for the uninsured.



* Medicaid also includes other public programs: CHIP, other state programs, Medicare and military-related coverage. The federal poverty level for a family of four in 2010 was \$22,050.

Numbers may not add to 100 due to rounding.

SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.

FIGURE 15

Medicaid and Low-Income Families:

Many adults will gain Medicaid coverage.

**Median Medicaid/CHIP Eligibility Threshold
January 2012**

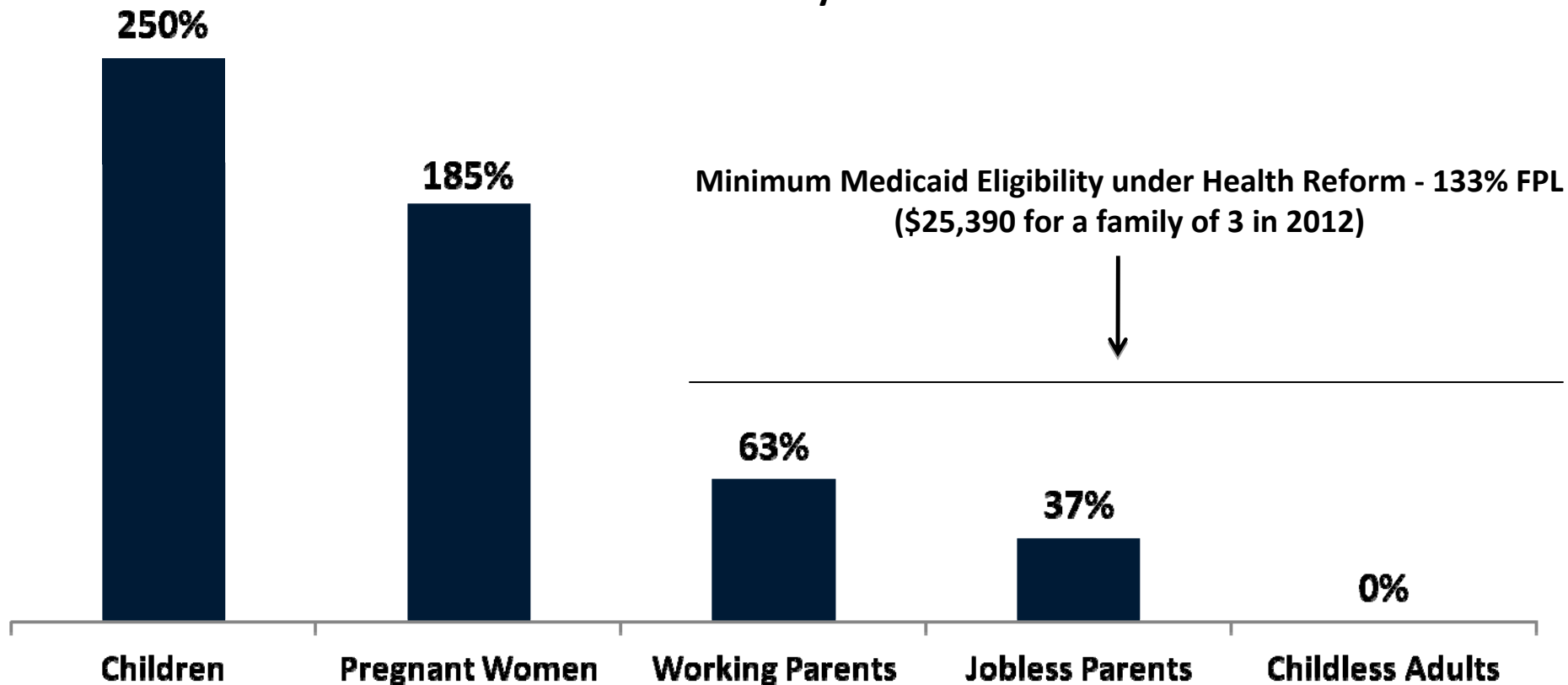
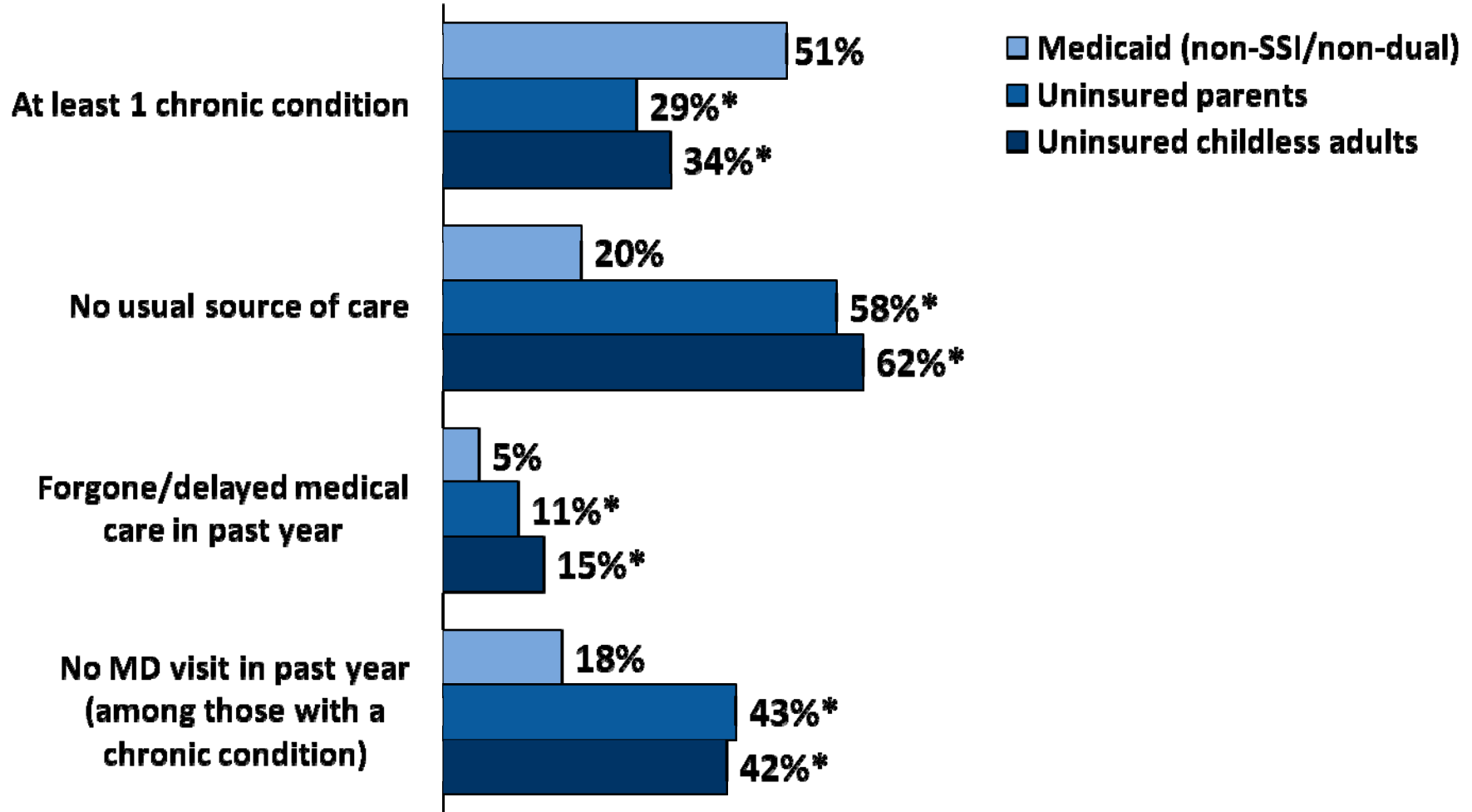


FIGURE 16

Medicaid and Low-Income Families:

Those gaining coverage have high health needs and gaps in access and utilization .



