

New Options for Medicare to Assume a Greater Share of Funding for Dual Eligibles

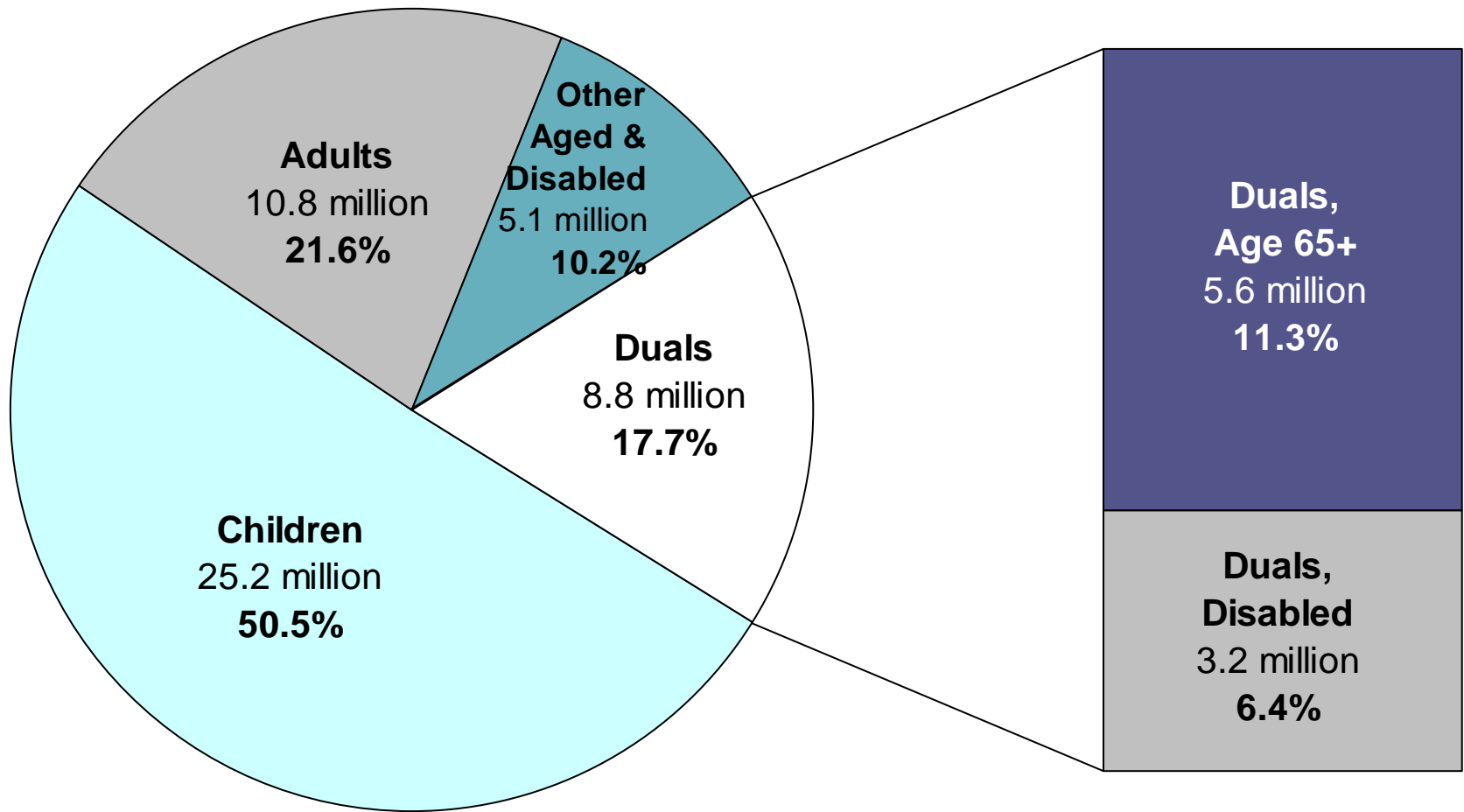
John Holahan

The Urban Institute

The Fourth National Medicaid Congress

May 31, 2009

Medicaid Enrollment, FFY 2005

