



Medicaid: US Safety Net Insurer

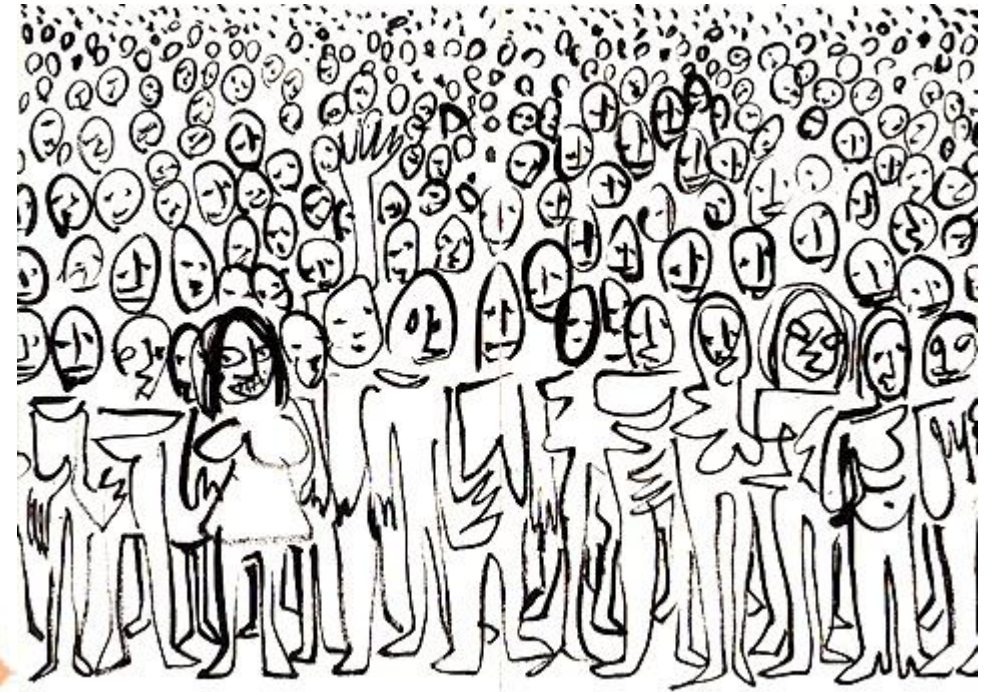
**Professor Fran Miller
University of Hawaii at Manoa
&
Boston University School of Law**

Medicaid = Gov't-Sponsored Health Insurance for Low-income People

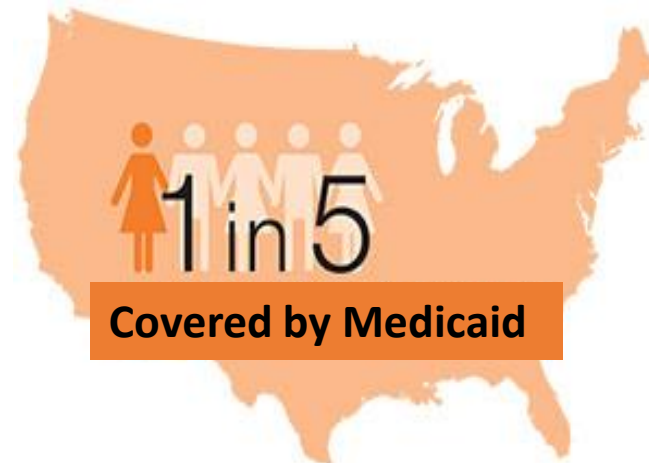
- Largest single US Health Insurer



- Covers > 70 Million Americans



- 1 in every 5 *people* in the country



Medicaid's National Economic Impact

- Medicaid pays for >16% of all US personal health care spending



Medicaid = Federal-State Cost-Sharing Health Insurance Program

Feds match state Medicaid spending on open-ended basis



Federal match rate varies by state, minimum of 51% in rich states 75% in poorest one (MS)*

