

Medicaid Coverage and Spending in Health Reform

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Briefing Charts
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Figure 1

Medicaid Today *and Tomorrow*

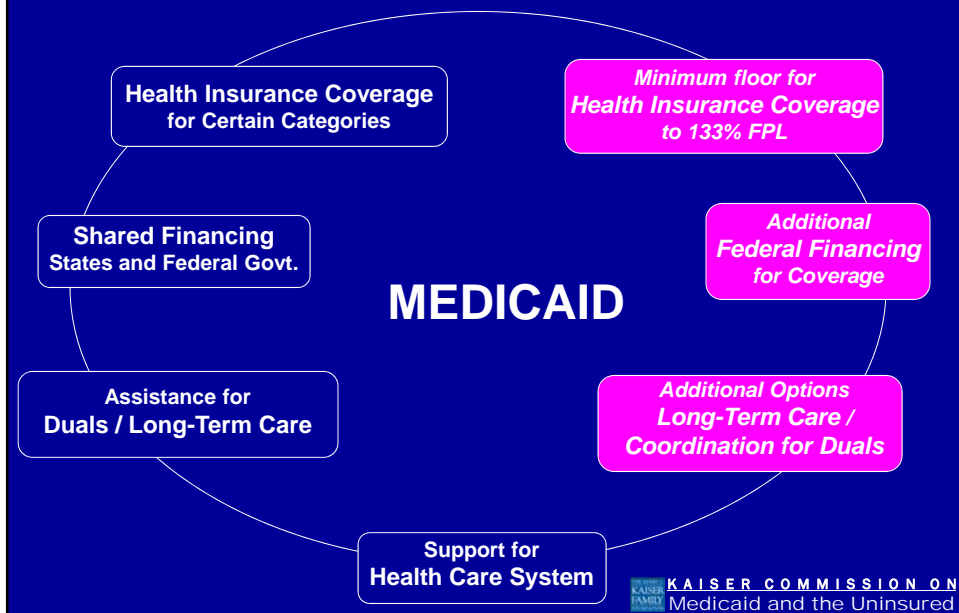
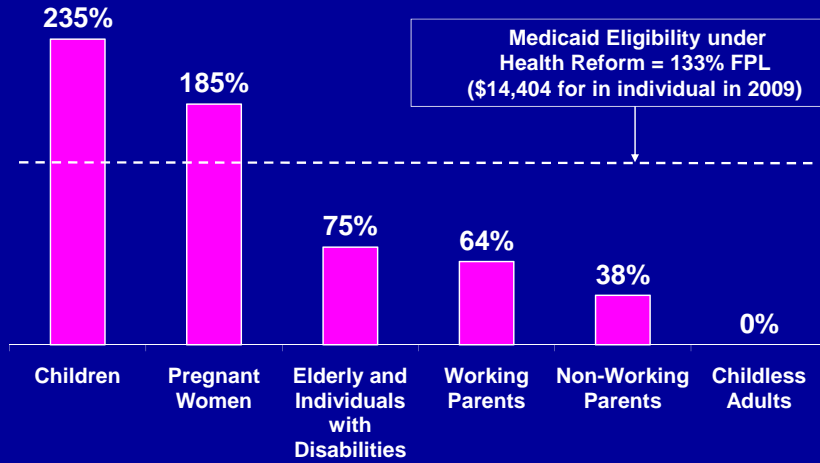


