

# The Role of Medicaid and the State Children's Health Insurance Program in State Health Reform

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Figure 1

# Number of Nonelderly Uninsured Americans, 2004 - 2007

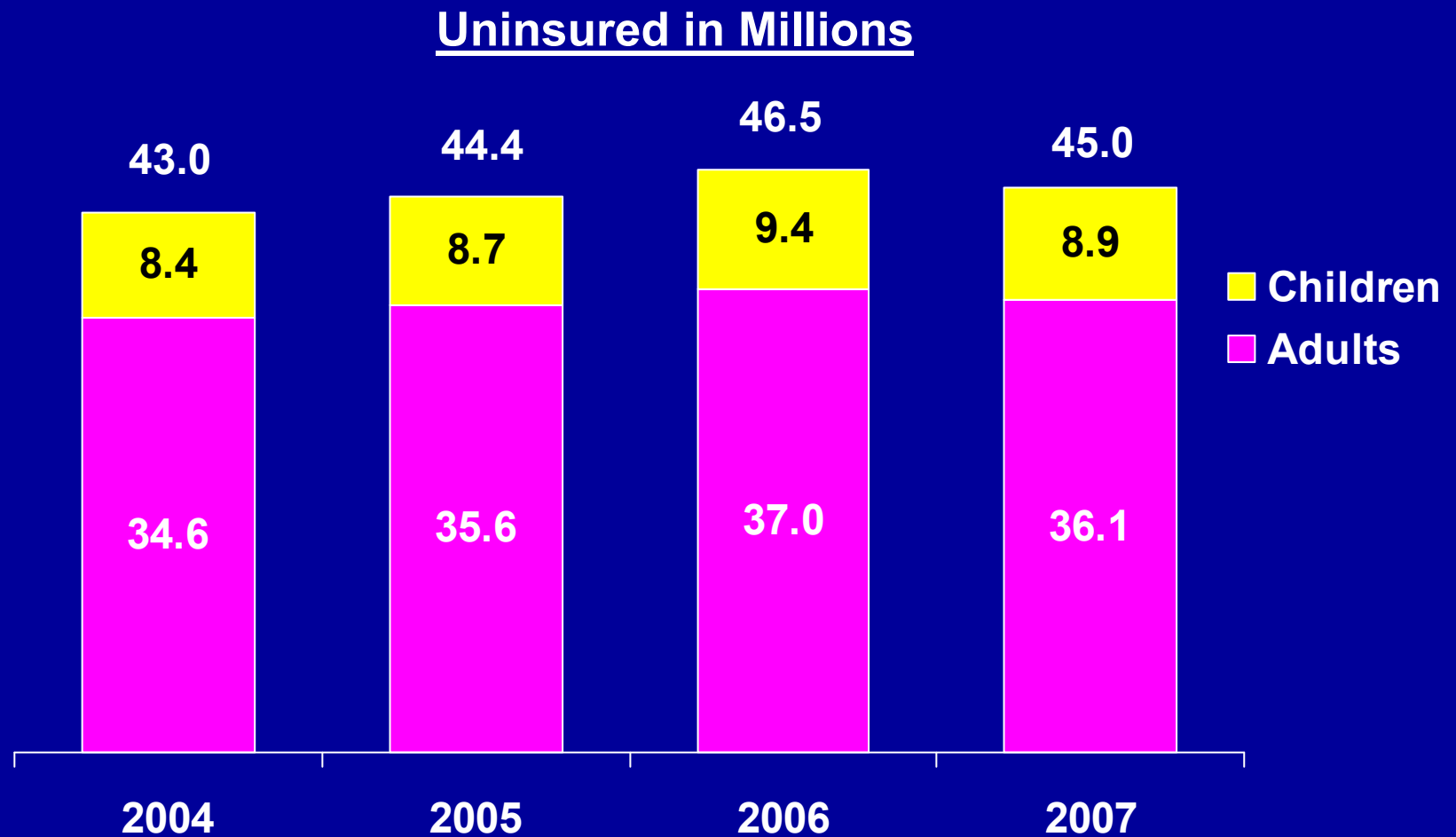
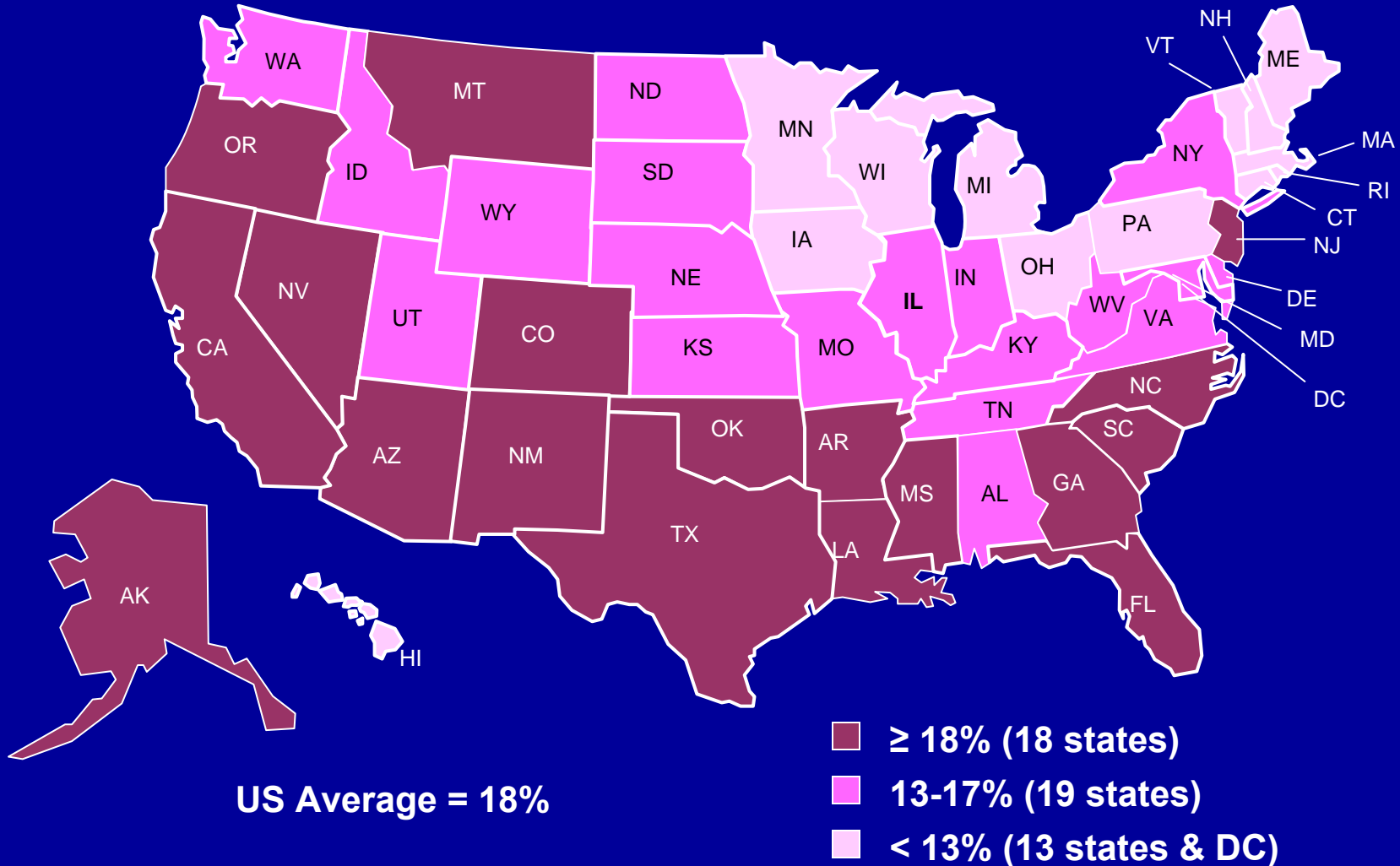