* Statistically different from Medicaid ($p < 0.05$).

SOURCE: Kaiser Family Foundation analysis of 2007 Medical Expenditure Panel Survey data.

Medicaid and People with Disabilities



Matthew

Age 50
Garden City, KS



Darius

Age 9
Lincoln, NE



Heather

Age 39
St. Joseph, MI

Health

Paraplegic

Brain injury associated with premature birth (PVL)

Congenital disorder resulting in dislocated hips and knees

Situation

Unable to get coverage for 20 years, now 'buys-in' to Medicaid program, gaining him coverage for preventive care and specialist care, as well as assistance with activities of daily living.

Medicaid covers specialist care from multiple providers, medical equipment, ER visits, and nursing care. Early interventions have mitigated problems associated with PVL.

Home health services help with activities of daily living, Medicaid covers preventive care, crutches, medications and mental health services.

Medicaid and People with Disabilities:

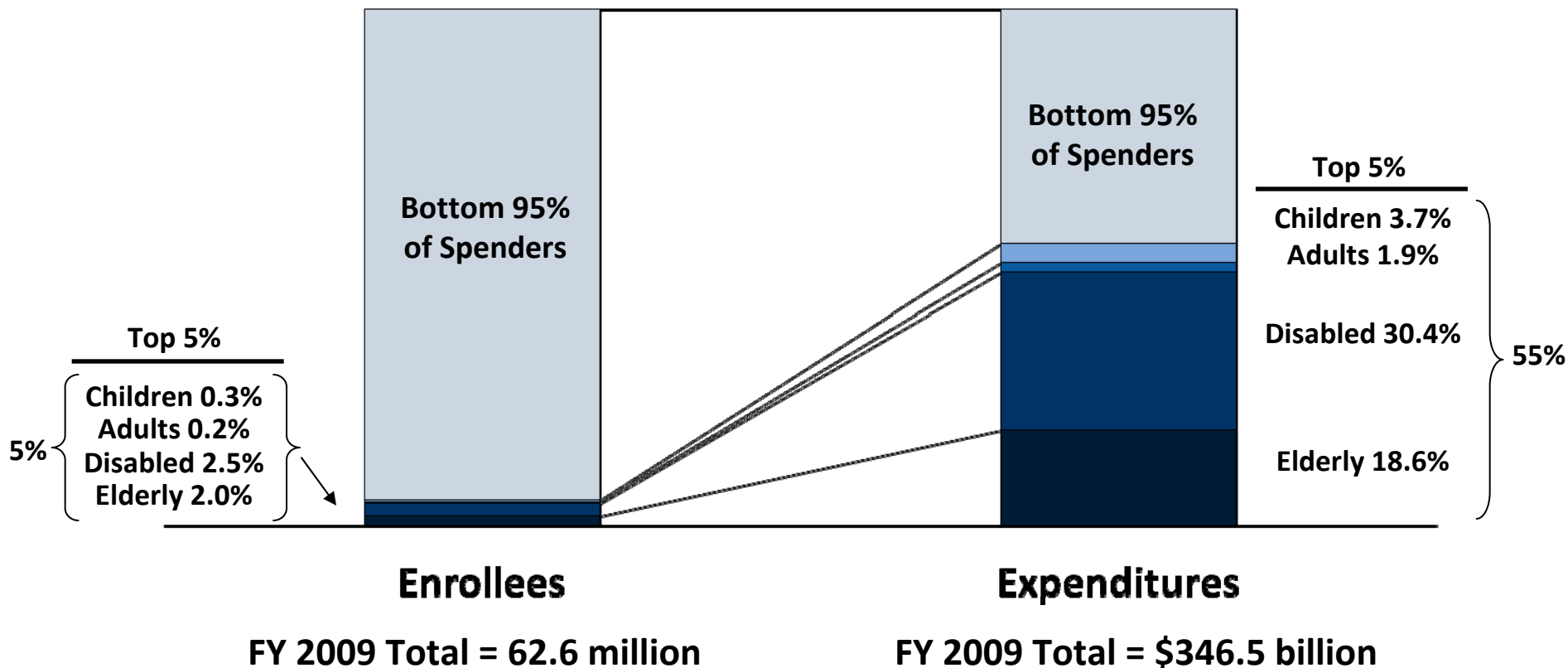
Disabled Medicaid beneficiaries experience a range of conditions.

Medicaid beneficiaries with disabilities, who include both children and adults, are a heterogeneous population, with a wide range of physical and mental disabilities and disabling conditions, including but not limited to:

- Blindness;
- Spinal cord and traumatic brain injury;
- Parkinson's disease;
- Cerebral palsy;
- Cystic fibrosis;
- Epilepsy;
- Severe mental or emotional conditions, including mental illness (e.g., depression, bipolar disorder) and intellectual disabilities (e.g., ADHD);
- Multiple sclerosis;
- Down Syndrome;
- Alzheimer's disease;
- Autism;
- Spina bifida;
- Muscular dystrophy; and
- HIV/AIDS

FIGURE 19

Medicaid and People with Disabilities: Most Medicaid spending is driven by a few with high health needs.

