Medicaid Overview:
State and Federal Partnership

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for

North American Quitline Consortium
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Overview of Medicaid’s Role in the Health Care System
FIGURE 3

Medicaid Has Many Vital Roles In Our Health Care System

Health Insurance Coverage
29 million children & 15 million adults in low-income families; 15 million elderly and persons with disabilities

Assistance to Medicare Beneficiaries
8.9 million aged and disabled — 21% of Medicare beneficiaries

Long-Term Care Assistance
1 million nursing home 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 2012, ranges from 50 - 74.2%
FIGURE 4

Medicaid Plays a Critical Role for Selected Populations

Percent with Medicaid Coverage:

- **Poor**: 42%
- **Near Poor**: 24%
- **Families**:
  - **All Children**: 30%
  - **Low-Income Children**: 56%
  - **Low-Income Adults**: 21%
- **Births (Pregnant Women)**: 41%
- **Aged & Disabled**: 17%
- **Medicare Beneficiaries**: 20%
- **People with Severe Disabilities**: 44%
- **People Living with HIV/AIDS**: 70%

**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 5
Median Medicaid/CHIP Eligibility Thresholds, January 2011

Minimum Medicaid Eligibility under Health Reform 133% FPL ($24,353 for a family of 3 in 2010)

- Children: 241%
- Pregnant Women: 185%
- Working Parents: 64%
- Jobless Parents: 37%
- Childless Adults: 0%

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, 2011
Medicaid Provides Access To Care That Is Comparable To Private Insurance and Far Better Than Access For The Uninsured

*In the past 12 months

NOTE: Respondents who said usual source of care was the emergency room were included among those not having a usual source of care

SOURCE: KCMU analysis of 2008 NHIS data
FIGURE 7

Most Medicaid Enrollees Receive Care Through Managed Care Arrangements

U.S. Overall = 65.9% of Medicaid enrollees

NOTE: Data as of October 2010. Includes enrollment in MCOs and PCCMs.
FIGURE 8

Medicaid Enrollees and Expenditures, FY 2008

Enrollees
Total = 59.5 million

Expenditures
Total = $317.7 billion

- Children 49%
- Adults 25%
- Elderly 10%
- Disabled 15%

- Children 20%
- Adults 13%
- Elderly 25%
- Disabled 43%

NOTE: Percentages may not add up to 100 due to rounding.
SOURCE: KCMU/Urban Institute estimates based on data from FY 2008 MSIS and CMS Form-64, 2010.
FIGURE 9
Percent Change in Total Medicaid Spending and Enrollment, FY 1998 – FY 2012

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

FIGURE 10

Medicaid: The State-Federal Partnership
NOTE: Rates are rounded to nearest percent. These rates will be in effect Oct. 1, 2011 – Sept. 30, 2012.

FIGURE 12
State Policy Actions Implemented in FY 2011 and Adopted for FY 2012

<table>
<thead>
<tr>
<th>States with Expansions / Enhancements</th>
<th>FY 2011</th>
<th>Adopted FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider Payments</td>
<td>39</td>
<td>46</td>
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<tr>
<td>Eligibility</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>Benefits</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Long Term Care</td>
<td>32</td>
<td>33</td>
</tr>
</tbody>
</table>

NOT: 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.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2011.
<table>
<thead>
<tr>
<th>&quot;Mandatory&quot; Items and Services</th>
<th>&quot;Optional&quot; Items and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician services</td>
<td>Prescription drugs</td>
</tr>
<tr>
<td>Laboratory and x-ray services</td>
<td>Clinic services</td>
</tr>
<tr>
<td>Inpatient hospital services</td>
<td>Dental services, dentures</td>
</tr>
<tr>
<td>Outpatient hospital services</td>
<td>Physical therapy and rehab services</td>
</tr>
<tr>
<td>Early and periodic screening, diagnostic, and treatment (EPSDT)</td>
<td>Prosthetic devices, eyeglasses</td>
</tr>
<tr>
<td>services for individuals under 21</td>
<td>Primary care case management</td>
</tr>
<tr>
<td>Family planning</td>
<td>Intermediate care facilities for the mentally</td>
</tr>
<tr>
<td>Rural and federally-qualified health center (FQHC) services</td>
<td>retarded (ICF/MR) services</td>
</tr>
<tr>
<td>Nurse midwife services</td>
<td>Inpatient psychiatric care for individuals under 21</td>
</tr>
<tr>
<td>Nursing facility (NF) services for individuals 21 or over</td>
<td>Home health care services</td>
</tr>
<tr>
<td>Home Health care services for individuals 21 and over</td>
<td>Personal care services</td>
</tr>
<tr>
<td>Smoking cessation services for pregnant women</td>
<td>Hospice services</td>
</tr>
<tr>
<td>Free-standing birth center services</td>
<td></td>
</tr>
</tbody>
</table>
Prior to the Affordable Care Act
- States were required to cover smoking cessation therapy and counseling when determined to be medically necessary through EPSDT (children).
- 45 States already provided some coverage of smoking cessation to pregnant or non-pregnant women before the expansion under the ACA.