from to almost

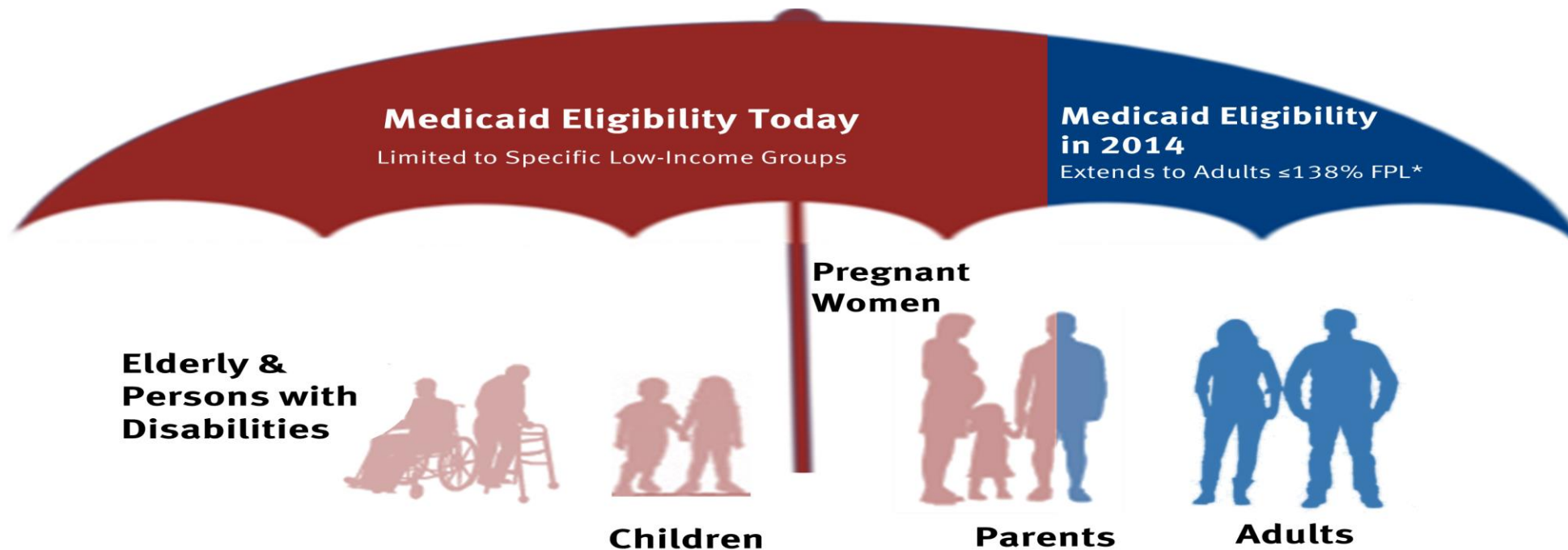


*Hawaii's federal share = 65.1% (2016); US Average: = 57% (2015)
54% of all federal funds received by Hawaii goes for Medicaid

In Addition: 33 States (incl D.C.) have opted to expand Medicaid

- States opting to expand Medicaid per the ACA now receive a 94% match for newly-eligible adults
- Phases down to 90% match in 2020 & beyond

The ACA Medicaid Expansion Fills Current Gaps in Coverage



NOTE: The June 2012 Supreme Court decision in *National Federation of Independent Business v. Sebelius* maintained the Medicaid expansion, but limited the Secretary's authority to enforce it, effectively making the expansion optional for states. 138% FPL = \$15,856 for an individual and \$26,951 for a family of three in 2013.

Who Has Medicaid Coverage?

- **Infants & children (1/2 of all enrollees)**



- **Pregnant women, parents & other non-elderly adults (the last category w incomes up to 138% of federal poverty level)**



- **(1/4 of enrollees)**

Who Has Medicaid Coverage? (cont.)

