

# The Medicaid Landscape

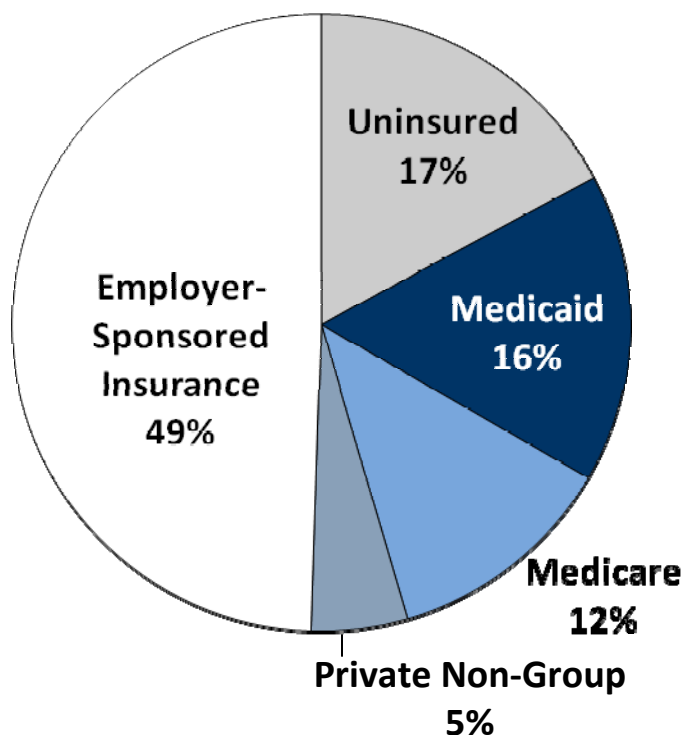


**Diane Rowland, Sc.D.**  
**Executive Vice President,**  
**Henry J. Kaiser Family Foundation**  
**and**  
**Executive Director,**  
**Kaiser Commission on Medicaid and the Uninsured**  
**for**  
**The Sixth National Medicaid Congress**  
**Washington, DC**  
**June 13, 2011**

# #1: Medicaid is an integral part of the health care system

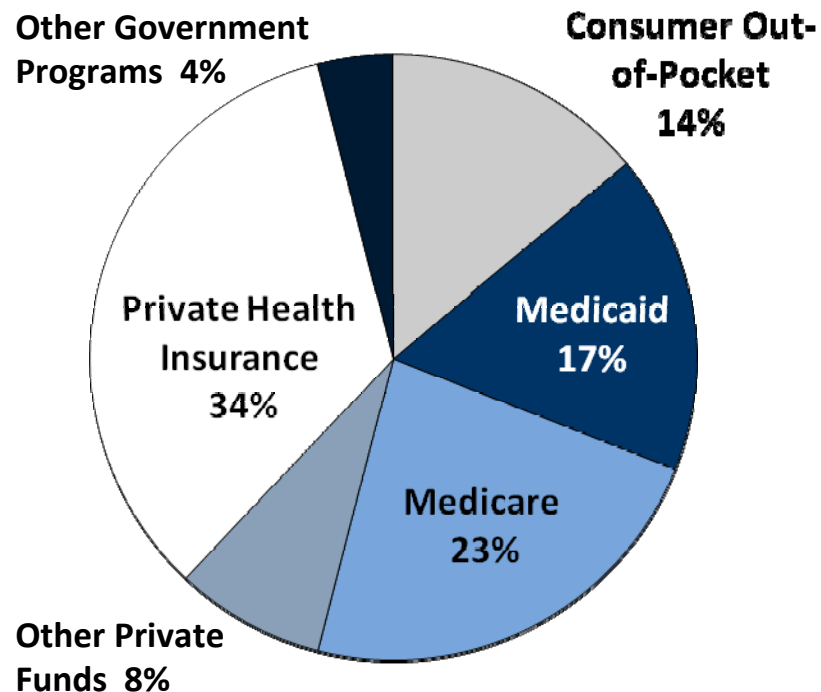
# Medicaid is a major source of health coverage and spending.

**Health Coverage**



**Total = 300 million**

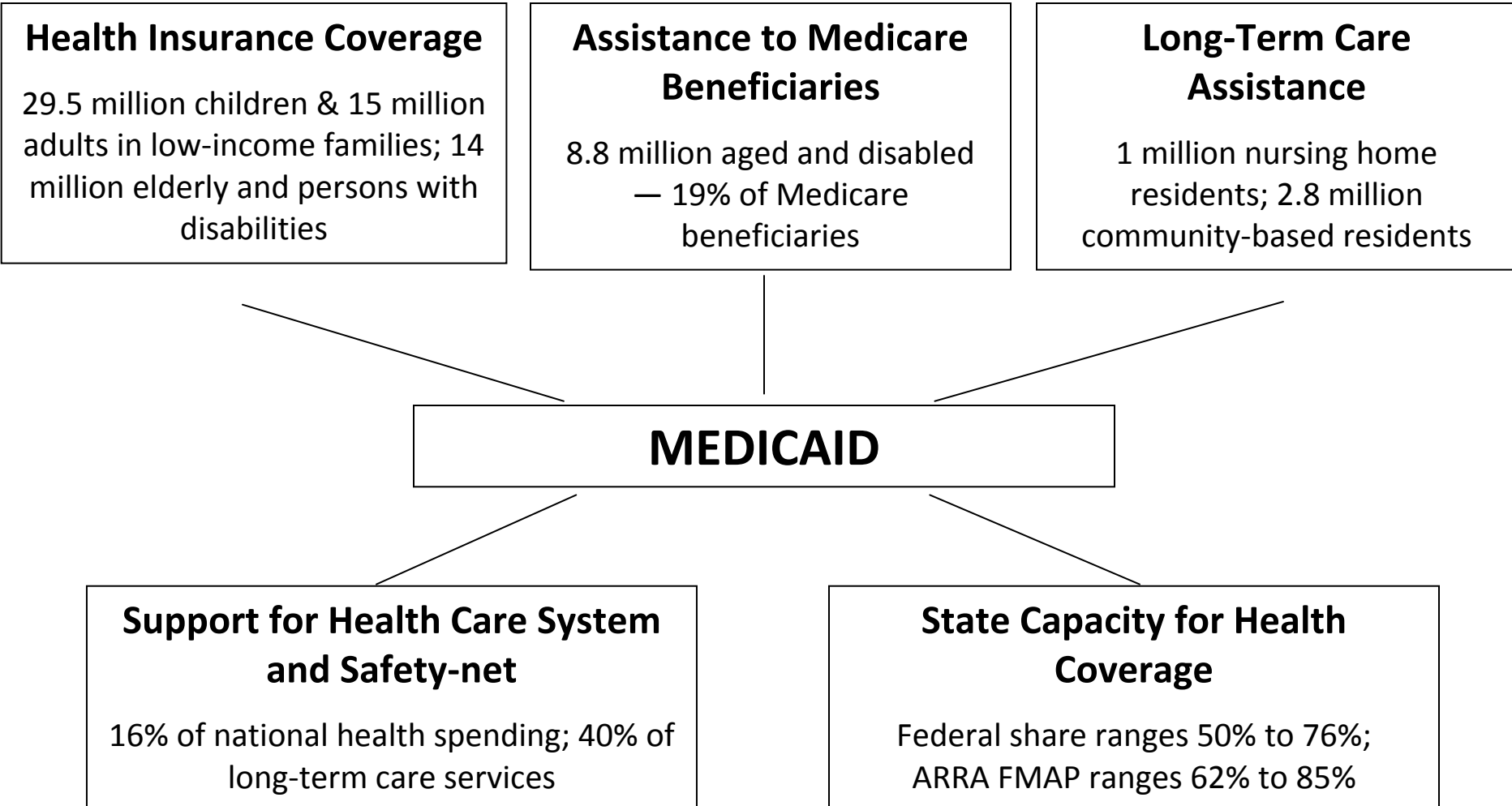
**Health Spending**



**Total = \$2.1 trillion**

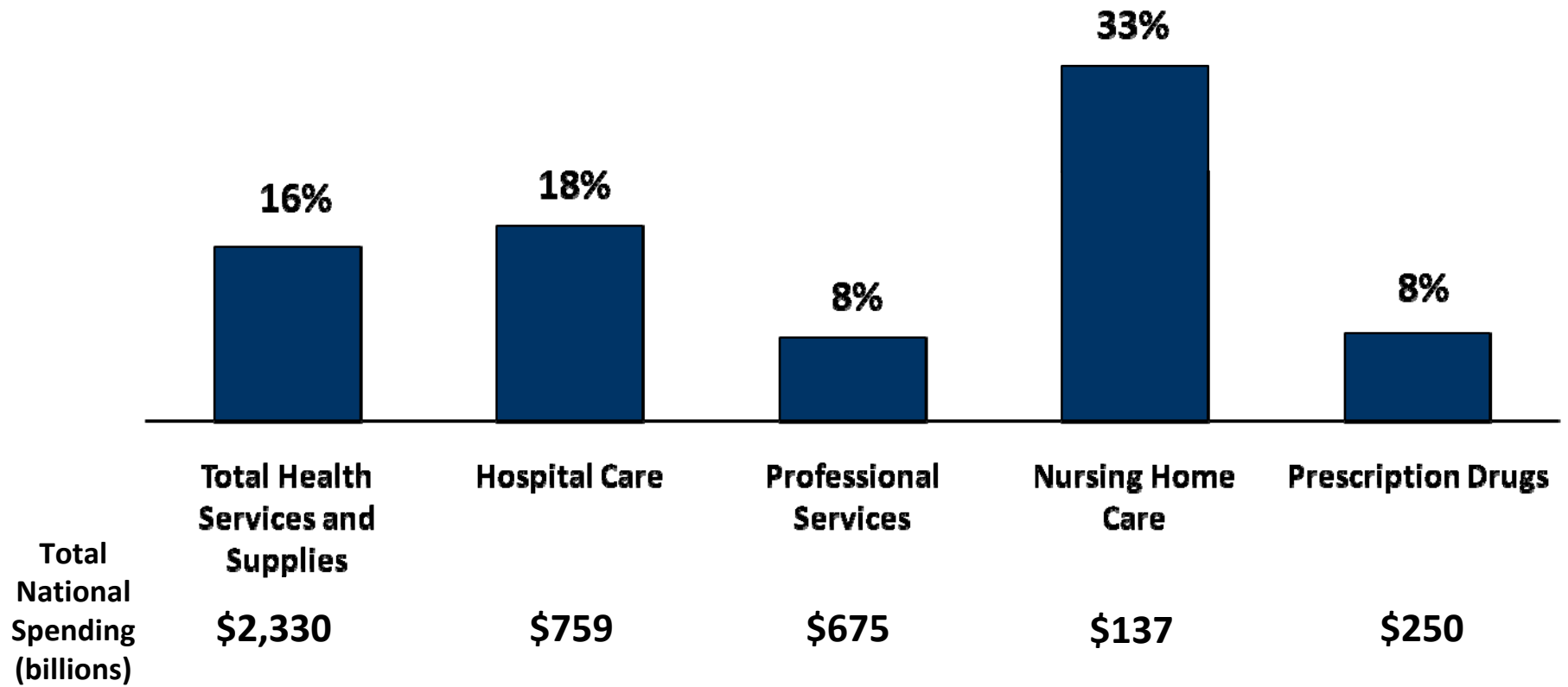
SOURCE: Health insurance coverage: KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS. Health expenditures: KFF calculations using NHE data from CMS, Office of the Actuary

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



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

Medicaid as a share of national health care spending:

