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Chartpack



THE KAISER COMMISSION ON  
**Medicaid and the Uninsured**

# Top 5 Things To Know About Medicaid

February 2011

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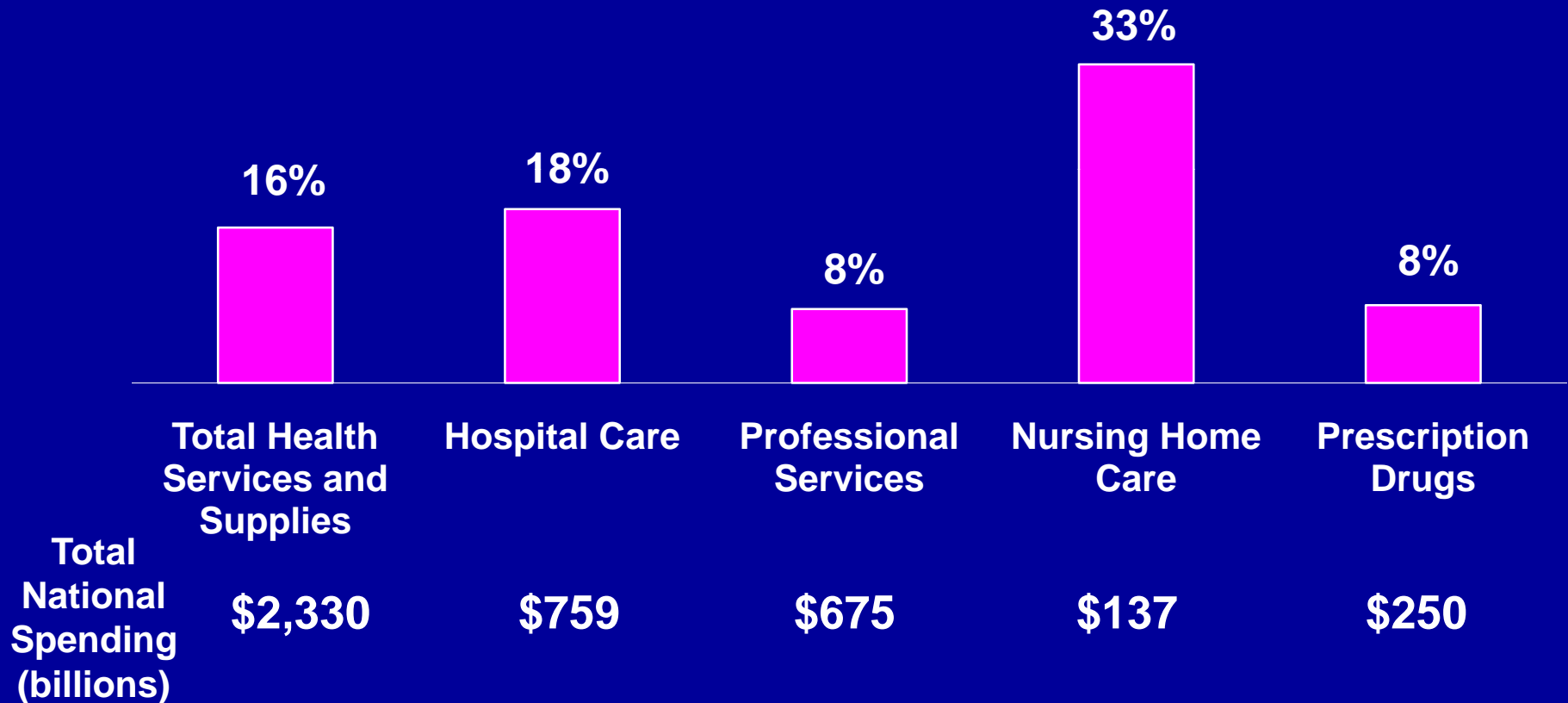
Figure 1

**#1: Medicaid is an integral piece of the health care system.**

Figure 2

# Medicaid provides support for providers and services in the health care system.

Medicaid as a share of national health care spending:



NOTE: Does not include spending on CHIP. Definition of nursing home care was revised from previous years and no longer includes residential care facilities for mental retardation, mental health or substance abuse. SOURCE: CMS, Office of the Actuary, National Health Statistics Group, *National Health Expenditure Accounts*, January 2011. Data for 2009.

Figure 3

# Medicaid has many vital roles in our health care system.

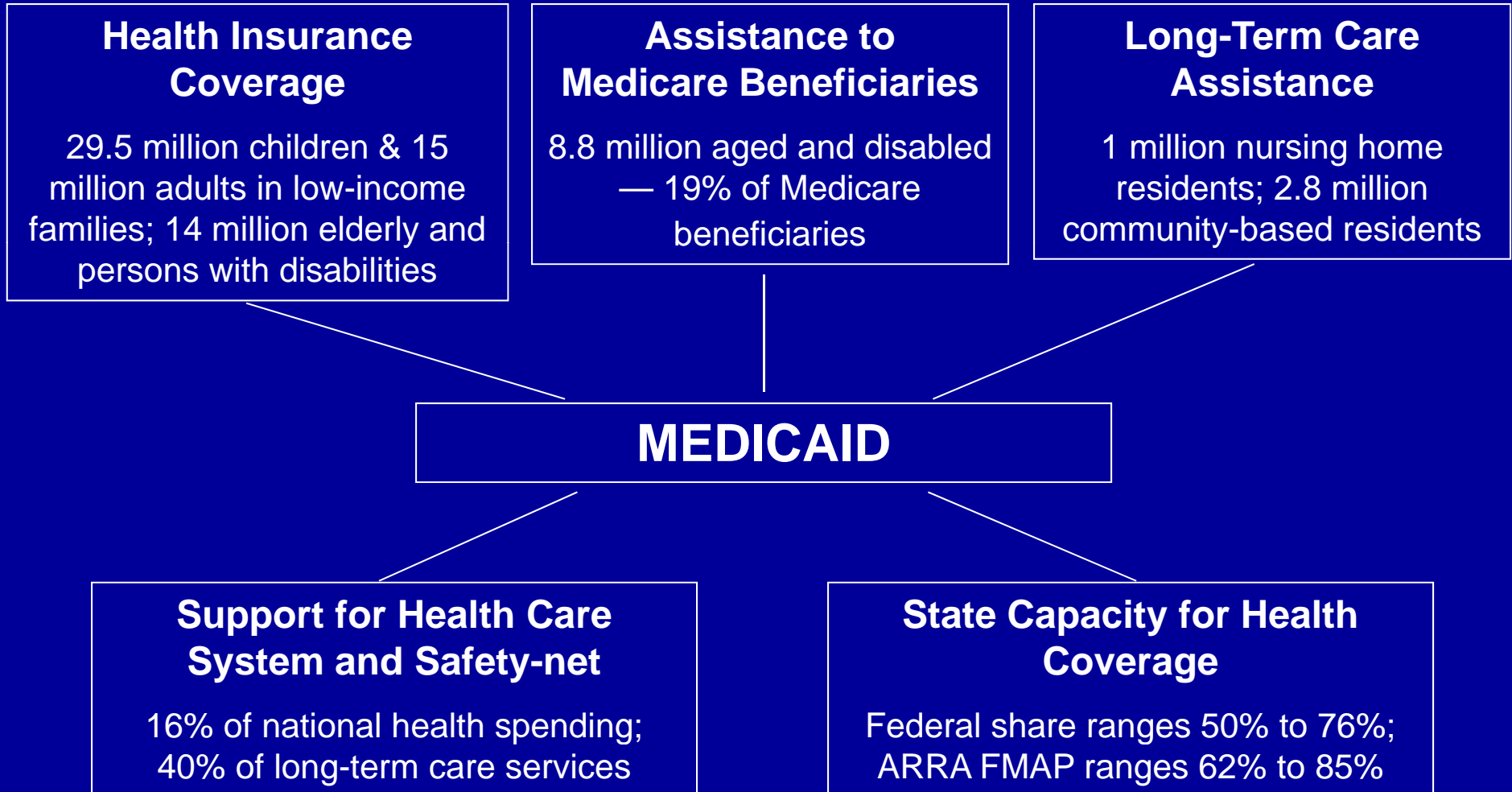
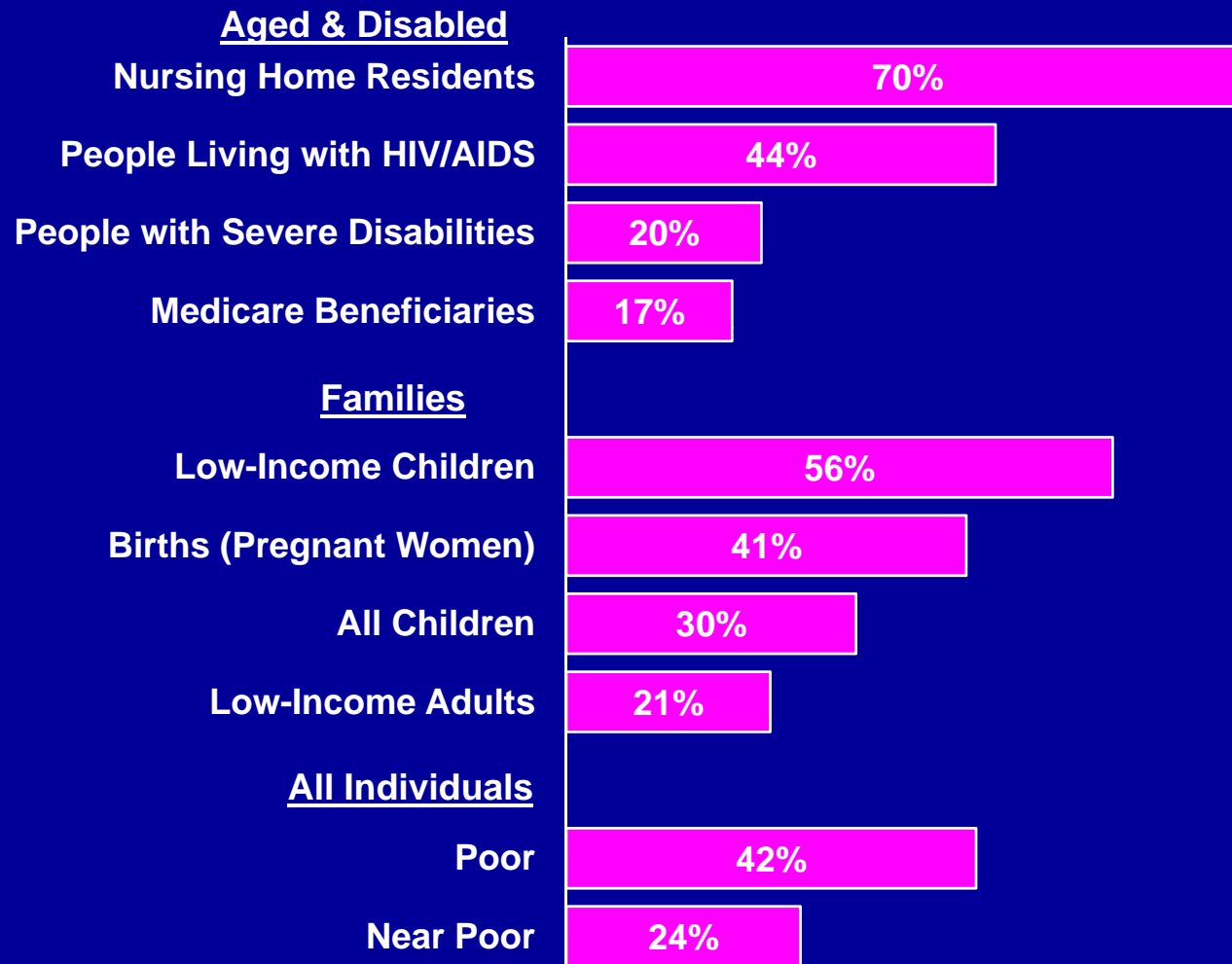


Figure 4

# Medicaid has a critical role for selected populations.

Percent with Medicaid Coverage:



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.