Figure 2

Median Medicaid/CHIP Income Eligibility Thresholds, 2009



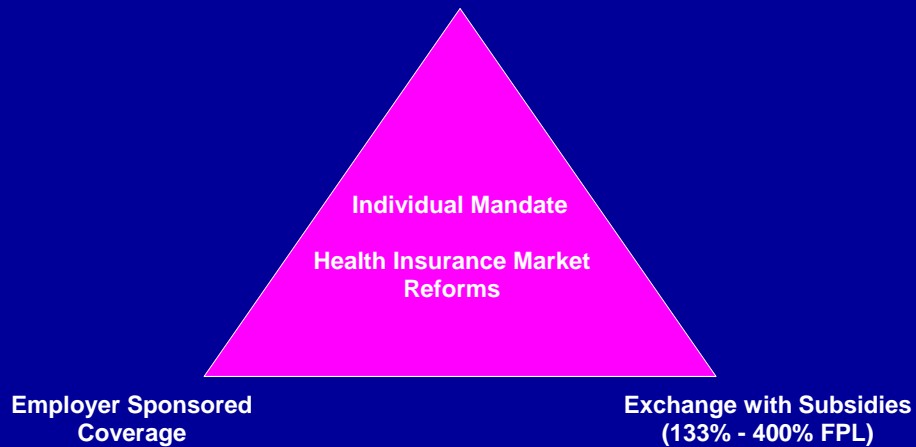
Note: Medicaid income eligibility for most elderly and individuals with disabilities is based on the income threshold of Supplemental Security Income (SSI).
SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2009. Federal poverty rate is \$10,830 for an individual in 2009.

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Figure 3

Expanding Medicaid is a Key Element in Health Reform

Medicaid Coverage to 133% FPL



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Figure 4

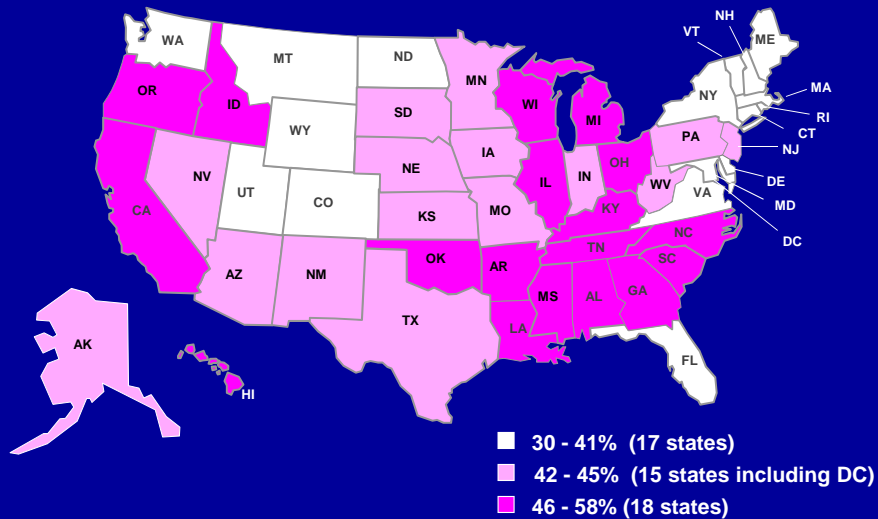
Key Medicaid Coverage Provisions

- Expands Medicaid to individuals with incomes to 133% FPL in 2014
 - Maintain Medicaid coverage for adults >133% FPL until 2014
- Provides enhanced federal funding for new eligibles
 - Full federal funding for 2014-2016; phases down to 90% by 2020
 - Phases in FMAP increase (= 90% by 2020) for childless adults in expansion states with Medicaid coverage of childless adults today
 - Regular Medicaid match rate for “current eligibles”
- Provides state option to expand Medicaid coverage to childless adults with regular match starting April 1, 2010
- Simplifies enrollment processes and coordinates Medicaid coverage with exchanges

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Figure 5

Share of the Uninsured Adults At or Below 133% FPL by State, 2007-2008



SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2008 and 2009 Current Population Survey (CPS: Annual Social and Economic Supplements).