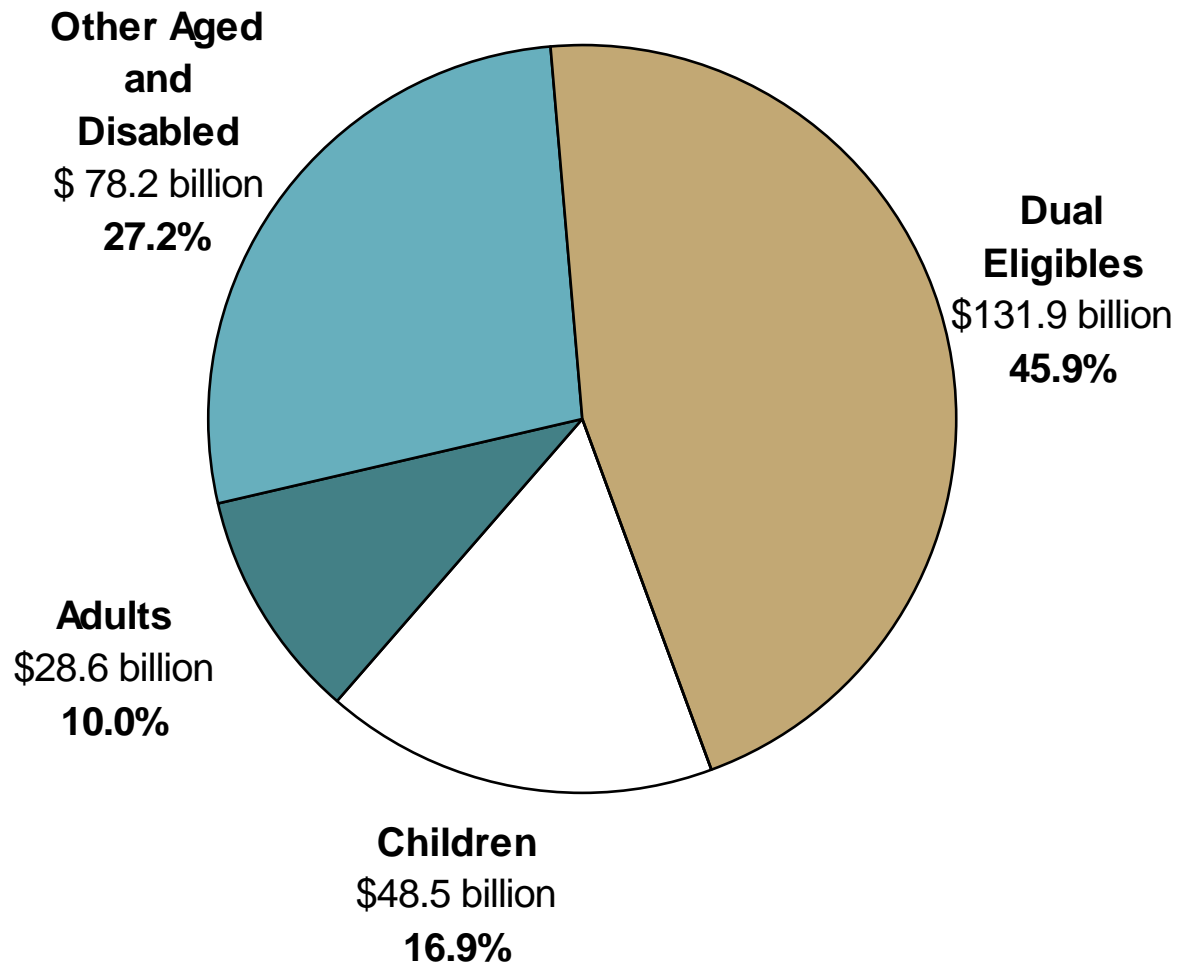


Total Enrollment = 49.8 million

Total Duals = 8.8 million

Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

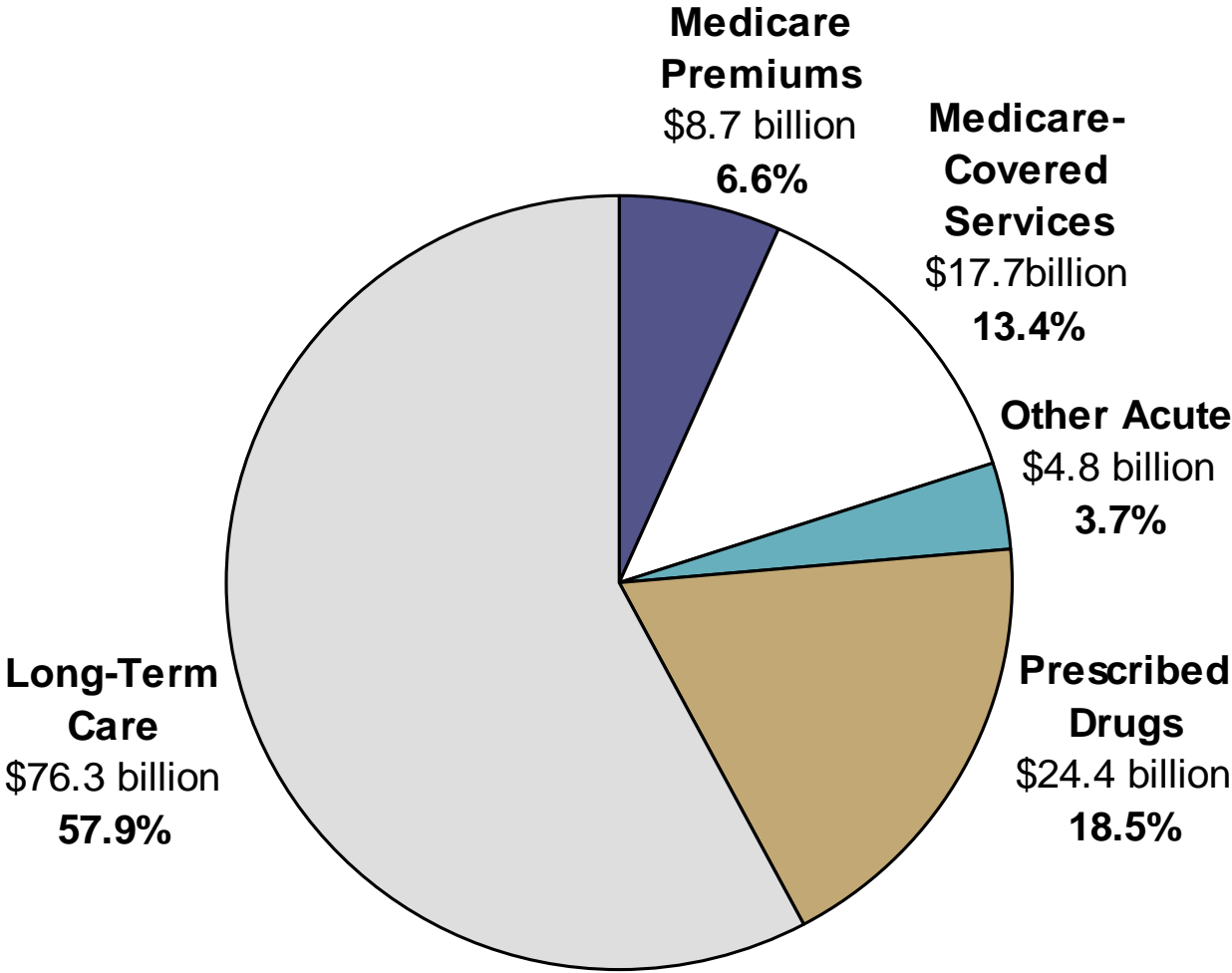
Medicaid Spending by Group, Services Only, FFY 2005