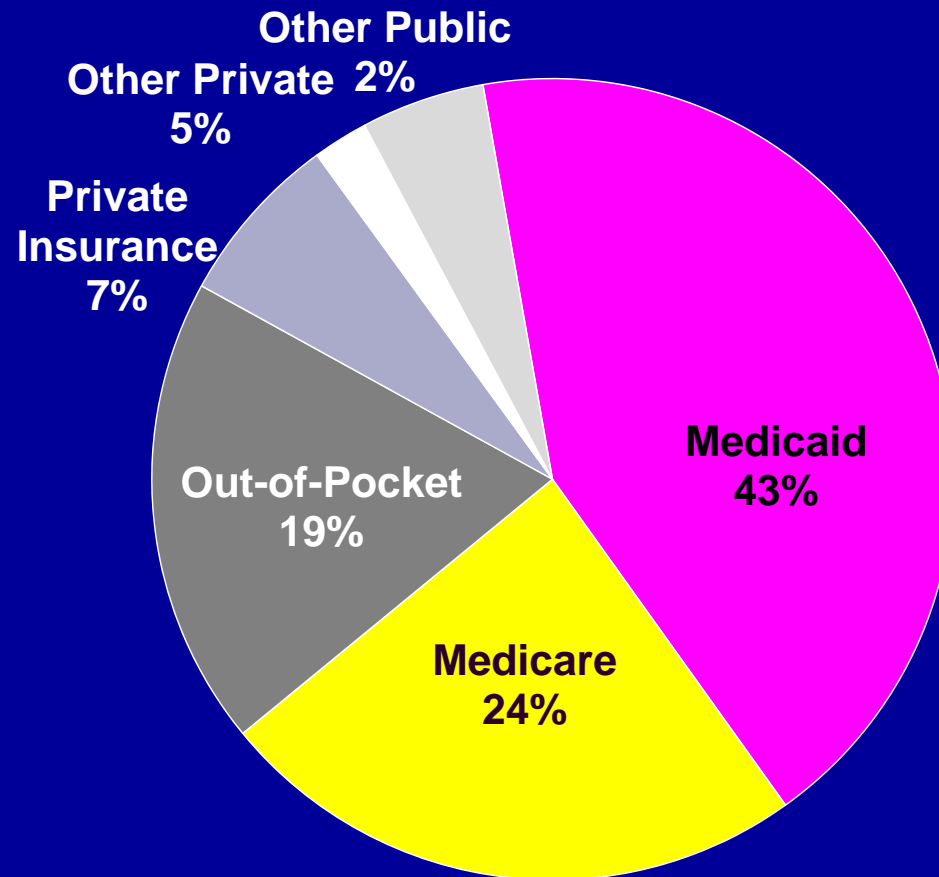
Figure 5

# Medicaid's benefits reflect the needs of the population it serves.

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

Figure 6

# Medicaid is the primary payer for long-term care services.



**Total in 2009 = \$240 billion**

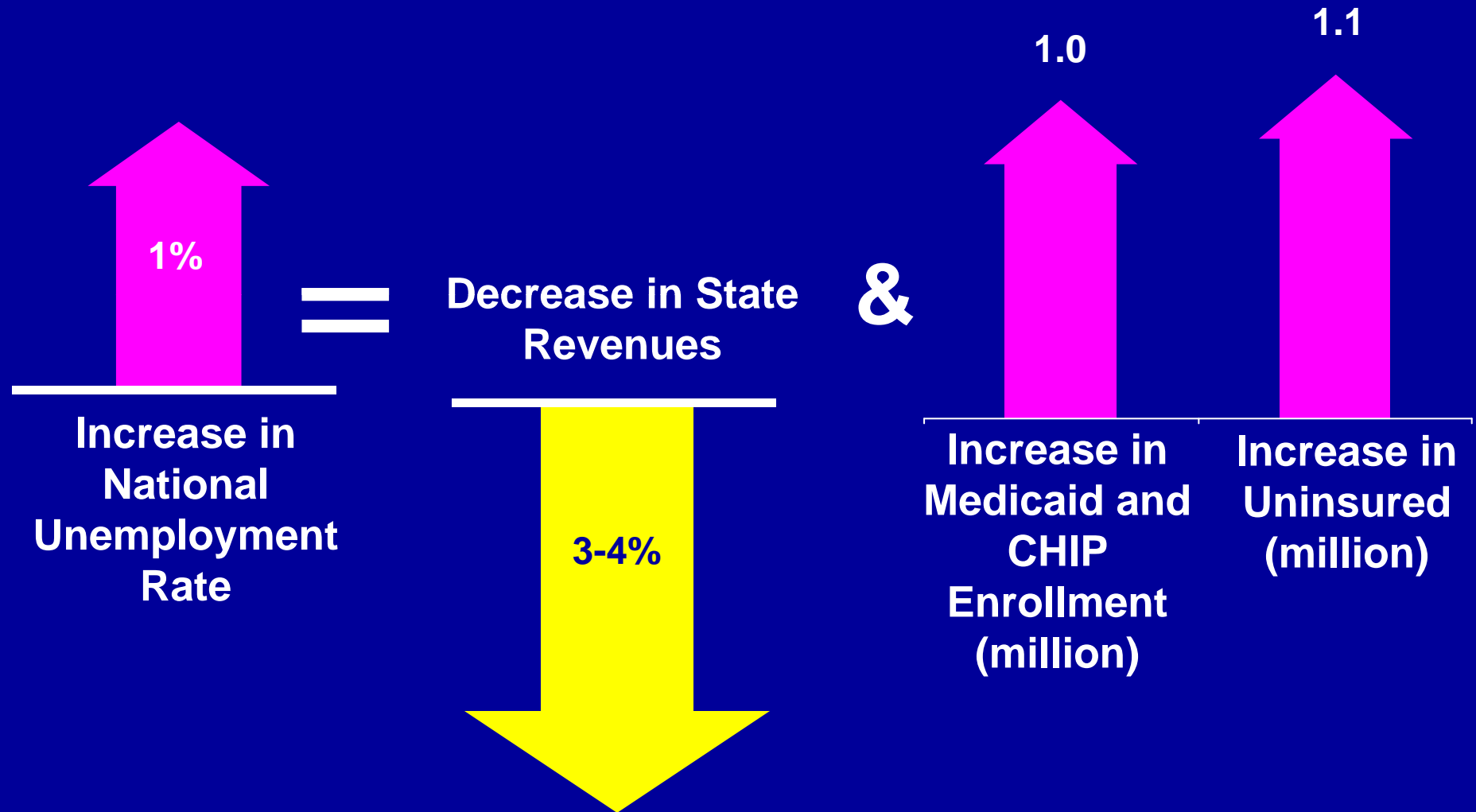
NOTE: Total LTC expenditures includes spending on nursing home, home health services, and home and community-based waiver services. All home and community-based waiver services are attributed to Medicaid. Total excludes residential care facilities for mental retardation, mental health, or substance abuse.

SOURCE: KCMU estimates based on CMS National Health Accounts data, 2008.



Figure 7

# The number of Medicaid enrollees and the uninsured rise during economic downturns.



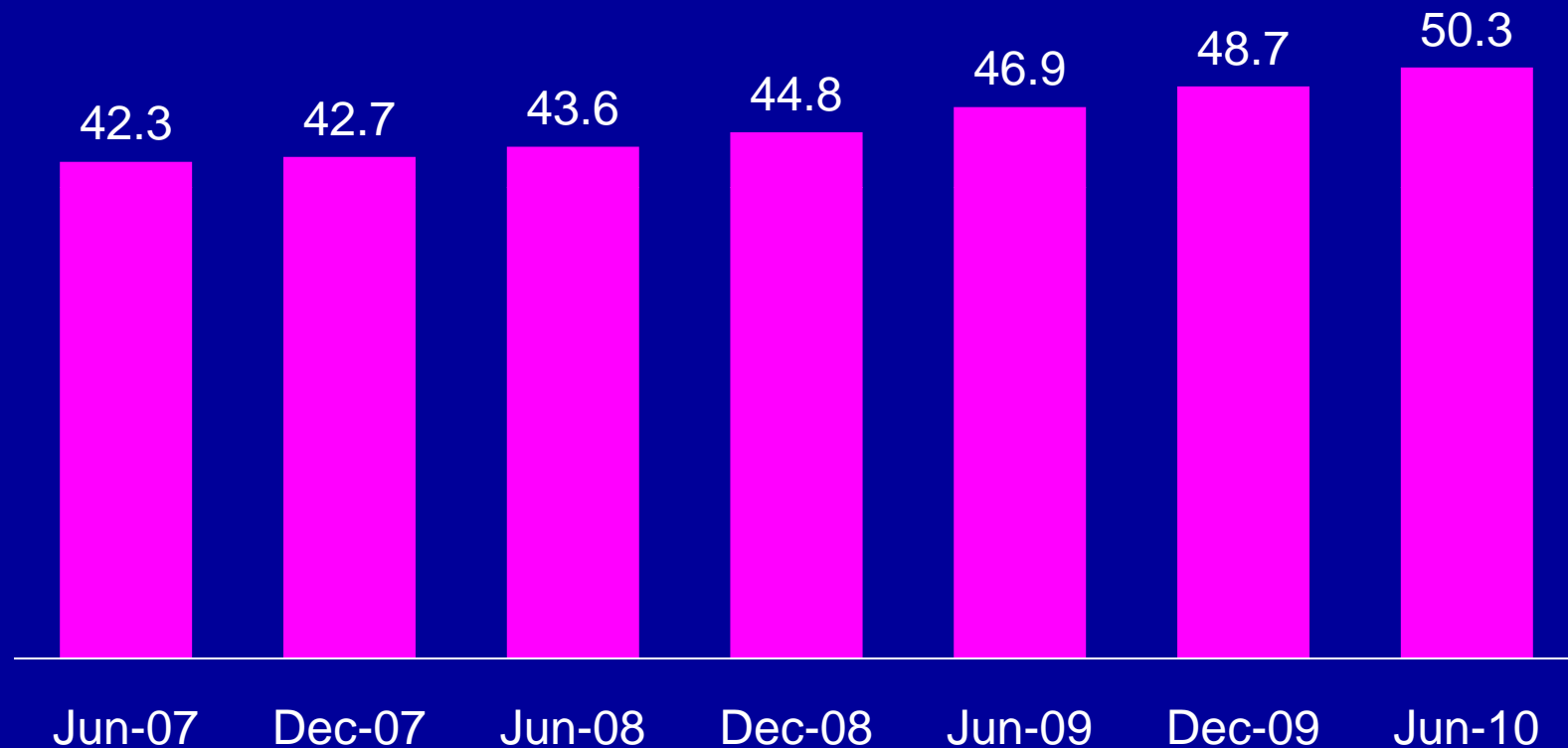
SOURCE: John Holahan and Bowen Garrett, [Rising Unemployment, Medicaid, and the Uninsured](#), prepared for the Kaiser Commission on Medicaid and the Uninsured, January 2009.