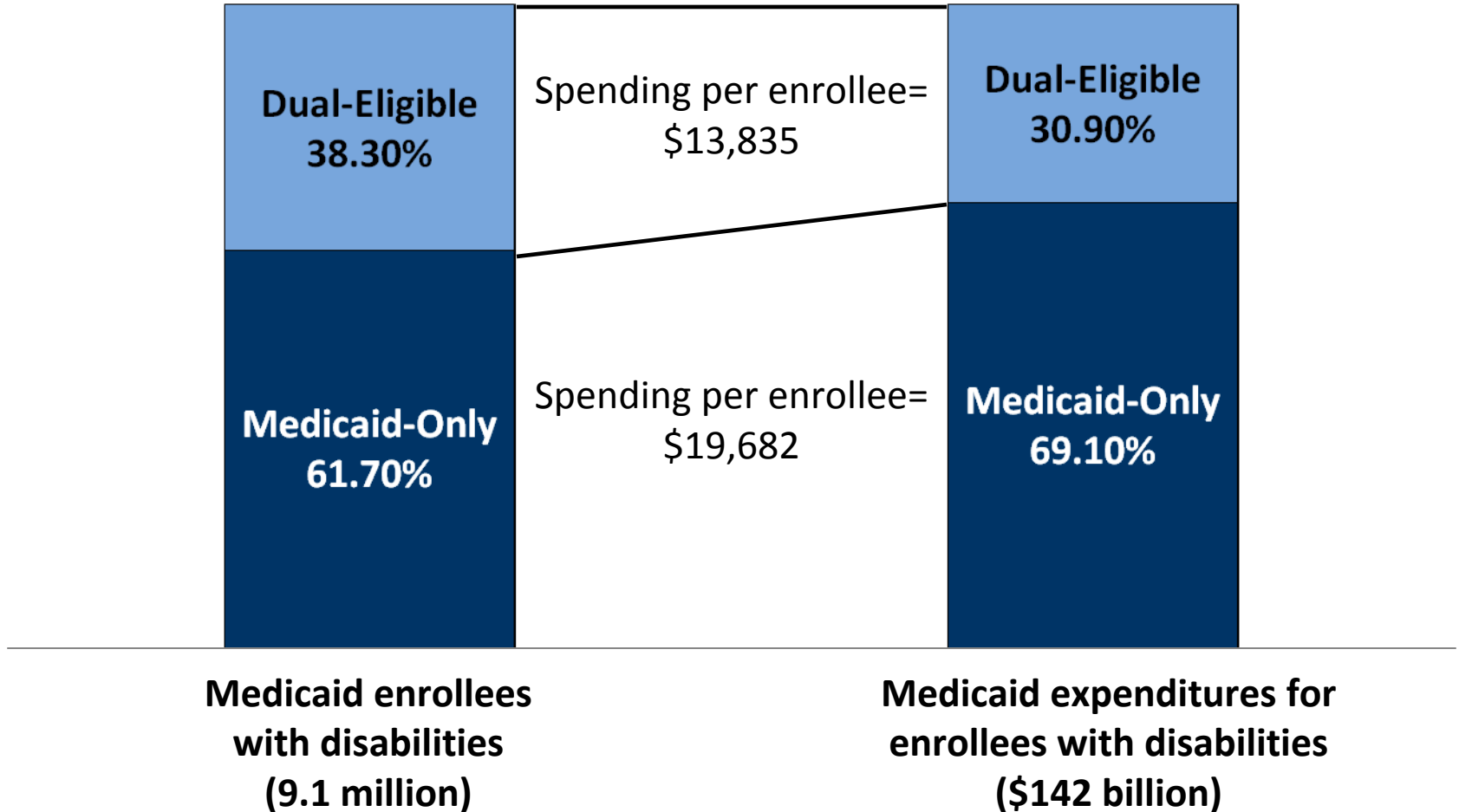


SOURCE: KCMU/Urban Institute estimates based on data from FY 2009 MSIS and CMS-64, 2012. MSIS FY 2008 data were used for MA, PA, UT, and WI, but adjusted to 2009 CMS-64.

FIGURE 20

Medicaid and People with Disabilities:

Medicaid-only enrollees account for most disability spending and enrollment.



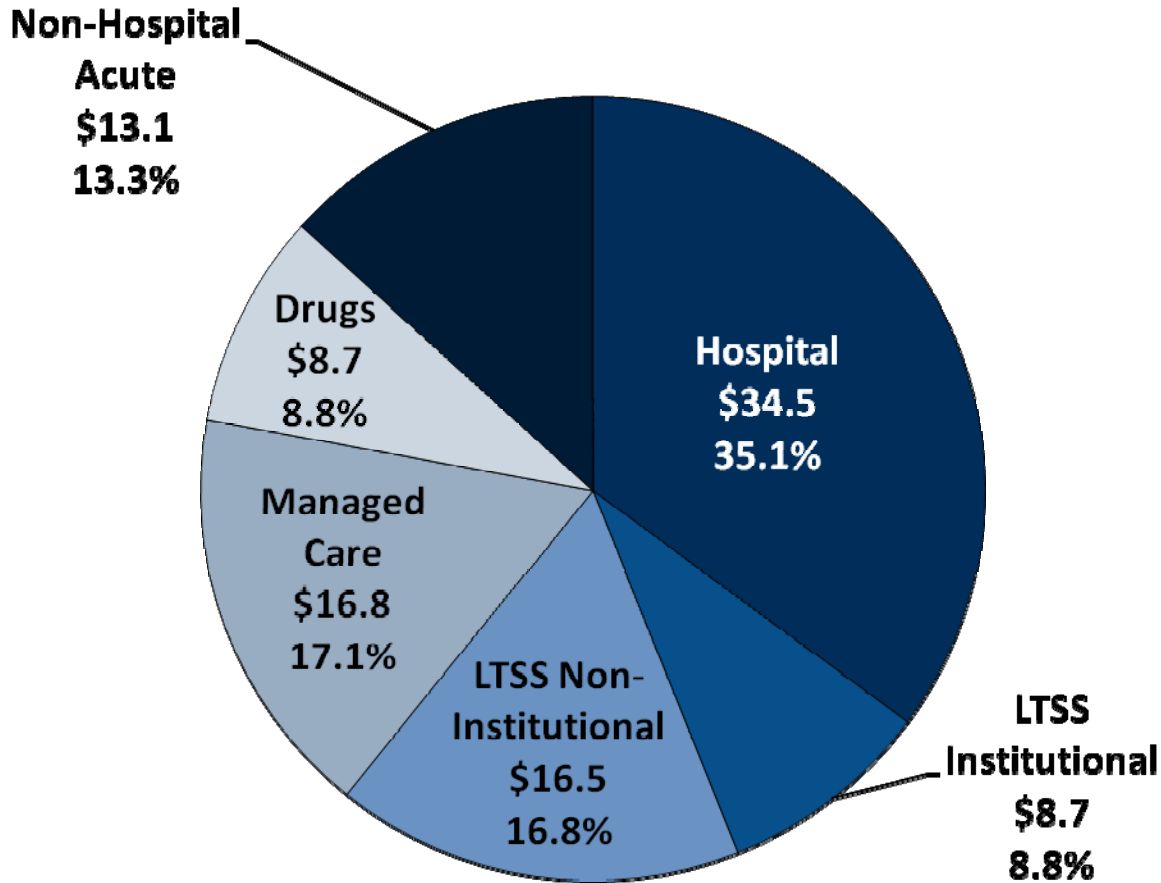
**Medicaid enrollees
with disabilities
(9.1 million)**

**Medicaid expenditures for
enrollees with disabilities
(\$142 billion)**

SOURCE: MACPAC Analysis of FY 2008 Medicaid Statistical Information System (MSIS) Annual Person Summary (APS) data and CMS-64 Financial Management Report (FMR) net expenditure data.

FIGURE 21

Medicaid and People with Disabilities: Medicaid-only disabled spending is mostly acute care.



2008 Total Spending= \$98.2 billion

SOURCE: MACPAC Analysis of Medicaid Statistical Information System (MSIS) Annual Person Summary (APS) data and CMS-64 Financial Management Report (FMR) net expenditure data.