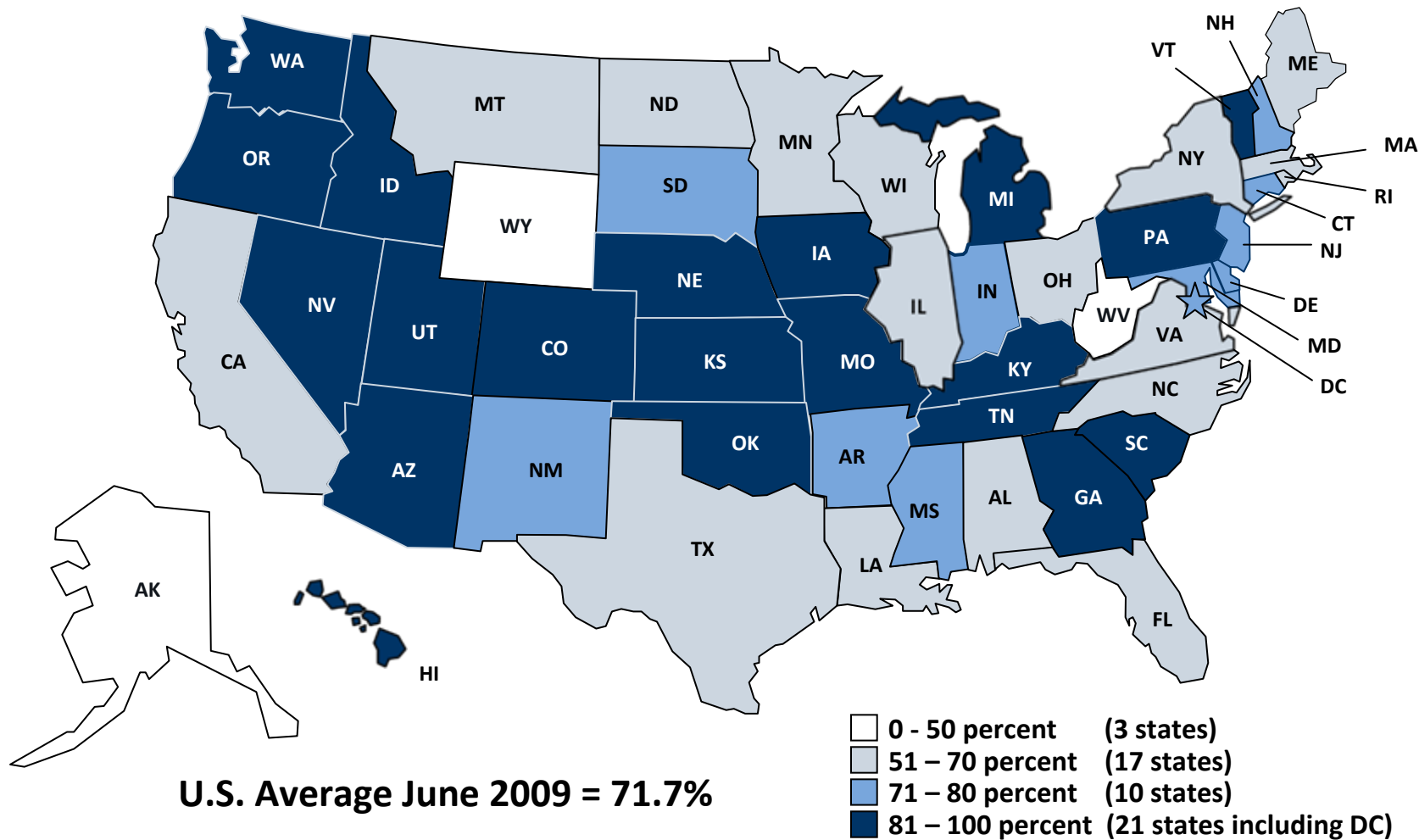


NOTE: Does not include spending on CHIP. Definition of nursing home care was revised from previous years and no longer includes residential care facilities for mental retardation, mental health or substance abuse.

SOURCE: CMS, Office of the Actuary, National Health Statistics Group, *National Health Expenditure Accounts*, January 2011. Data for 2009.

# CHART 5

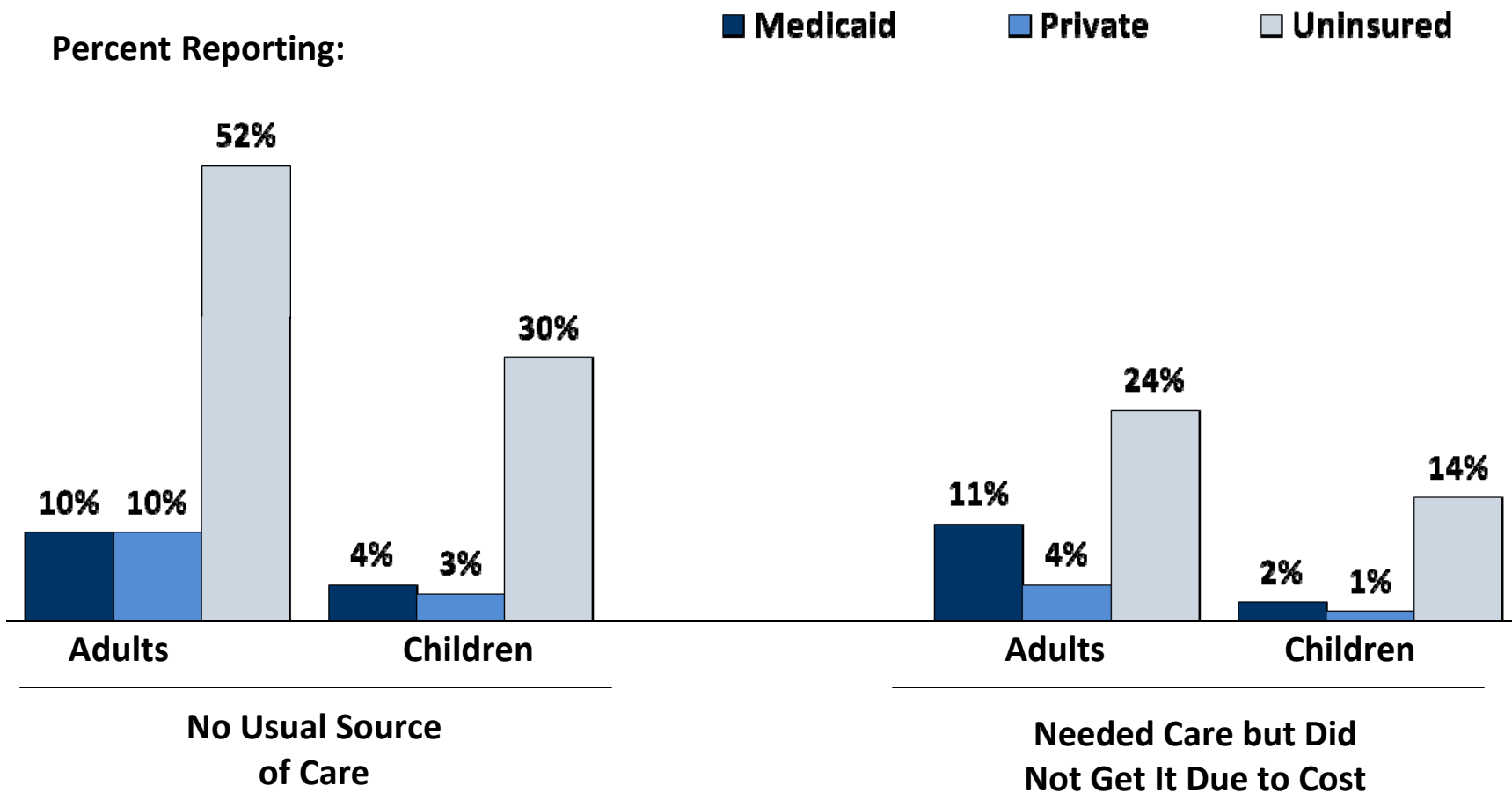
## Most Medicaid enrollees receive care through private managed care.



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.

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



\*

\*In the past 12 months

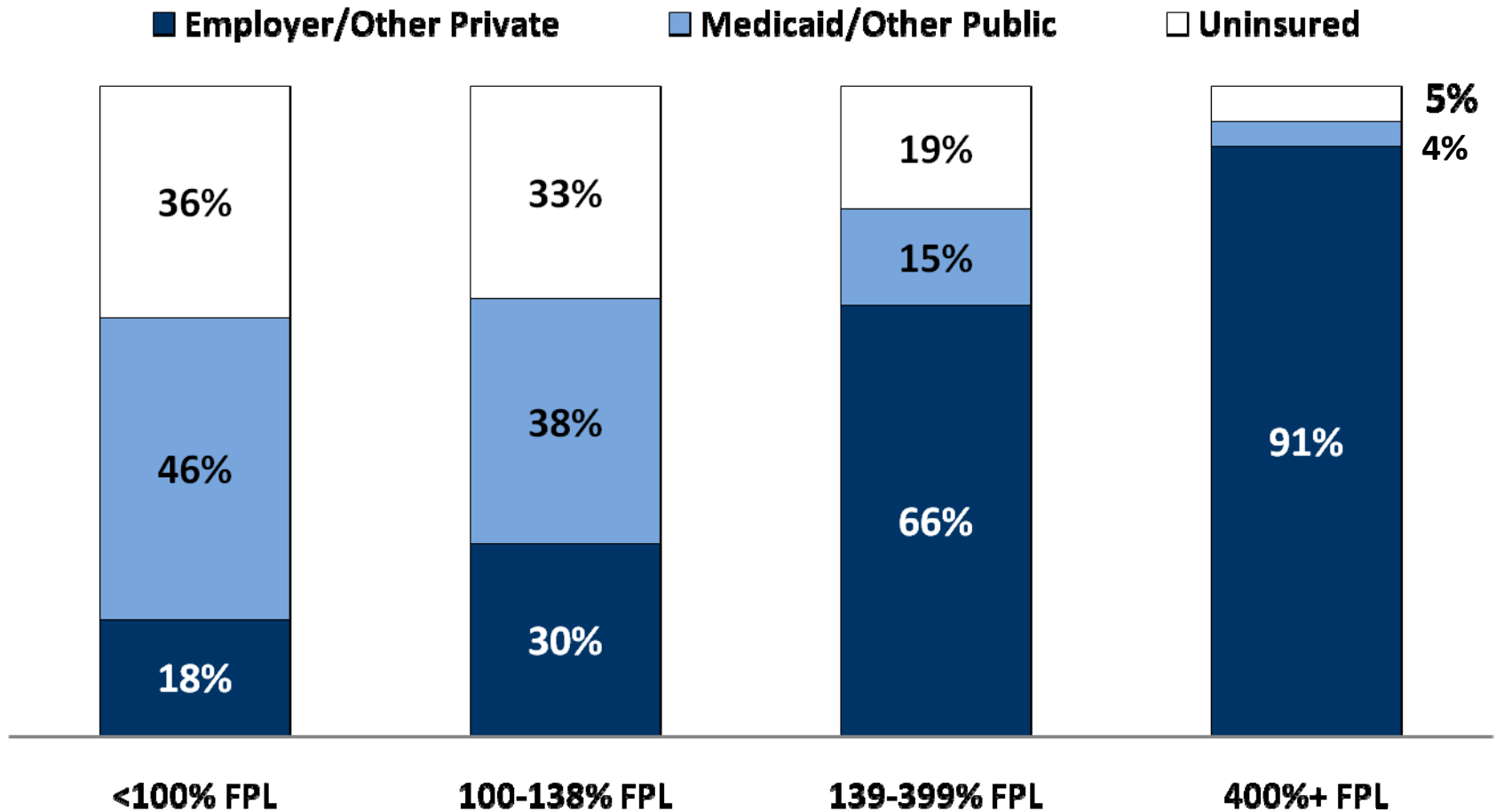
NOTE: Respondents who said usual source of care was the emergency room were included among those not having a usual source of care

SOURCE: KCMU analysis of 2008 NHIS data

# #2: Medicaid is the nation's health care safety net.



# Medicaid helps to fill gaps in private insurance coverage

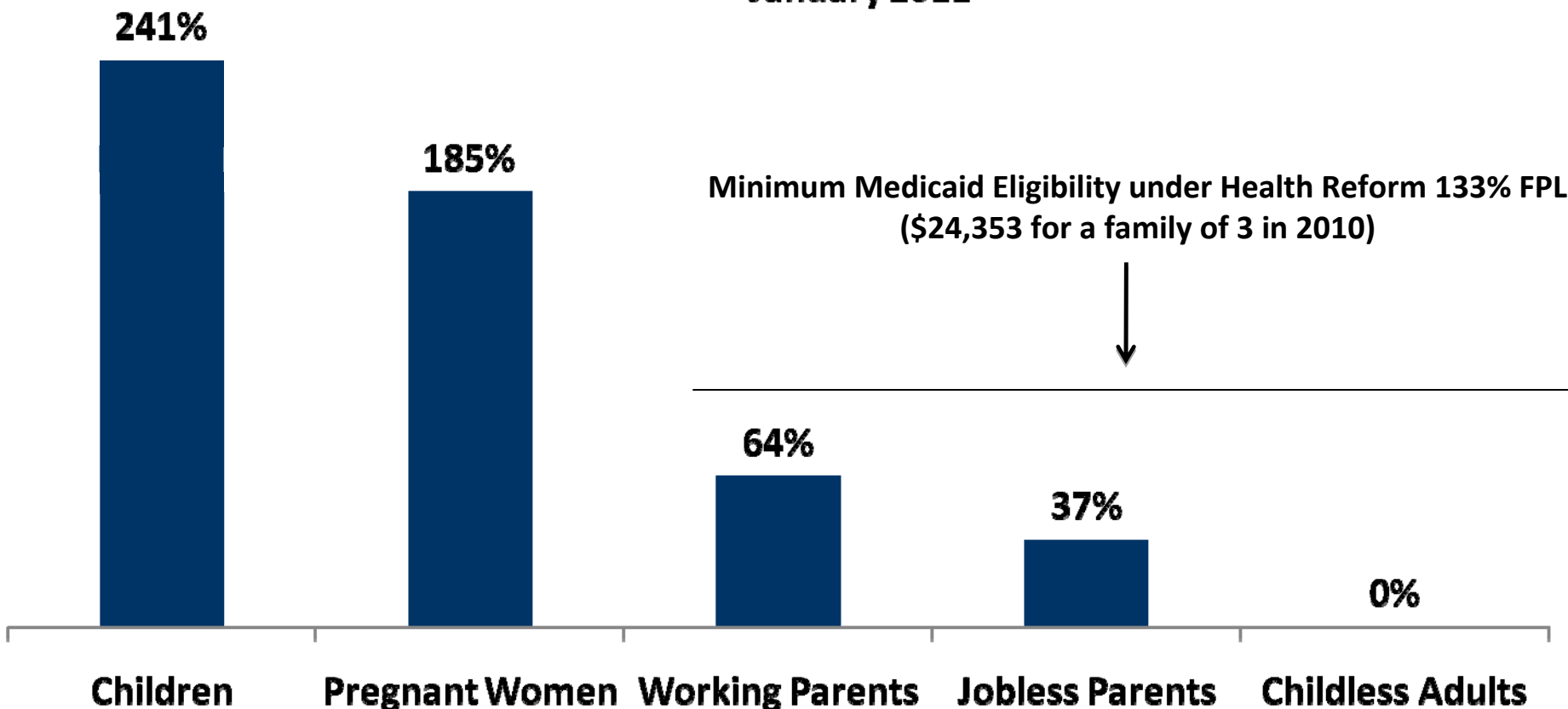


The federal poverty level (FPL) was \$22,050 for a family of four in 2009. Data may not total 100% due to rounding.