Figure 8

**Since the start of the recession more than 7 million more enrolled in Medicaid.**

**Monthly Enrollment in Millions**



SOURCE: Analysis for KCMU by Health Management Associates, using compiled state Medicaid enrollment reports



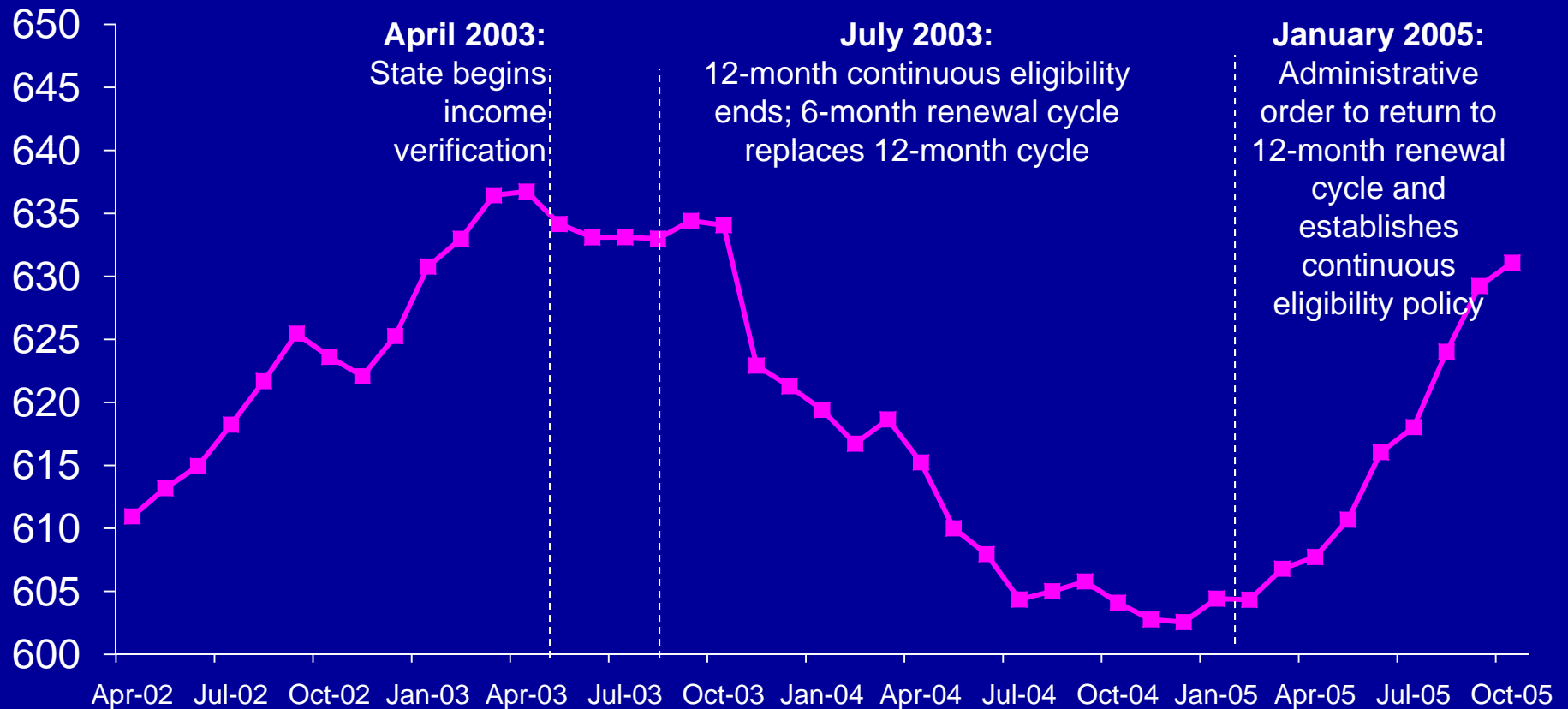
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Figure 9

# Enrollment processes and procedures matter.

Changes in Enrollment Processes for Children in Washington State

Thousands



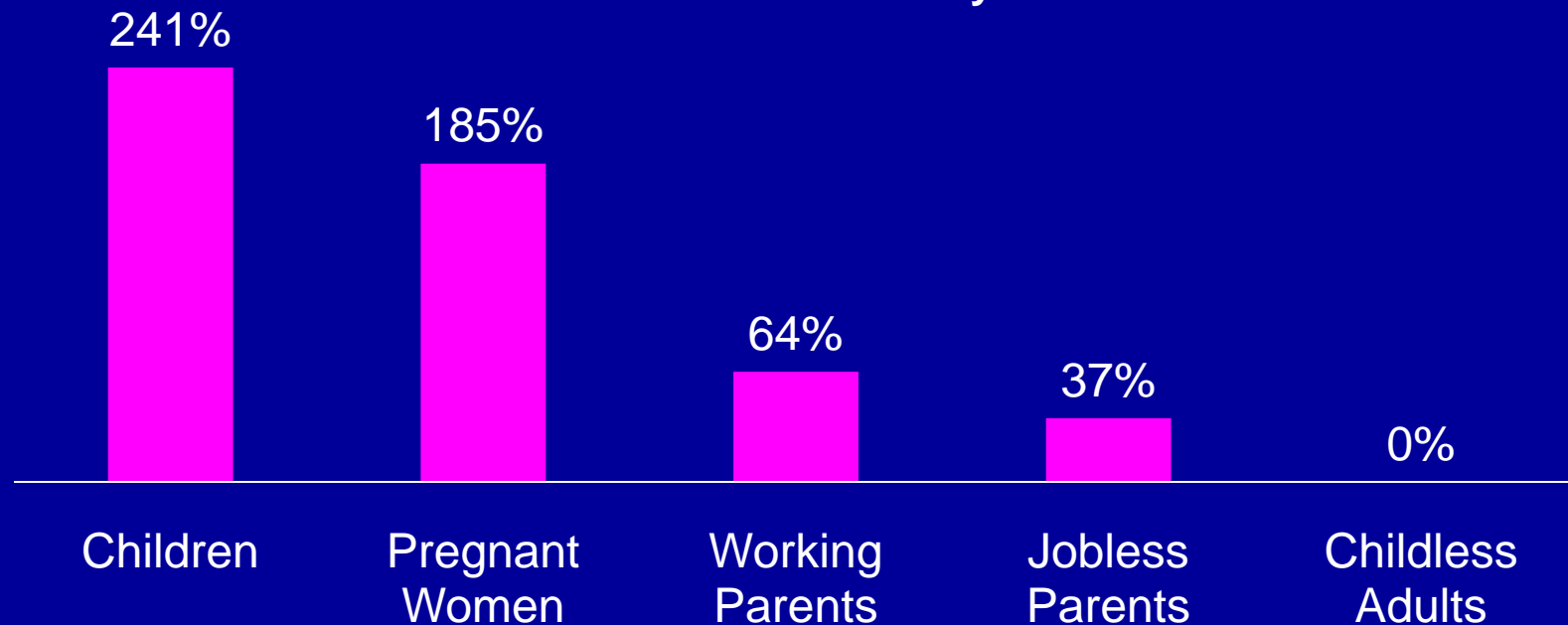
SOURCE: Washington State Department of Social and Health Services, 2005, updated 2006.

Figure 10

# Medicaid eligibility levels are more limited for adults than for children.

## Median Medicaid/CHIP Eligibility Threshold January 2011

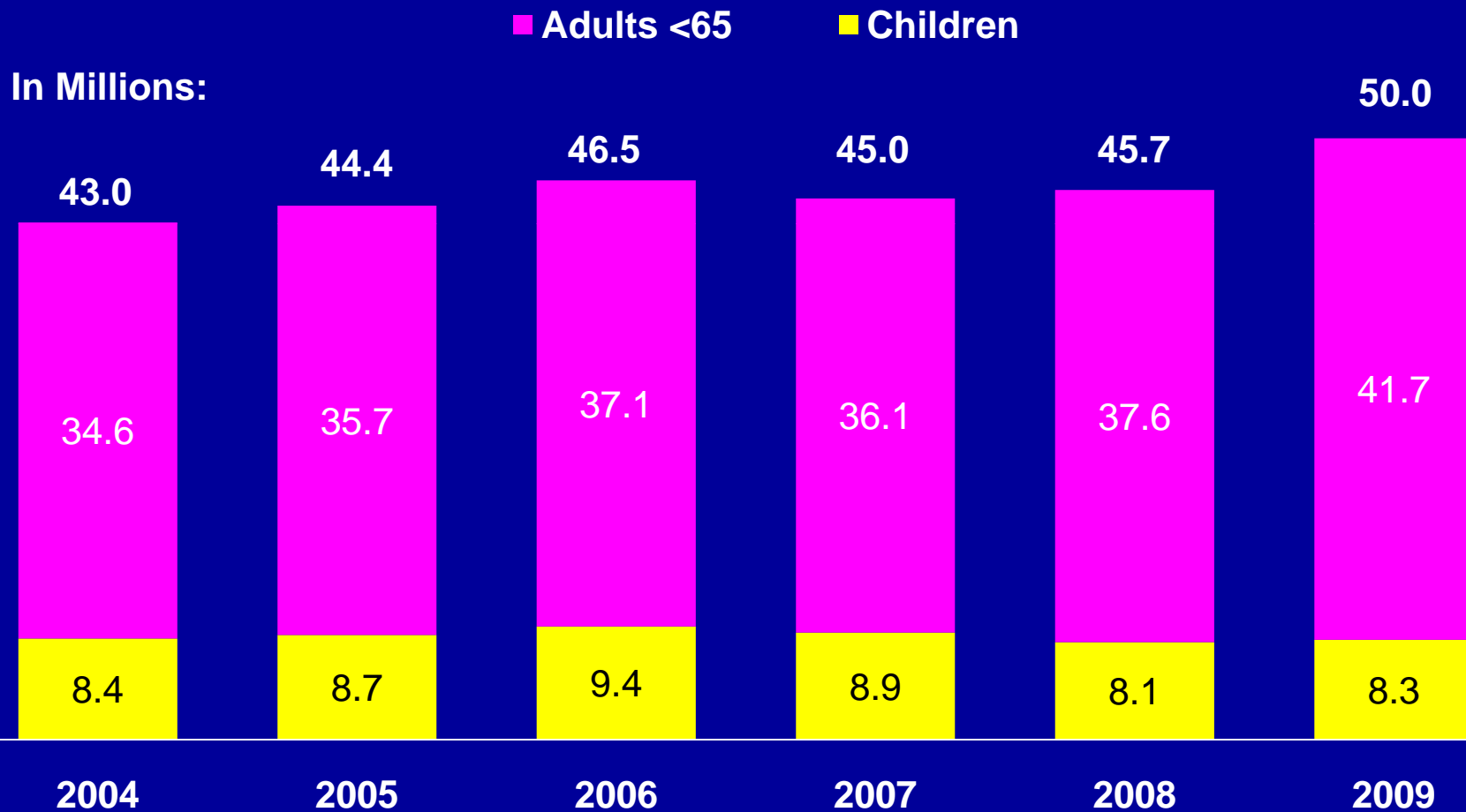
Percent of Poverty:



SOURCE: Based on a national survey conducted by KCMU with the Georgetown University Center for Children and Families, 2011.

Figure 11

# The increases in the uninsured are driven by more uninsured adults.

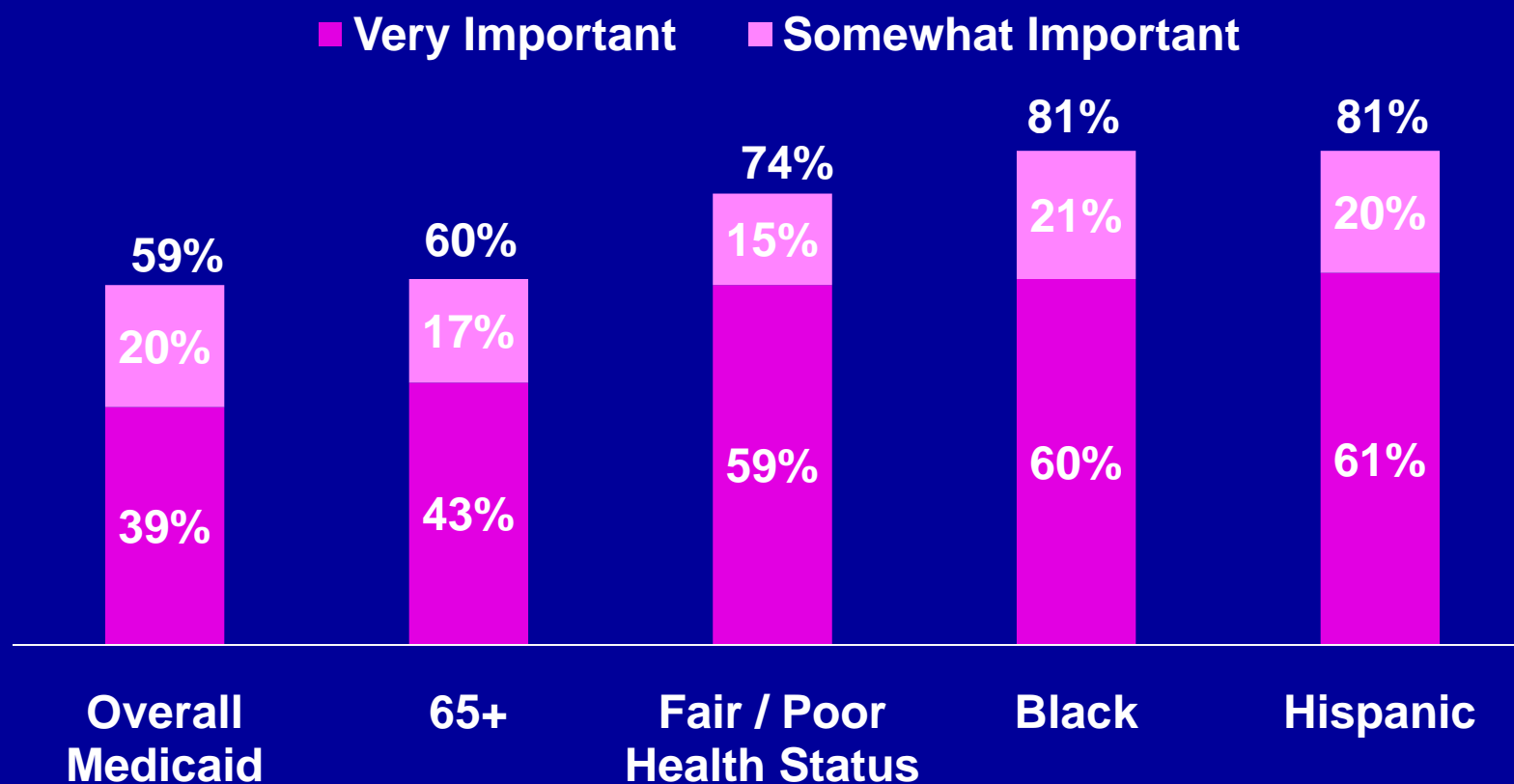


SOURCE: KCMU/Urban Institute analysis of ASEC Supplement to the CPS, 2005-2010.