Medicaid and Dual Eligible Beneficiaries



Wanda

Age 78
Tulsa



Virginia

Age 72
Oklahoma City



Don

Age 41
Owossa

Residence

Lives in senior living facility

Lives alone at home

Lives in his own apartment

Health

Muscular and skeletal problems, degenerative joint disease in lower back, hip replacement, and poor circulation in legs

Uterine cancer, hypertension, acid reflux, hernia, poor circulation in legs

Developmental disabilities, impulse control disorder, neuroleptic malignant syndrome

Situation

Very relieved to be out of the nursing home and living in subsidized senior housing

Doing ok now, but was re-hospitalized in the week after her cancer surgery

Has full-time caregivers; needs a broad range of services; worried the state will reduce his benefits

FIGURE 23

Medicaid and Dual Eligible Beneficiaries:

Dual eligible beneficiaries have complex health needs.

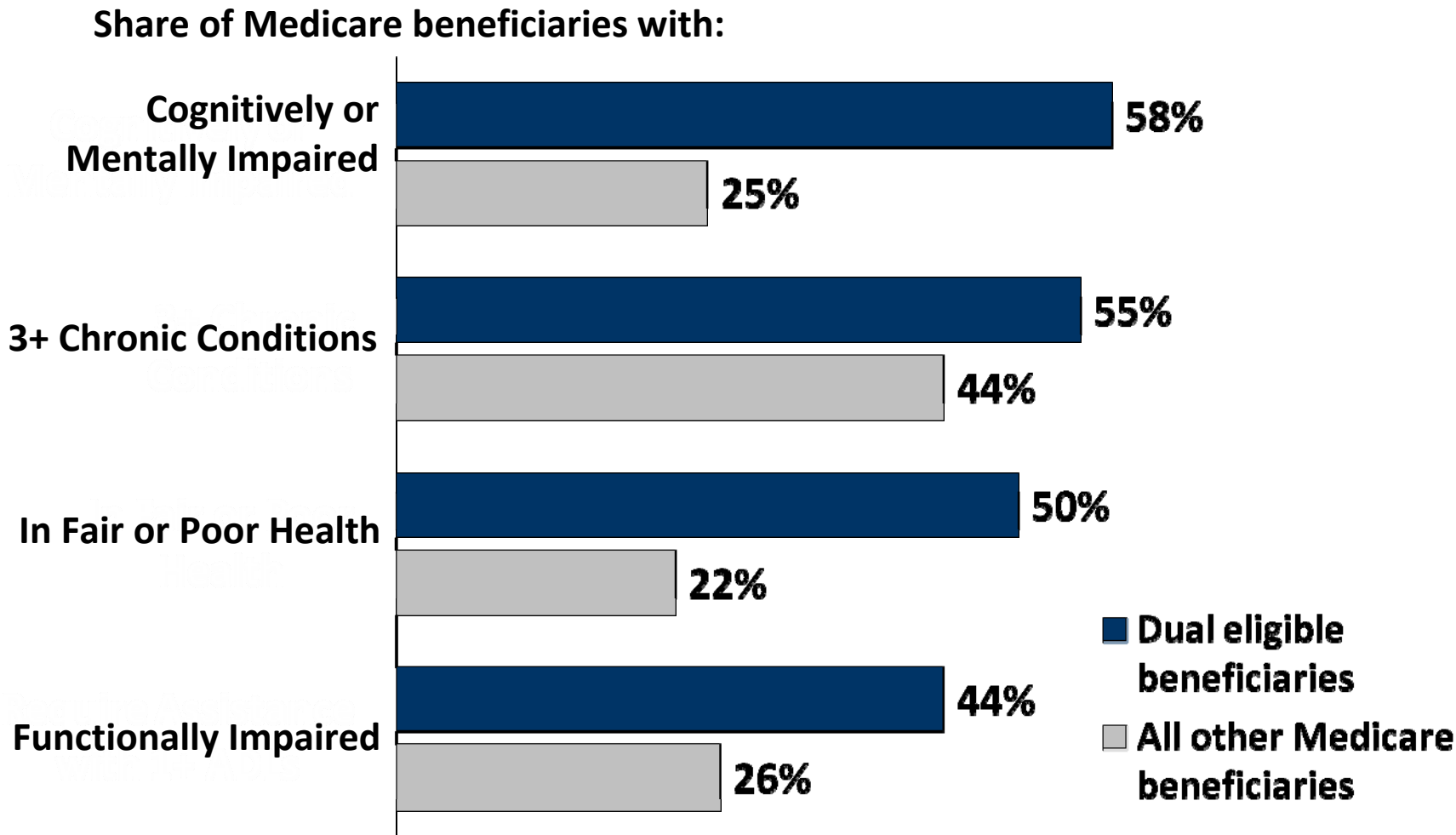
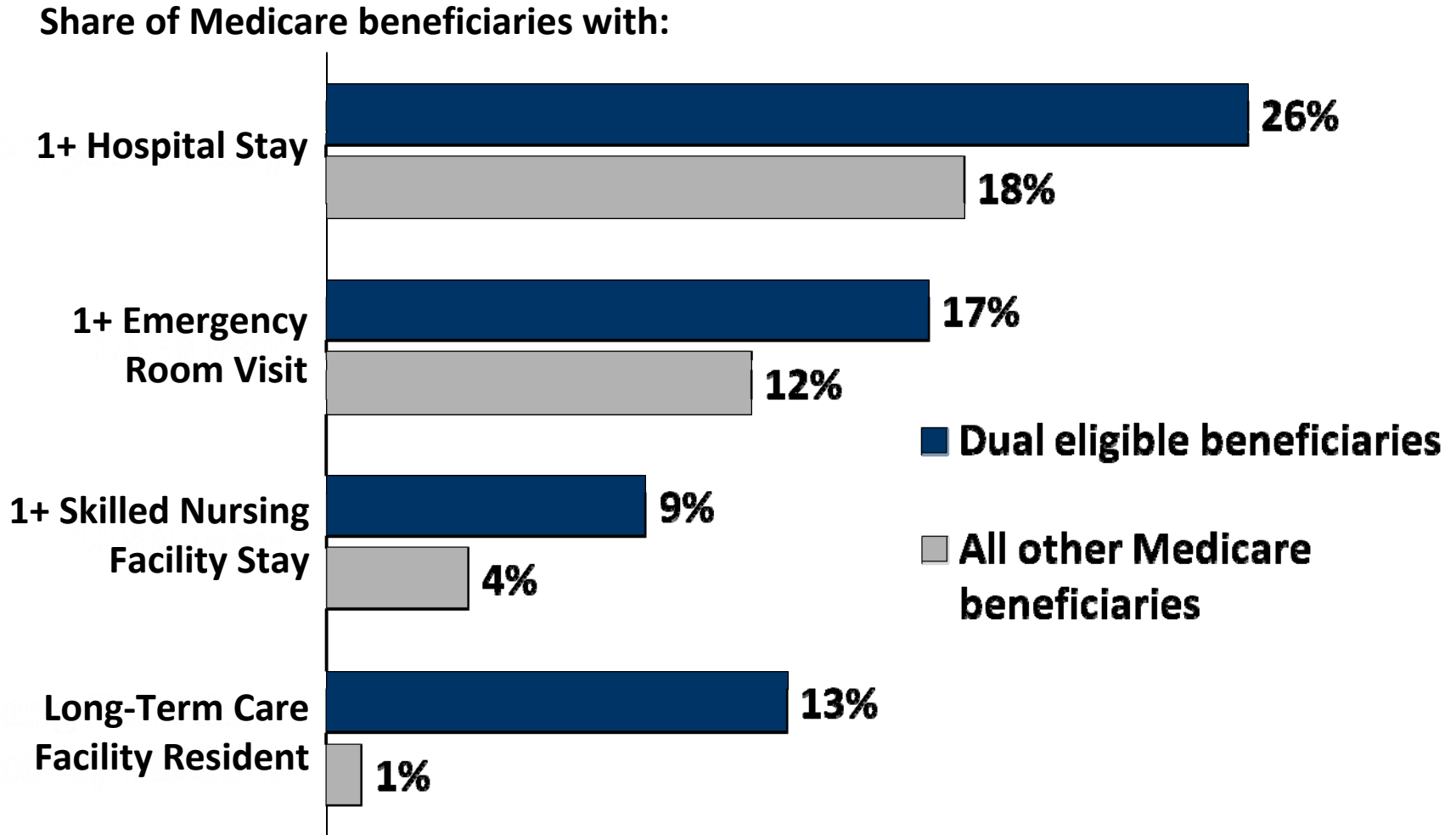