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

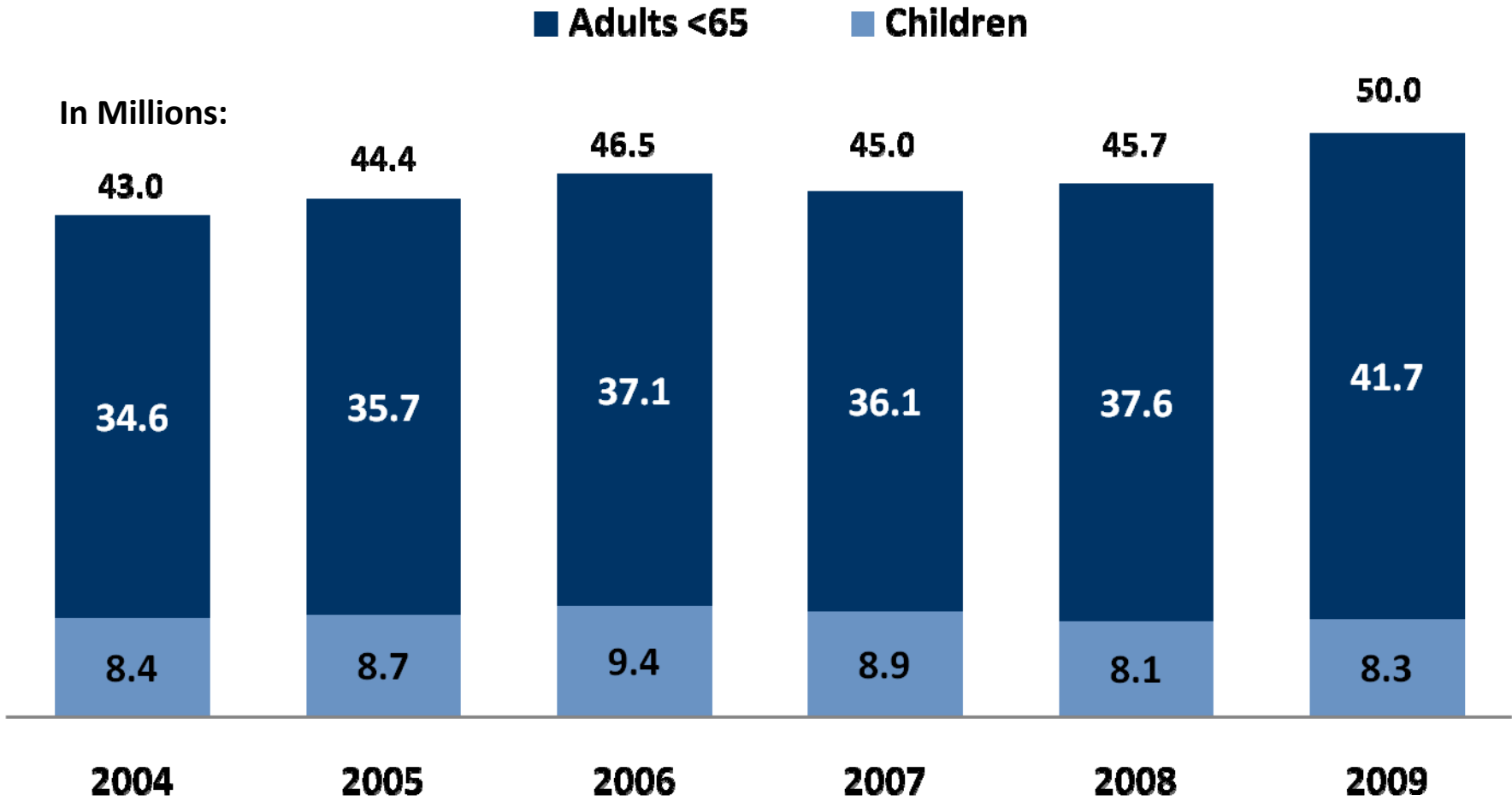
# Medicaid eligibility levels are more limited for adults than for children.

**Median Medicaid/CHIP Eligibility Threshold  
January 2011**



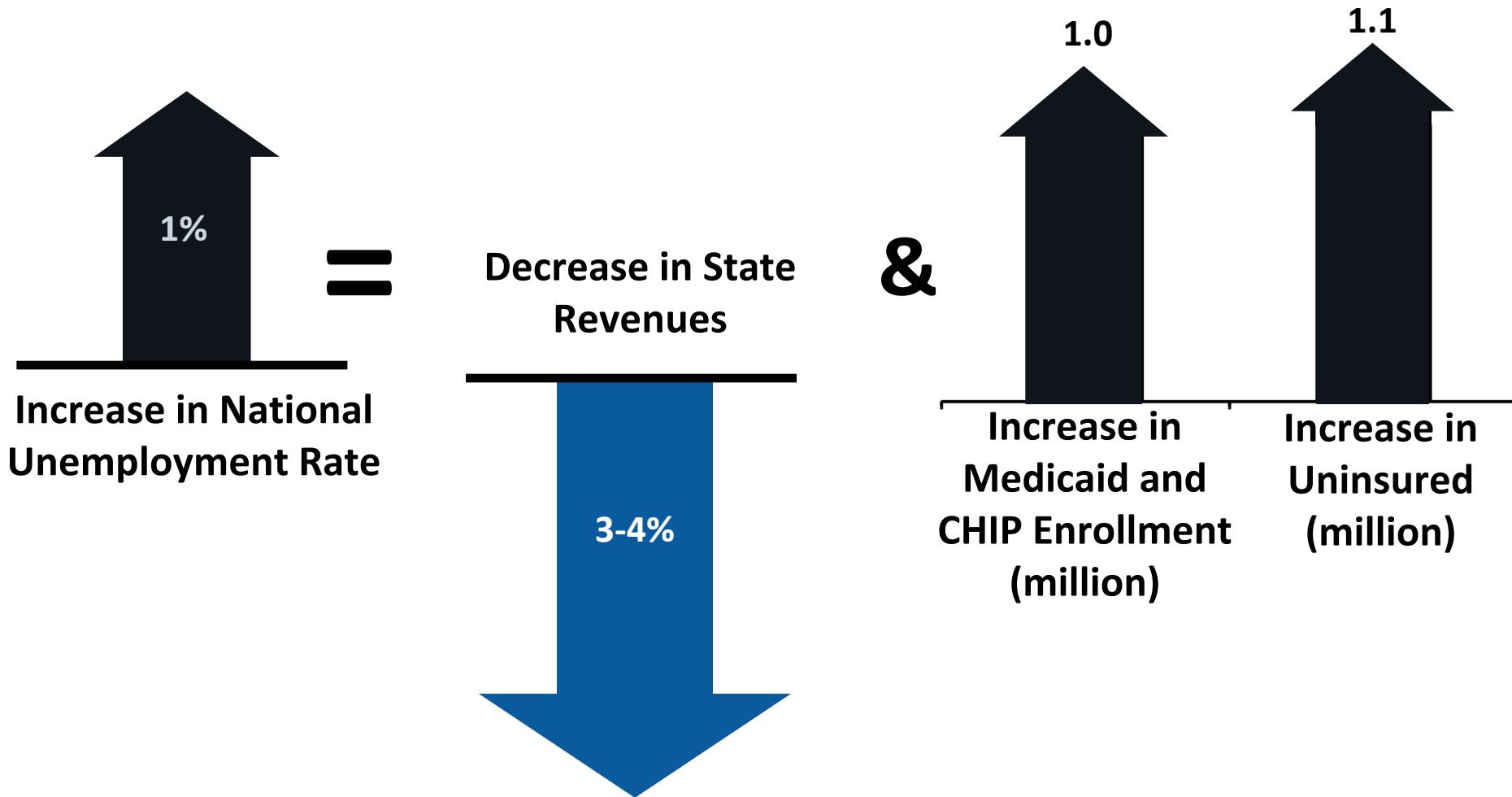
SOURCE: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2011

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



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

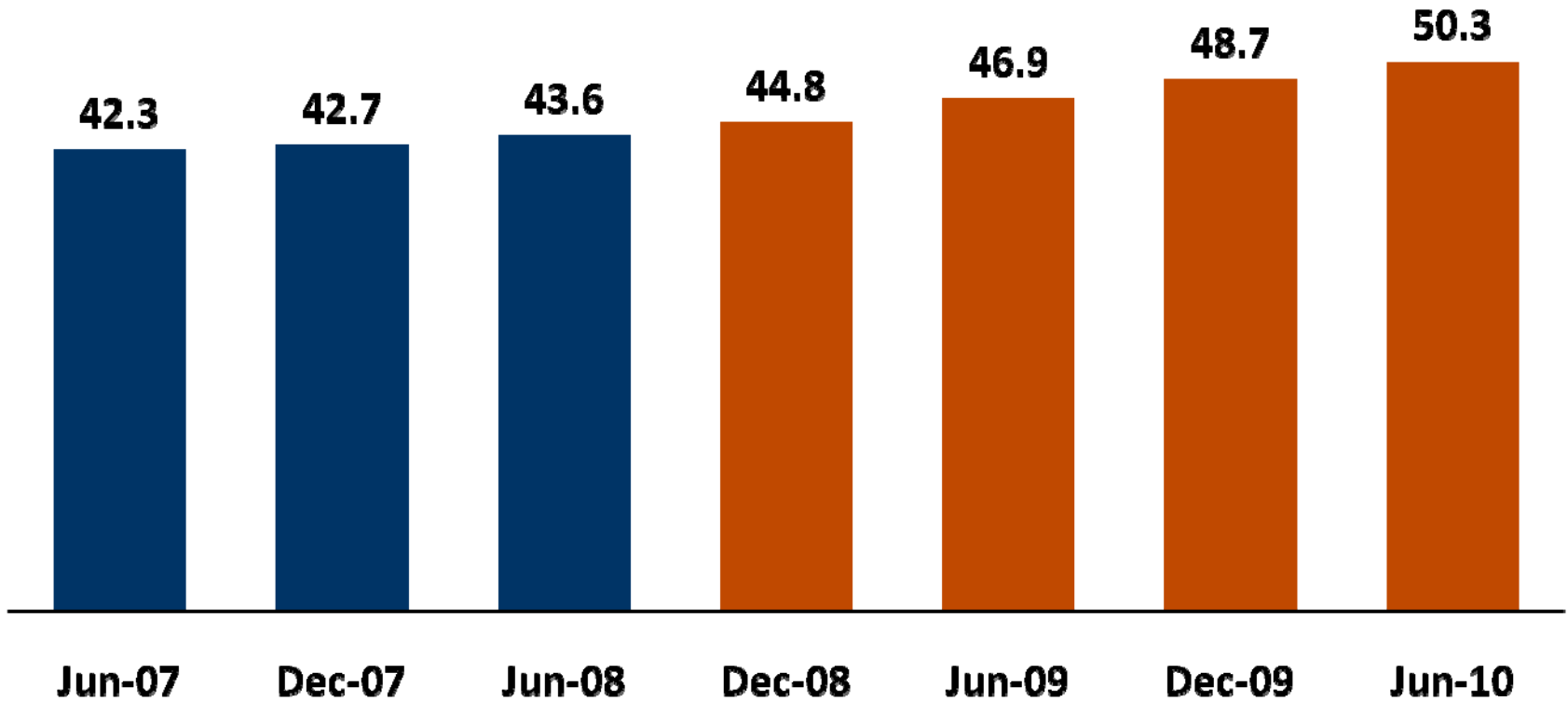
# The number of Medicaid enrollees and the uninsured rise during economic downturns.



SOURCE: John Holahan and Bowen Garrett, *Rising Unemployment, Medicaid, and the Uninsured*, prepared for the Kaiser Commission on Medicaid and the Uninsured, January 2009.

