

The National Medicaid Congress

“Medicaid Managed Care: Opportunities and Implications of State Expansions”

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AMERIGROUP Overview

- Multi-State Medicaid Managed Care
- 9 states and District of Columbia
- Approximately 1.1 million lives covered
- Multi-Products
 - Families & Kids (TANF & CHIP)
 - Elderly and Disabled (SSI)
 - Dual Eligibles (Special Needs Plan/Medicare Advantage Plan)

AMERIGROUP Overview



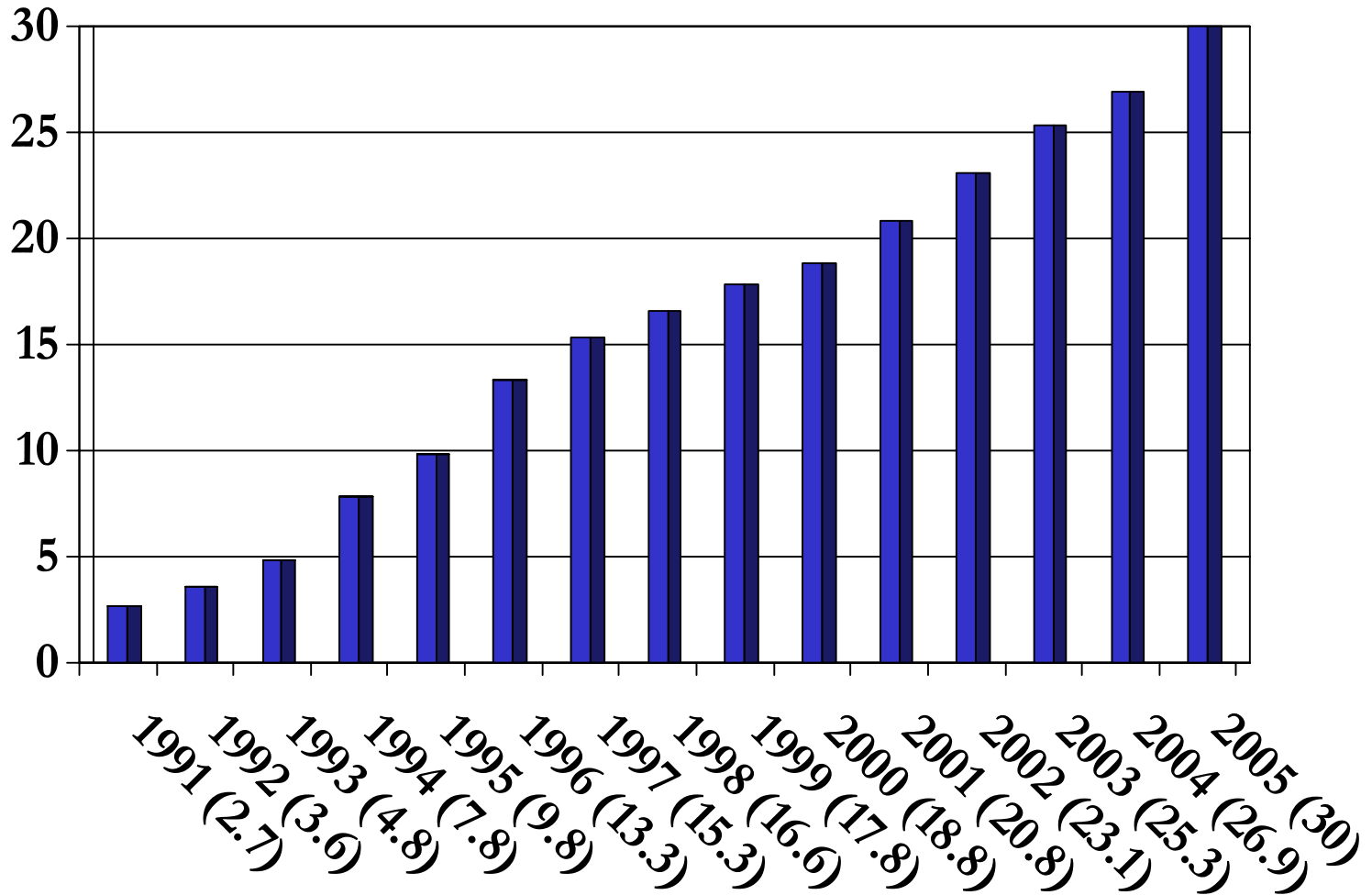
Personal Experience 1992

Small State, Big Ideas: RIte Care

- Coverage of Children 0 to 6
(“All kids enter school healthy and ready to learn”)
- Linked to Managed Care
- Foundation for Continued Coverage Expansion