FIGURE 24

Medicaid and Dual Eligible Beneficiaries:

Dual eligible beneficiaries use more services.



NOTE: Excludes Medicare Advantage enrollees.

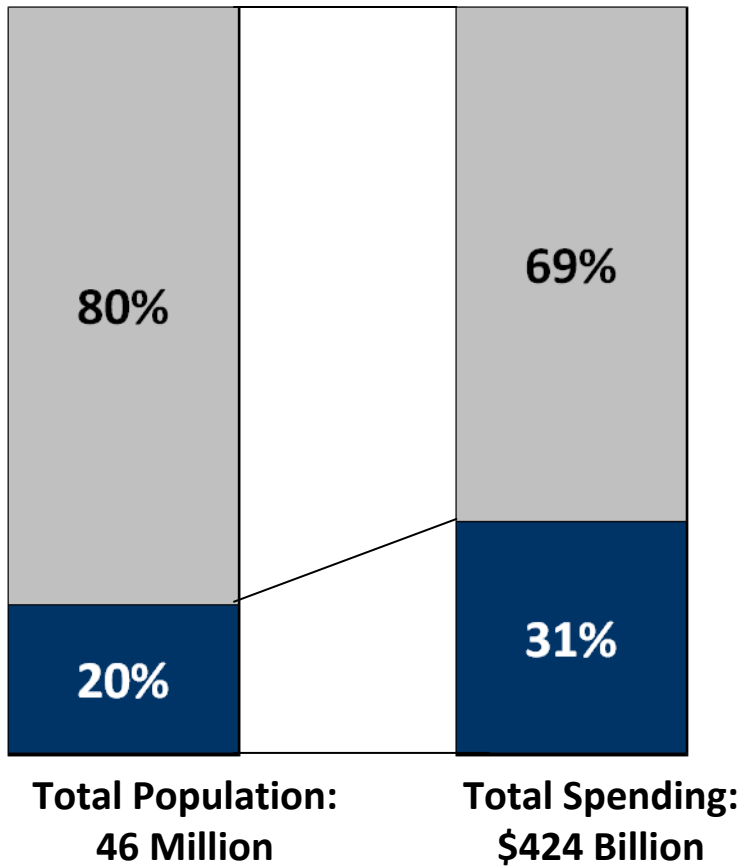
SOURCE: Kaiser Family Foundation analysis of the Medicare Current Beneficiary Survey Cost & Use File, 2008.

FIGURE 25

Medicaid and Dual Eligible Beneficiaries:

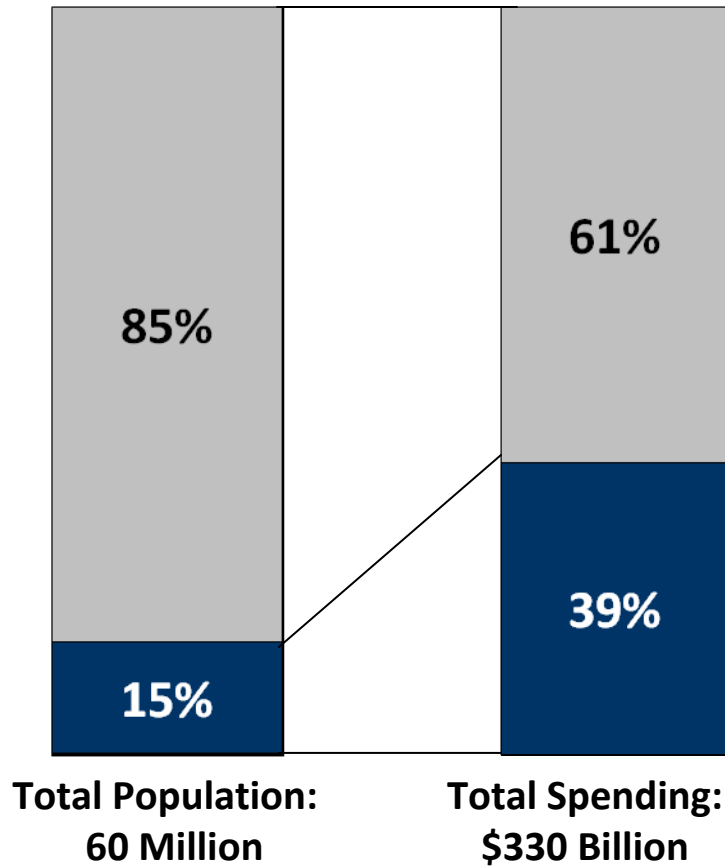
Dual eligible beneficiaries account for a disproportionate share of spending.