- **Individuals w disabilities**

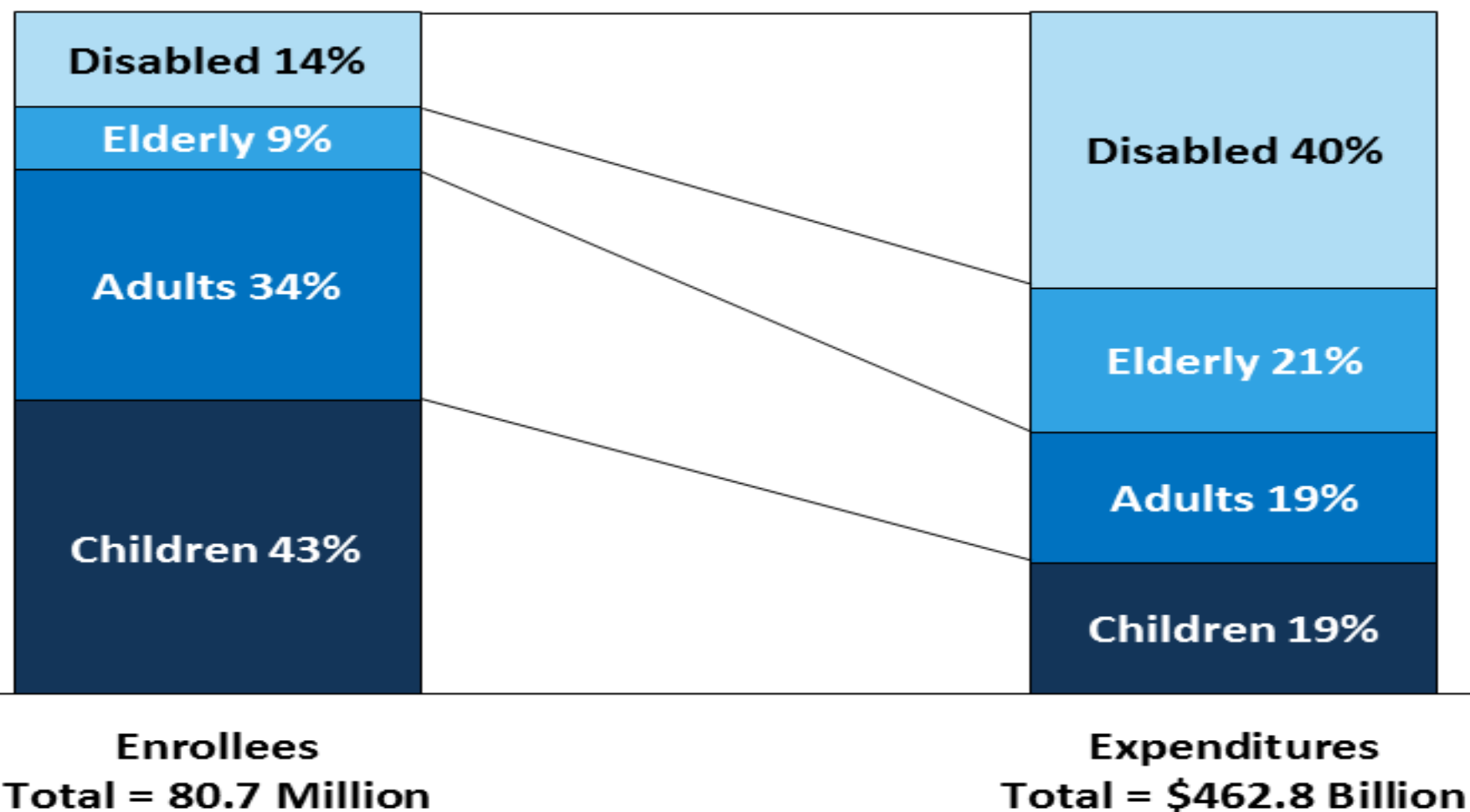
↑ (1/4 of enrollees) ↓

- **Very low-income seniors (dual Medicare/ Medicaid eligibles = 35,500 people in Hawaii)**



Figure 3

Distribution of Medicaid Spending by Eligibility Group, FY 2014



NOTE: Totals may not sum to 100% due to rounding.

