



THE KAISER COMMISSION ON
Medicaid and the Uninsured

Presentation Slides

*As Tough Times Wane, States Act to Improve
Medicaid Coverage and Quality:
A 50-State Medicaid Budget Survey
for State Fiscal Years 2006 and 2007*

Robin Rudowitz
Kaiser Commission on Medicaid and the Uninsured

and

Vernon Smith
Health Management Associates

**As Tough Times Wane, States Act to Improve
Medicaid Coverage and Quality:
A 50-State Medicaid Budget Survey
for State Fiscal Years 2007 and 2008**

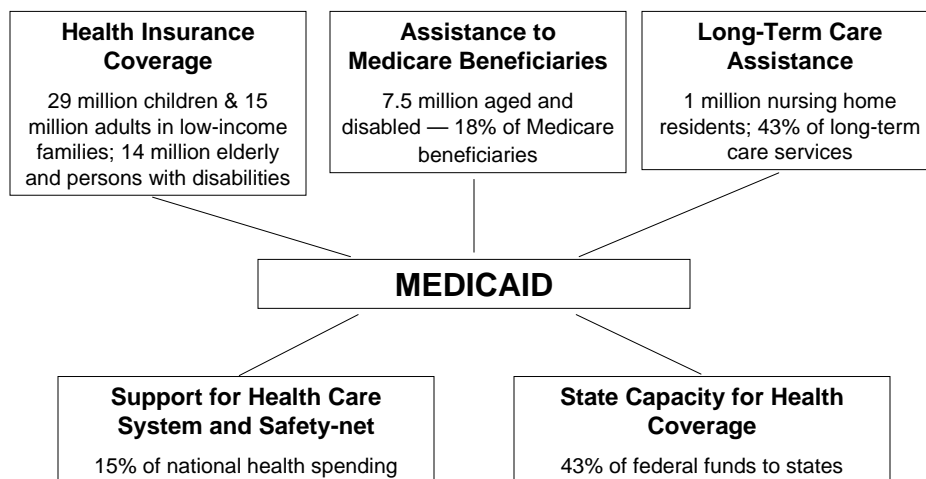
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Health Management Associates
and
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Kaiser Commission on Medicaid and the Uninsured

October 2007

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Figure 1

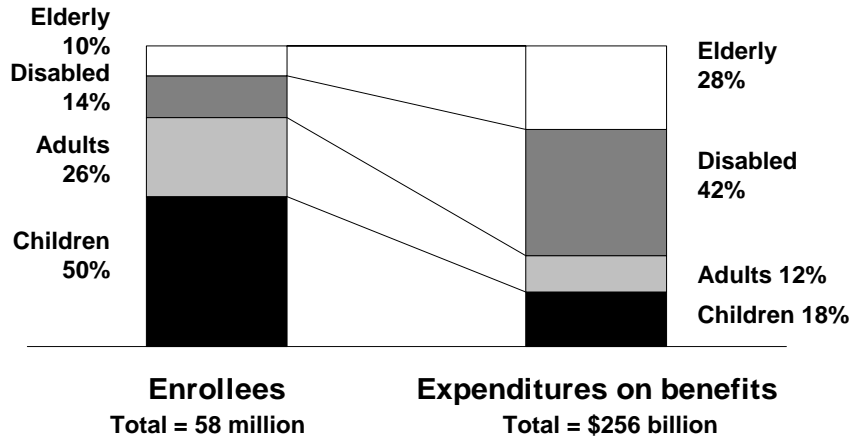
Medicaid Today



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Figure 2

Medicaid Enrollees and Expenditures by Enrollment Group, 2004



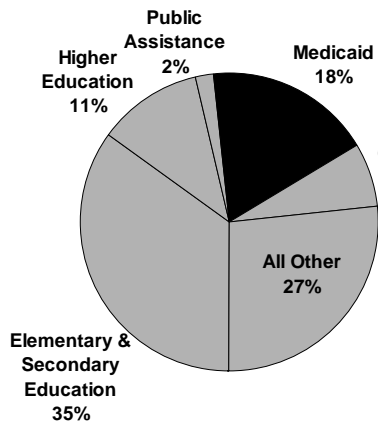
SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on FY 2004 MSIS data.