Dual Eligible Beneficiaries as a Share of Medicare Population and Spending



Medicare

Dual Eligible Beneficiaries as a Share of Medicaid Population and Spending



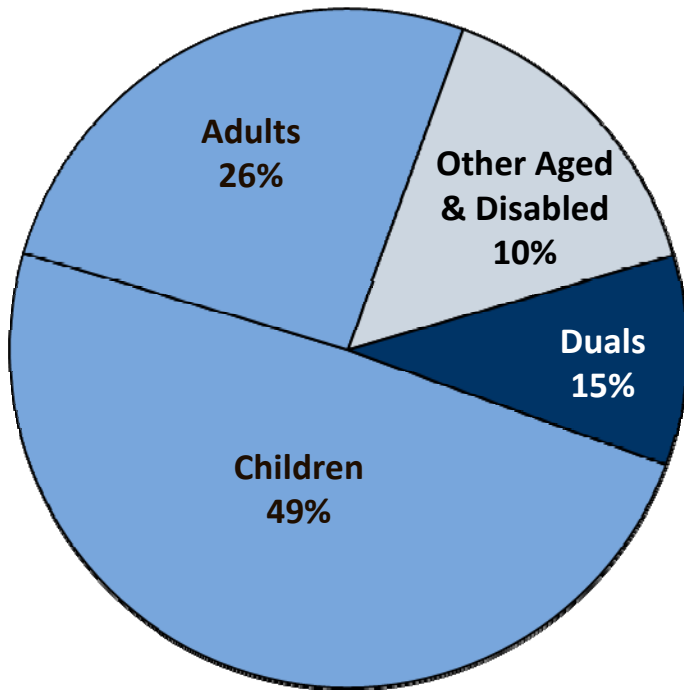
Medicaid

SOURCE: Kaiser Family Foundation analysis of the CMS Medicare Current Beneficiary Survey Cost and Use File, 2008, and Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on data from FY2008 MSIS and CMS Form-64.

FIGURE 26

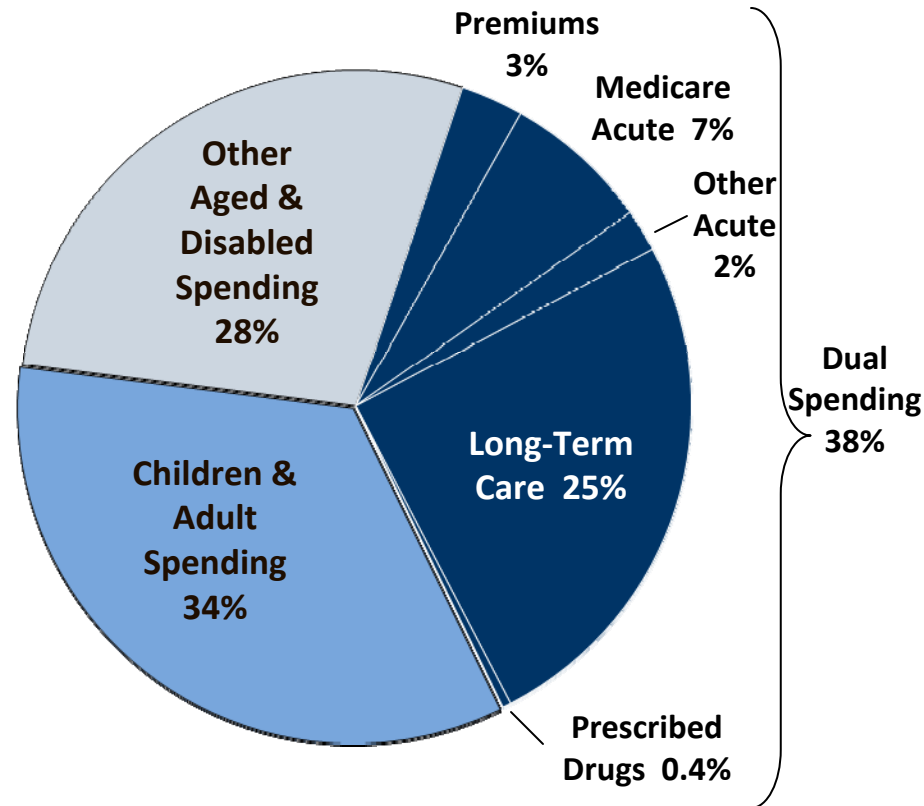
Medicaid and Dual Eligible Beneficiaries : And account for a substantial share of Medicaid spending.

Medicaid Enrollment, 2009



Total = 63 Million

Medicaid Spending, 2009

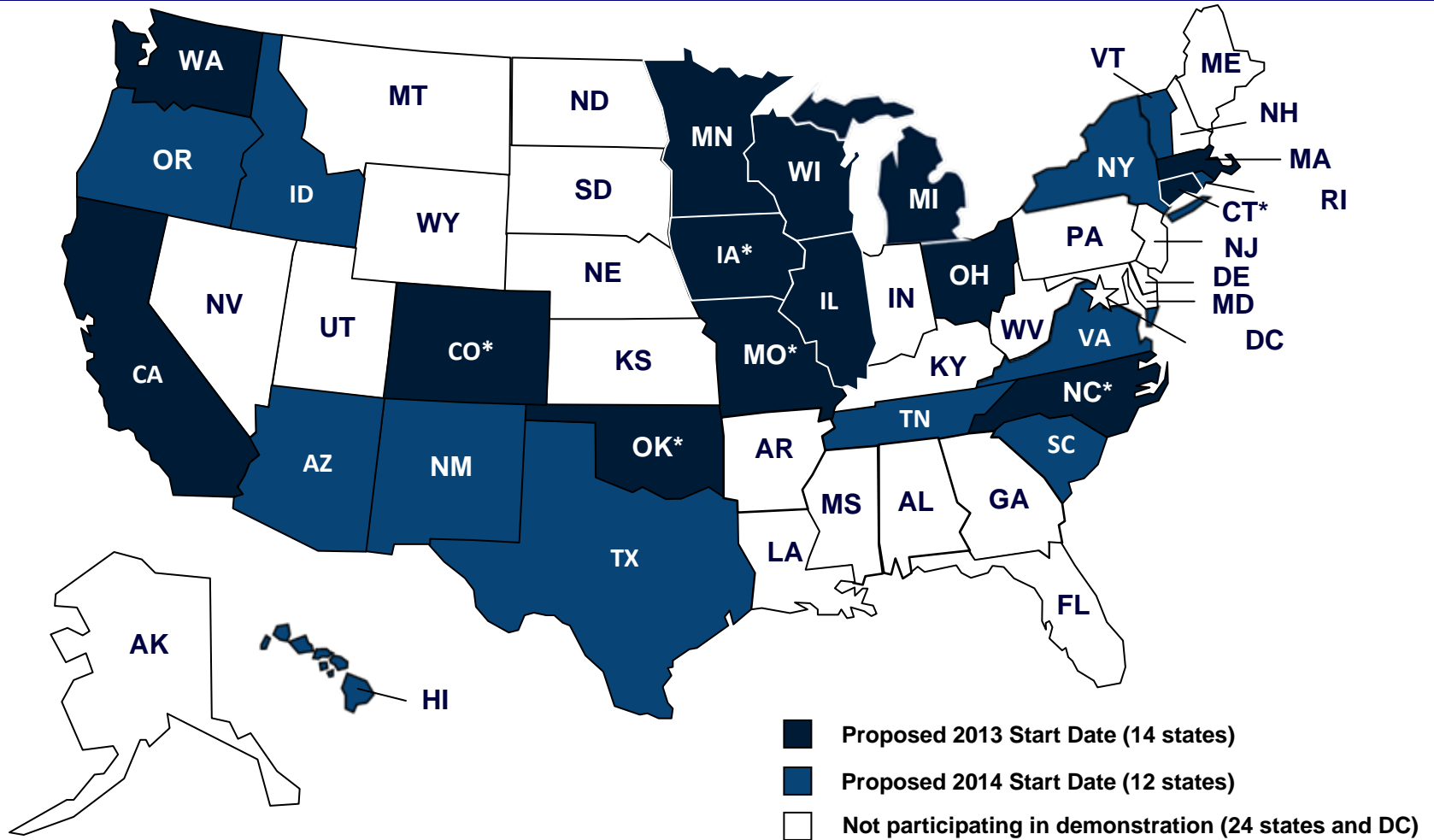


Total = \$359 Billion

FIGURE 27

Medicaid and Dual Eligible Beneficiaries :

26 states are proposing to test new models for dual eligible beneficiaries.