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

Monthly Enrollment in Millions

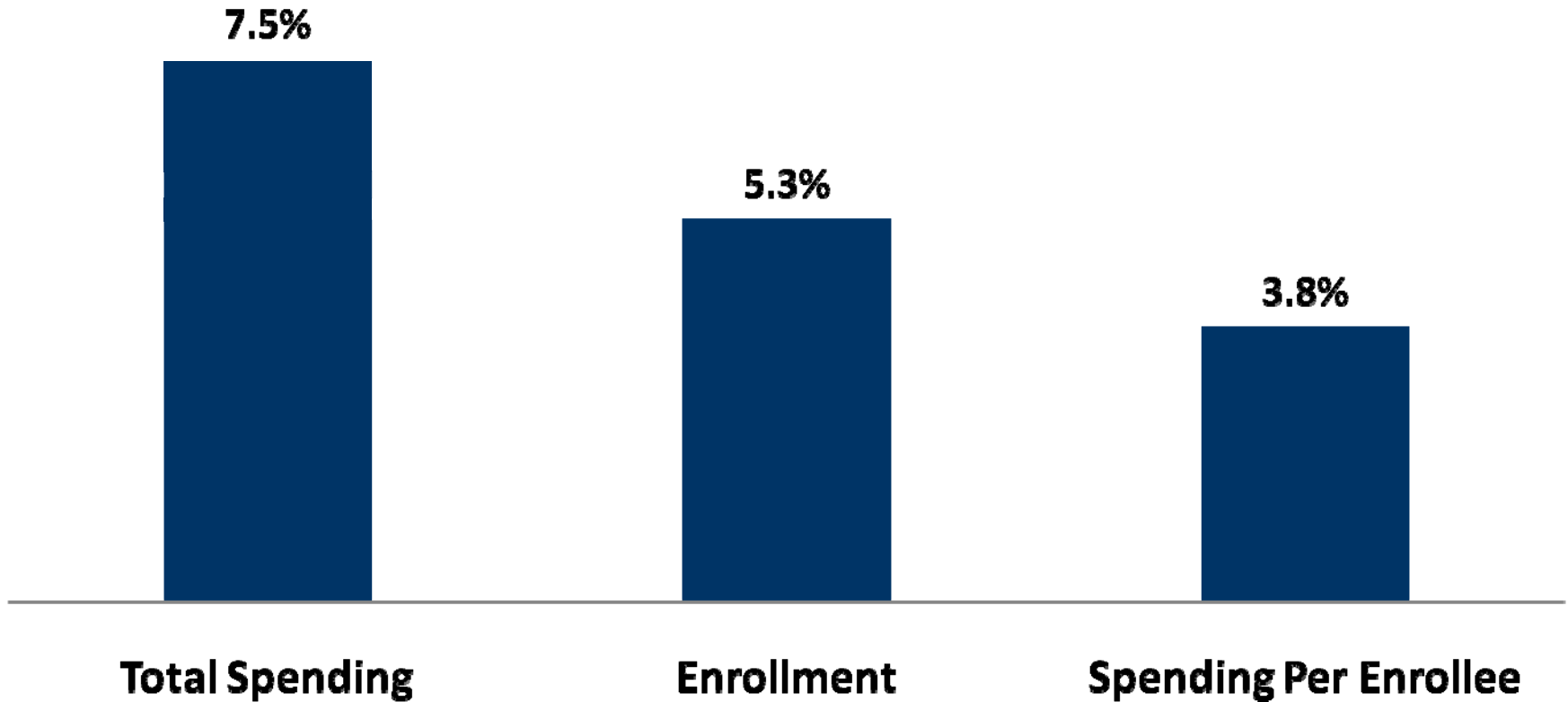


SOURCE: Analysis for KCMU by Health Management Associates, using compiled state Medicaid enrollment reports

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

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

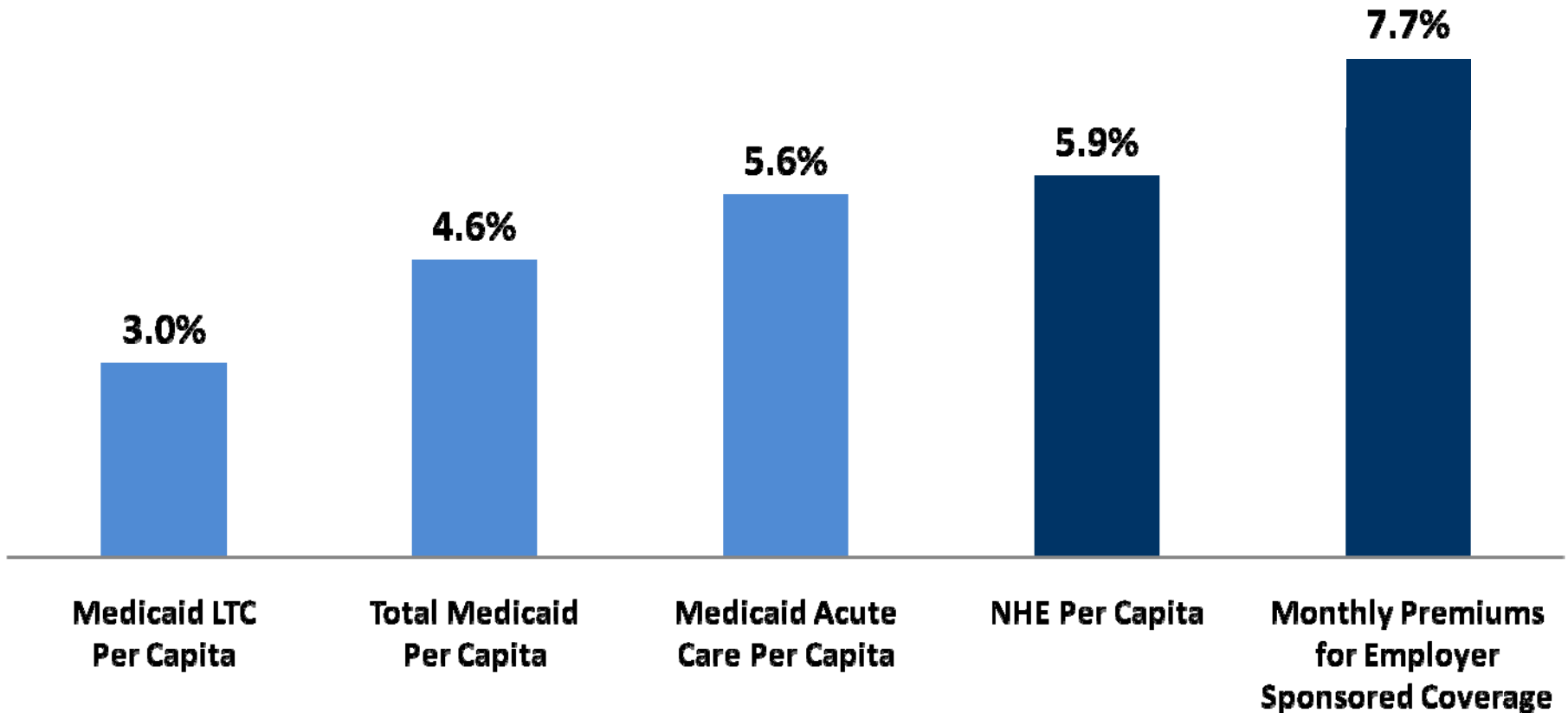
Average Annual Growth 2007 - 2009



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.

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

Spending Growth 2000-2009

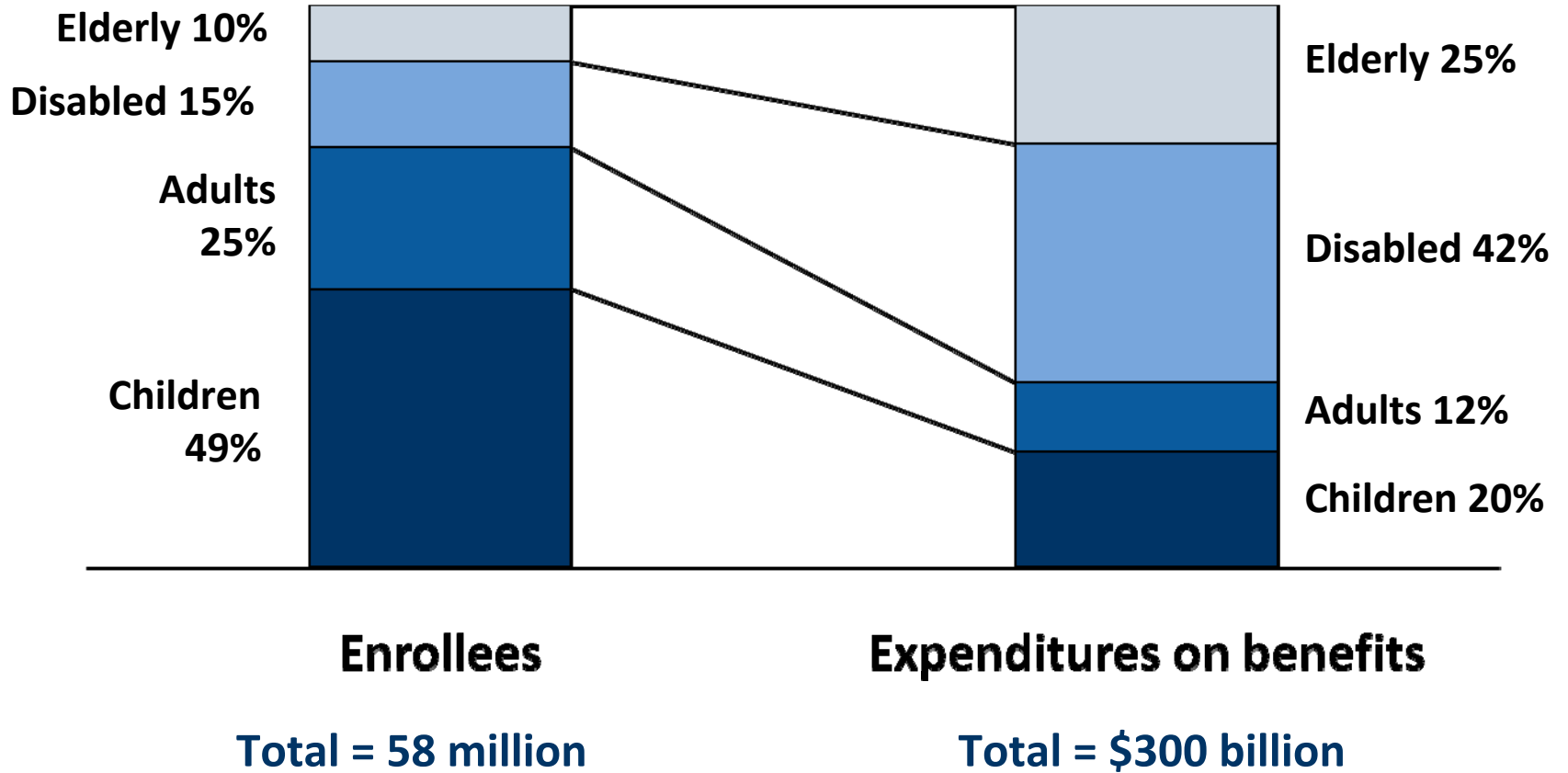


SOURCE: Urban Institute, 2010. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Expenditures exclude prescription drug spending for dual eligibles to remove the effect of their transition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



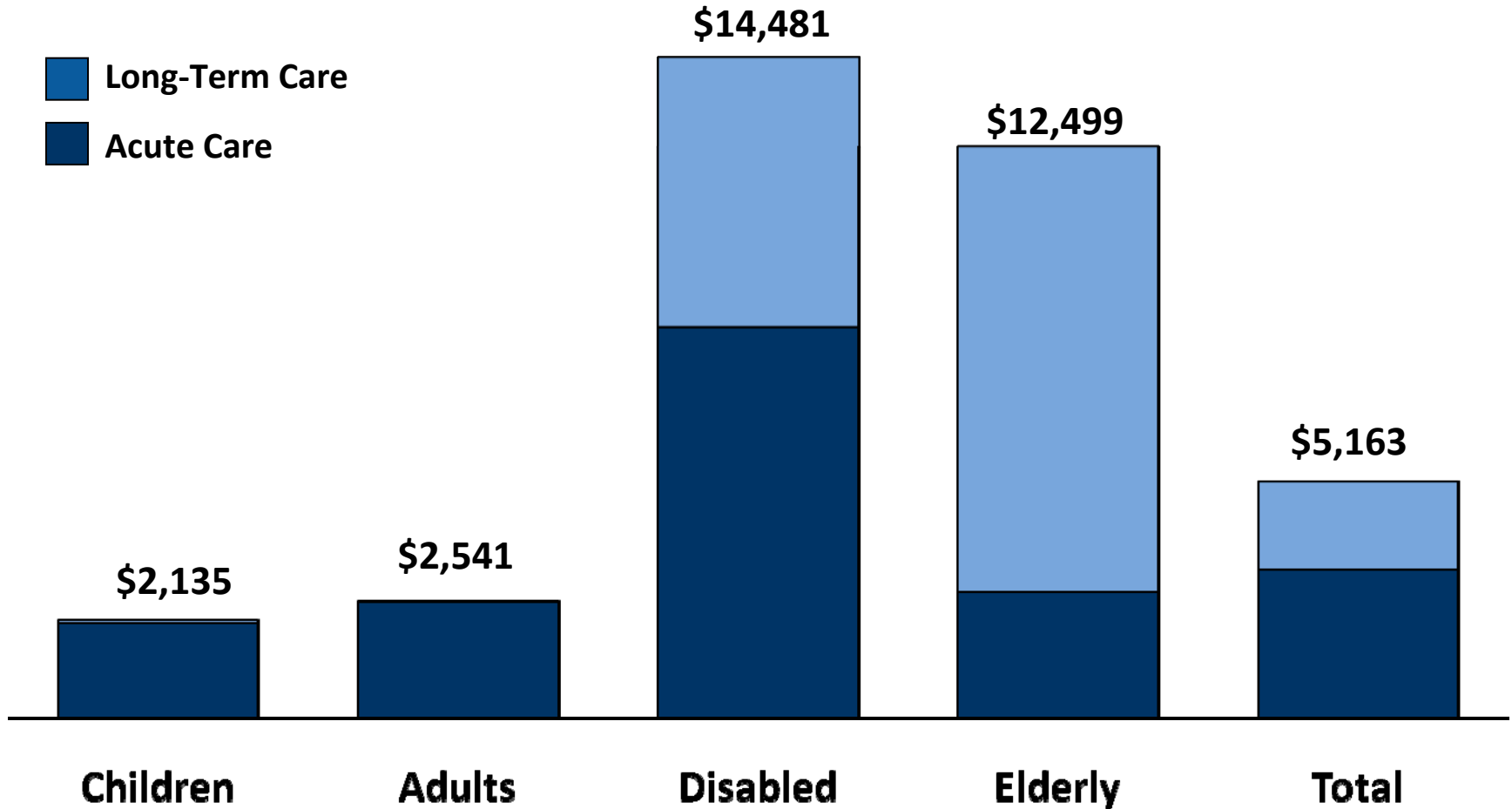
# The elderly and disabled account for the majority of Medicaid spending.