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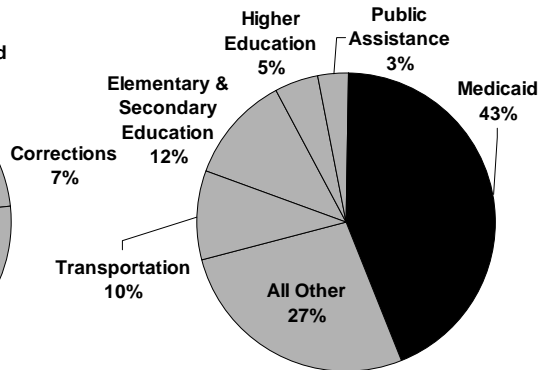
Figure 3

Medicaid Spending In the States, 2006

State General Fund Spending
\$585 billion



Federal Funds to States by Program
\$378 Billion

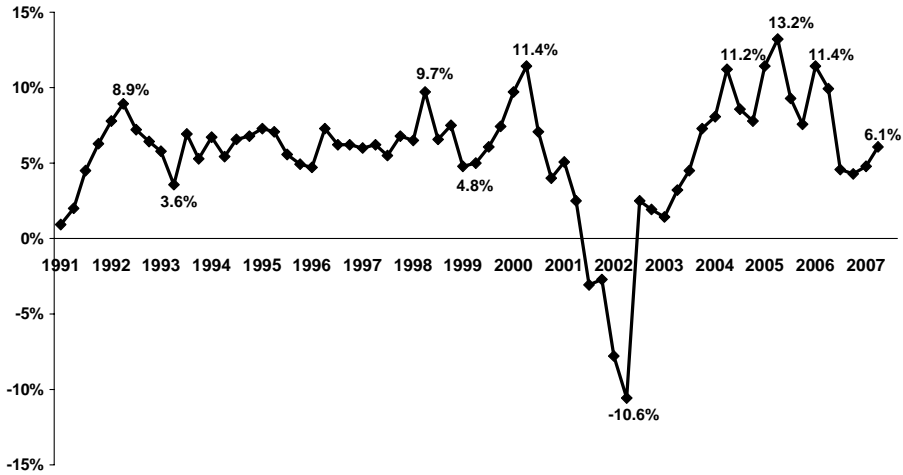


SOURCE: National Association of State Budget Officers, 2005 State Expenditure Report, Fall 2006

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Figure 4

Quarterly State Tax Revenue Growth, 1991-2007



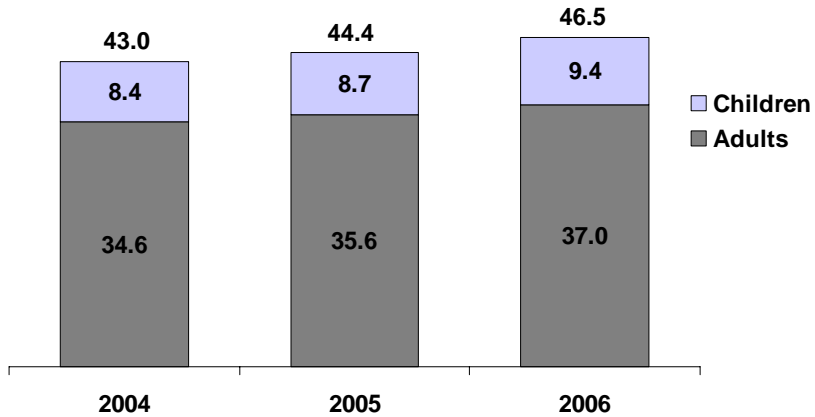
SOURCE: Percentage Change in Quarterly State Tax Revenue with Adjustments, National Data 1991 to 2007. *Rockefeller Institute of Government Data*. Total Nominal Change - Not adjusted for inflation or legislation.

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Figure 5

Number of Nonelderly Uninsured Americans, 2004 - 2006

Uninsured in Millions



SOURCE: KCMU/Urban Institute analysis of March CPS for each year.