* CO, CT, IA, MO, NC, and OK are proposing managed FFS models. All others have proposed capitated models.

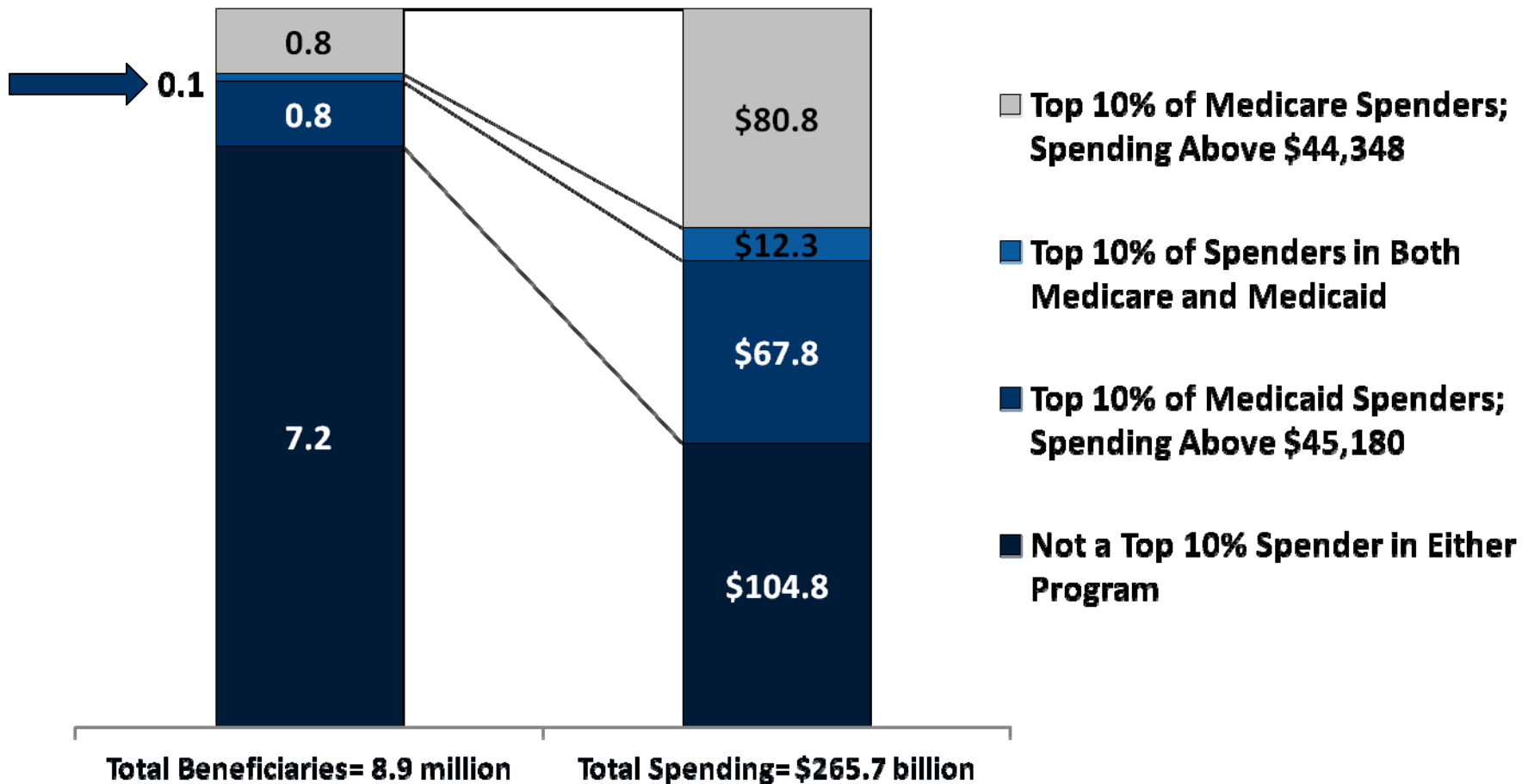
NOTE: MO has proposed a 2012 start date.

SOURCE: Correspondence with CMS Medicare-Medicaid Coordination Office, May 2012

FIGURE 28

Medicaid and Dual Eligible Beneficiaries :

Few dual eligible beneficiaries are high spenders under both programs.



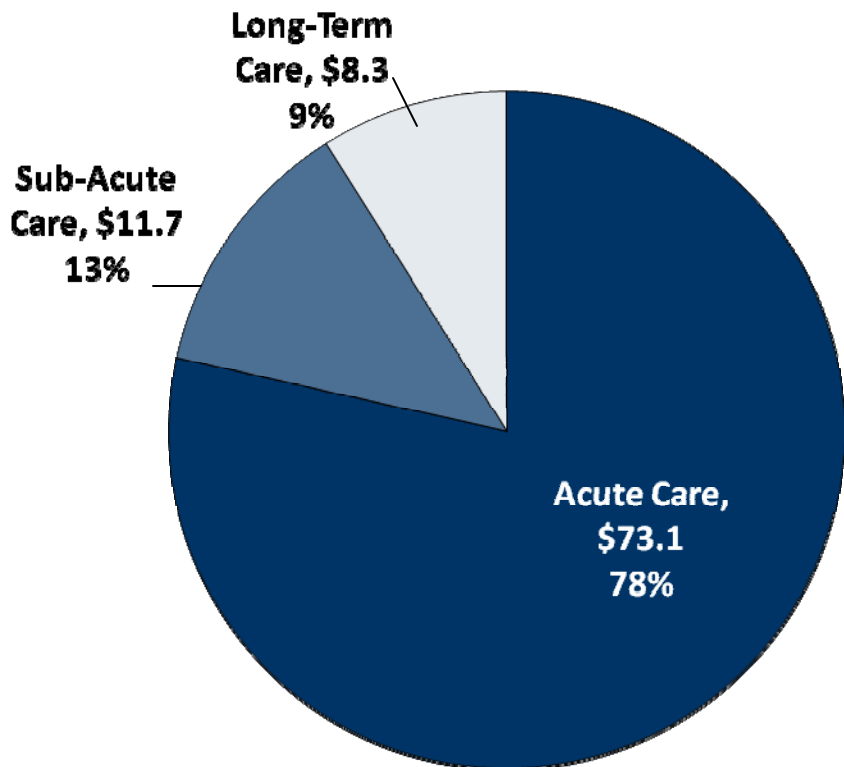
- Top 10% of Medicare Spenders; Spending Above \$44,348
- Top 10% of Spenders in Both Medicare and Medicaid
- Top 10% of Medicaid Spenders; Spending Above \$45,180
- Not a Top 10% Spender in Either Program