Figure 12

# Over half of Americans say that Medicaid is important to them.

How important for you and your family is MEDICAID, the government program that provides health insurance and long-term care to certain low-income adults and children



SOURCE: Kaiser Family Foundation/Harvard School of Public Health *The Public's Health Care Agenda for the 112th Congress* (conducted January 4-14, 2011)

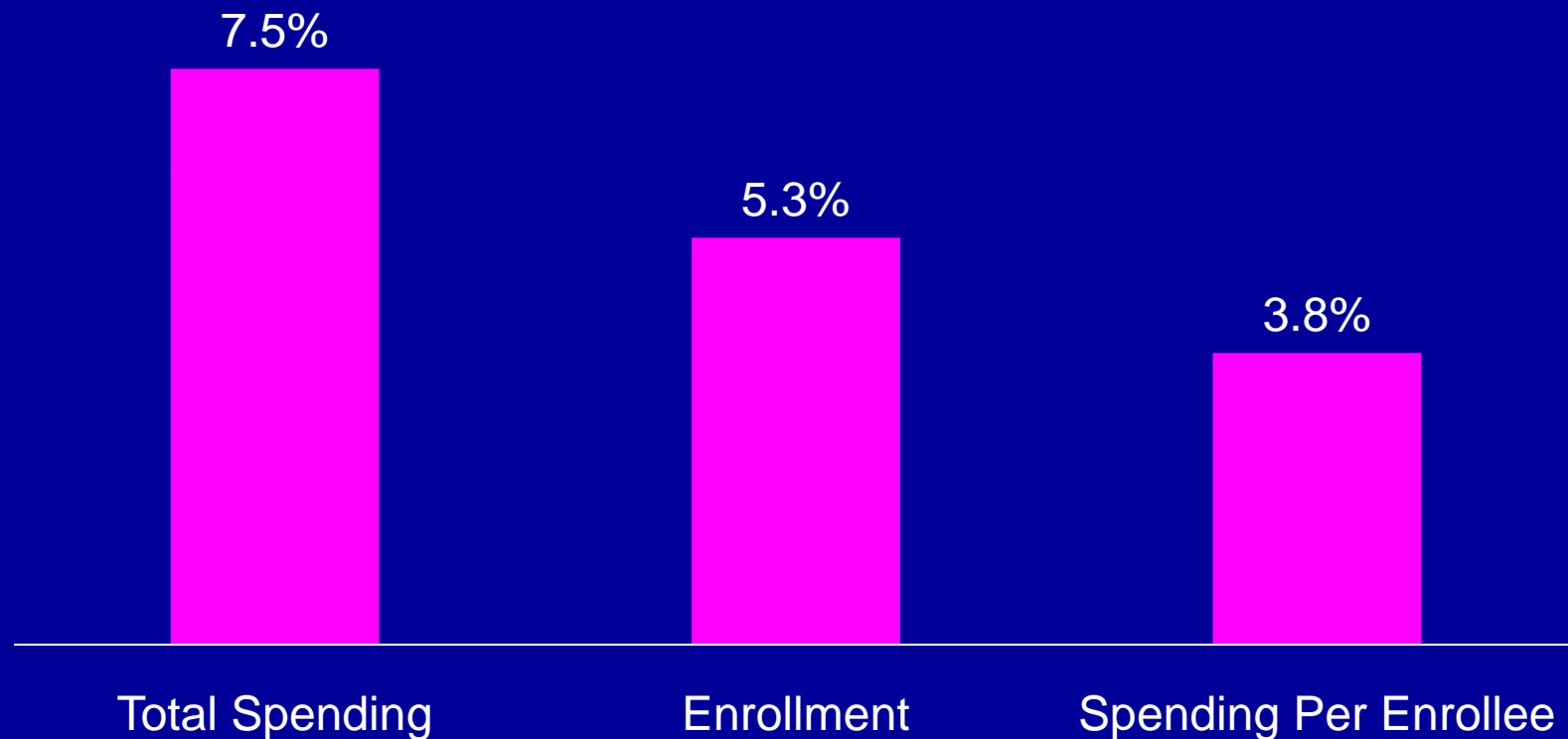
Figure 13

**#2: Medicaid spending is driven by enrollment growth and by spending for seniors and individuals with disabilities.**

Figure 14

# Enrollment was the largest driver of Medicaid spending during this last recession.

## Average Annual Growth 2007 - 2009

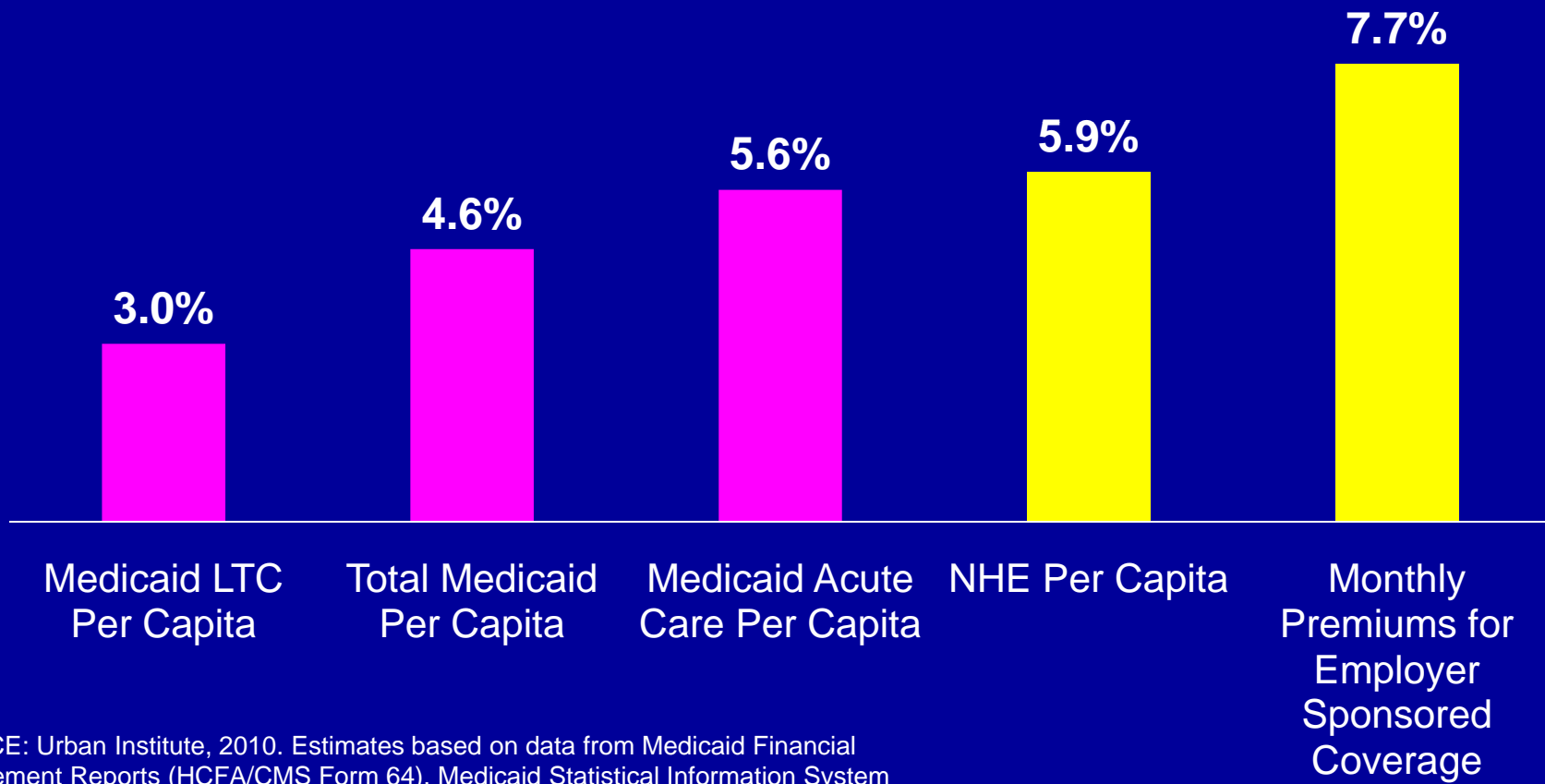


SOURCE: Urban Institute, 2010. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Expenditures exclude prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

Figure 15

# Medicaid spending growth per enrollee has been slower than growth in private health spending.

Spending Growth 2000-2009



SOURCE: Urban Institute, 2010. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Expenditures exclude prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