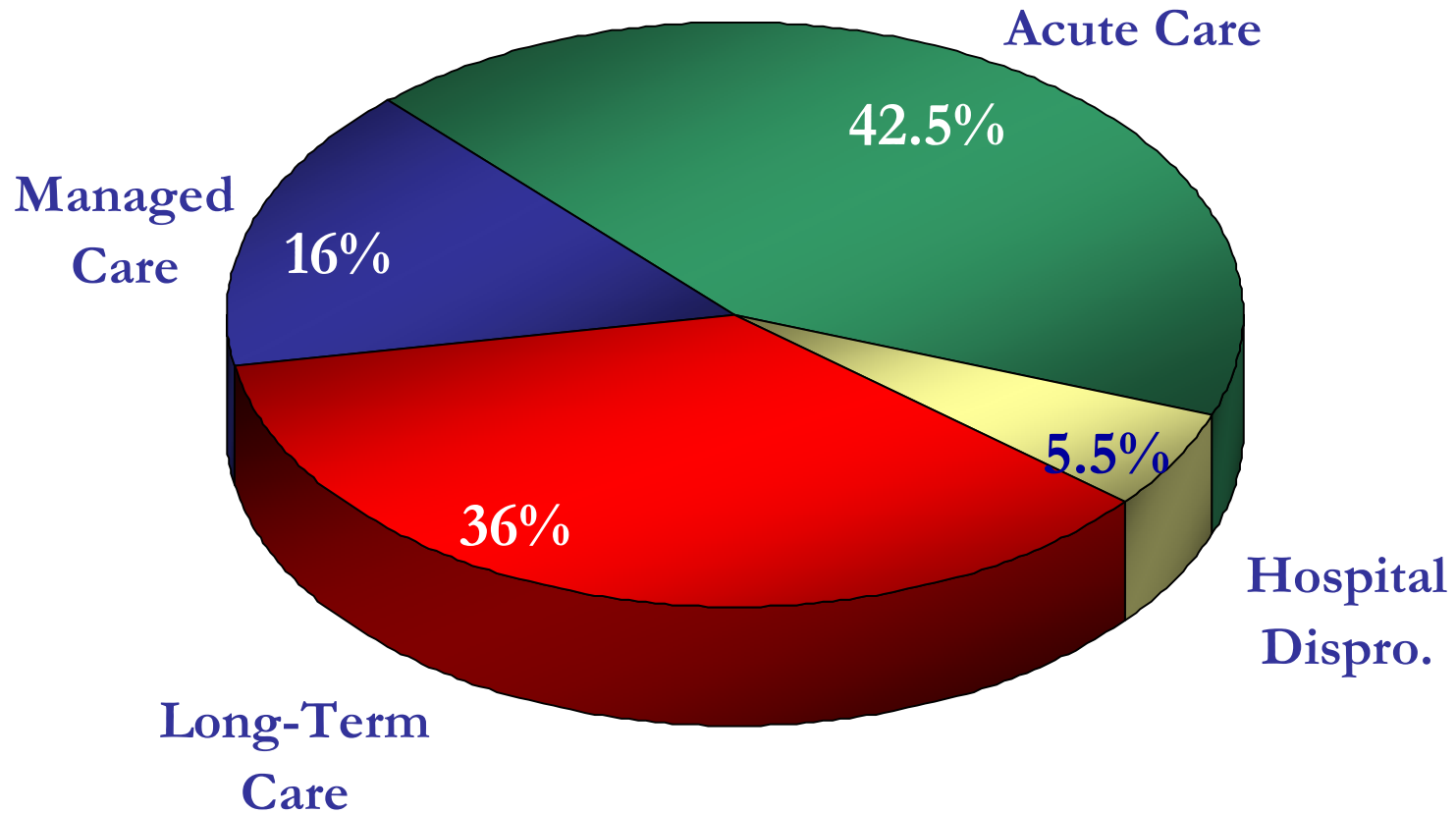
States Adopt Managed Care

Medicaid Managed Care Enrollment (In millions)