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Figure 6

Assessing the Medicaid Expansion in Health Reform

Provide national and state estimates of:

- Increases in Medicaid enrollment and reductions in the uninsured
- Changes in federal, state and total Medicaid spending between 2014-2019.
- Increases in state and federal enrollment and spending relative to enrollment and spending without reform

Figure 7

Summary of Findings

- Medicaid expansions will significantly expand coverage and reduce the number of uninsured
- The federal government will pay a very high share of new Medicaid spending in all states
- Increases in state spending are small compared to increases in coverage and relative to what states would have spent if reform had not been enacted

Figure 8

Methods

Data:

- **Model Database:** Model uses the Current Population Survey with data adjusted for the projected changes in population, incomes and insurance coverage prior to 2014 and the Medicaid undercount; undocumented immigrants are excluded
- **Eligibility Simulation:** Current eligibility determined by a detailed state level simulation model that identifies eligibility pathways for coverage e.g., Section 1115 waivers

Analysis


- Two alternative sets of participation rates uniformly applied across all states
 - Standard: Approximates rates used by CBO, similar to current rates
 - Enhanced: Assumes aggressive outreach efforts, higher than current rates
- Focus on 3 types of states: low coverage today (TX), broader coverage of parents (CA), current Medicaid coverage of childless adults (NY)
- Baseline of enrollment and expenditures (pre-reform law) is grown to 2019 following Congressional Budget Office projections

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Figure 9

The study did not address the following

- Effects of health reform beyond the coverage and cost impact of the Medicaid expansion
- Effect of shifting individuals with incomes above 133% FPL from Medicaid to the exchange
- Savings related to reductions in state payments for uncompensated care
- Impacts of reform on state expenditures for children
- Impacts of physician fee increases beyond 2014
- Effect of the reduction in federal DSH payments
- Effect of Medicaid expansions prior to 2014