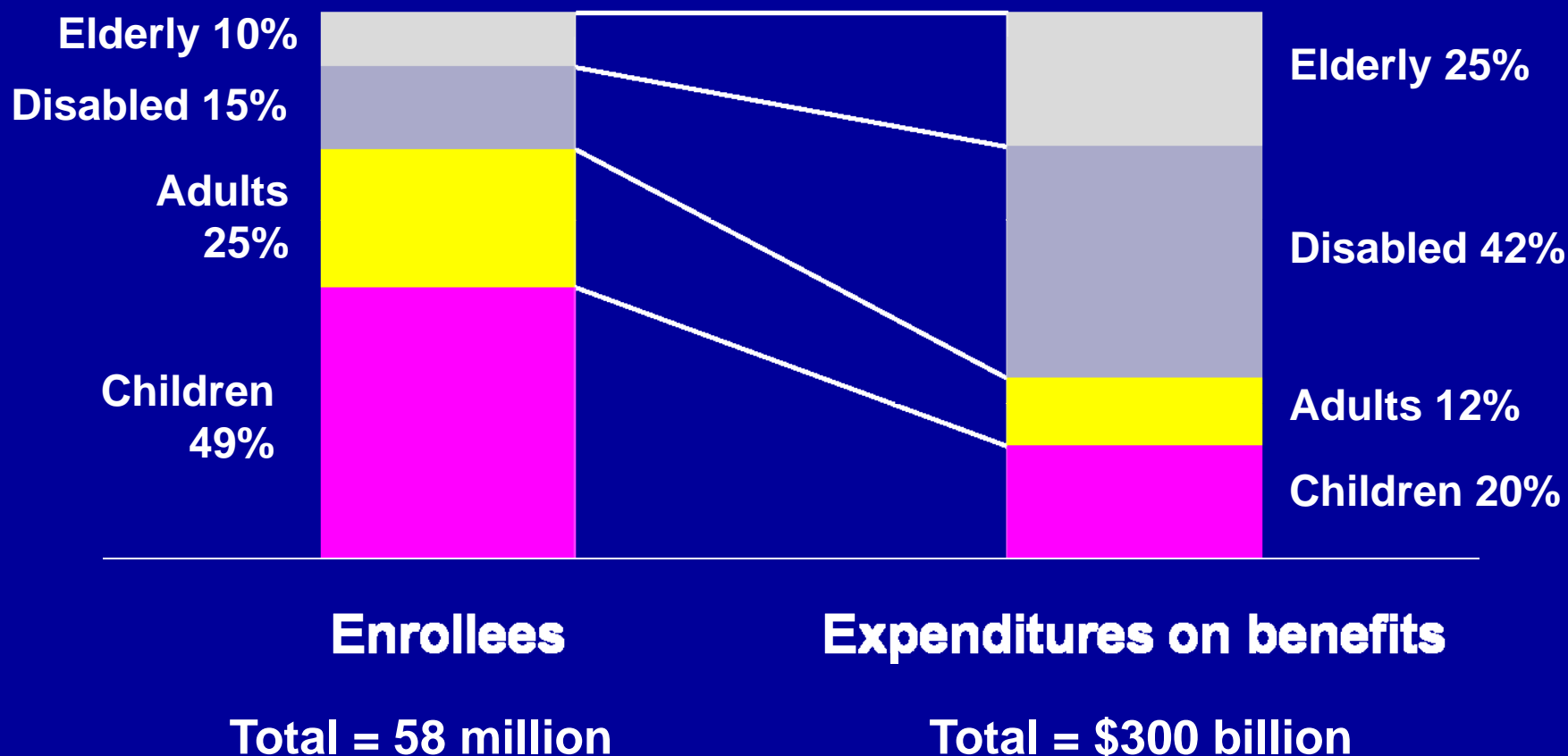




Figure 16

# The elderly and disabled account for the majority of Medicaid spending.

FFY 2007

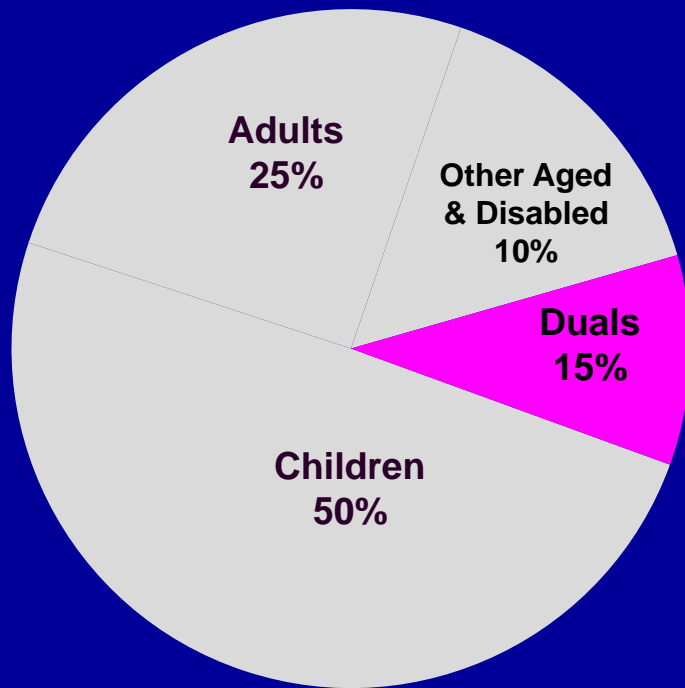


SOURCE: KCMU and Urban Institute estimates based on 2007 MSIS and CMS64 data.

Figure 17

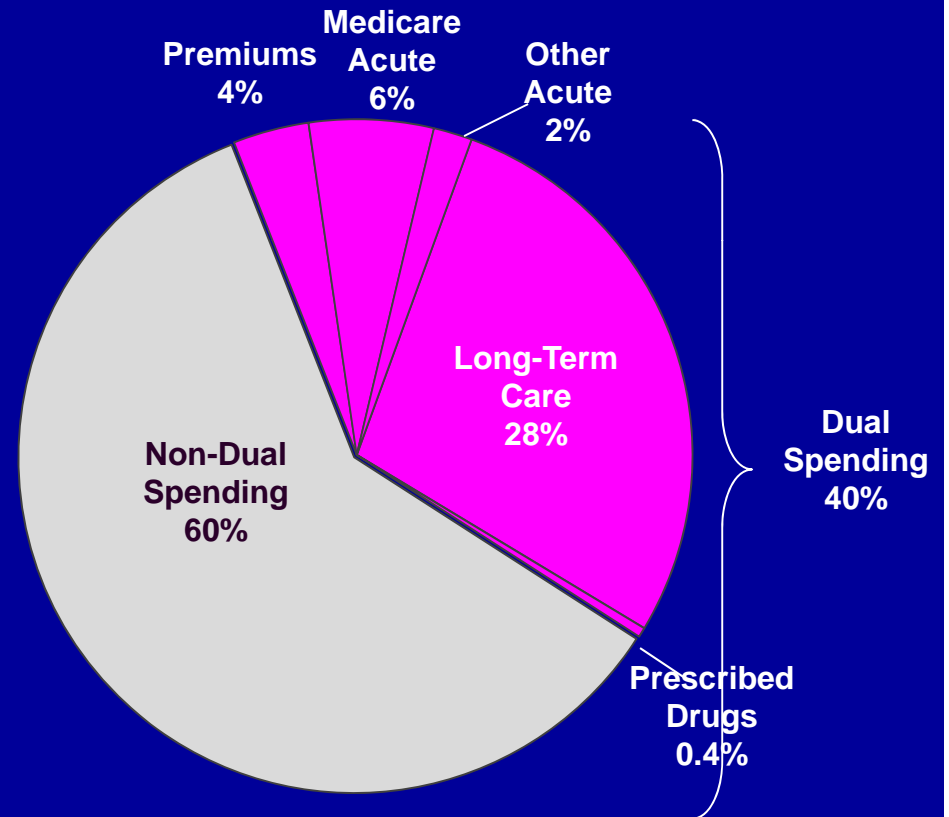
# Duals account for 40% of Medicaid spending.

## Medicaid Enrollment



Total = 58 Million

## Medicaid Spending

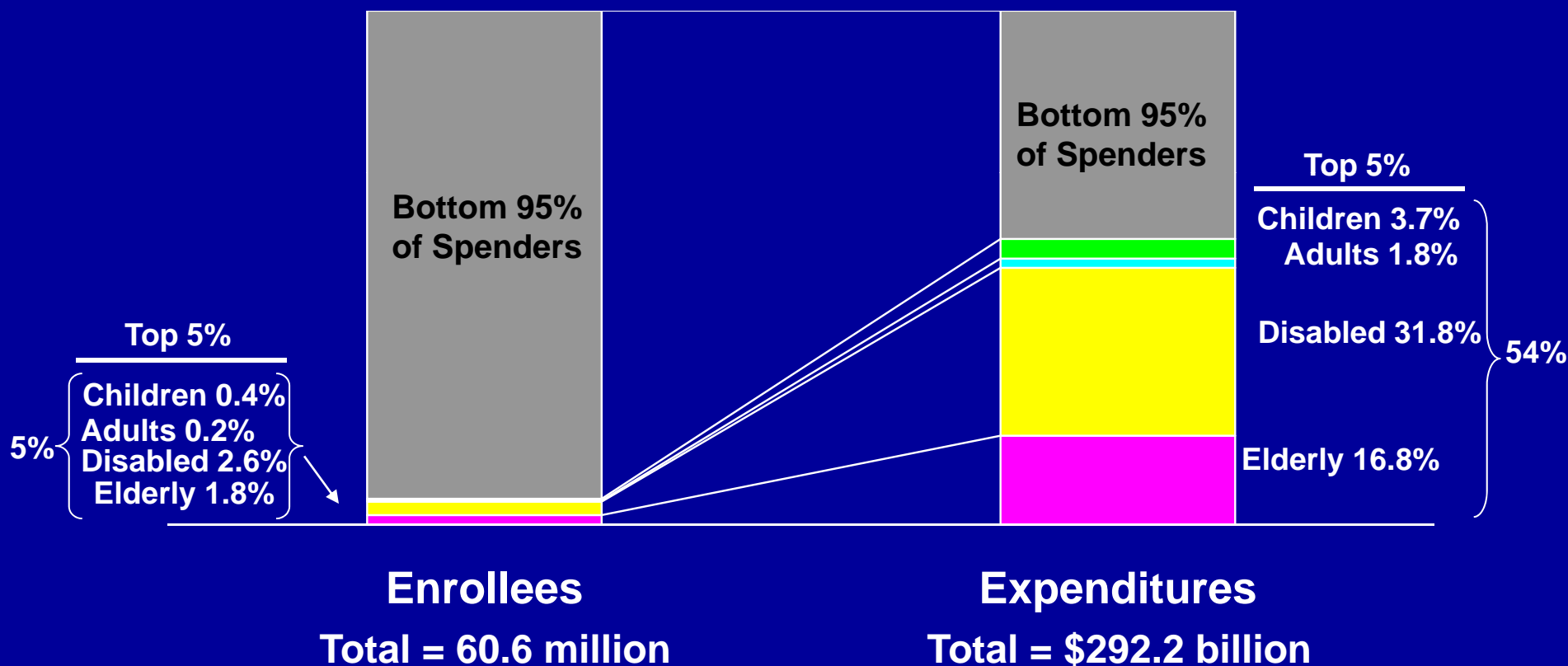


Total = \$300 Billion

SOURCE: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2010.

Figure 18

# Top 5% of Enrollees Accounted for More than Half of Medicaid Spending, FY 2008

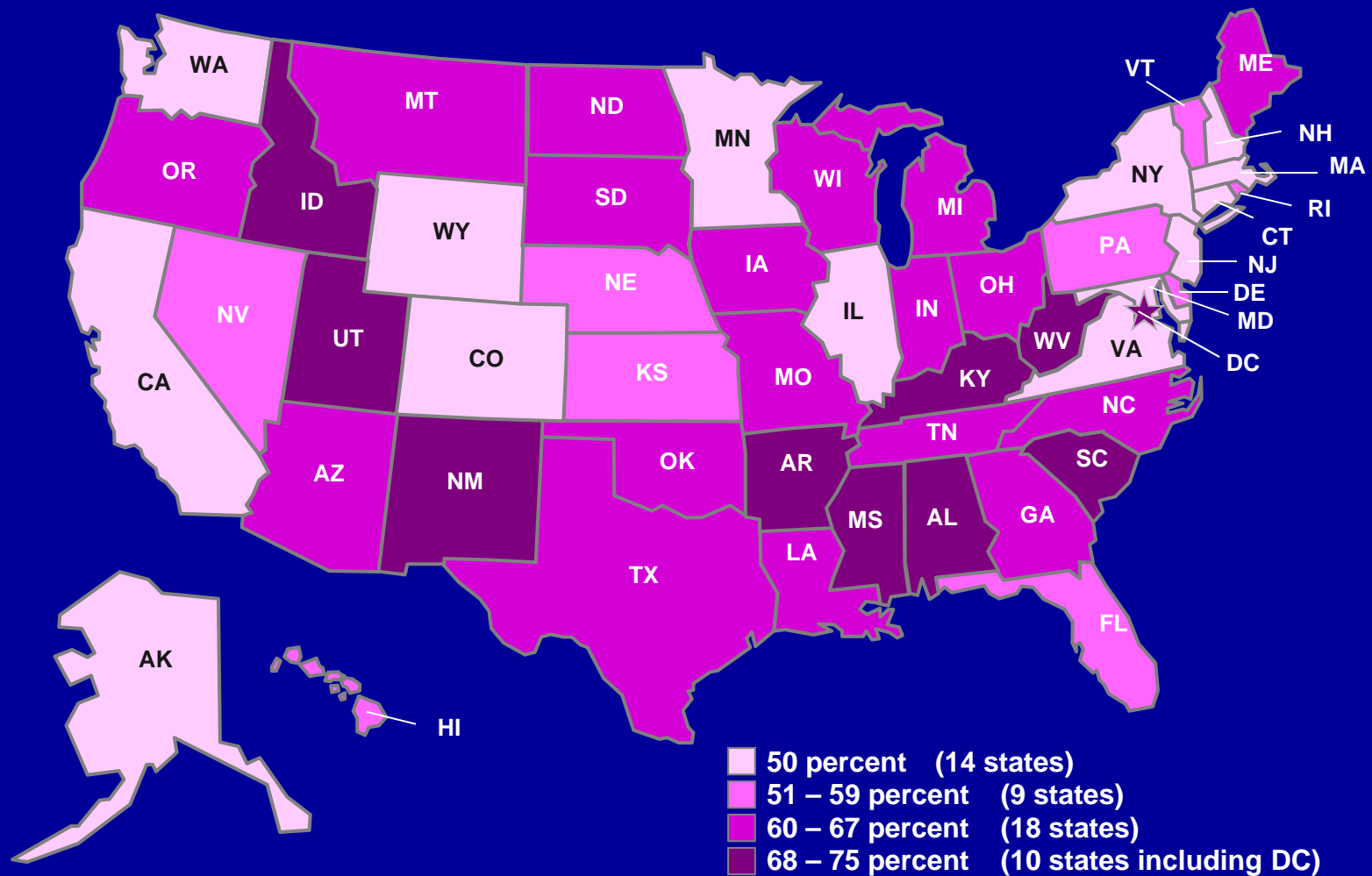


SOURCE: Centers for Medicare and Medicaid Services, FY MSIS 2008, FY MSIS 2007 for AZ, NC, ND, HI, UT, VT, WI.