Source: Kaiser Family Foundation

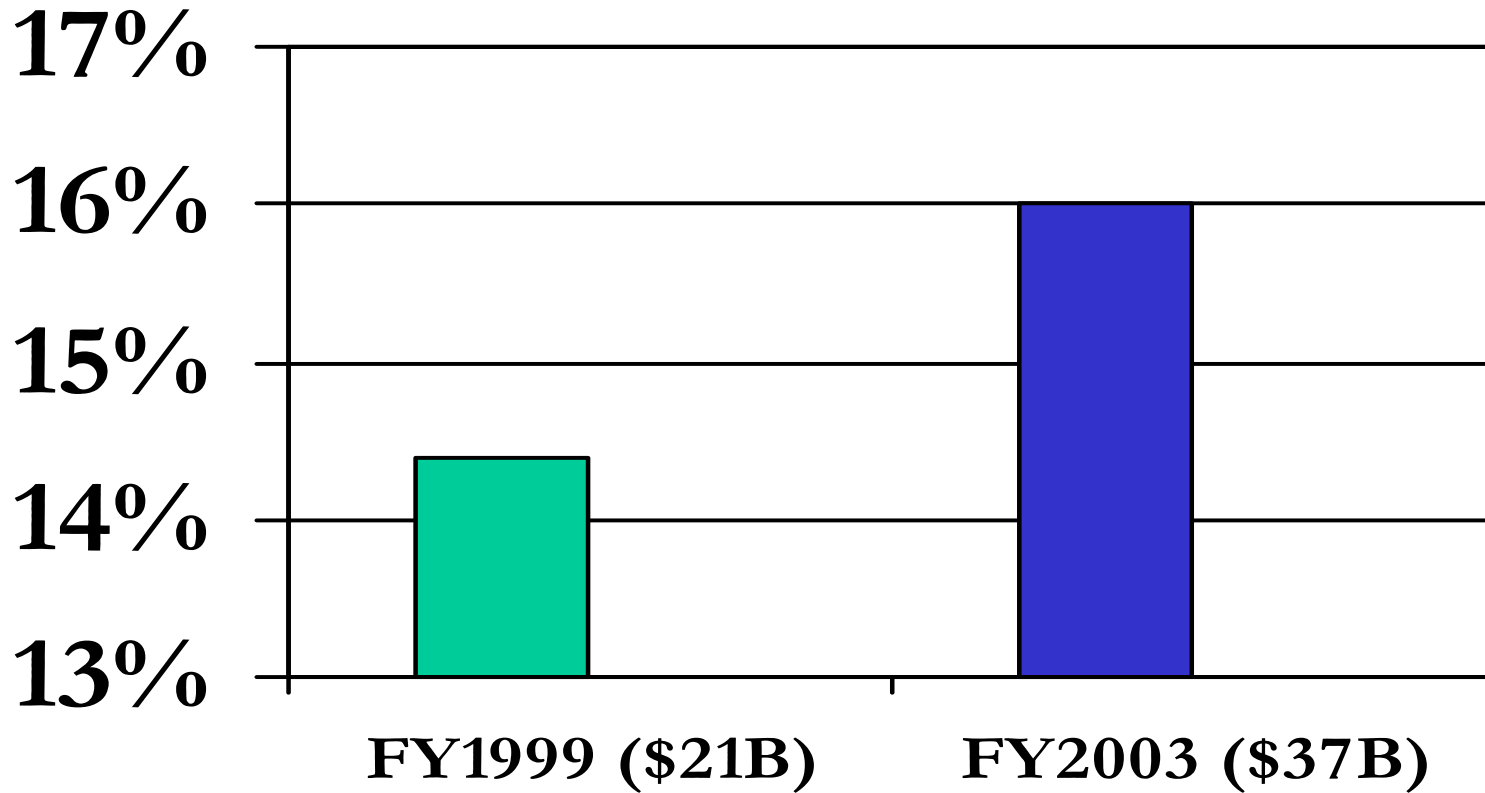
Medicaid Spending FY 2003: \$283B



Sources: CMS, Kaiser Family Foundation and Lewin Group

Medicaid Managed Care

- Medicaid Managed Care Spending as percent of Medicaid



Source: Lewin Group

Managed Care Expansion Opportunities: Non-Duals

- \$75 Billion Expenditures available for Capitation (excluding duals):
 - Nearly 1/3 of all Medicaid spending not currently in capitation arrangements
- \$46 Billion from SSI (non-duals)
 - 60% of potential expenditures available for capitation from SSI-only program