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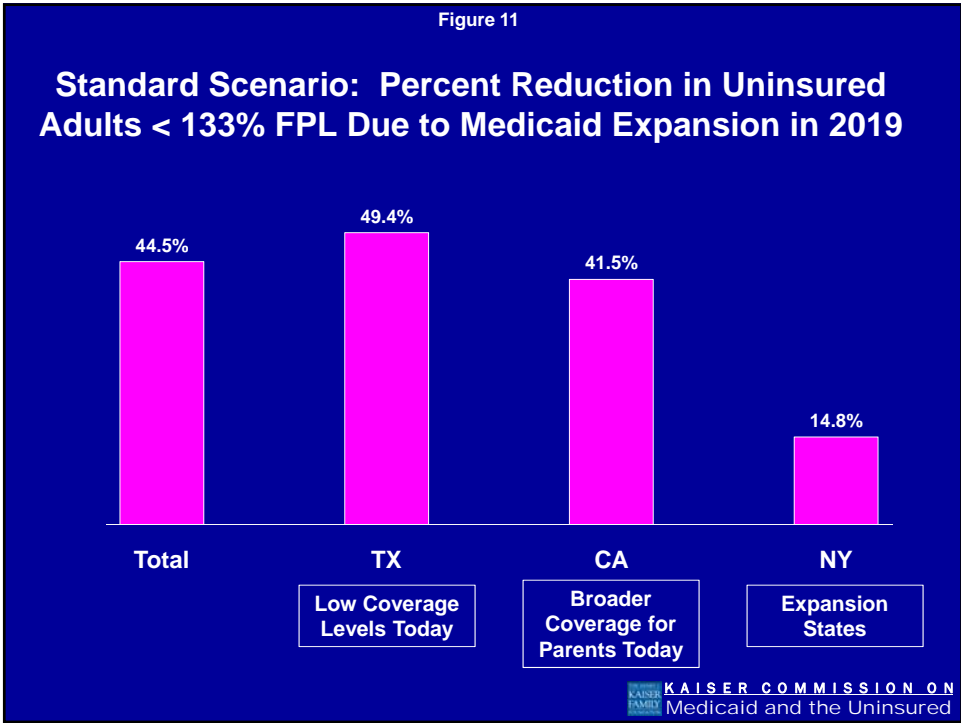
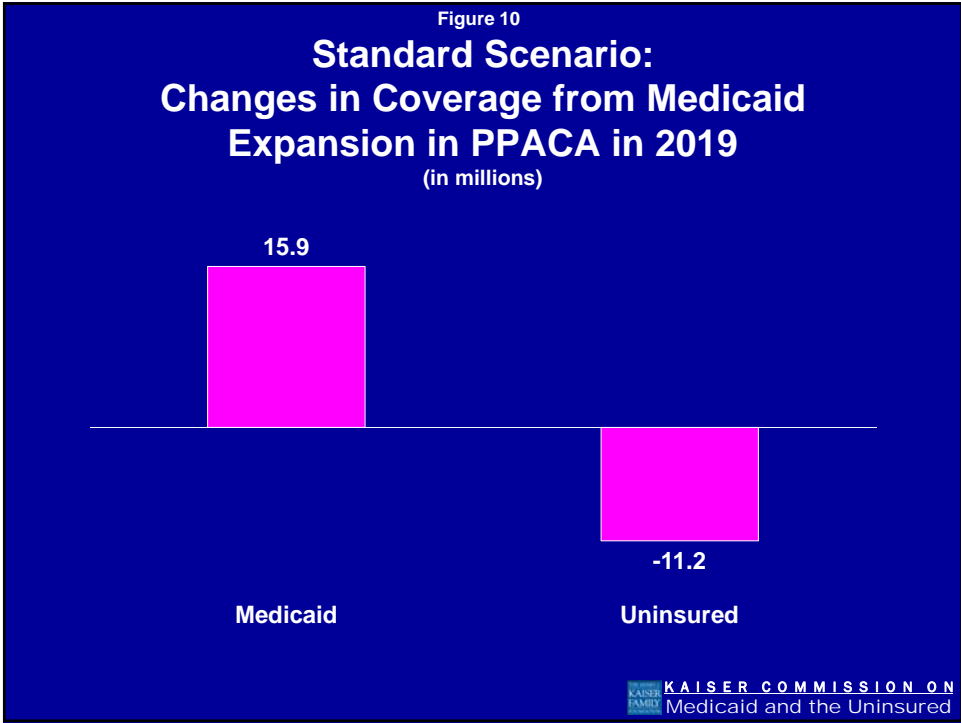
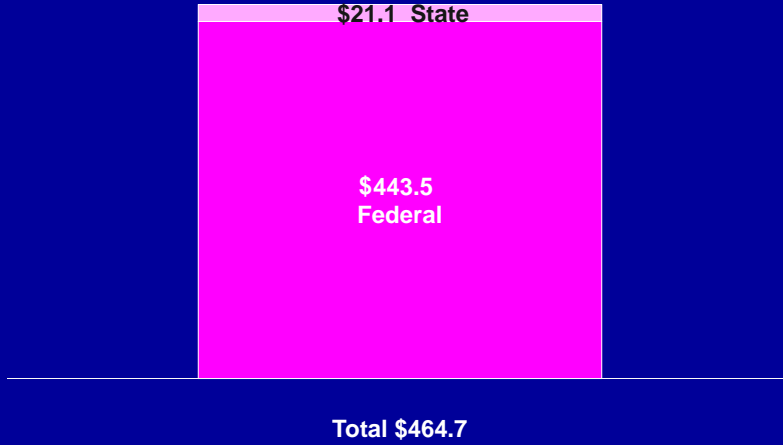


Figure 12

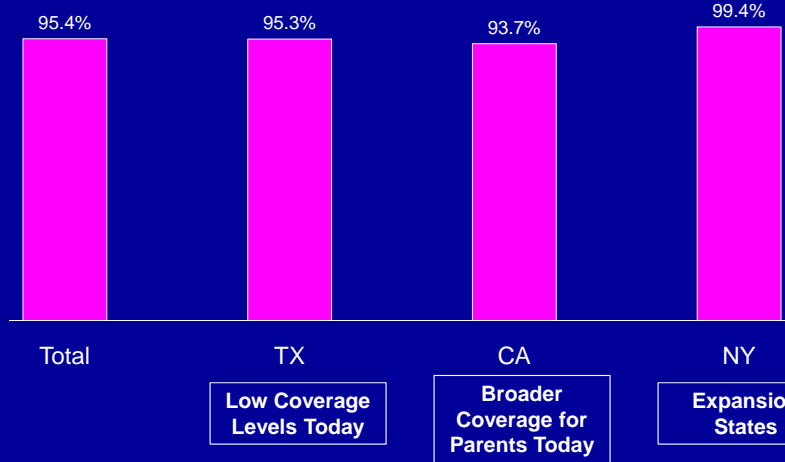
Standard Scenario: Changes in Costs from Medicaid Expansion in PPACA 2014-2019 (in billions)