Figure 2

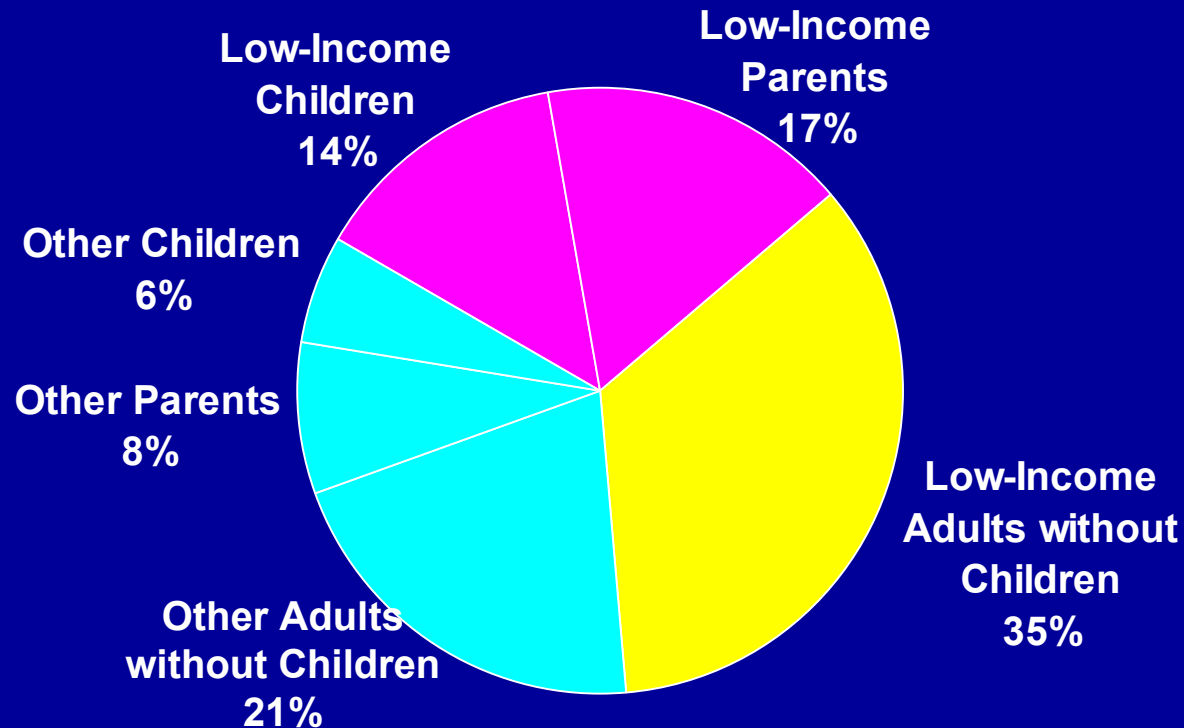
# Uninsured Rates Among the Nonelderly, by State, 2006-2007



SOURCE: Urban Institute and KCMU analysis of the March 2007 and 2008 Current Population Survey. Two-year pooled estimates for states and the US (2006-2007).

Figure 3

# The Nonelderly Uninsured, by Age and Income Groups, 2007



**Total = 45.0 million uninsured**

Low-income includes those with family incomes less than 200% FPL.  
SOURCE: KCMU/Urban Institute analysis of March 2008 CPS.