**#3: Medicaid brings in federal revenue  
and helps to create jobs.**

Figure 20

# Medicaid costs are shared by the states and the federal government.



NOTE: Statutory FMAP for FY 2011. Does not reflect the enhanced FMAPs granted to states under ARRA.

SOURCE: <http://aspe.hhs.gov/health/fmap11.htm>

Figure 21

# States must cut at least \$2 from Medicaid to save \$1 of state funds.

■ State Funds ■ Federal Dollars

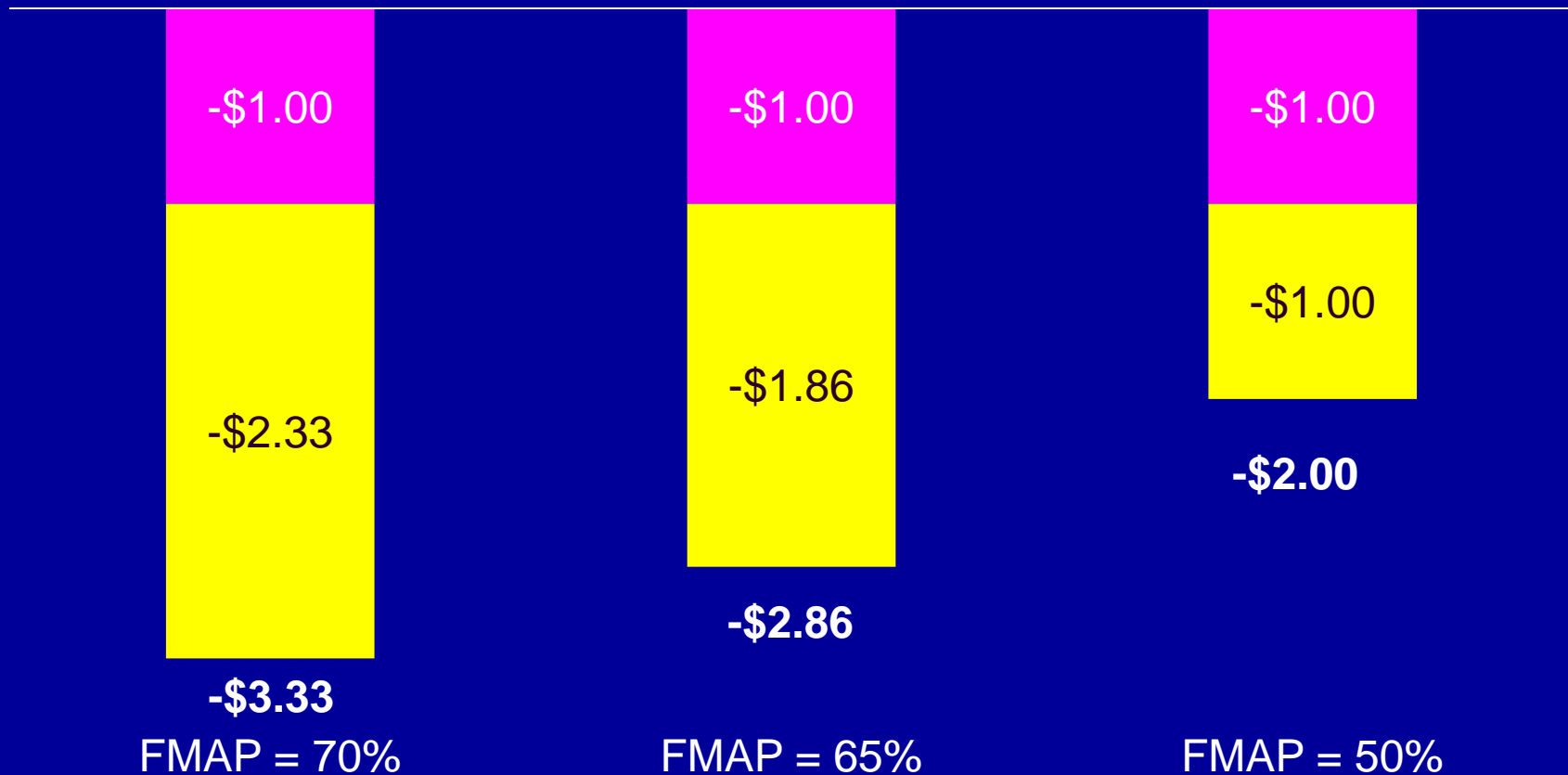
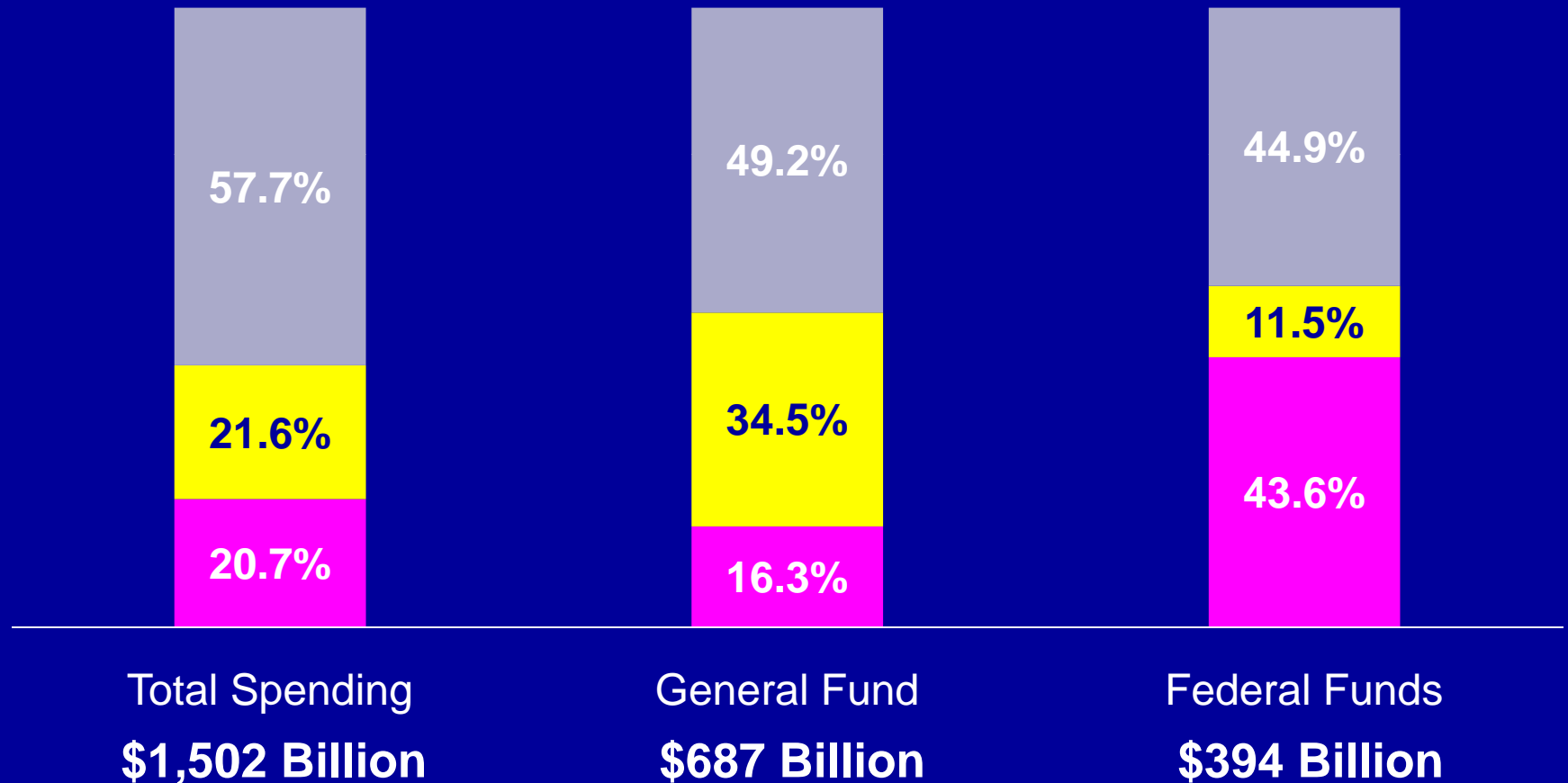


Figure 22

# Medicaid is the largest source of federal revenue for states (data for FY 2008).

■ Medicaid      ■ Elementary & Secondary Education      ■ All Other



SOURCE: National Association of State Budget Officers, 2008 State Expenditure Report, Dec. 2009