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Figure 13

Standard Scenario: Federal Share of Costs of the Medicaid Expansion 2014-2019



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Figure 14

Standard Scenario: Enrollment and Spending Increases Over Baseline 2014-2019

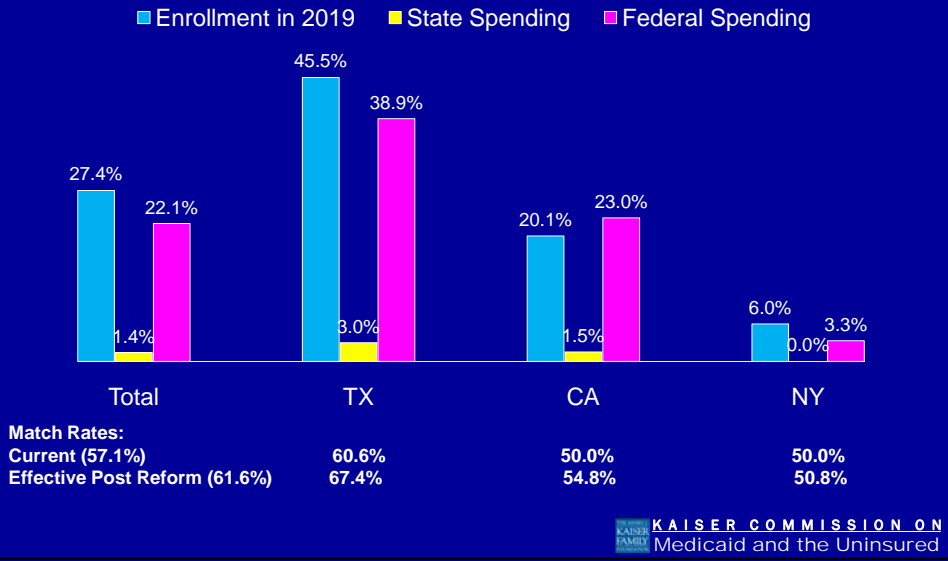


Figure 15

Changes in Coverage from Medicaid Expansion in PPACA in 2019 (in millions)