FFY 2007



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

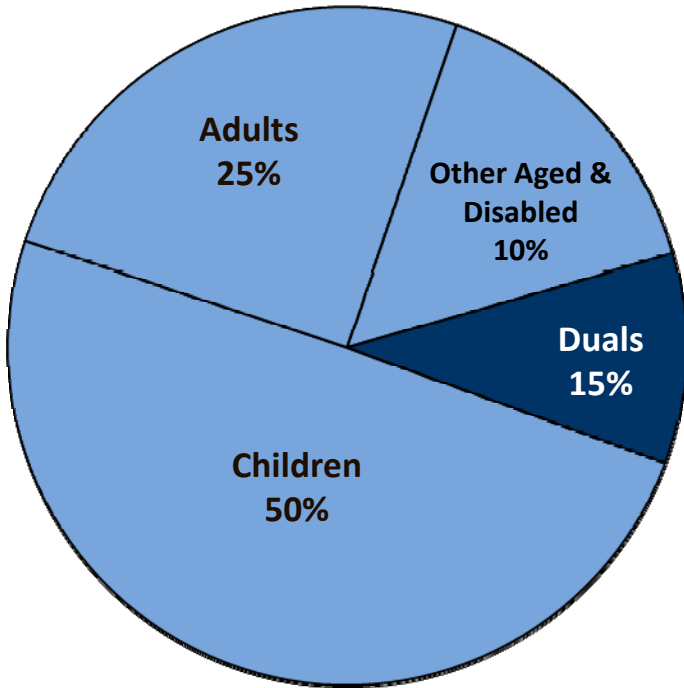
# Disability and long-term care drive higher per-enrollee spending.



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on 2007 MSIS and CMS64 data.

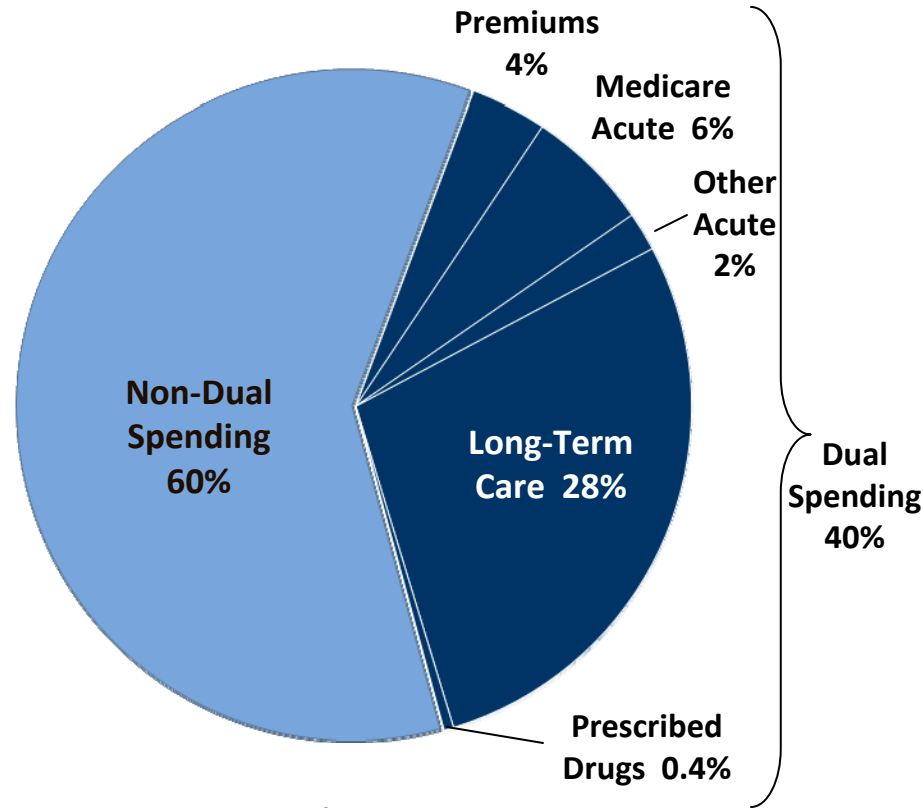
# Duals account for 40% of Medicaid spending.

## Medicaid Enrollment



Total = 58 Million

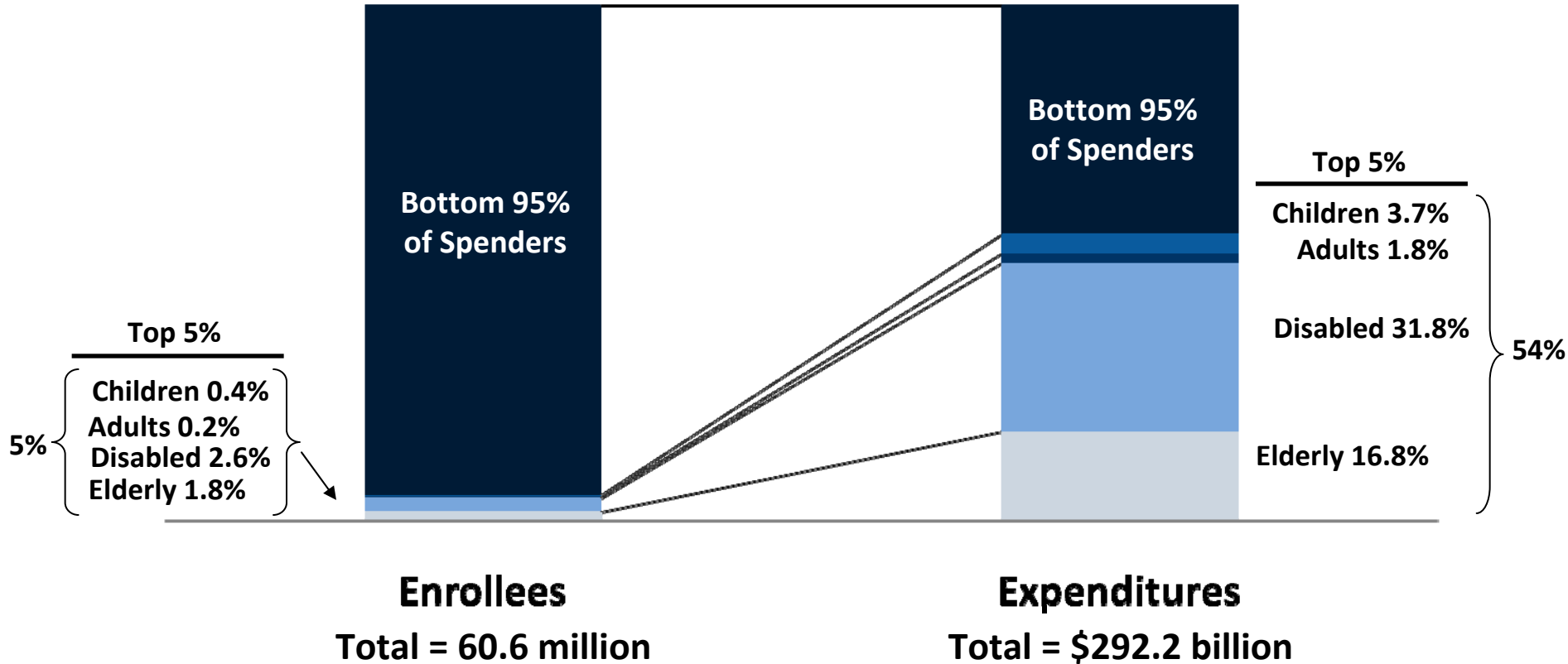
## Medicaid Spending



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.

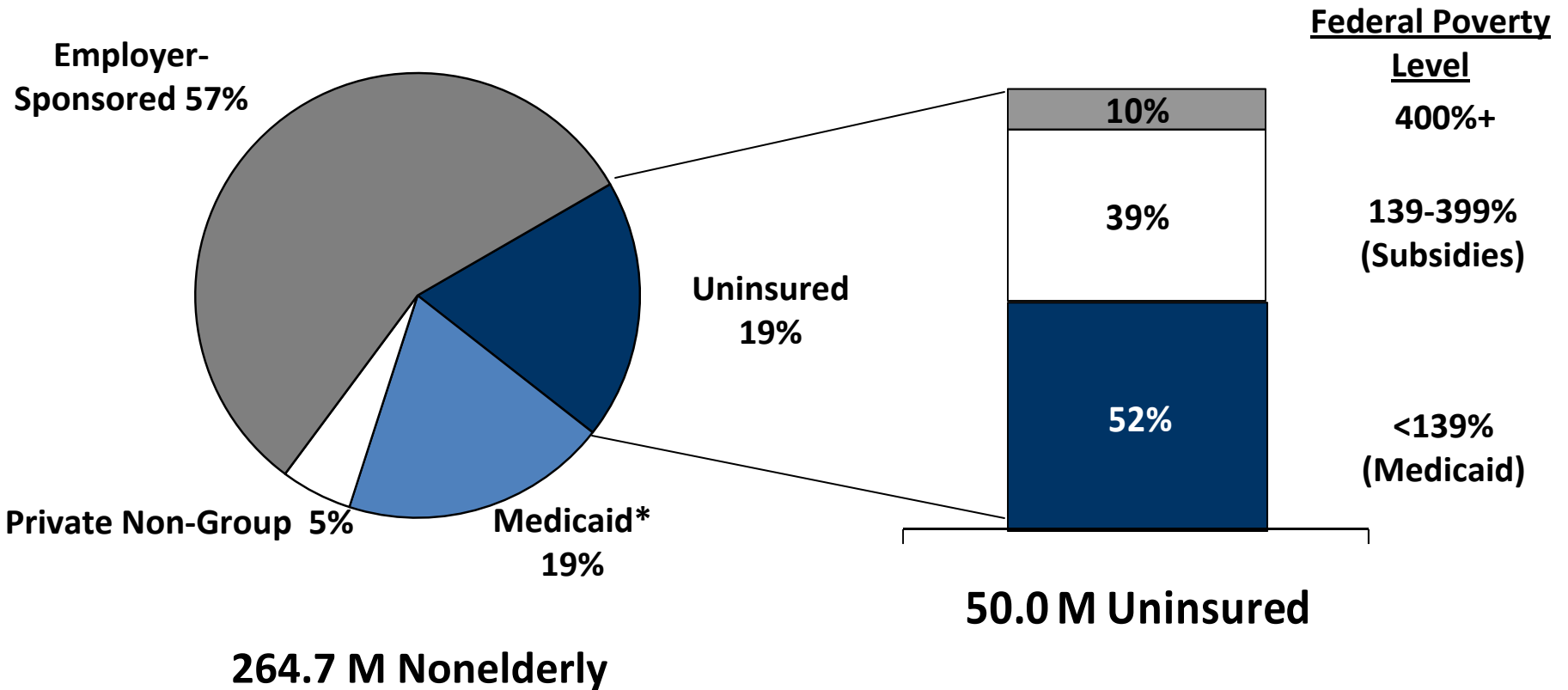
# Top 5% of Enrollees Accounted for More than Half of Medicaid Spending, FY 2008