Managed Care Expansion Opportunities: Dual Eligibles

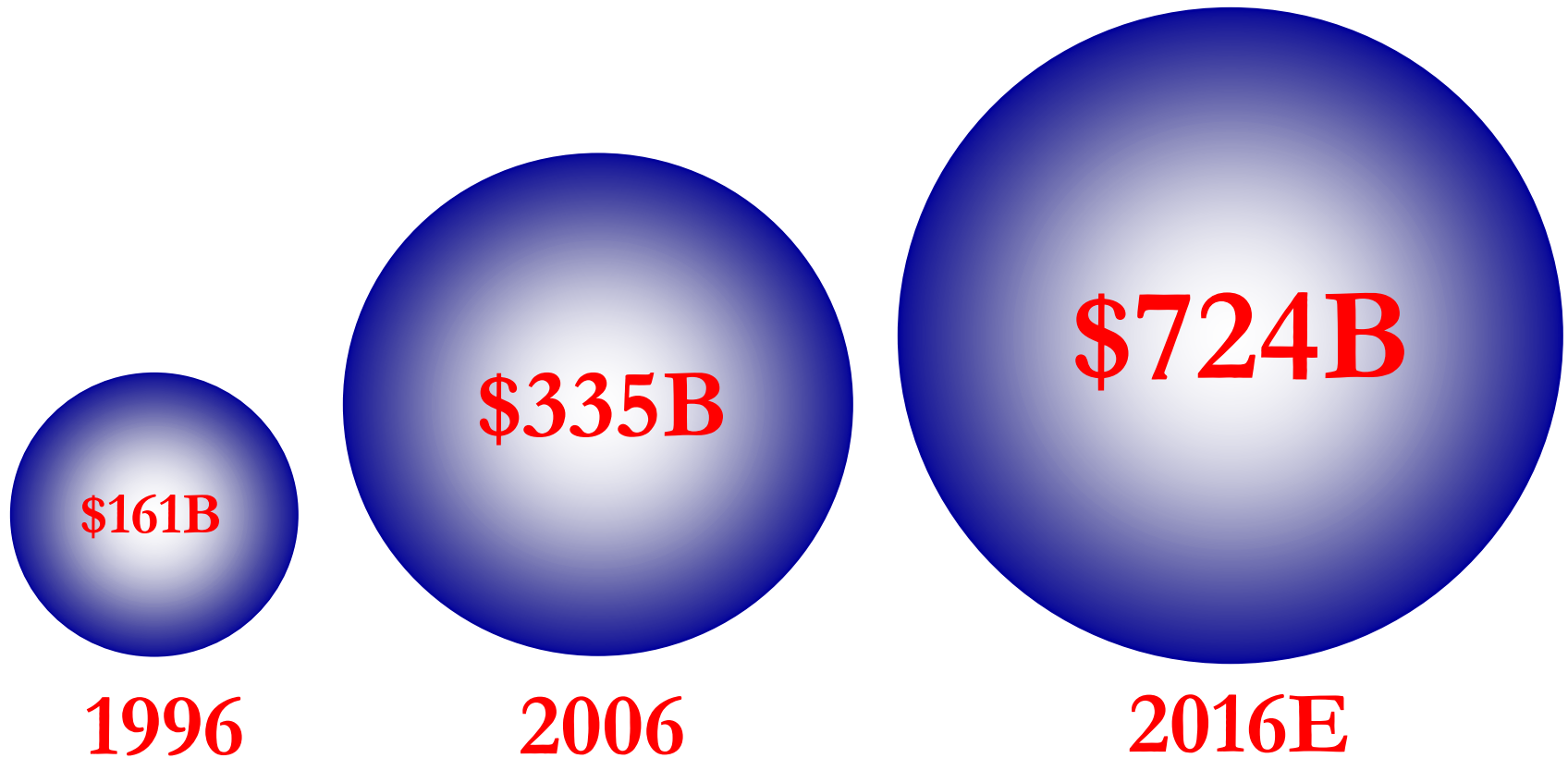
- Over 40% Medicaid Spending for Dual Eligibles
- 2/3 Expenditures for LTC Services
- Special Needs Plus (SNP) potential for acute care coordination with Medicaid