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Figure 6

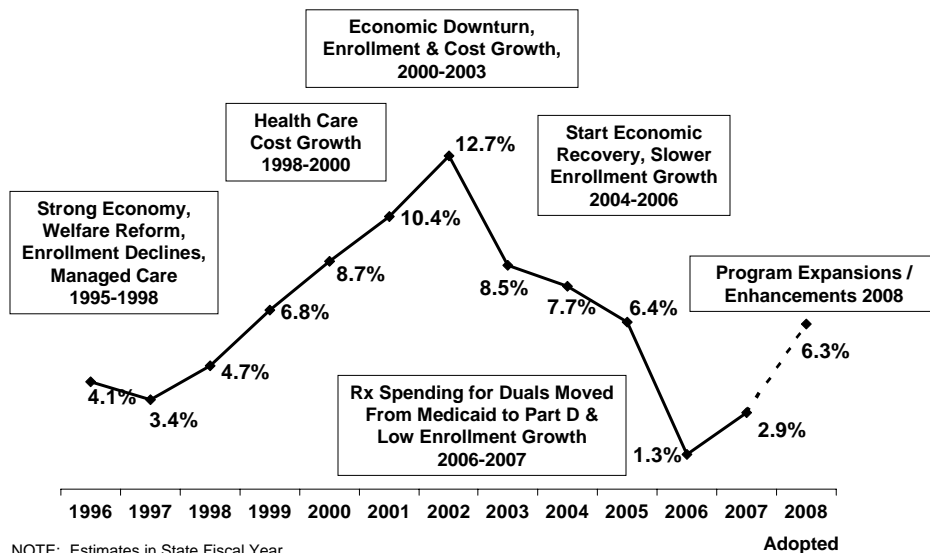
About the Study

- 7th Annual Survey of Medicaid directors in all 50 states and DC
- Conducted in July and August 2007
- Report focuses on actions implemented in FY 2007 and adopted for FY 2008
- Purpose: To track trends in Medicaid spending, enrollment, policy initiatives and state impacts of recent changes in federal law or policy

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Figure 7

Total Medicaid Spending Growth, 1996-2008

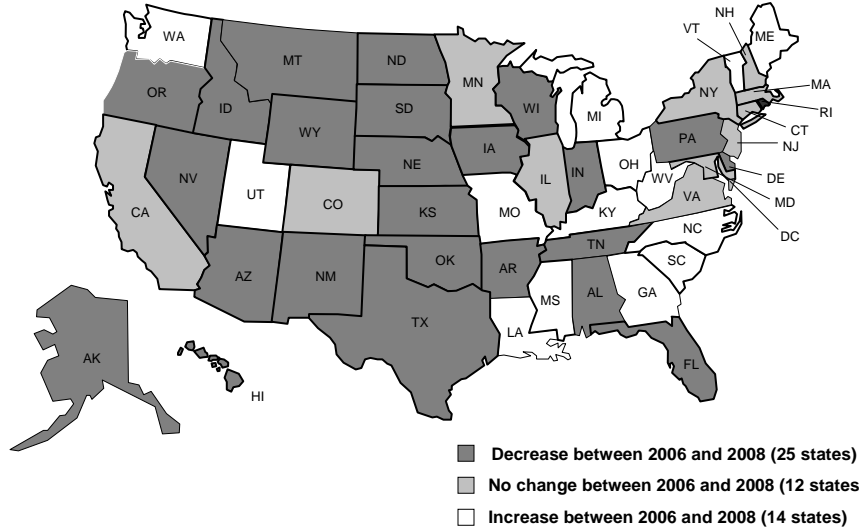


SOURCE: KCMU Analysis of CMS Form 64 Data for Historic Medicaid Growth Rates and FY 2007 and FY 2008 based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 8