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

**#4: 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.**

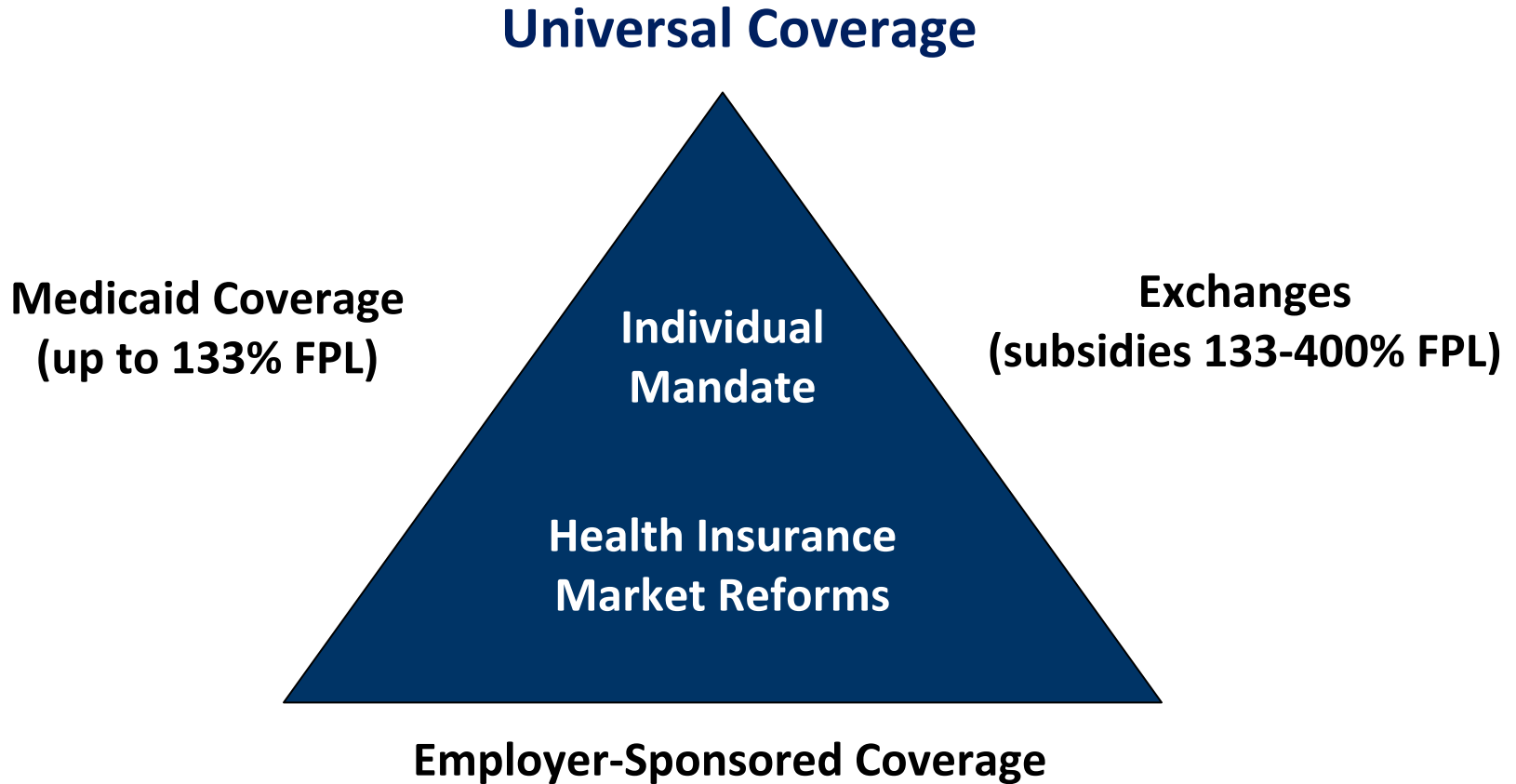
# Most of the uninsured have low incomes.



\* 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 2009 was \$22,050. Numbers may not add to 100 due to rounding.

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

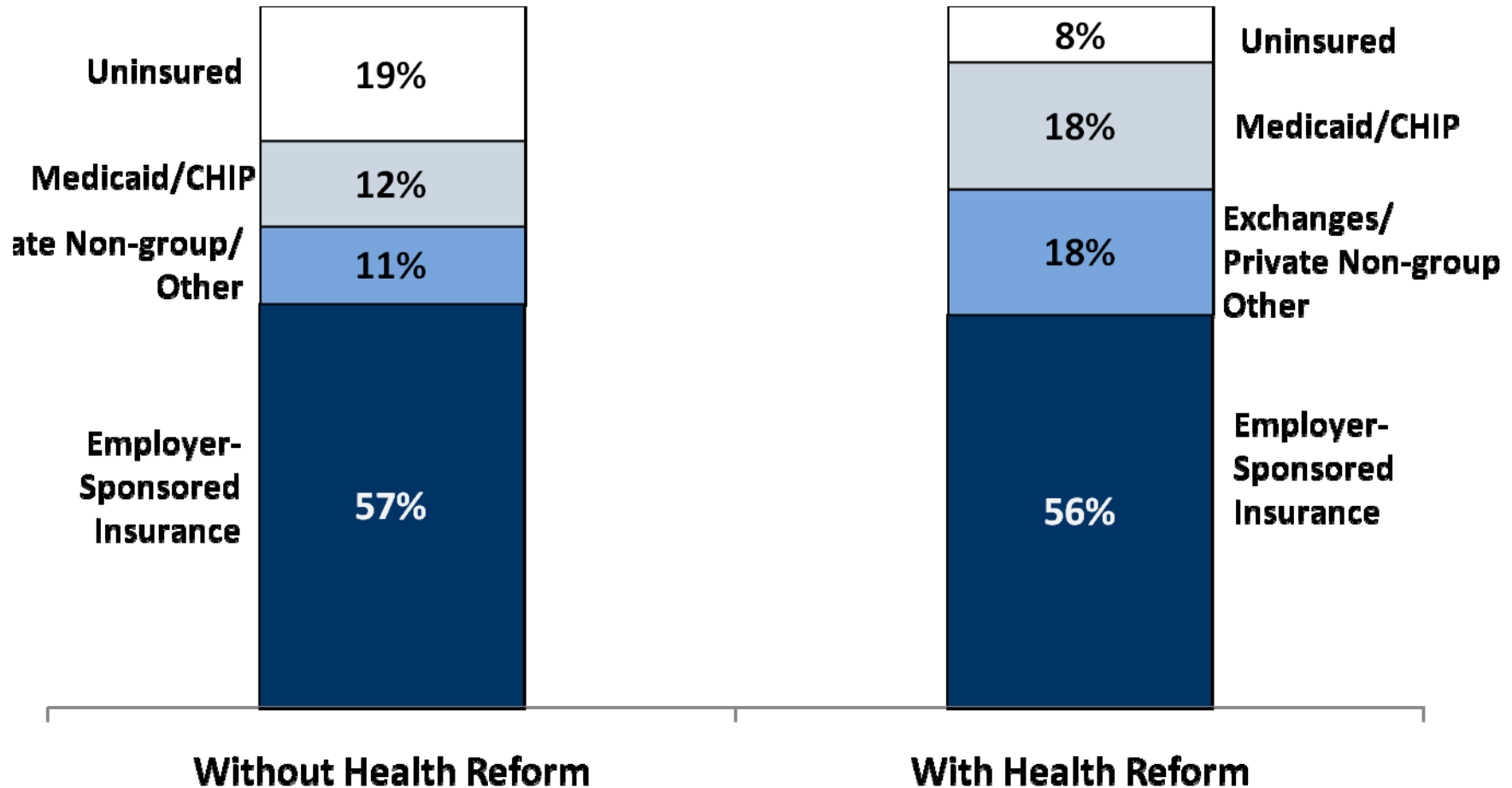
# Expanding Medicaid is a Key Element in Health Reform



Note: In 2009, 133% FPL for family of 4 is \$29,327 and 400% FPL is \$88,200

# Medicaid and exchanges will play a major role in reducing the number of uninsured by 2019.

Total Nonelderly Population = 282 million

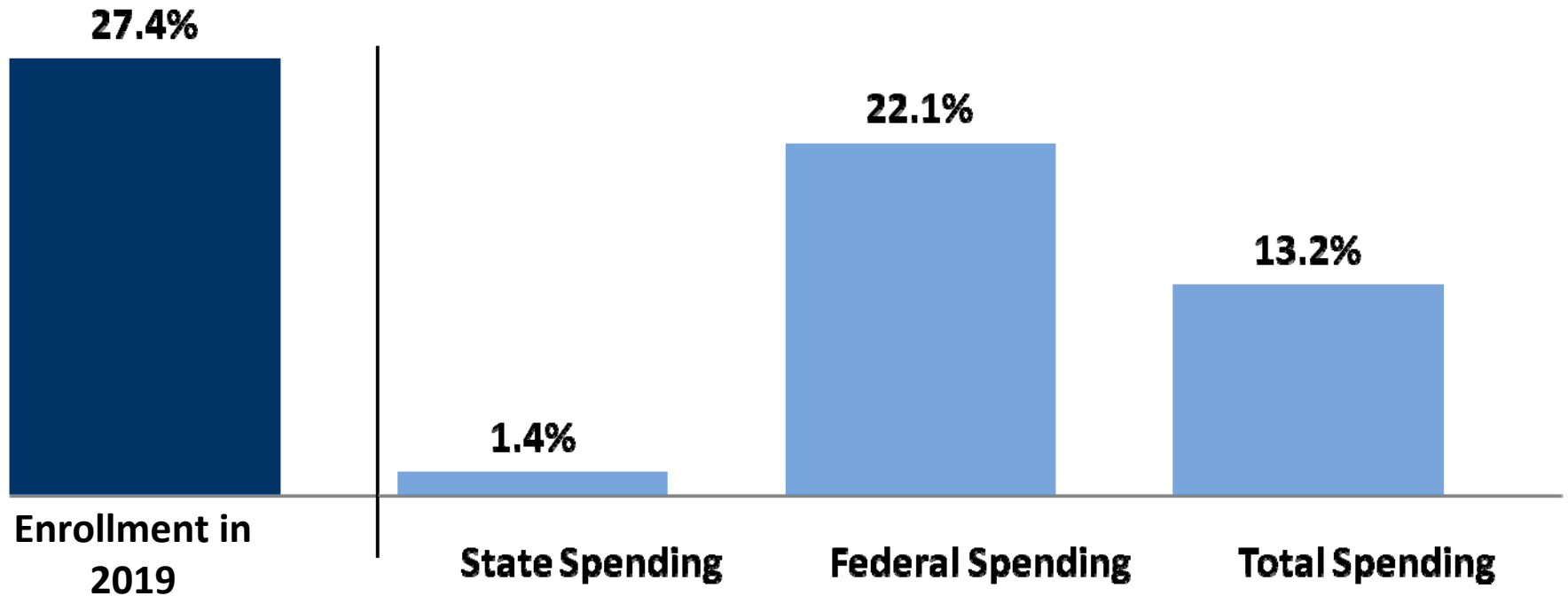


SOURCE: Congressional Budget Office, March 20, 2010



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

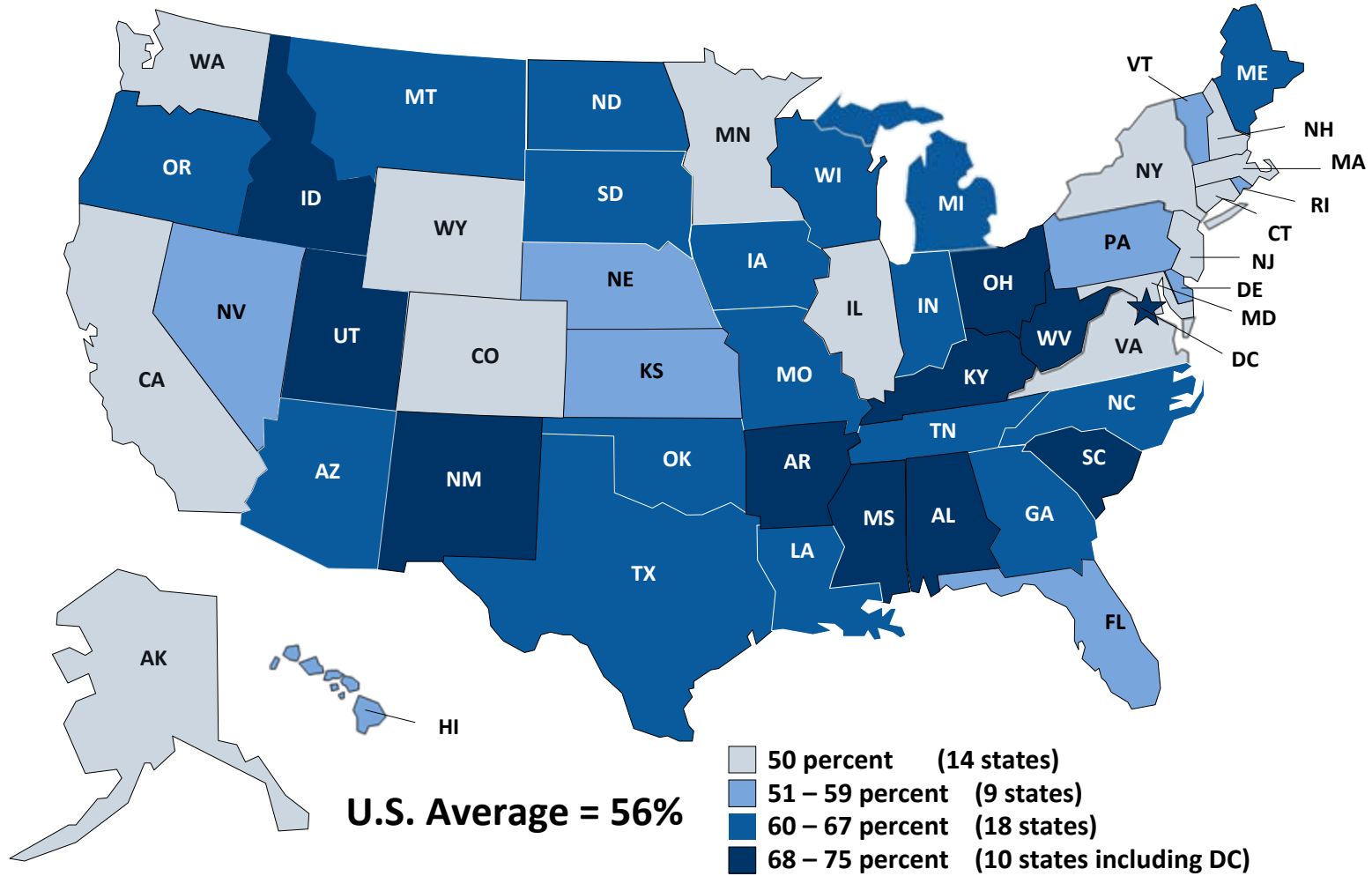
## Enrollment and Spending Increases Over Baseline 2014-2019



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.