Total Spending = \$ 287.3 billion

Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

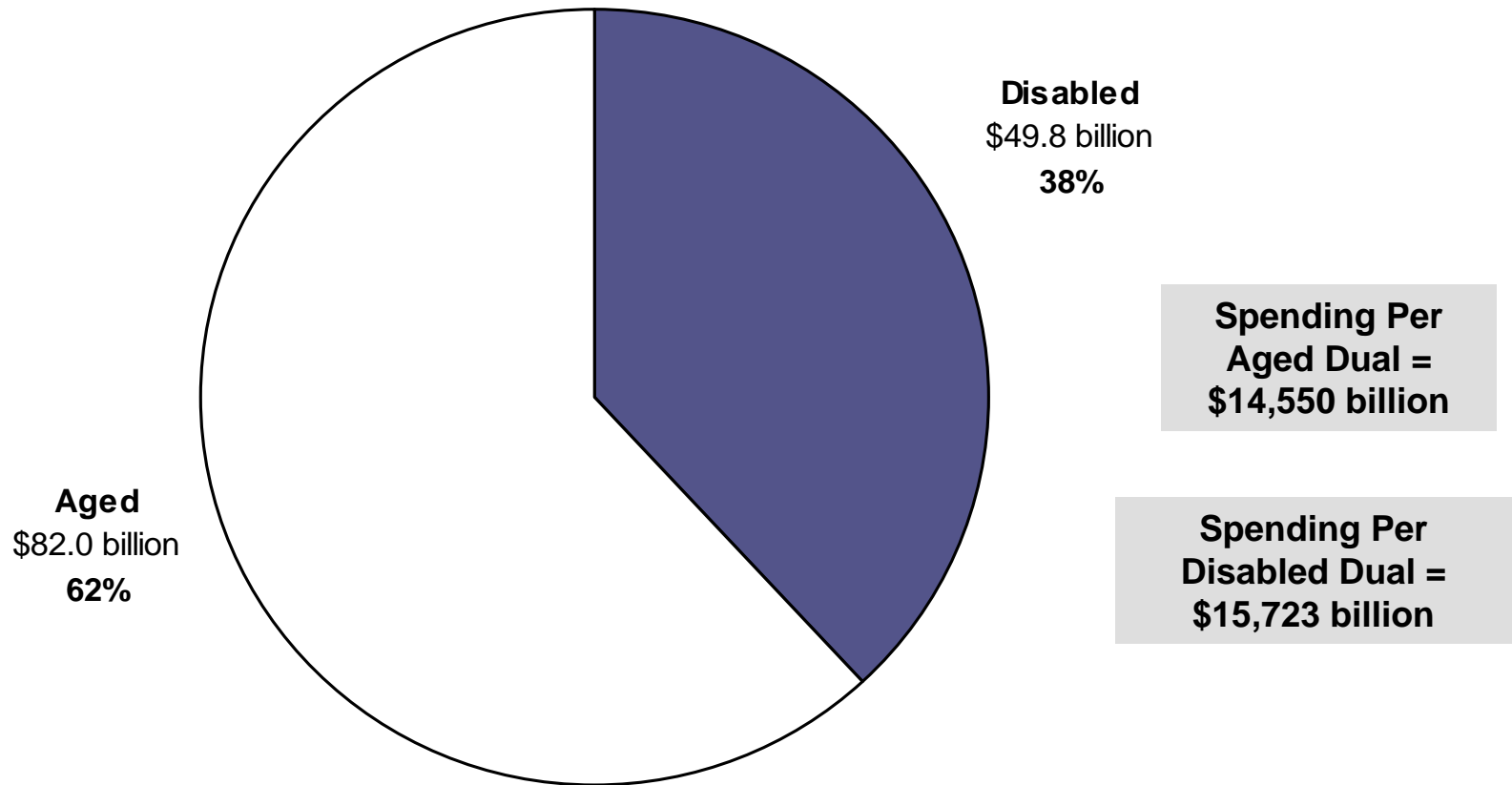
Medicaid Expenditures for Dual Eligibles, FFY 2005