SOURCE: KFF estimates based on analysis of data from the FFY2014 Medicaid Statistical Information System (MSIS) and CMS-64 reports. Because FFY2014 data was missing some or all quarters for some states, we adjusted the data using secondary data to represent a full fiscal year of enrollment.

Medicaid Coverage In Hawaii:

- 18% of people (348,000) are Medicaid/CHIP –

- 1 in 6 adults under 65

- 1 in 3 children

covered by



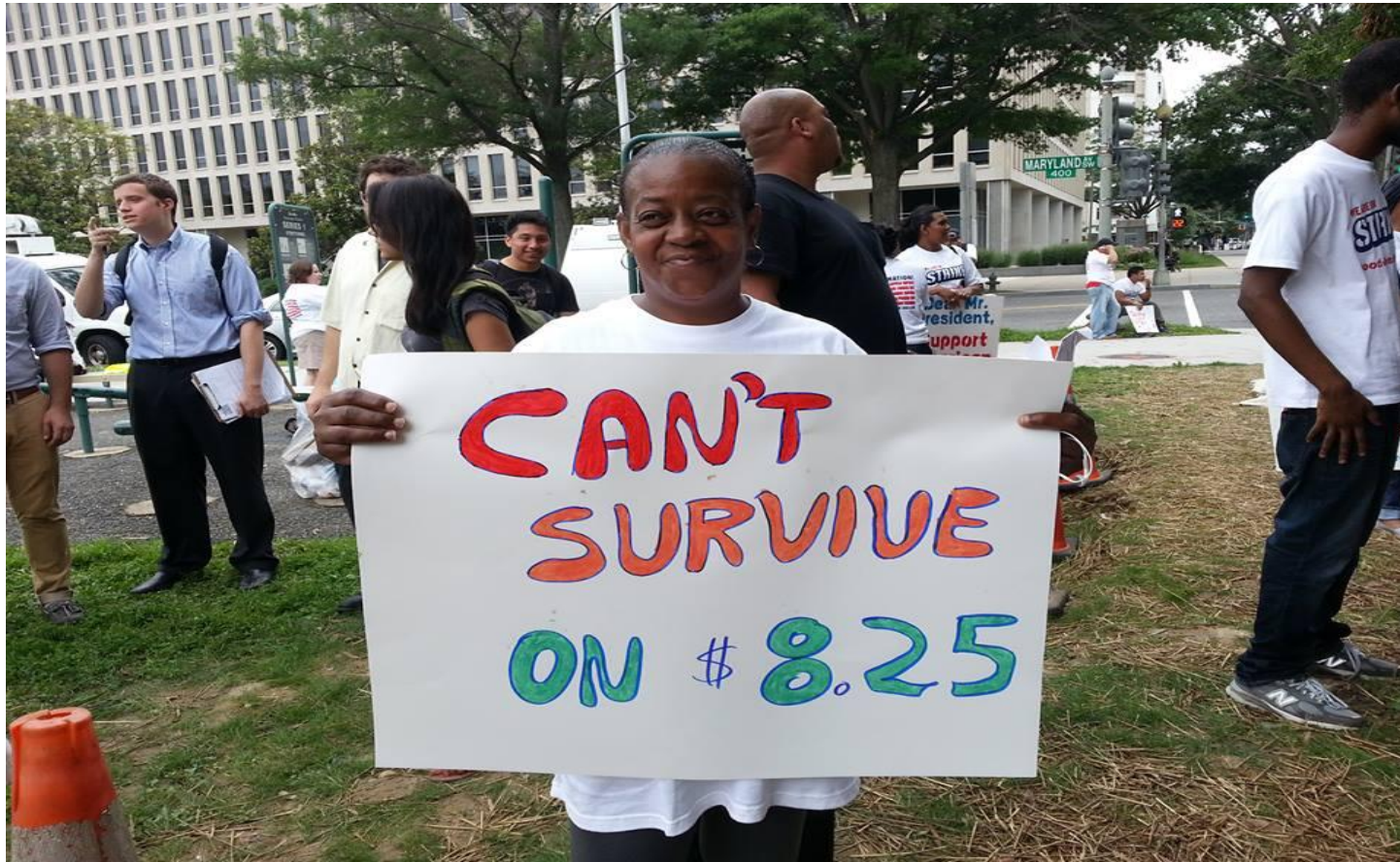
Medicaid Coverage In Hawaii (cont.):