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Medicaid and the Uninsured

Figure 4

# Medicaid Today

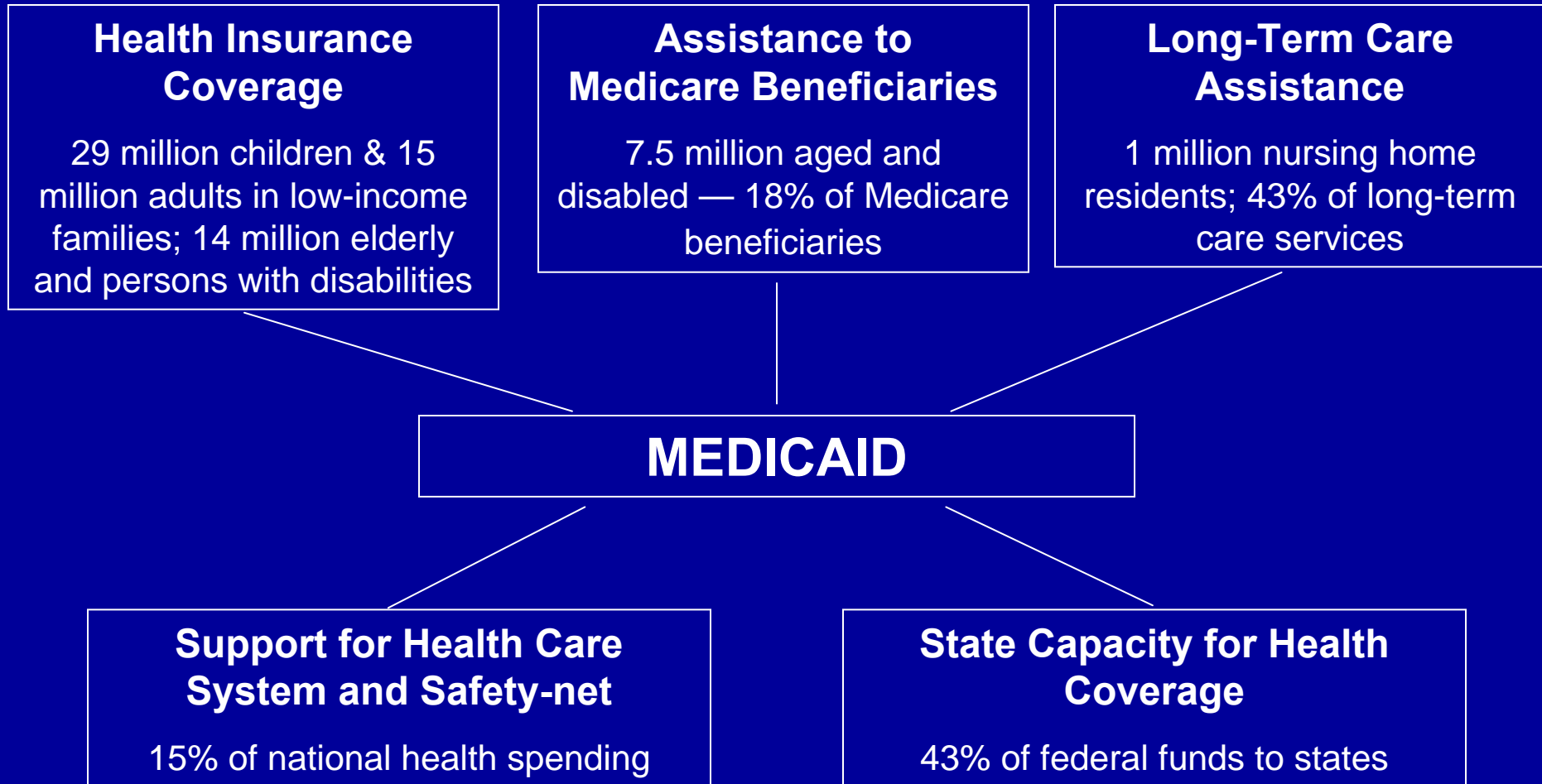
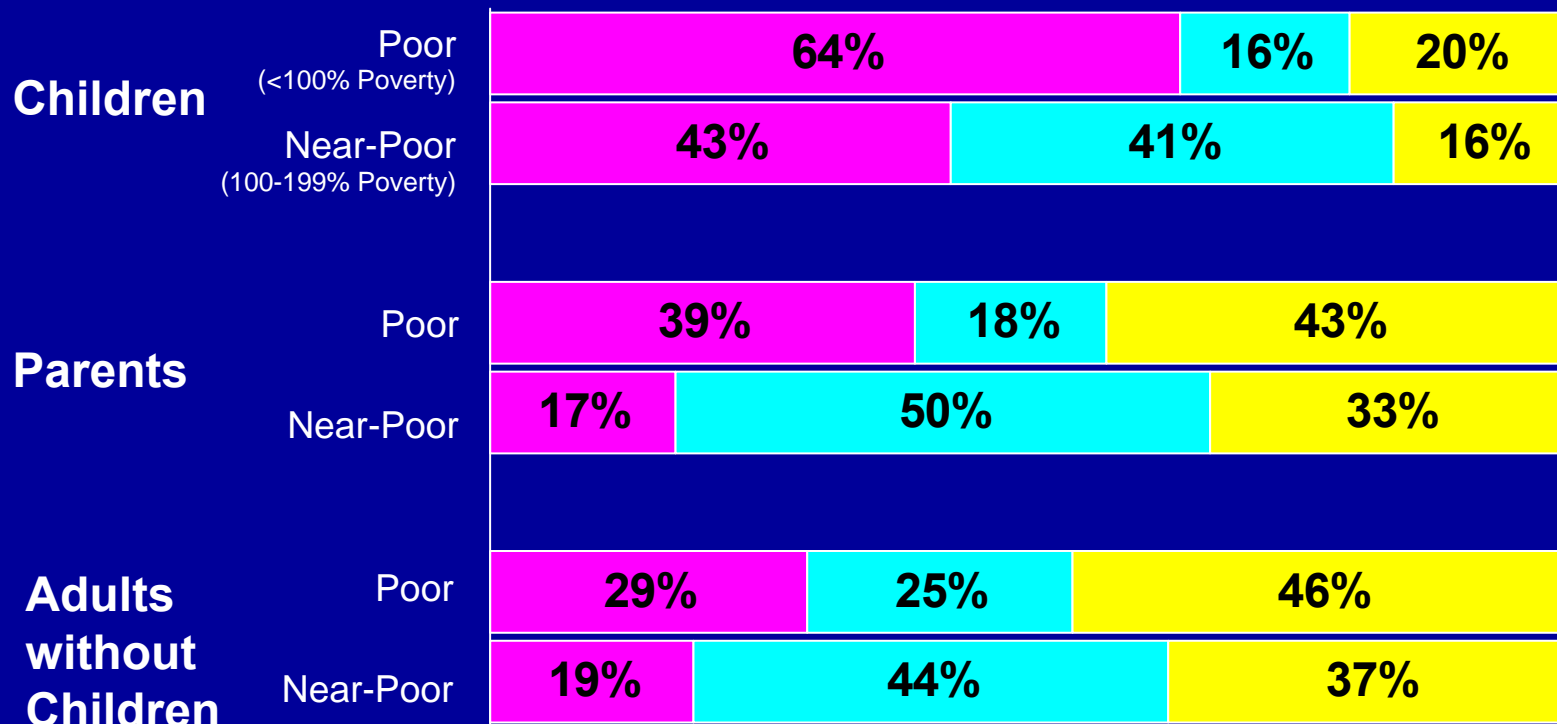