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Figure 23

# Medicaid helps to generate jobs in state economies.

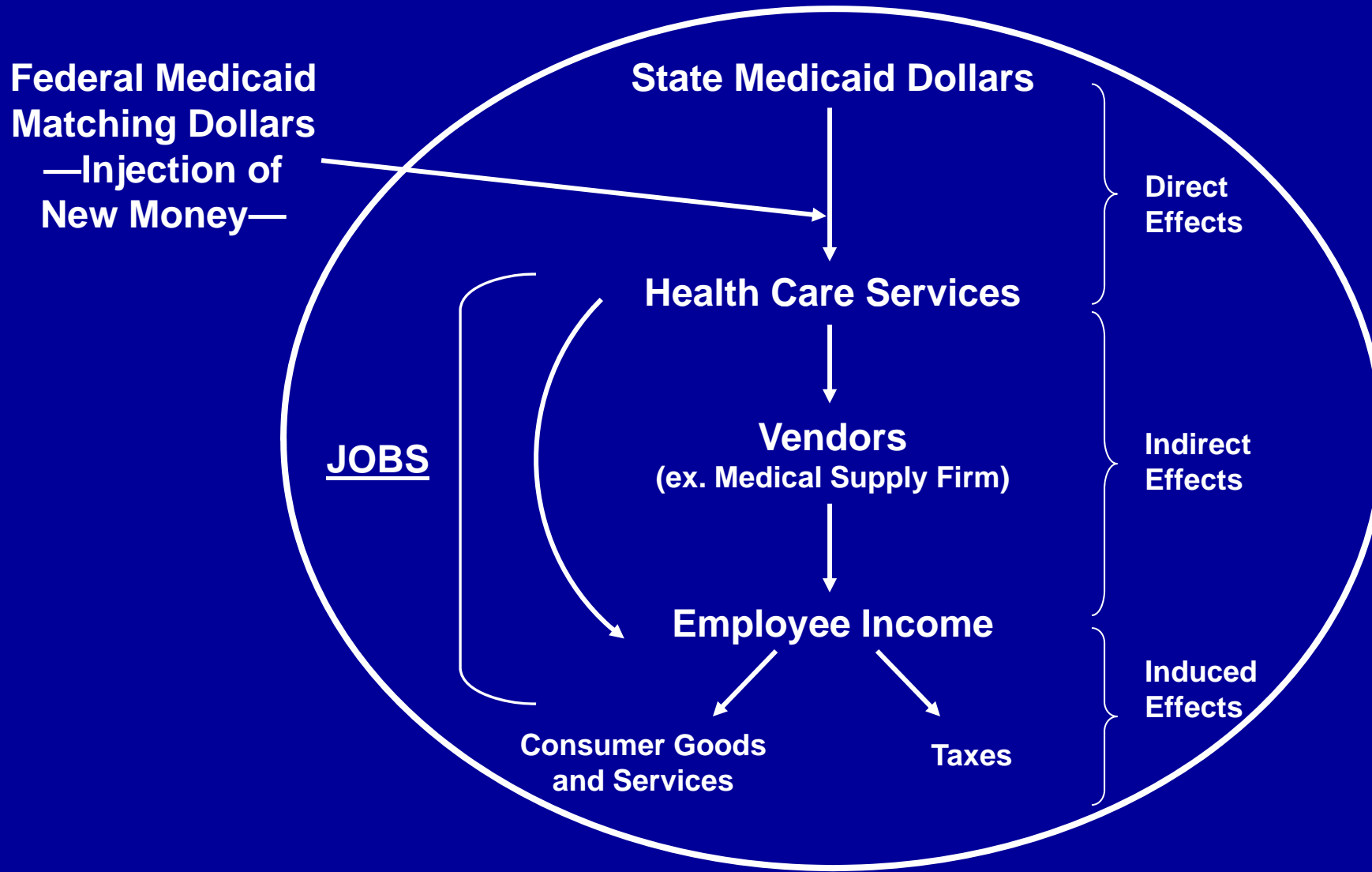
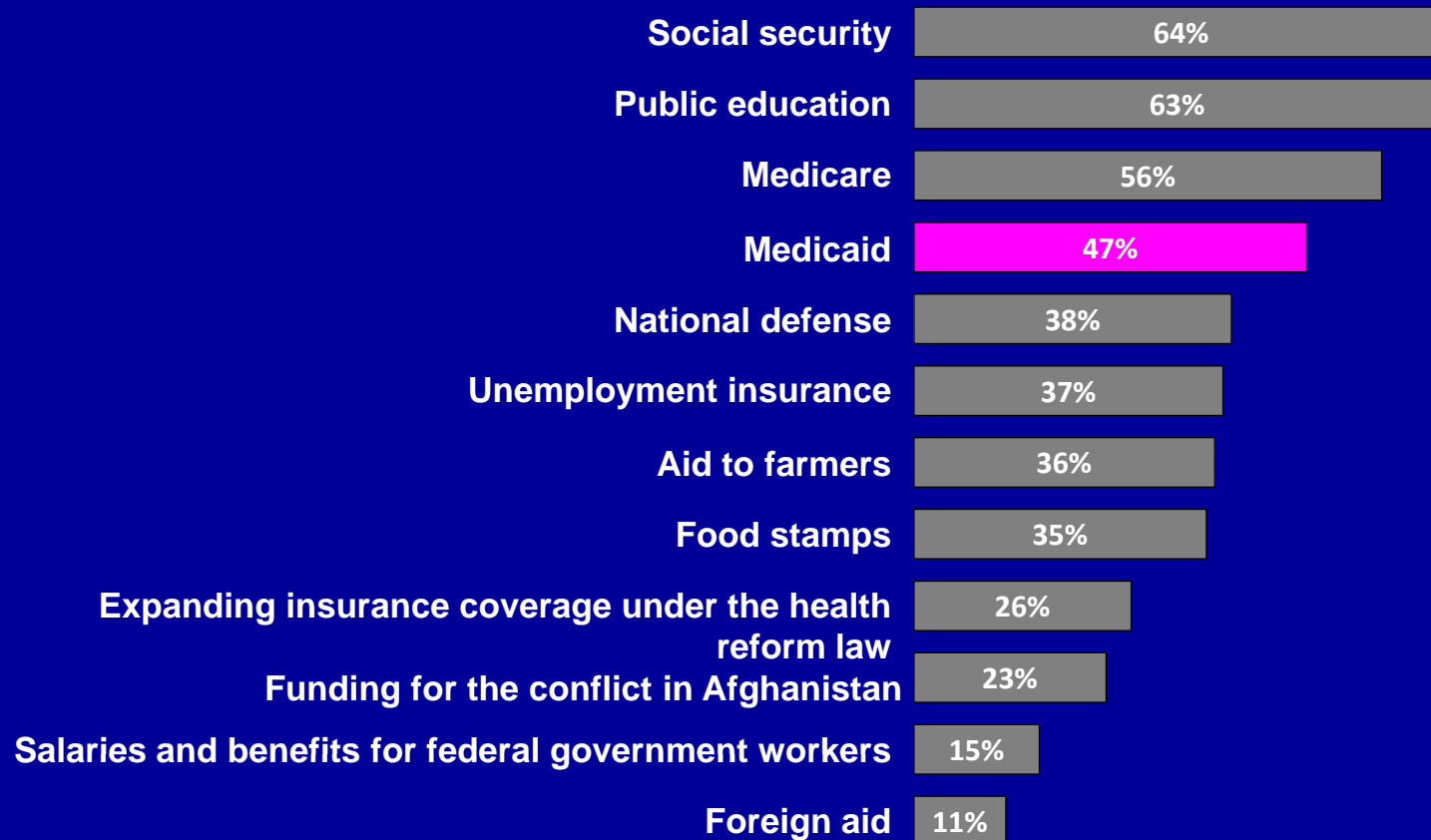




Figure 24

# Nearly half of Americans do not support reductions in Medicaid to reduce the federal deficit.

If Congress decides to reduce the deficit by reducing spending on federal programs and services, I'd like to know in which programs you would be willing to see spending reduced. Percent reporting they would support no reductions.



NOTE: Don't know/Refused answers not shown.

SOURCE: Kaiser Family Foundation/Harvard School of Public Health *The Public's Health Care Agenda for the 112th Congress* (conducted January 4-14, 2011)

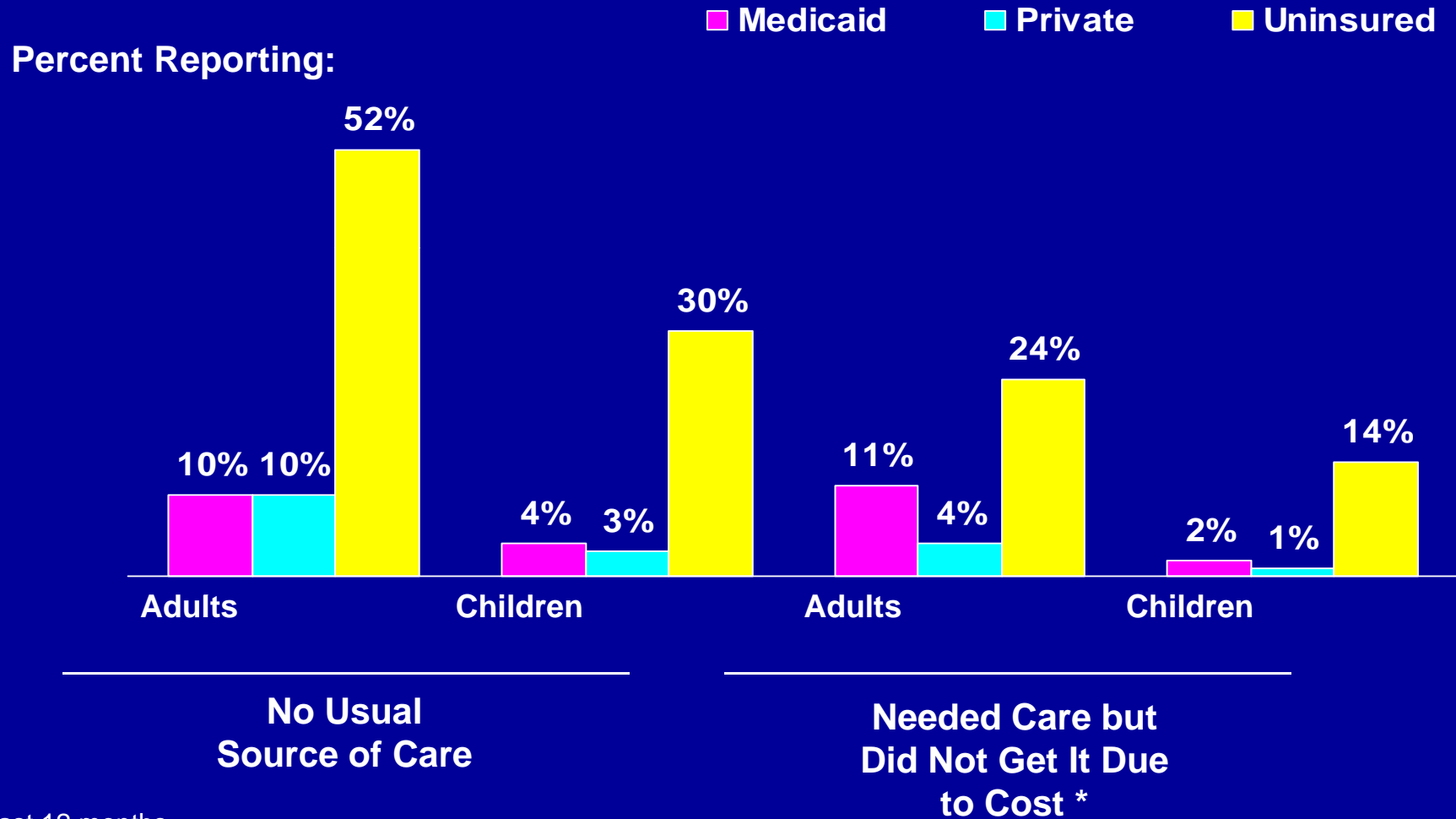


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**#4: Medicaid increases access to care using private providers.**

Figure 26

# Medicaid provides access to care that is comparable to private insurance and far better than access for the uninsured.



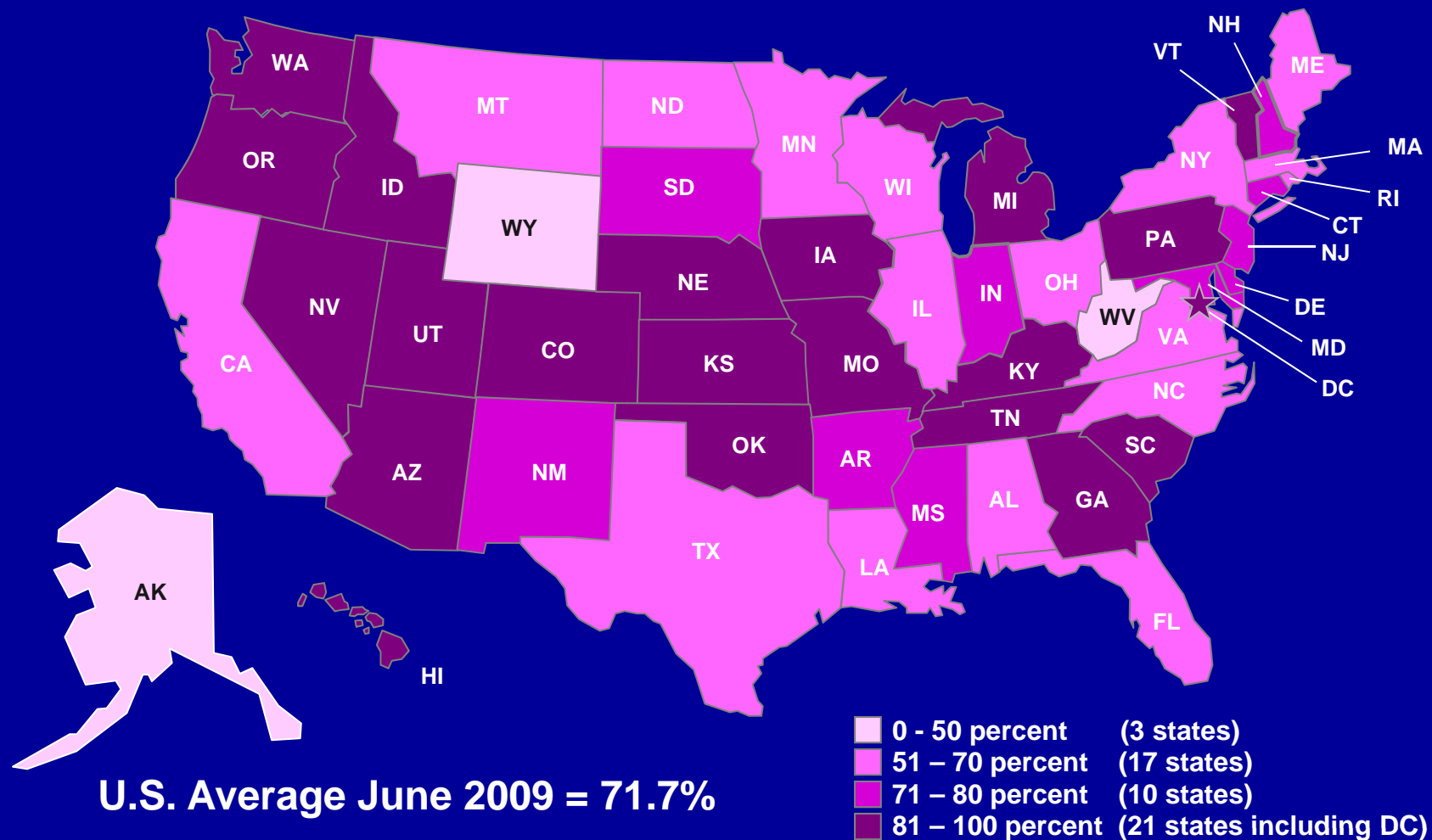
\* In the past 12 months

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 27

# Most Medicaid enrollees receive care through private managed care.



NOTE: Unduplicated count. Includes managed care enrollees receiving comprehensive and limited benefits.