- 3 in 5 nursing home residents those w community-based
- 2 in 5 people w disabilities



Who Has Medicaid Coverage?

- **3/4 of non-elderly adult Medicaid enrollees are *working***
(In Hawaii, 80% of adult & child enrollees are in families w at least one worker - in a low-paying job, clearly)



How Much Does Medicaid Cost?

- **Total state & federal Medicaid spending = \$574.2 B (2016)**

- **Total state & federal Medicaid spending *in Hawaii* = \$2,205 B (2016)**

- **Hawaii's share (34.9%) = \$769,236 Million (2016)**

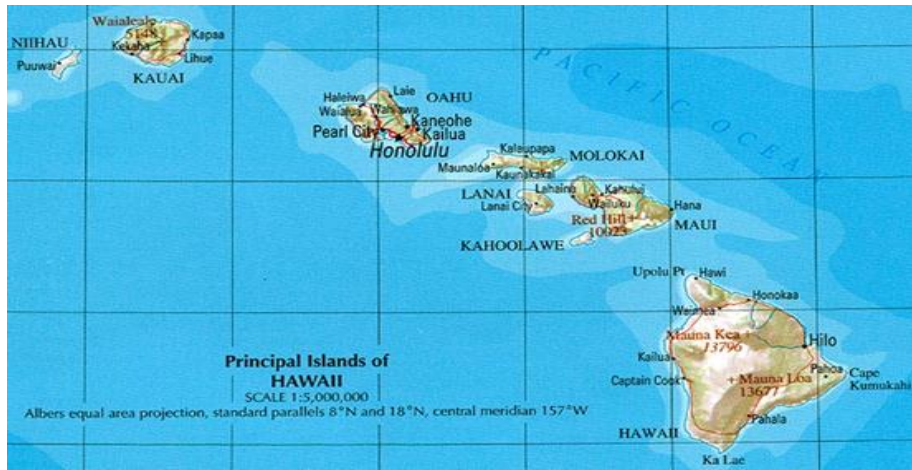
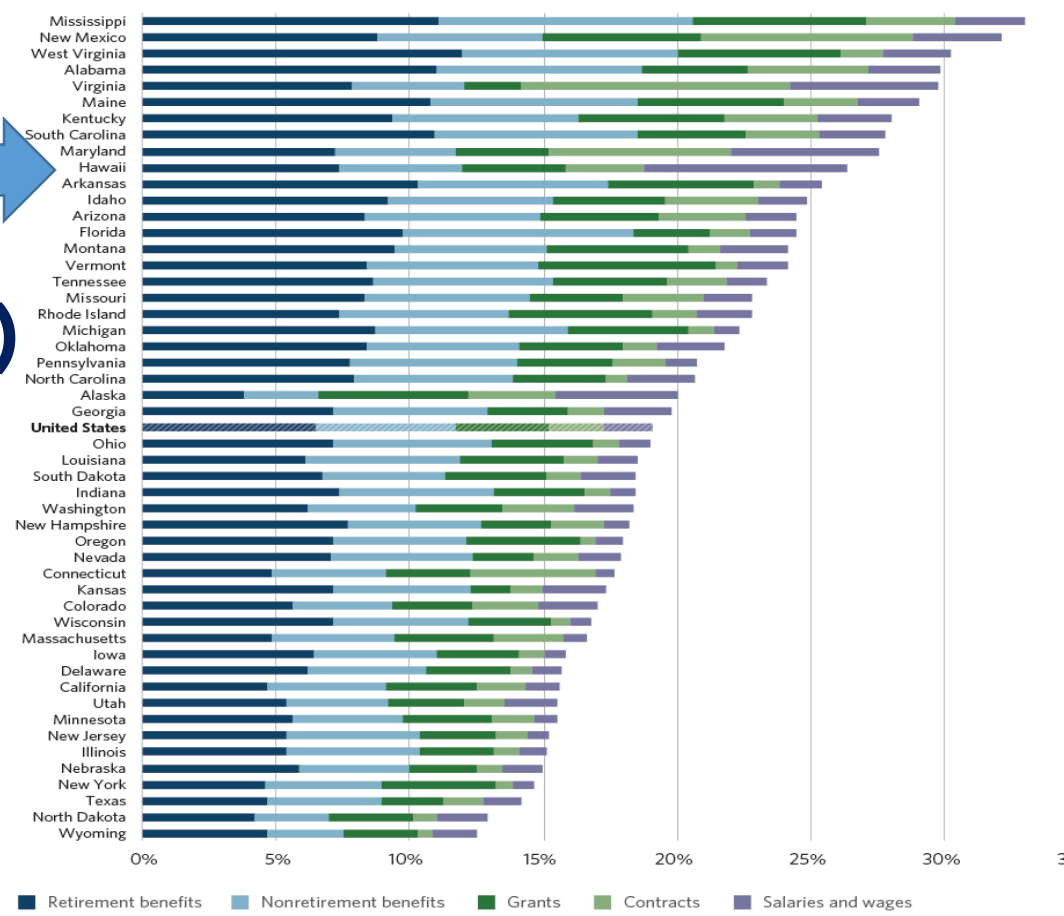