Barriers/Challenges

- Upper Payment Limit (UPL)
- Integrating Medicare/Medicaid through SNP
- Recognizing savings associated with Managed Care
- Long-Term Care
- Actuarial Soundness
- Medicaid Reform (Expand or Contract)

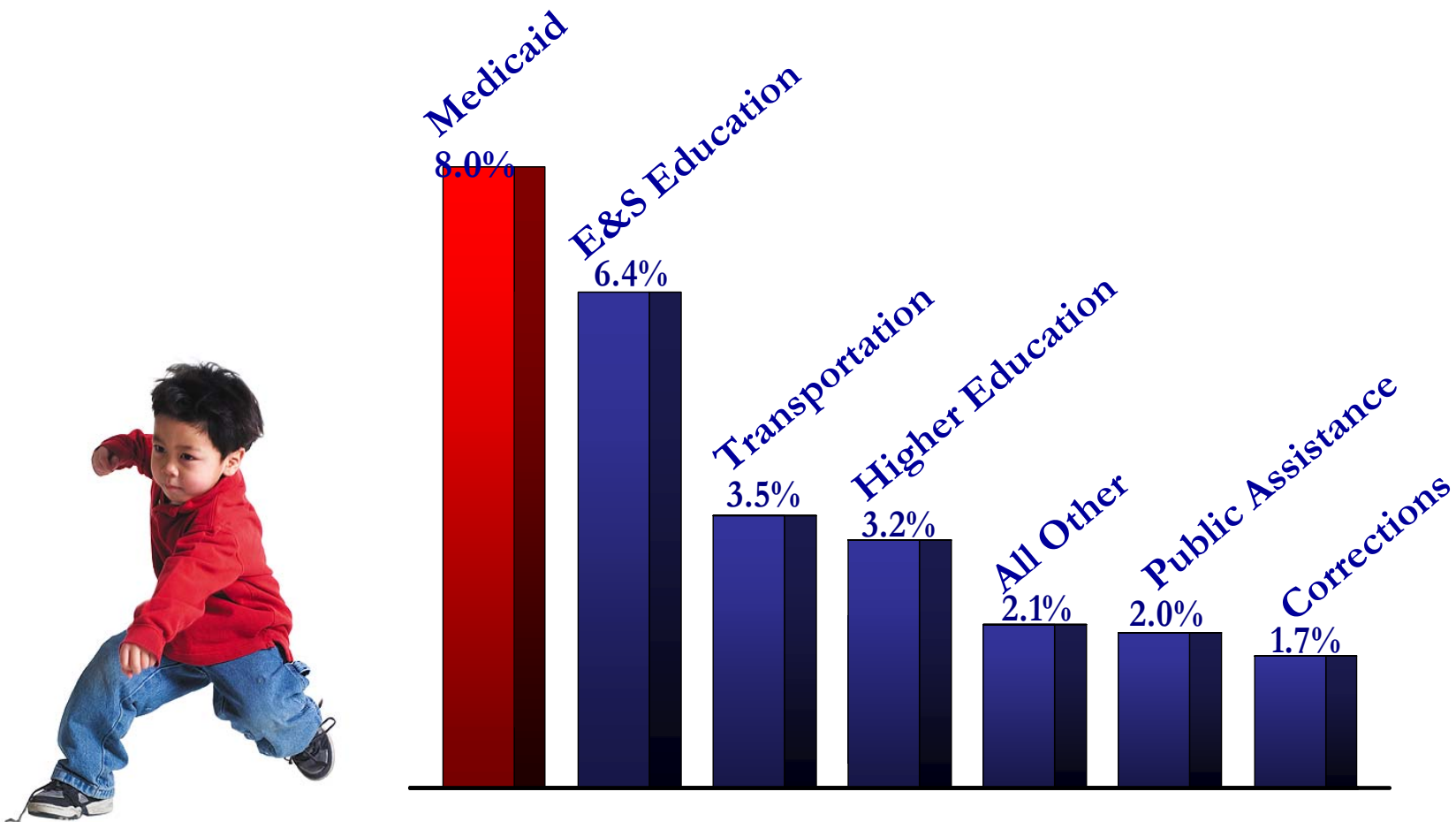
Large and Growing Program

Medicaid Expenditures



Source: The Congressional Budget Office

Fastest Growing State Expenditure



Source: 2003 State Expenditures Report, National Association of State Budget Officers