Total Spending = \$ 131.9 billion

Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

Medicaid Expenditures for Aged and Disabled Dual Eligibles, FFY 2005



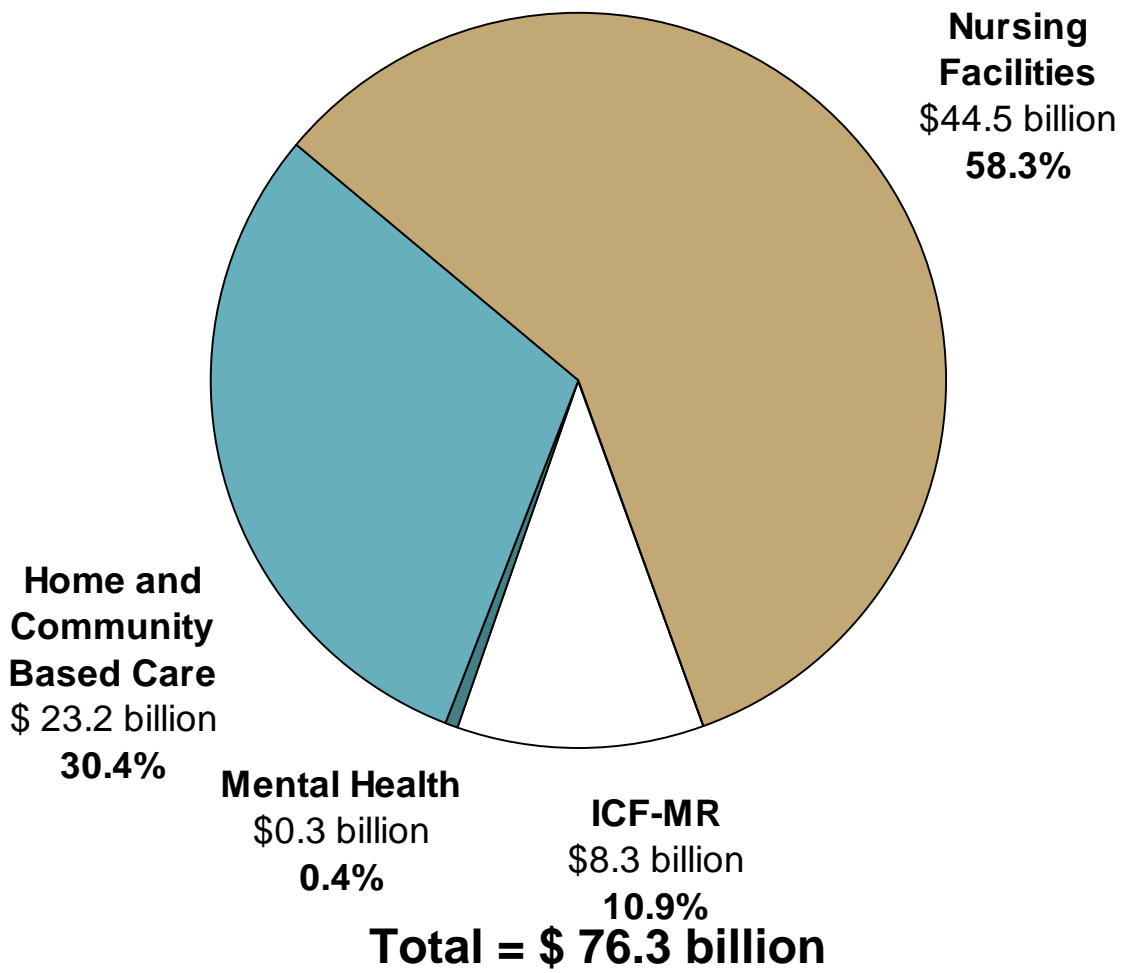
Total Spending = \$ 131.9 billion

Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

Note: Medicare Premium costs were allotted to aged and disabled eligibles based on their relative proportions of enrollees.

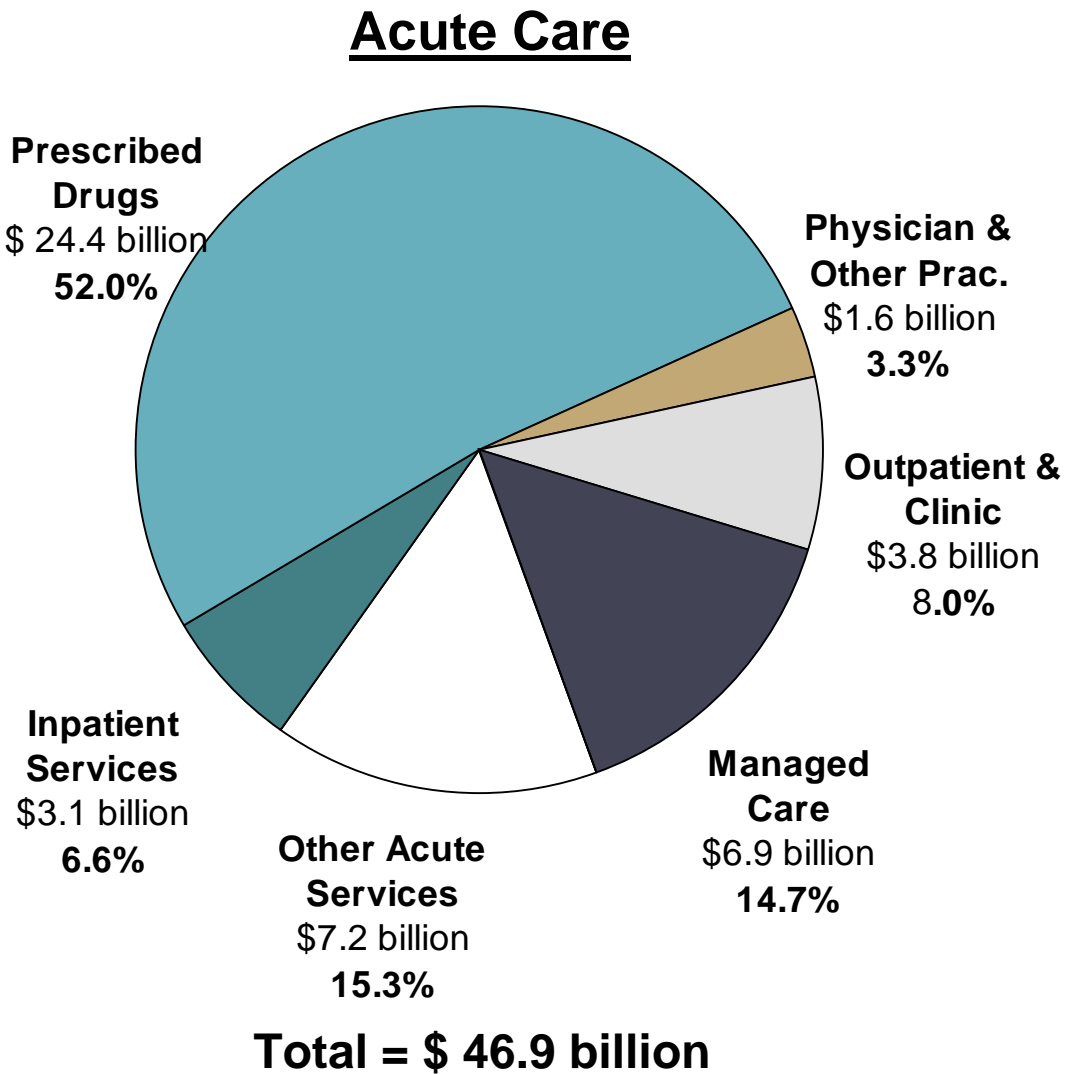
Medicaid Spending by Type of Service for Dual Eligibles, FFY 2005