Figure 2
The Mix of Federal Spending Differs Among States
Types of federal spending relative to GDP by state, federal FY 2014



Notes: These data reflect the dollar value of federal spending relative to the size of each state's GDP but do not measure the federal government's contribution to state GDP. The District of Columbia is omitted because its data are outliers within the set. Total federal spending in the District was equivalent to 42.4 percent of the city's economy: 2.8 percent for retirement benefits, 1.6 percent for nonretirement benefits, 5.8 percent for grants, 13.6 percent for contracts, and 18.6 percent for salaries and wages.

Sources: Pew's analysis of data from the U.S. Department of Commerce's Bureau of Economic Analysis; USAspending.gov; U.S. Census Bureau; U.S. Office of Personnel Management; U.S. Department of Defense; and Alaska Department of Revenue
©2016 The Pew Charitable Trusts

Why is Medicaid Relatively Low Cost Per Enrollee?

- **Lower Medicaid provider payment rates**
 - HI Medicaid to Medicare MD fee ratio = .62



- **AND . . .**

- **Altho seniors & people w disabilities = only 1/4 of beneficiaries, They account for almost 2/3 of spending**

>1/2 of Medicaid spending goes for highest-cost 5% of enrollees



Medicaid Structure

- *Federal standards requirements*)

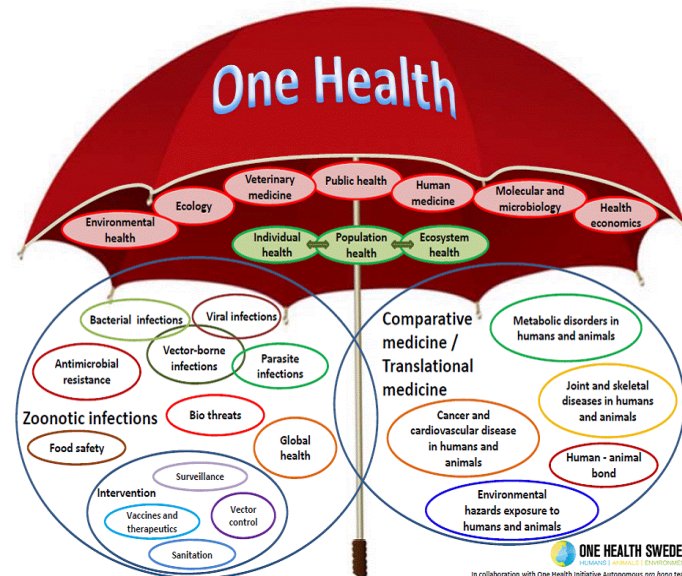


- *State Design & Administration re:*

- *Covered populations*

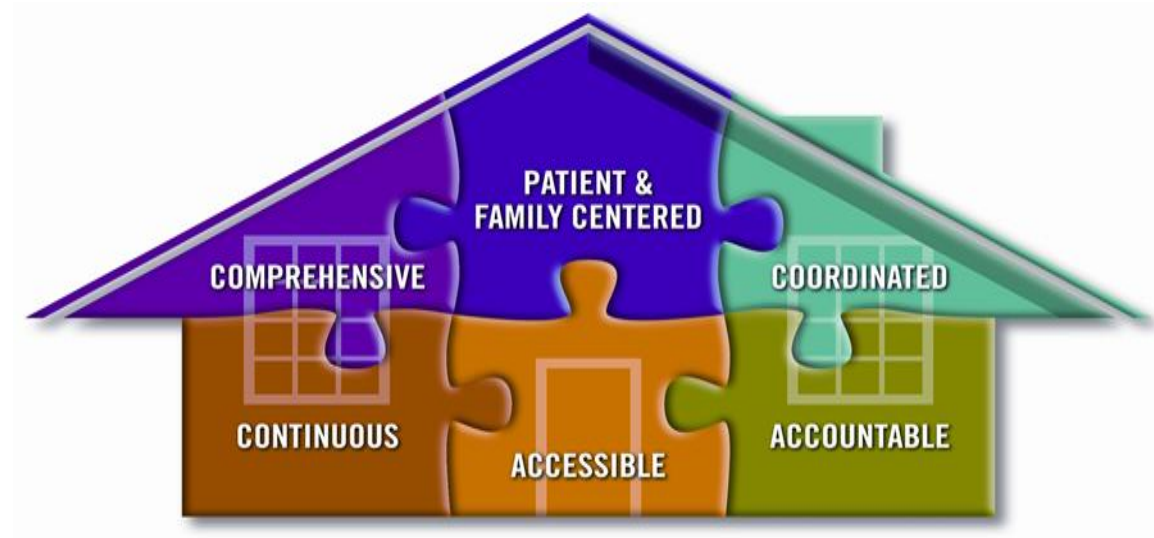


- *Covered services*



Structure: *State Design & Administration* (cont.)

- Health care delivery models



- Payment methodologies

BLOG POST

The Evolution of Shared Savings Methodologies for Medicaid ACOs

www.chcs.org | @CHCShealth

Medicaid Covered Services

- The ACA's 10 "essential health benefits," + long-term care, &



	Maternity Care		Hospitalization
	Rehabilitative & Habilitative Services		Laboratory Services
	Pediatric Services		Prescription Drugs
	Mental & Behavioral Health Treatment		Ambulatory Patient Services
	Preventive & Wellness Services		Emergency Services

- Optional services, such as:

