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

Covered by Medicaid
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)*

*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.
Current Status of State Medicaid Expansion Decisions

NOTES: Current status for each state is based on KFF tracking and analysis of state executive activity. *AR, AZ, IA, IN, KY, MI, MT, and NH have approved Section 1115 expansion waivers. KY initially adopted expansion through a state plan amendment but received CMS approval for the Kentucky HEALTH expansion waiver on January 12, 2018; implementation will start in April 2018 with full implementation by July 2018. ME adopted the Medicaid expansion through a ballot initiative in November 2017; the ballot measure requires submission of a state plan amendment within 90 days and implementation of expansion within 180 days of the measure’s effective date. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion. SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 16, 2018. http://kff.org/health-reform/state-indicator/state-activity-arcund-expanding-medicaid-under-the-affordable-care-act/
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)

- (¼ of enrollees)
Who Has Medicaid Coverage? (cont.)

• Individuals w disabilities

(¼ 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

<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled</td>
<td>40%</td>
</tr>
<tr>
<td>Elderly</td>
<td>21%</td>
</tr>
<tr>
<td>Adults</td>
<td>19%</td>
</tr>
<tr>
<td>Children</td>
<td>19%</td>
</tr>
<tr>
<td>Disabled</td>
<td>14%</td>
</tr>
<tr>
<td>Elderly</td>
<td>9%</td>
</tr>
<tr>
<td>Adults</td>
<td>34%</td>
</tr>
<tr>
<td>Children</td>
<td>43%</td>
</tr>
</tbody>
</table>

Enrollees
Total = 80.7 Million

Expenditures
Total = $462.8 Billion

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 covered by Medicaid/CHIP –
  - 1 in 6 adults under 65
  - 1 in 3 children
Medicaid Coverage In Hawaii (cont.):

• 3 in 5 nursing home residents those w community-based care

• 2 in 5 people w disabilities
Who Has Medicaid Coverage?

• \( \frac{3}{4} \) 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)
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 ¼ 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, &

• 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