Long-Term Care



Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

Medicaid Spending by Type of Service for Dual Eligibles, FFY 2005

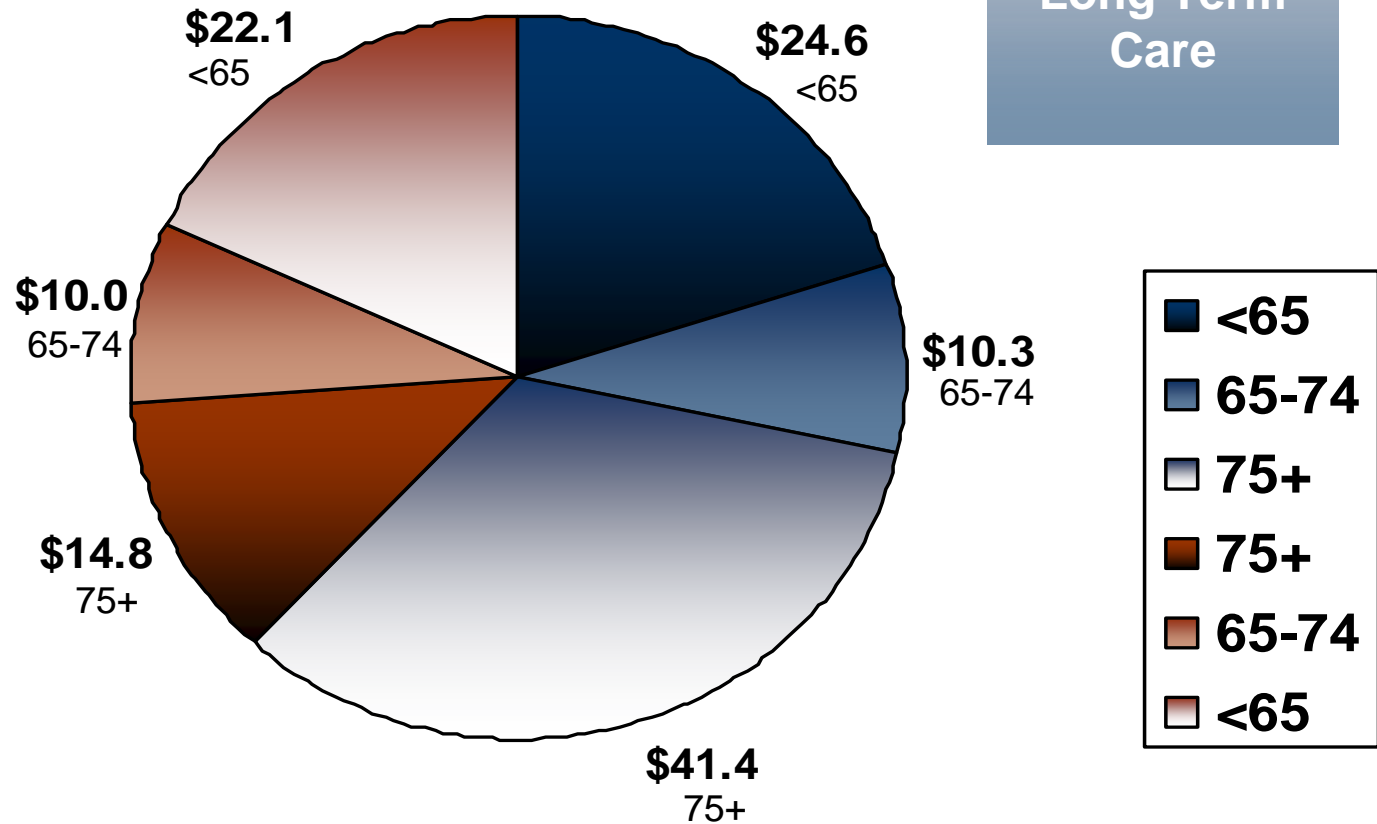


Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

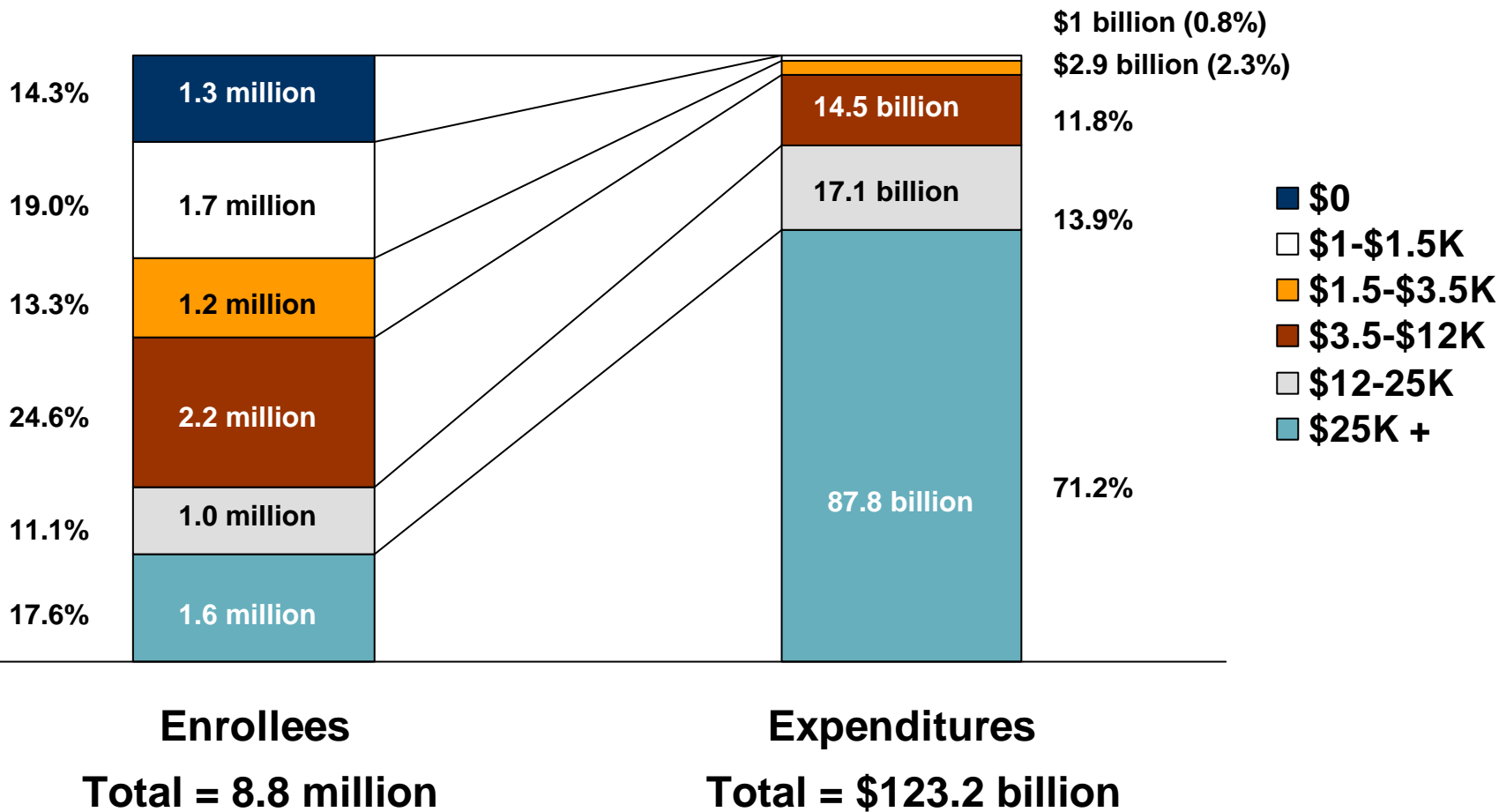
Distribution of Dual Eligible Spending By Age, Acute Care and Long Term Care