- Physical therapy



- Eyeglasses, &



- Dental Care



How Medicaid Enrollees Get Care

- Primarily private, office-based MDs



- Community health centers

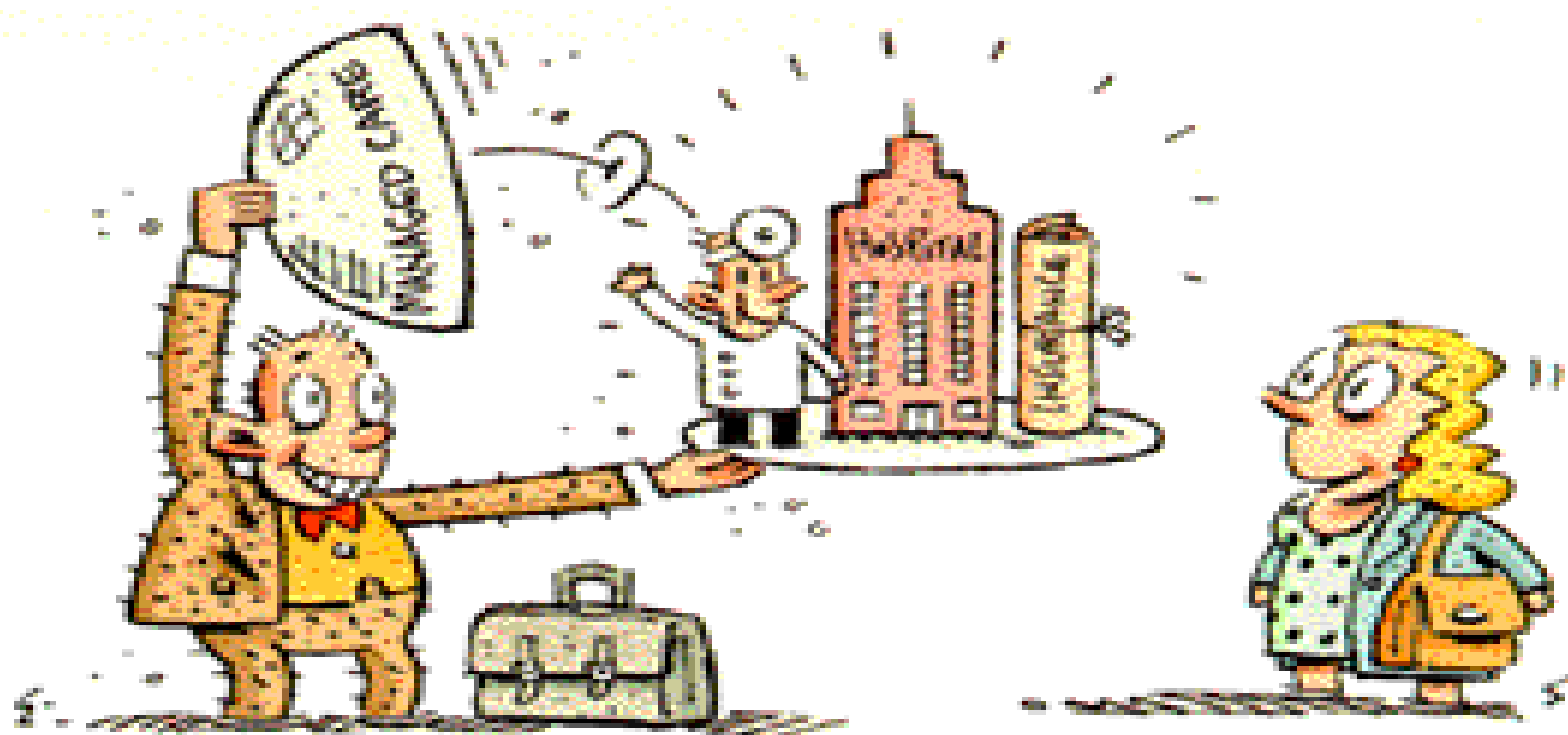


- Hospital out-pt clinics



> 60% of US Medicaid Patients Get Care:

- In private managed care plans K-ing w states to provide comprehensive services
 - i.e. the plans assume actuarial risk



In Hawaii:

100% of Medicaid beneficiaries are now in managed care plans



Your five choices for a QUEST Integration health plan are:

AlohaCare

HMSA

Kaiser Permanente

‘Ohana Health Plan

UnitedHealthcare Community Plan