Figure 5

# Health Insurance Coverage of Low-Income Adults and Children, 2007

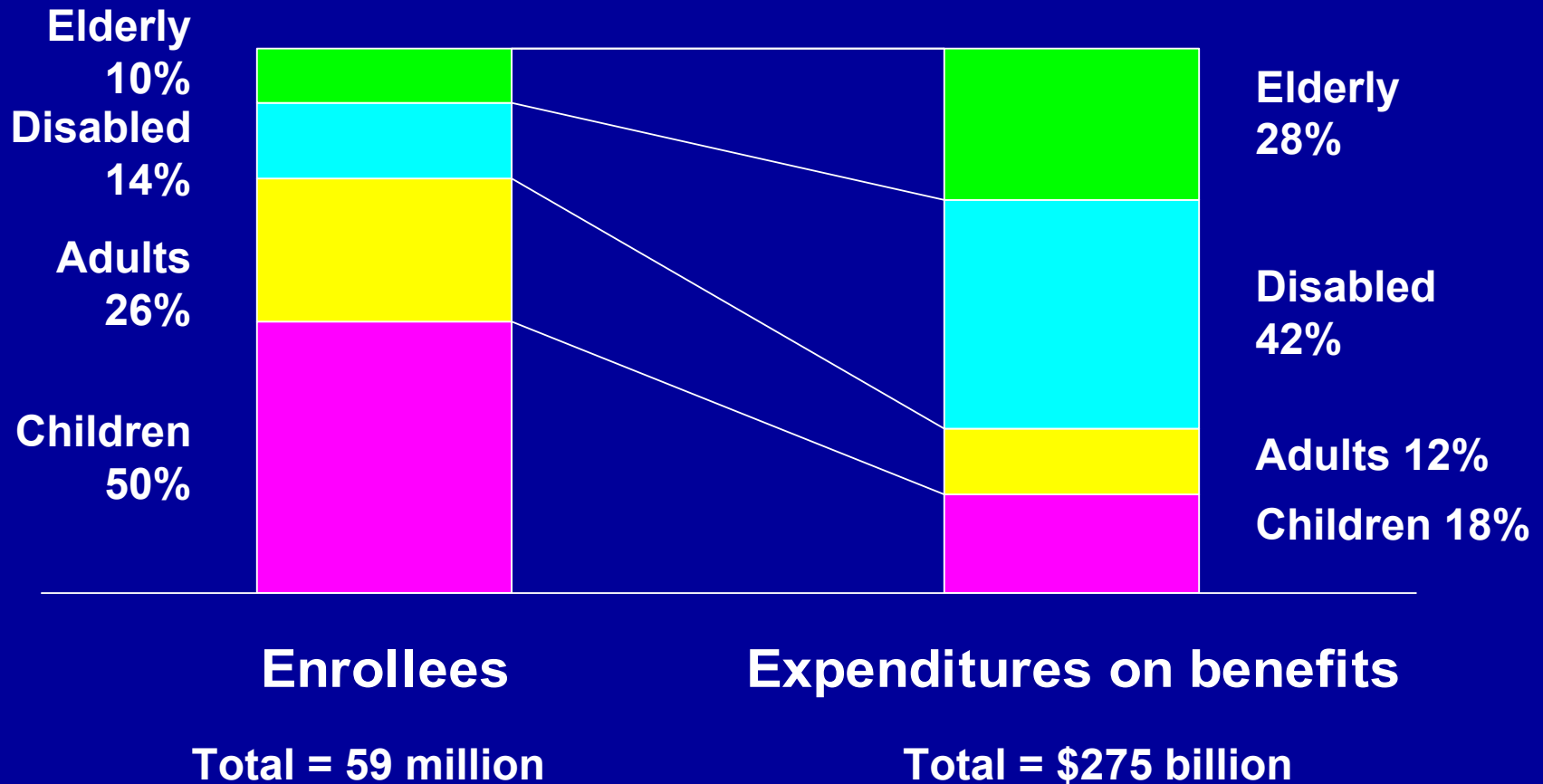
■ Employer/Other Private 
 ■ Medicaid/Other Public 
 ■ Uninsured



SOURCE: KCMU/Urban Institute analysis of March 2008 CPS.

Figure 6

# Medicaid Enrollees and Expenditures by Enrollment Group, 2005

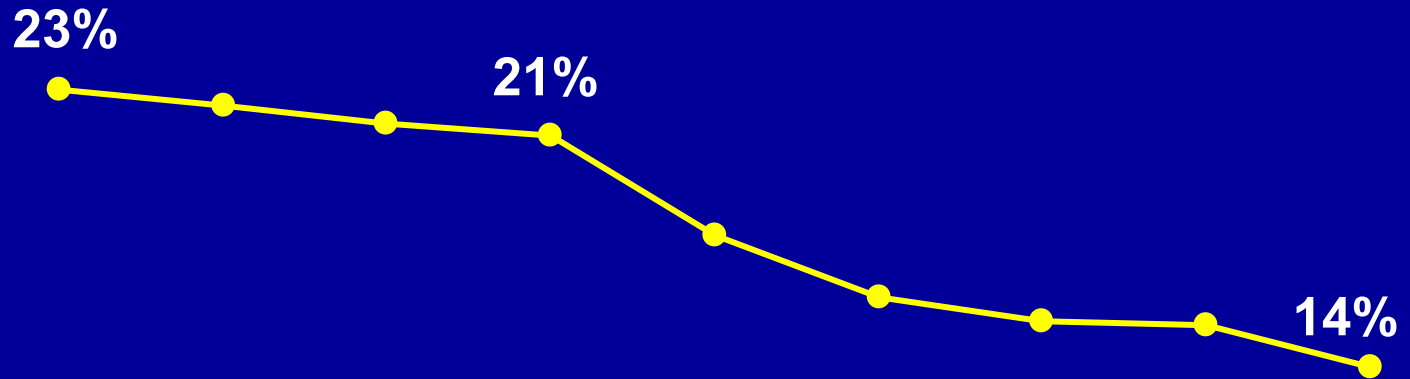


SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on 2005 MSIS data.