As of October 1, 2010, states are required to cover tobacco cessation services for pregnant women without cost-sharing (Section 4107 of the ACA)
- The required services must be comprehensive and include diagnostic, therapy and counseling services as well as pharmacotherapy for cessation of tobacco use.
- States may require that the service be provided by or under the supervision of a physician or by any other health care professional legally authorized under State law or designated by the Secretary of the US Department of Health and Human Services to furnish such services.
- Quitlines are now eligible for reimbursement at the administrative matching rate (50 percent).

Beginning in 2014, states will be required to cover smoking cessation drugs under Medicaid. (Sect. 2502 of the ACA)
- Includes over-the-counter drugs approved by the FDA.
Making Changes to State Plans

State Plan
Agreement between CMS and the State on who and what is covered under that particular program.

State Plan Amendment (SPA)
Document filed with CMS to make Medicaid changes allowed under current law.

Waiver
Secretary has broad discretion in deciding whether to grant a state a waiver.

To make changes to this document, the State Medicaid agency must submit one of the following to CMS for approval:

However, getting to the point of submitting a SPA or waiver requires:
- Crafting of the document (SPA or Waiver) by the Medicaid Agency
- Approval from the State Legislature (in some states)
- Inclusion in the Agency Budget

Once submitted, CMS has 90 days to either:
- Approve the change
- Deny the change
- Or Request more information
Massachusetts study on the Return on Investment of their Medicaid Tobacco Cessation Program

- Recent study found that $1 in program costs for their Medicaid Tobacco Cessation Program was associated with $3.12 in medical savings.
- Study focused on the savings related to inpatient admissions avoided for various heart conditions.
- Study used a combination of state administrative data and national survey data.

Health Reform
FIGURE 18

Medicaid Today and Tomorrow

- Health Insurance Coverage for Certain Categories
- Minimum floor for Health Insurance Coverage to 133% FPL
- Shared Financing States and Federal Govt.
- Additional Federal Financing for Coverage
- Assistance for Duals / Long-Term Care
- Additional Options Long-Term Care / Coordination for Duals
- Support for Health Care System
FIGURE 19

Estimated Increase in Medicaid Enrollment by 2019

SOURCE: Medicaid Coverage and Spending in Health Reform: National and State-By-State Results for Adults at or Below 133% FPL, the Urban Institute, May 2010.
The Federal Government Will Pay for the Large Majority of Medicaid Coverage Costs in Health Reform

Total $464.7 Billion

$21.1 Billion State

$443.5 Billion Federal

Note: Adults less than 133% FPL. Standard participation scenario approximates participation rates used by the CBO to estimate national impact of Medicaid expansion. Enhanced participation scenario assumes more robust participation among newly eligible (75% percent participation) and higher participation among those currently eligible for coverage than in standard participation scenario.

SOURCE: Analysis for KCMU by The Urban Institute, May 2010
FIGURE 21

ACA Promotes Prevention & Primary Care in Medicaid

- 2013 – 2014: Increases payment rates for primary care to Medicare rates 100% federal financing.

- 2013: Provides a 1% increase in the FMAP for coverage of recommended prevention services if offered with no cost sharing.

<table>
<thead>
<tr>
<th>U.S. Preventive Services Taskforce: A and B Level Recommendations</th>
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<tr>
<td>Lifestyle/Healthy Behaviors</td>
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<tr>
<td>Alcohol Screening</td>
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<tr>
<td>Depression Screening</td>
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<tr>
<td>Healthy Diet Counseling</td>
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<tr>
<td><strong>Tobacco interventions</strong></td>
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<tr>
<td>Immunizations</td>
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</tbody>
</table>
States still feeling effects of the Great Recession, but see some positive signs although conditions vary across states.

Focus remains on cost containment as states struggle with depressed revenues and increased demand for coverage.

Federal deficit reduction efforts continue.

Federal government and states moving forward with health reform implementation but face challenges.