SOURCE: Medicaid Managed Care Enrollment as of June 30, 2009. Centers for Medicare and Medicaid Services, special data request, July 2010.

Figure 28

## Medicaid programs have adopted innovative payment, delivery system and quality improvement models.

- Delivery system models
  - Medical homes
  - Long-term managed care
  - Disease / case management
  - Community based long-term care supports
  - Focus on duals is an emerging priority
- Utilization review and management for prescription drugs
- Quality improvement
  - Pay-for-performance
  - Surveys and data collection on health plan performance
- Focus on health information technology

**#5: The Medicaid expansion in health reform will significantly reduce the number of uninsured with the federal government picking up the vast majority of the cost.**

Figure 30

# Medicaid Today *and Tomorrow*

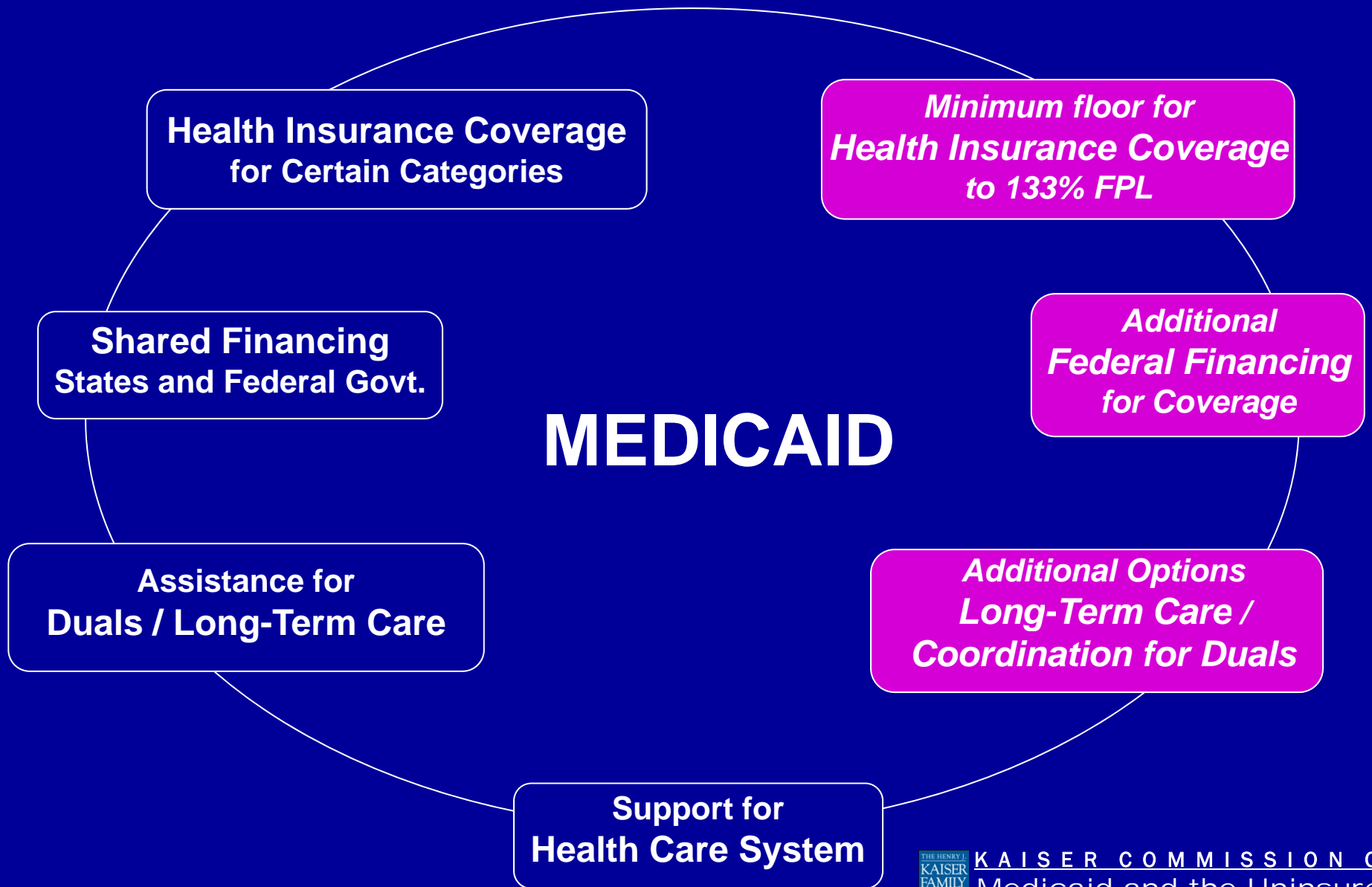


Figure 31

**The federal government will pay for most of the Medicaid coverage costs in health reform.**  
(costs of Medicaid coverage for adults 2014-2019 in billions)



**Total \$464.7**

SOURCE: Analysis by the Urban Institute for the Kaiser Commission on Medicaid and the Uninsured. *Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL.* May 2010.



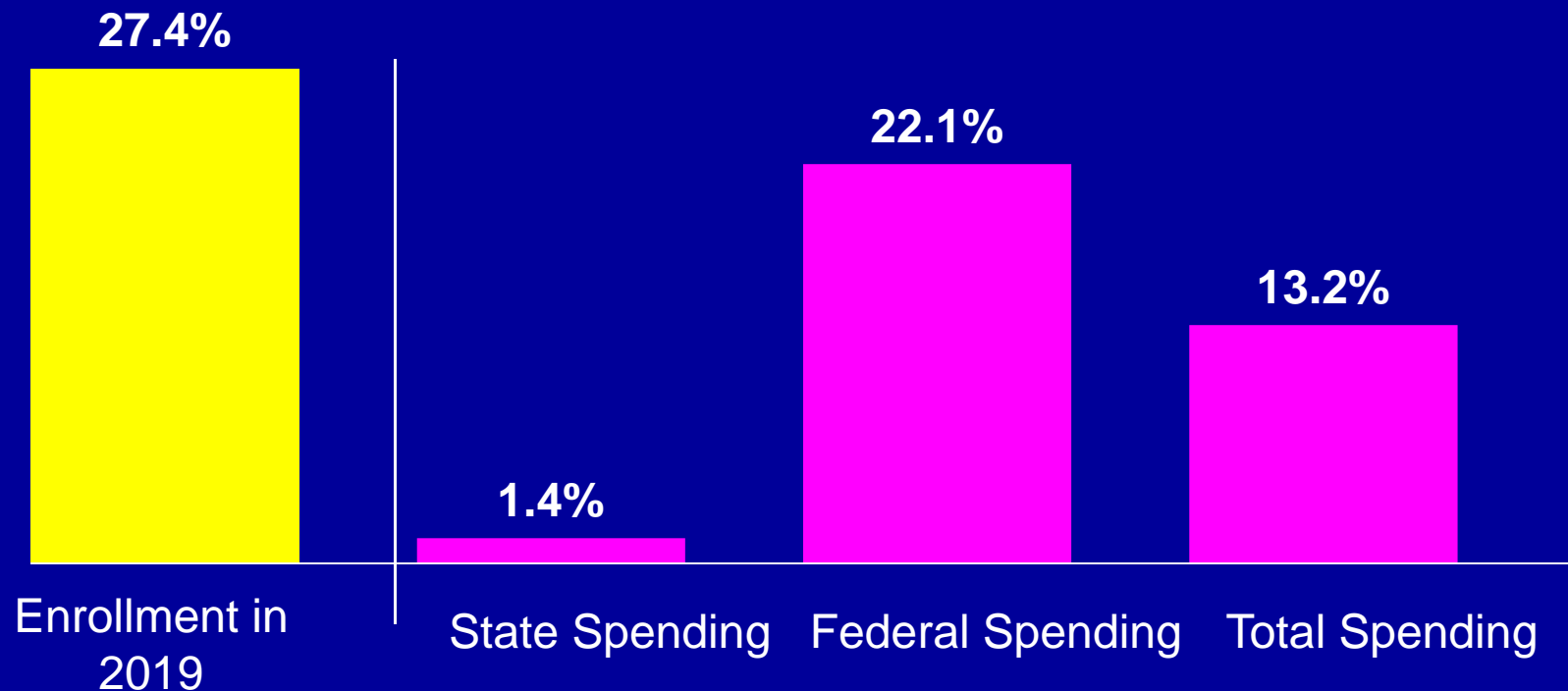
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Figure 32

# States are likely to see large reductions in the uninsured and increases in federal revenue under health reform.

## Enrollment and Spending Increases Over Baseline 2014-2019



SOURCE: Analysis by the Urban Institute for the Kaiser Commission on Medicaid and the Uninsured. *Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL.* May 2010.



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Figure 33

## Individual state estimates about the impact of ACA vary.

- State estimates vary due to current circumstances and key assumptions such number of years included and participation rates
- ACA presents some new costs for states, but also opportunities for savings and new revenues
- Some state estimates account for more cost elements than savings elements
- Reductions in uncompensated care are likely to result in significant savings but many state estimates have not accounted for these reductions
- Actual impact of ACA on states will vary based on state implementation decisions

SOURCES: Randall R. Bovbjerg, Barbara A. Ormond, and Vicki Chen, State Budgets under Federal Health Reform: The Extent and Causes of Variations in Estimated Impacts, Washington, DC: Kaiser Commission on Medicaid and the Uninsured, February 2011.



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Figure 34

## There are new federal financing options and other assistance for Medicaid available now.

- Option for states to expand Medicaid to childless adults as of 4/1/2010
- New regulation for 90% match for new eligibility systems
- Ability for states to recoup prescription drug rebates in MCOs
- Health Home Option - 90% match for care coordination for individuals with chronic care needs
- Demonstrations and grants
- New opportunities through the CMS Innovation Center to test payment and delivery models and the Federal Coordinated Health Care Office to focus on Duals
- New options in LTC: Community First Choice Option, State Incentives Balancing Program and Renewal of Money Follows the Person Funds

Figure 35

## Summary: Top 5 Things to Know About Medicaid

1. Medicaid is an integral piece of the health care system.
  - Provides support for providers and services
  - Plays a pivotal role for children, seniors and individuals with disabilities
  - Is the largest payer for long-term care
  - Helps individuals access coverage in downturns and stems increases in the uninsured
2. Medicaid spending is driven by enrollment growth and by spending for seniors and individuals with disabilities.
  - Duals account for 40% of Medicaid spending
3. Medicaid brings in federal revenue and helps to create jobs.
4. Medicaid increases access to care using private providers.
5. The Medicaid expansion in health reform will significantly reduce the number of uninsured with the federal government picking up the vast majority of the cost.



THE KAISER COMMISSION ON  
**Medicaid and the Uninsured**

**The Henry J. Kaiser Family Foundation**

Headquarters  
2400 Sand Hill Road  
Menlo Park, CA 94025  
Phone: (650) 854-9400 Fax: (650) 854-4800

Washington Offices and  
Barbara Jordan Conference Center  
1330 G Street, NW  
Washington, DC 20005  
Phone: (202) 347-5270 Fax: (202) 347-5274

**[www.kff.org](http://www.kff.org)**

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