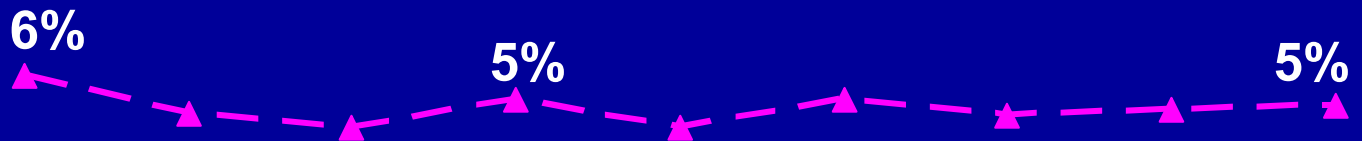
Figure 7

# Percentage of Children Without Health Insurance, By Poverty Level, 1997-2005

Children below 200% of poverty



Children above 200% of poverty



1997 1998 1999 2000 2001 2002 2003 2004 2005

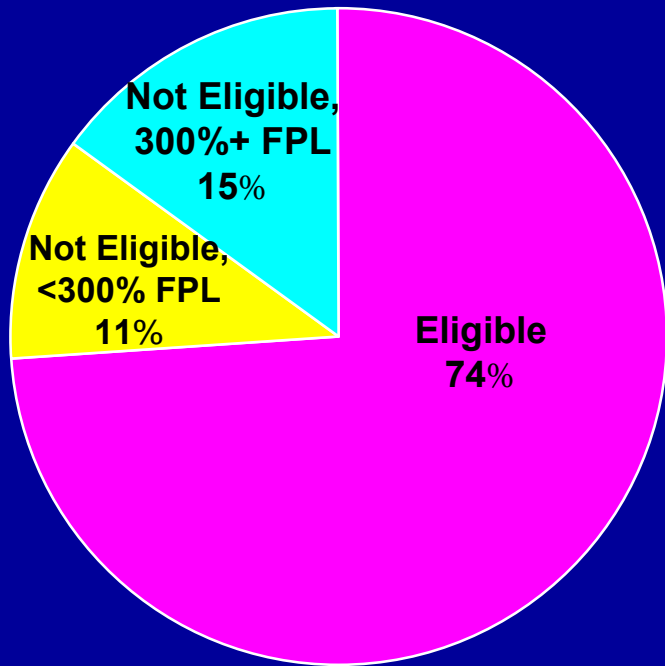
\* Survey method change in 2005 affects comparison with earlier years slightly. Children less than 18 years old.

K A I S E R C O M M I S S I O N O N

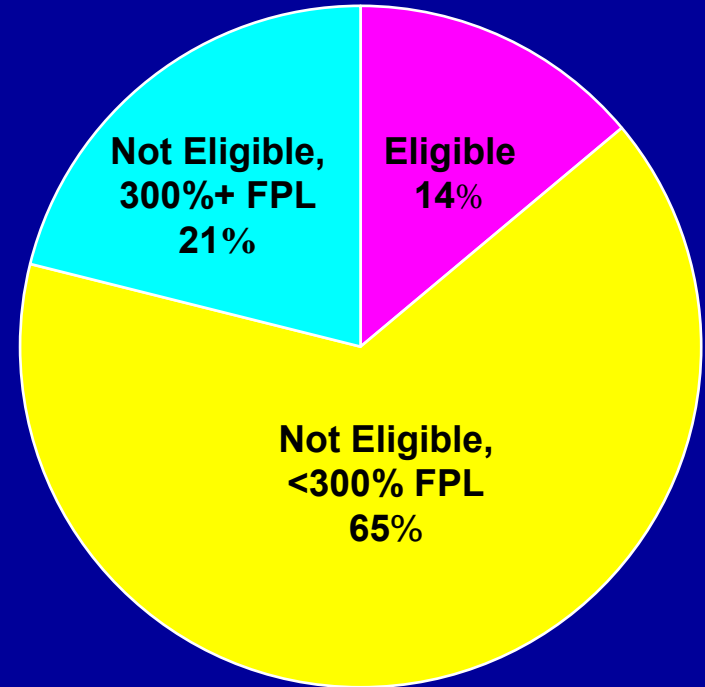
Source: L. Ku, "Medicaid: Improving Health, Saving Lives," Center on Budget and Policy Medicaid and the Uninsured Priorities analysis of National Health Interview Survey data, August 2005.