FIGURE 29

Medicaid and Dual Eligible Beneficiaries:

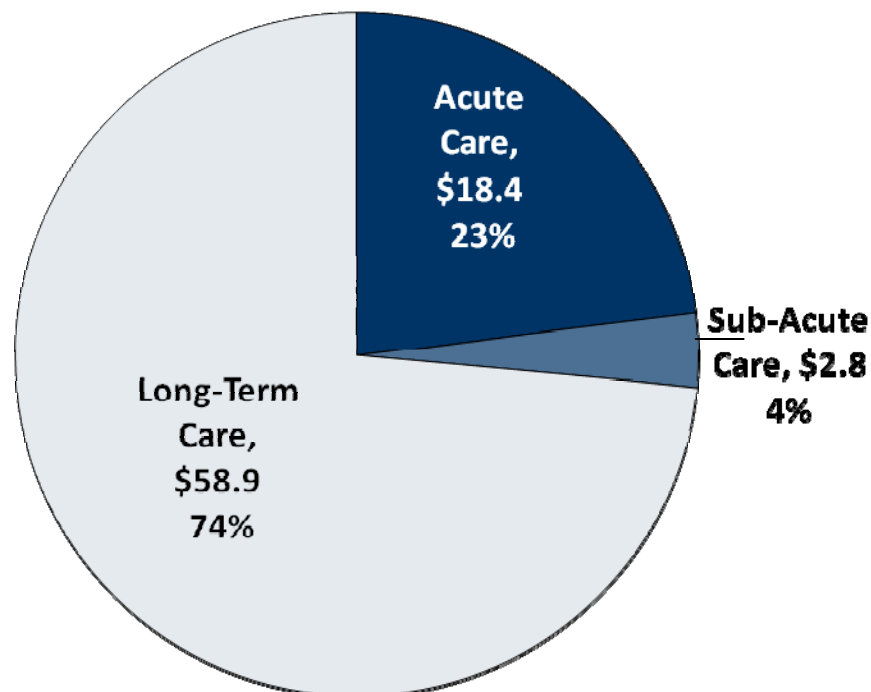
Spending by service varies among high-cost dual eligible beneficiaries by program.

Top 10% Medicare Spenders (in billions)



Total = \$93.1 billion

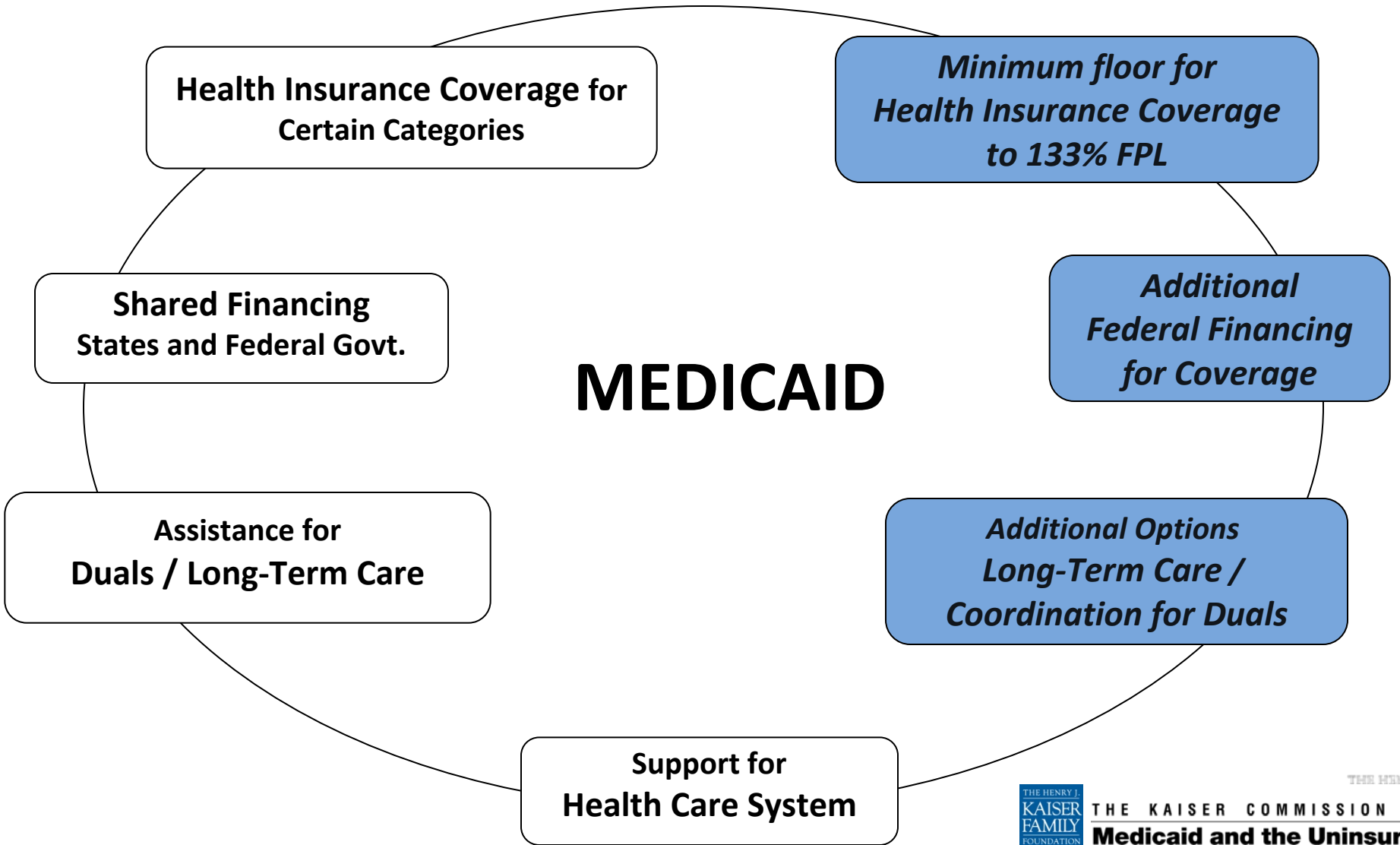
Top 10% Medicaid Spenders (in billions)



Total = \$80.1 billion

NOTE: Top 10% Medicaid spenders = Medicaid spending greater than \$45,180 and Top 10% Medicare spenders = Medicare spending greater than \$44,348.
SOURCE: KCMU/Urban Institute analysis of MSIS-MCBS 2007.

Medicaid Today and *Tomorrow*



Looking Forward

- Will Medicaid become the main source of coverage for the low-income population?
- Will the Affordable Care Act be sustained?
- How will the delivery system be restructured to better manage care?
- Will the dual eligible Medicare and Medicaid population receive better care at lower cost?
- How will care be organized and financed between states and federal government?
- How will state budget and federal deficit debates affect Medicaid?
- How will the nation address rising health costs and the growing need for long-term care?