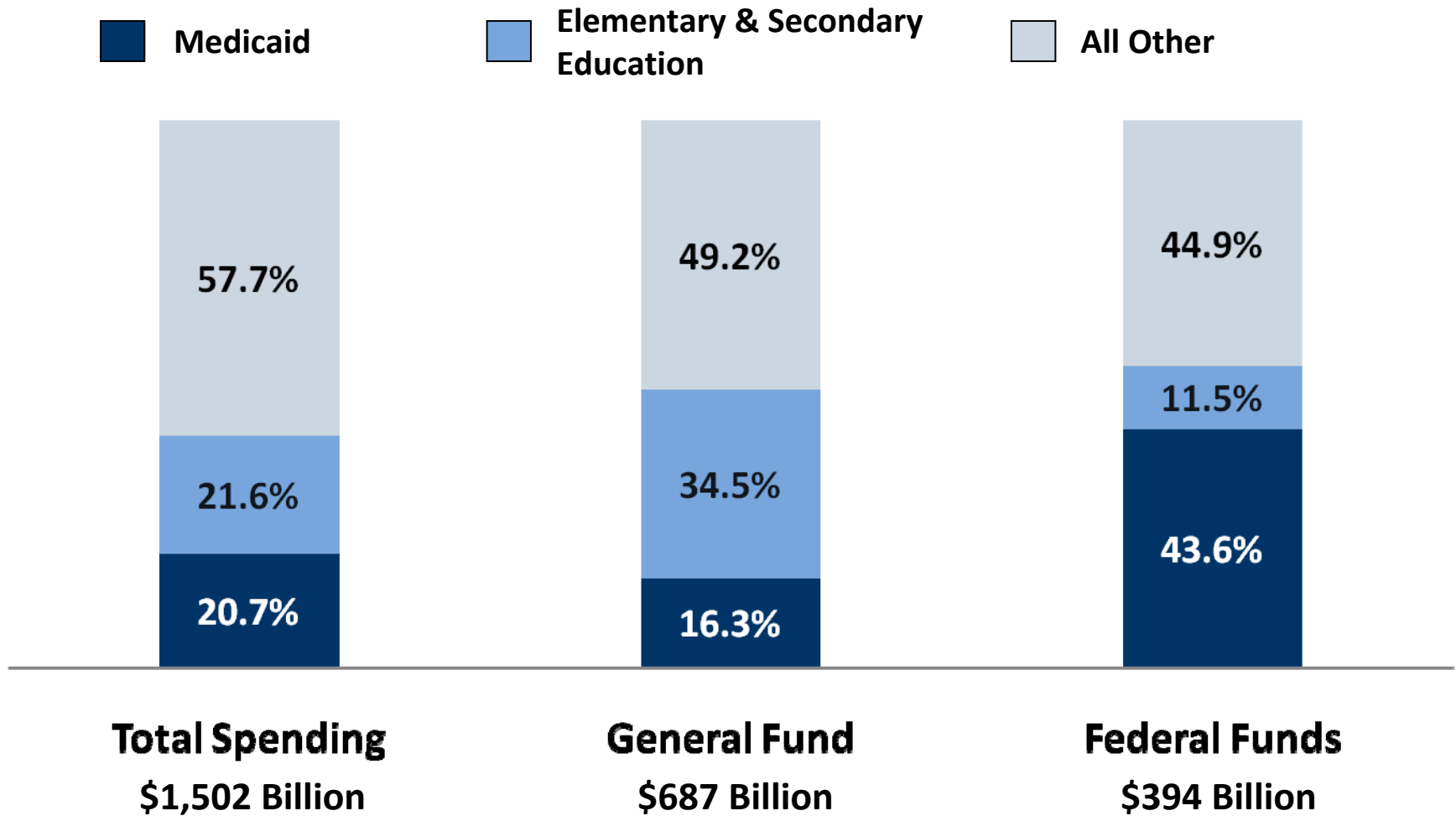
**#5: Fiscal constraints and a weak economy put increased pressure on Medicaid, but cost-cutting could erode coverage**

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



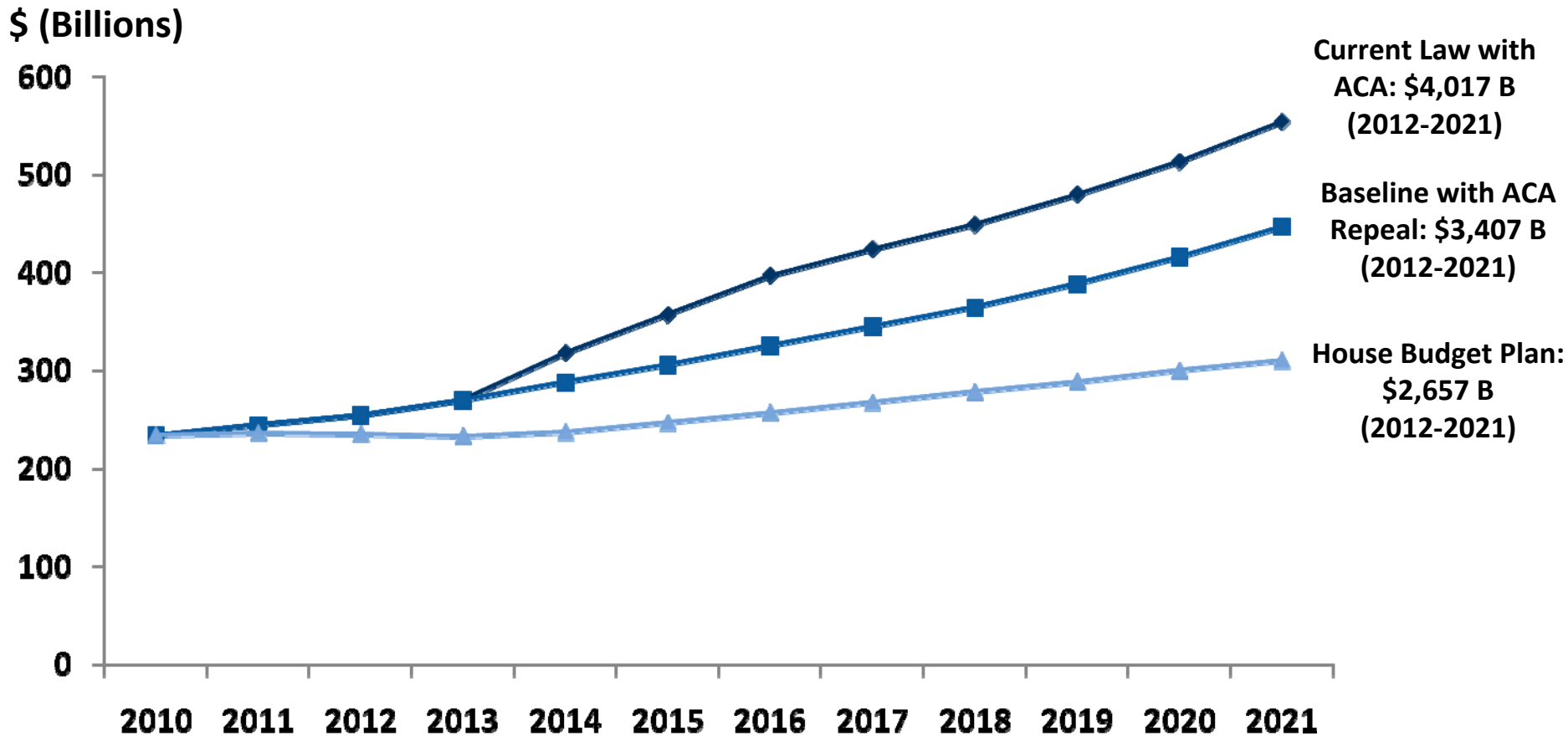
NOTE: Statutory FMAP for FY 2011. Does not reflect the enhanced FMAPs granted to states under ARRA.  
 SOURCE: <http://aspe.hhs.gov/health/fmap11.htm>

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



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

# Medicaid restructuring would substantially reduce federal spending

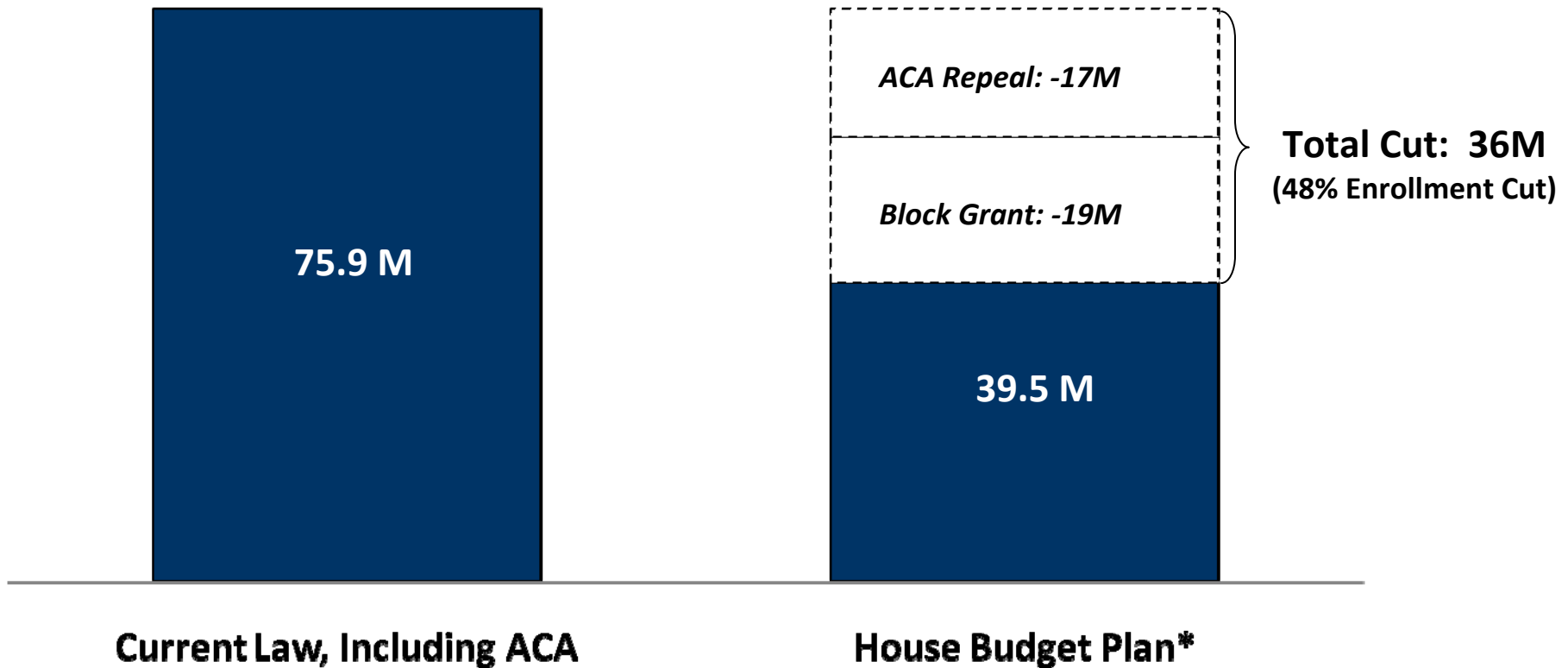


Note: The House block grant does not come into effect until 2013 but begins growing from 2010 expenditure levels.

Source: Urban Institute estimates prepared for the Kaiser Commission on Medicaid and the Uninsured, May 2011.

# And compromise coverage: Estimated Medicaid Enrollment in 2021 Under the House Budget Plan

Enrollment in Millions

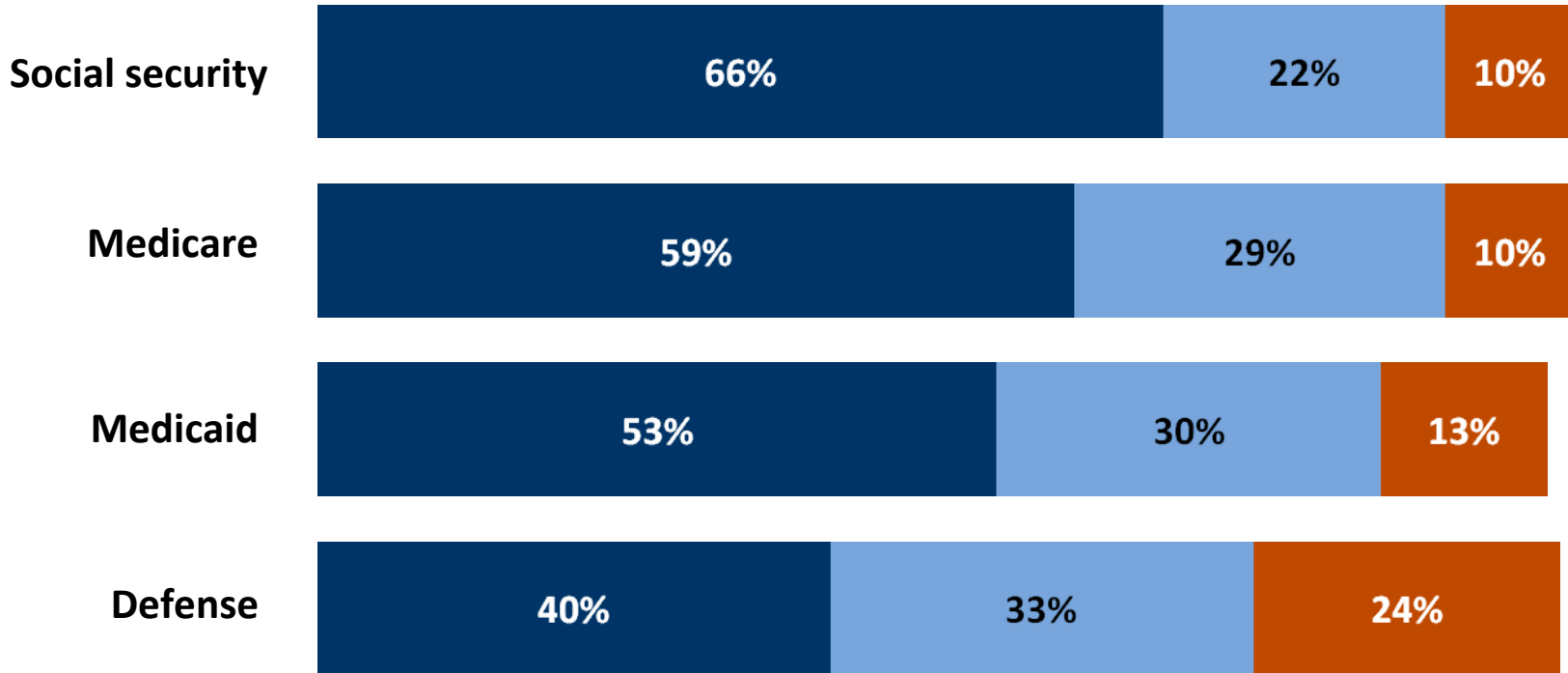


Assumes current enrollee spending growth and a reduction across all eligibility groups. Source: Urban Institute estimates prepared for the Kaiser Commission on Medicaid and the Uninsured, May 2011.