Figure 8

# The Uninsured by Income and Eligibility for Public Coverage, 2004



**Children**  
**8 Million Uninsured**



**Adults**  
**36.6 Million Uninsured**

\*The Federal Poverty Line (FPL) for a family of three in 2004 is \$15,067 per year

SOURCE: Urban Institute analysis of 2005 CPS for KCMU.

# Medicaid and SCHIP as Building Blocks

- Medicaid provides:
  - Mechanism for expanding coverage to children and some adults
  - Source of federal assistance through matching funds for increased coverage and provider payments
  - Delivery system on which to build
  - Additional financing vehicle through redirected DSH funds
- SCHIP provides:
  - Successful model for covering children
  - Enhanced federal financing, though amount is fixed

# Challenges to Building on Medicaid and SCHIP

- Medicaid:
  - Federal rules limit coverage options (childless adults excluded except with waiver)
  - Budget neutrality requirements
  - Partnership with federal government sometimes uncertain
- SCHIP
  - Federal funding capped
  - August 17<sup>th</sup> directive limited expansion efforts
  - Reauthorization debate raises questions about future of program
- States must still raise matching funds

# Medicaid and SCHIP Expansions for Children

- 25 states plus DC expanded eligibility for children
  - Several states expanded eligibility up to 300% FPL
  - Focus on outreach and simplifying enrollment processes
- Ten states enacted universal coverage for children
  - Hawaii, Illinois, Iowa, Maine, Massachusetts, New Jersey, Pennsylvania, Vermont, Washington, Wisconsin
  - Universal coverage builds on Medicaid/SCHIP coverage
  - Full buy-in for families with higher incomes
- Connecticut: automatic enrollment of all uninsured newborns

# Leveraging Medicaid/SCHIP to Expand Coverage for Adults

- Raising eligibility levels for parents (Maryland, New Jersey)
- Using/expanding waivers to cover childless adults (Wisconsin, Minnesota)
- Using Medicaid funding to purchase private insurance (Indiana, Vermont)
- Targeting small businesses (Oklahoma, New Mexico)
  - New group insurance options for small employers
  - Premium subsidies for low-income workers
  - Financed with Medicaid funds

# Using Medicaid to Address Other Health System Reforms

- Access to care
  - medical homes model
- Chronic care management
  - development of chronic care programs
  - advancing HIT
- Quality improvement
  - paying for performance
  - non-payment for medical errors
- Focus on prevention, consumer responsibility

# Massachusetts: Medicaid as Foundation for Broader Reform

- MassHealth
  - Expanded eligibility for children up to 300% FPL
  - Enrollment increase – 90,000
- Commonwealth Care
  - New public coverage option for adults up to 300% FPL
  - Care provided by Medicaid managed care plans
  - Financed with state and federal Medicaid funds
  - Enrollment – 175,000
- Other components
  - Individual and employer mandates
  - Commonwealth Connector

# Public Programs and Health Reform

- Recent public program expansions show opportunities for gains in coverage
  - States continuing to implement enacted expansions
  - Poor fiscal outlook for states may limit future efforts
- Problems with health care system remain
  - uninsured, rising health care costs, quality and access issues
  - public programs offer states mechanism for addressing some of these problems
- Despite challenges to health reform, states are not waiting on federal action