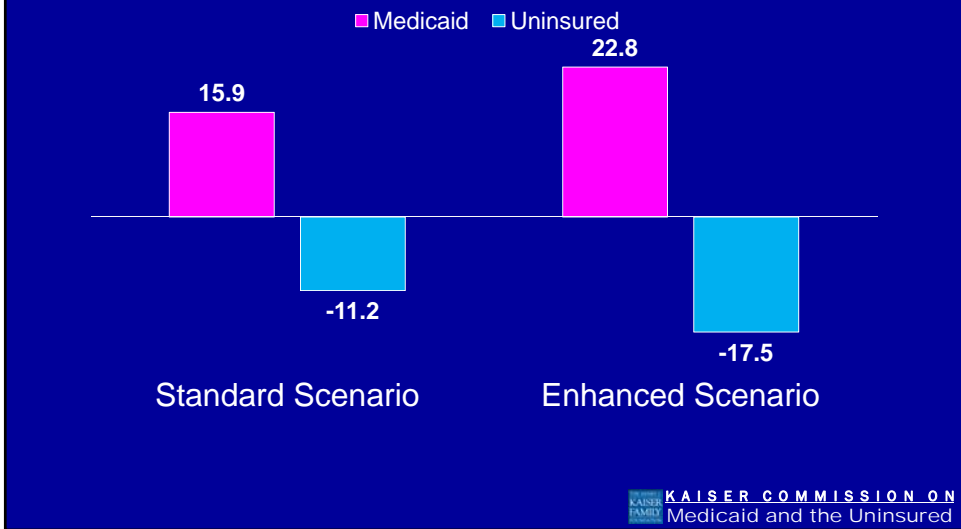
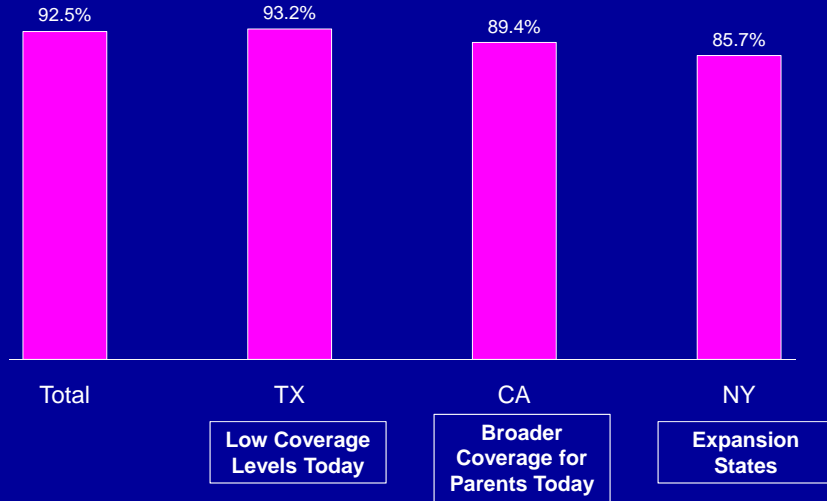


Figure 16

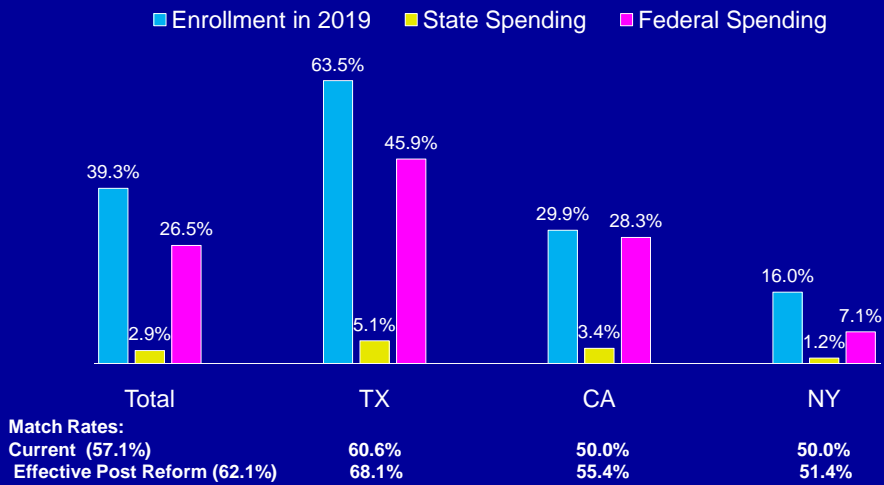
Enhanced Scenario: Federal Share of Costs of the Medicaid Expansion 2014-2019



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Figure 17

Enhanced Scenario: Enrollment and Spending Increases Over Baseline 2014-2019



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Figure 18

Summary and Implications

- Health reform will substantially expand Medicaid and reduce the uninsured, especially in states with low coverage levels today
- Most new Medicaid spending will be borne by the federal government
- Small investments by states will result in significant returns in federal revenues and increased coverage for low-income individuals
- Implementation of health reform may vary across states and will have important implications related to coverage (and cost) estimates
- New coverage is likely to reduce the need for state payments for uncompensated care