Acute Care

Long Term Care

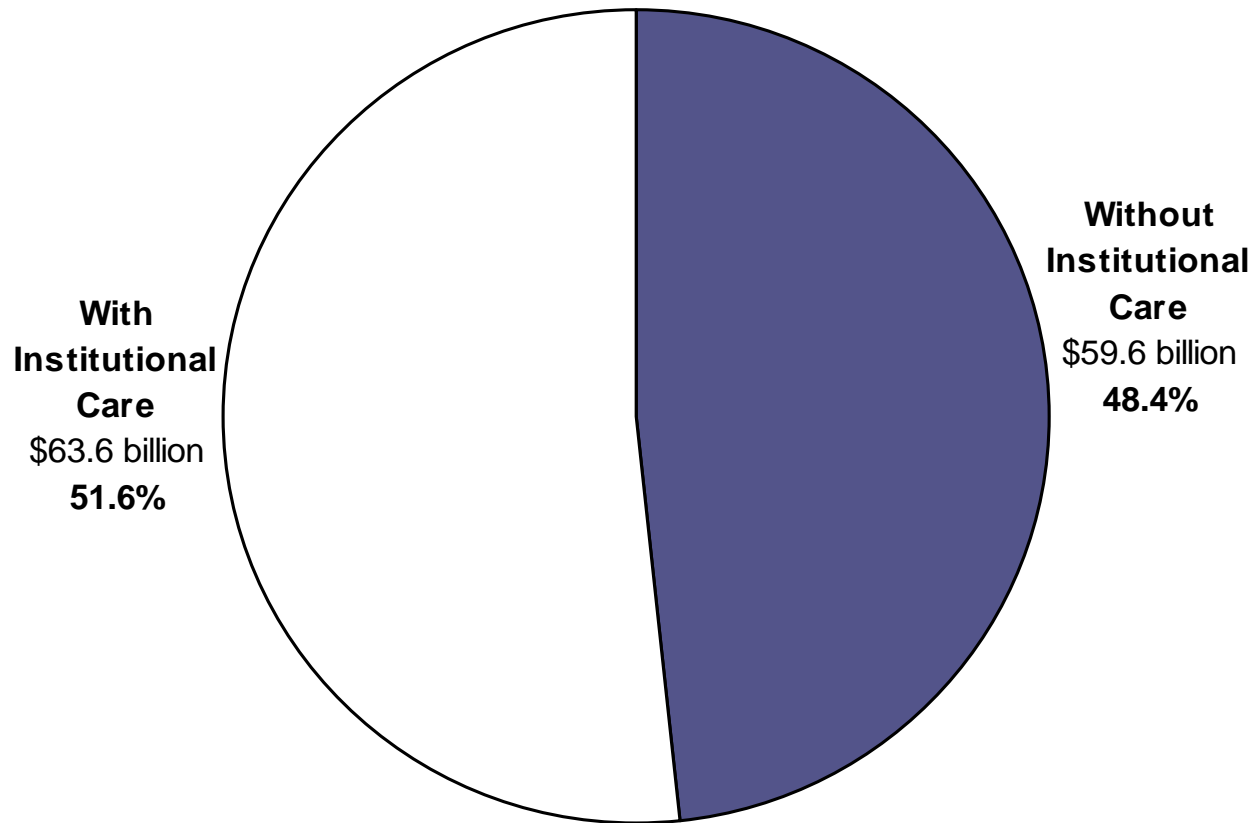


Dual Eligible Enrollment and Spending by Per Enrollee Spending Levels, FFY 2005



Source: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

Distribution of Medicaid Expenditures by Those with and Without Institutional Care, FFY 2005



Total Spending = \$ 123.2 billion

Summary of Estimated State Savings from Federal Assumption of Selected Services and Benefits for Dual Eligibles, FFY 2005

Option	Reduction in State Medicaid Spending (in billions of 2005 \$)
Medicare premiums	3.7
Medicare-covered services*	7.6
Other acute care services**	2.1
Long-term care	33.5
All of the above	46.8

Source: Urban Institute and DCMU estimates based on data from MSIS and CMS Form 64.

*Acute care services that Medicare may already cover in whole or part.

**Entire table excludes prescription drug spending for duals.

Fiscal Effects of Hypothetical Medicaid Reform Options in FFY 2005 Dollars

Option	Reduction in State Medicaid Spending (in billions)	Percentage Decrease in State Spending For...		Percentage Increase in Federal Spending For...	
		Dual Eligibles	All Medicaid Enrollees	Dual Eligibles	All Medicaid Enrollees
Medicare premiums	3.7	-7.9%	-3.3%	6.0%	2.5%
Medicare-covered services*	7.6	-16.1%	-6.7%	12.4%	5.0%
Other acute care services**	2.1	-4.4%	-1.8%	3.4%	1.4%
Long-term care	33.5	-71.5%	-29.5%	54.7%	22.4%
All of the above	46.8	-100.0%	-41.3%	76.5%	31.3%

Source: Urban Institute estimates based on data from MSIS and CMS Form 64.

•Acute care services that Medicare may already cover in whole or part.

•** Entire table excludes prescription drugs.