# Public has Little Appetite for Spending Reductions

For each area I name, please tell me if you would support major spending reductions, minor spending reductions or no reductions at all as a way to reduce the federal deficit.

NO reductions
  Support MINOR reductions
  Support MAJOR reductions

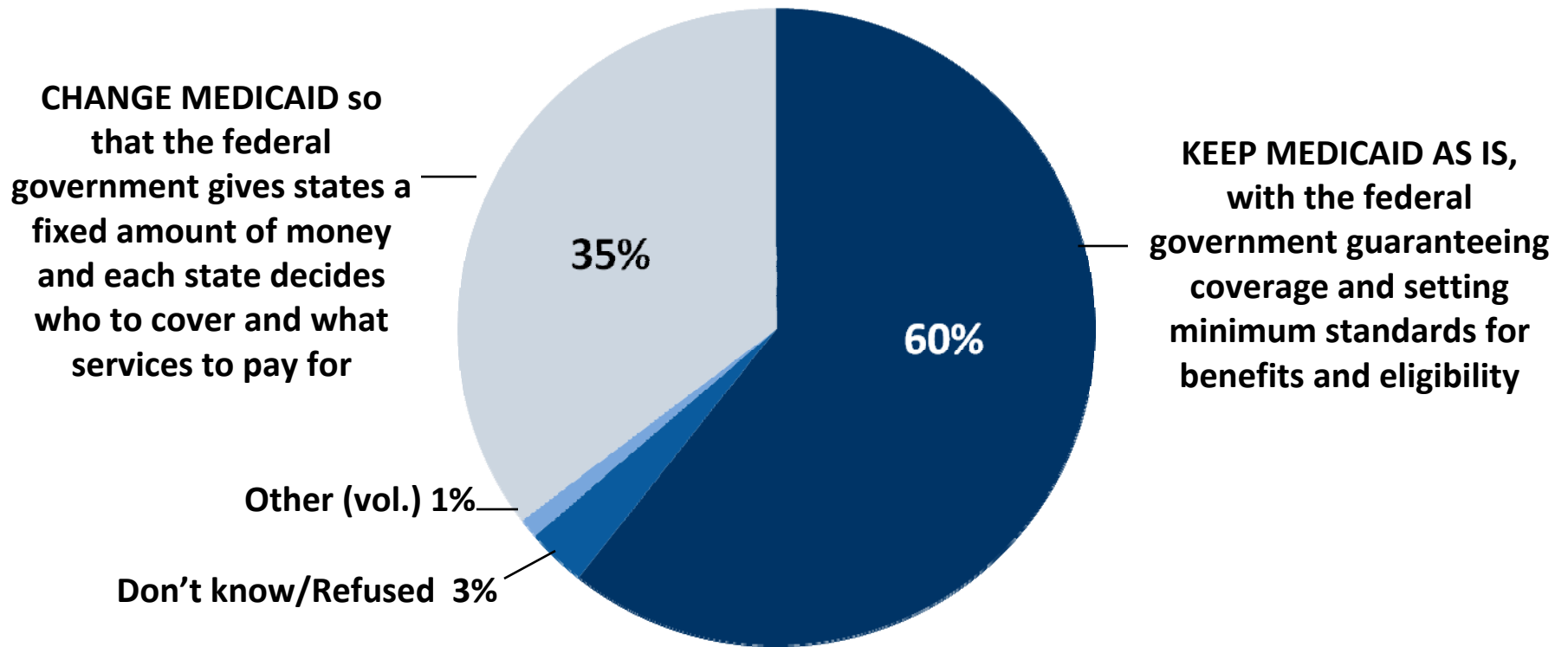


Note: Don't know/Refused answers not shown.

Source: Kaiser Family Foundation *Health Tracking Poll* (conducted May 12-17, 2011)

# Reaction to Medicaid Block Grant Proposal

To reduce the budget deficit, some policymakers have suggested that the federal government reduce its Medicaid spending by giving each state a fixed amount of money and eliminating federal minimum standards for Medicaid. Which would you prefer:

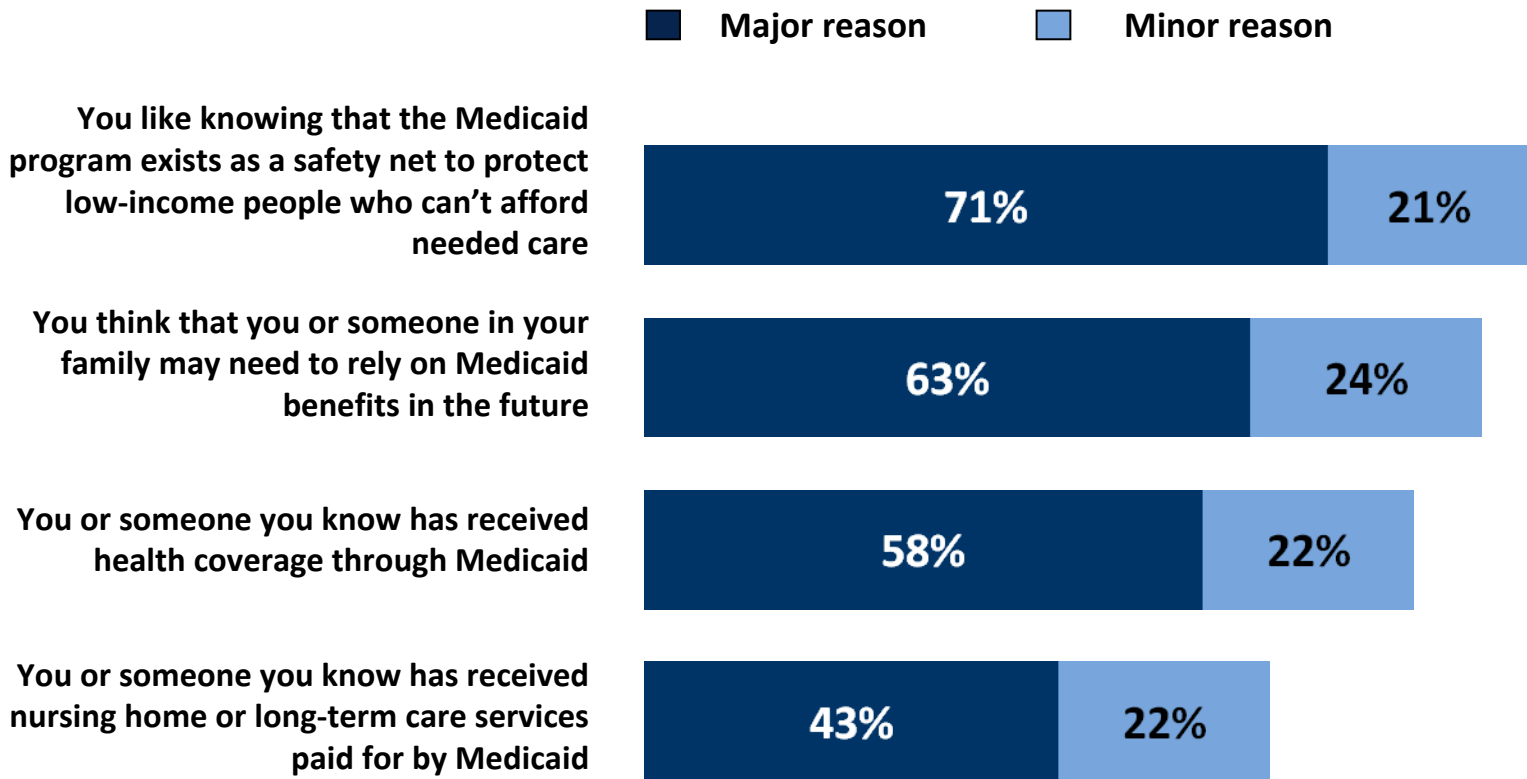


Source: Kaiser Family Foundation *Health Tracking Poll* (conducted May 12-17, 2011)



# The public recognizes Medicaid's importance.

Among the 49% who say Medicaid is “very” or “somewhat” important, percent who say each of the following is a reason:\*

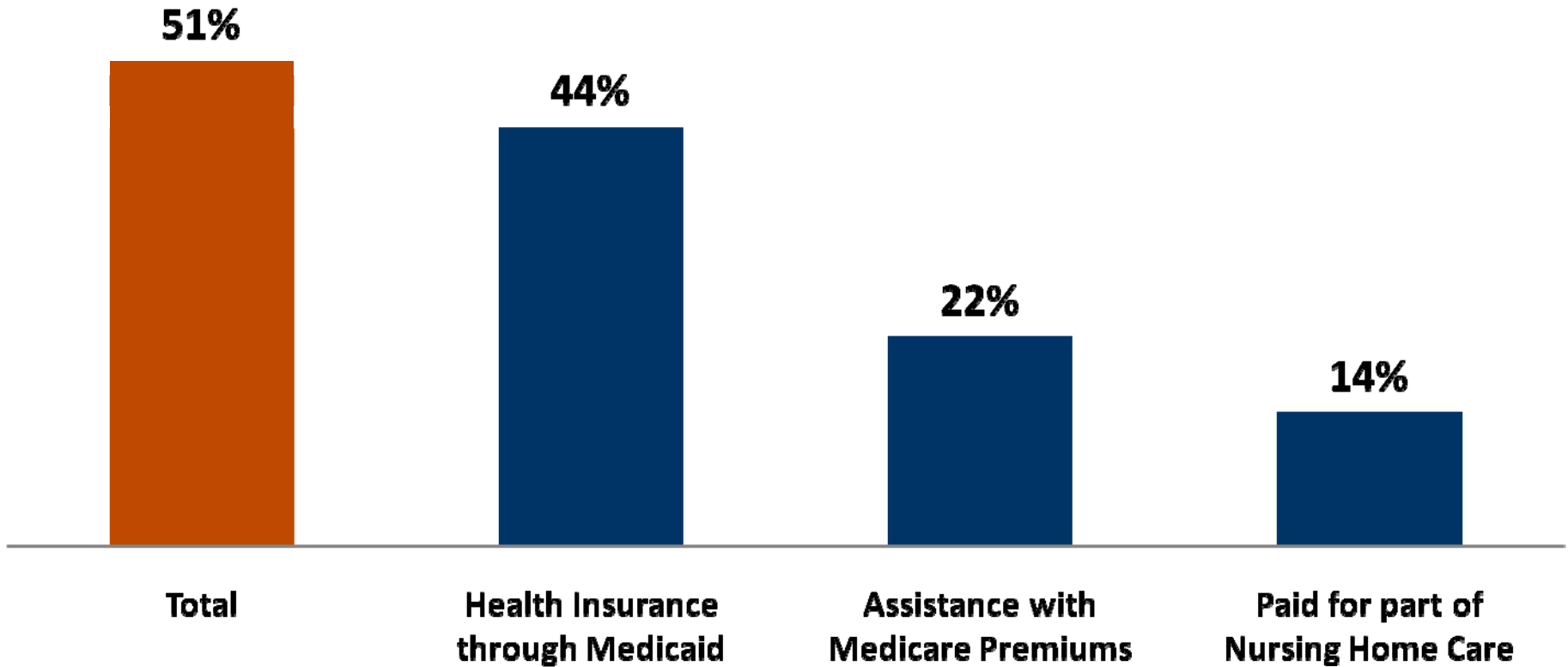


\*"Not a reason" and Don't know/Refused answers not shown.

Source: Kaiser Family Foundation Health Tracking Poll (conducted May 12-17, 2011)

# Many Americans have a connection to Medicaid.

Percent receiving help personally or for friend or family



# What's at stake in Medicaid Reform?

- **The millions of Americans who gain access to needed health services**
- **Ability to mitigate the growth in America's uninsured population**
- **Assistance to the sickest and most disadvantages in our society, at good value**
- **Ability to respond to new and emerging health problems (eg. HIV/AIDS)**
- **Support of the nation's safety net**
- **A cornerstone of our health care system**