Half of the States Experienced a Reduced FMAP from 2006 to 2008

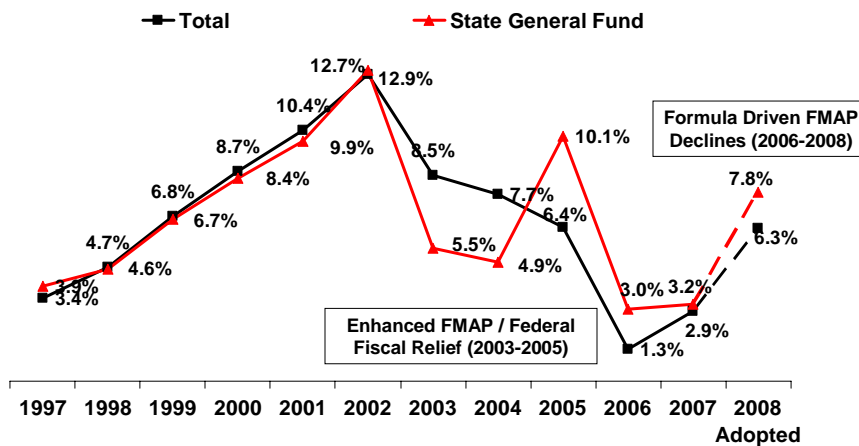


SOURCE: <http://aspe.os.dhhs.gov/health/fmap.htm>

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Figure 9

Total and State General Fund Medicaid Spending Growth, 1997-2008



SOURCE: KCMU Analysis of CMS Form 64 Data for Historic Medicaid Growth Rates and FY 2007 and FY 2008 based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 10

Factors Contributing to Low Medicaid Spending Growth in FY 2006 and FY 2007

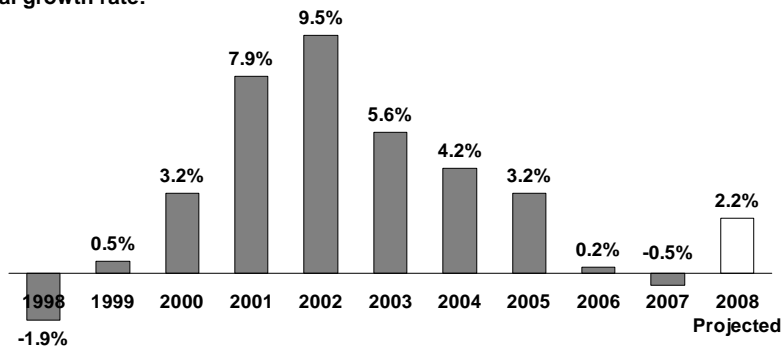
- Enrollment: Very low growth in 2006, and actual decrease in persons served in 2007
- Medicare Part D: Drug costs for dual Medicare-Medicaid enrollees shifted from Medicaid to Medicare in January 2006
- Cost containment strategies: Continuing impact of policies adopted in recent years

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Figure 11

Percent Change in U.S. Medicaid Enrollment, FY 1998- FY 2008

Annual growth rate:



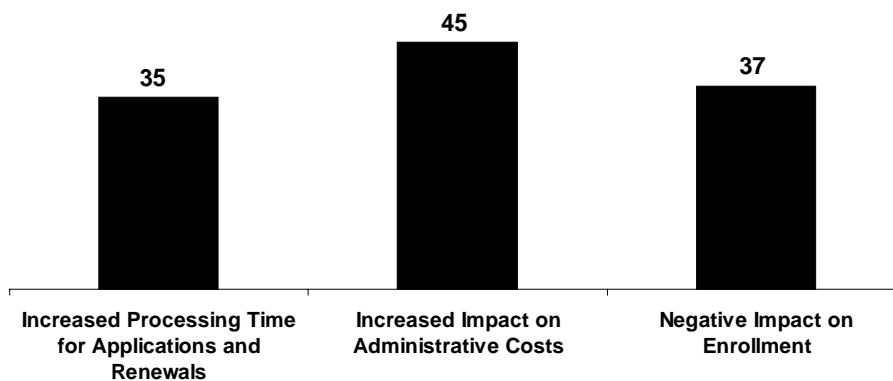
NOTE: Enrollment percentage changes from June to June of each year.

SOURCE: For 1998-2006: *Medicaid Enrollment in 50 States: June 2006 Data Update*, KCMU, October 2007. FY 2007 and FY 2008 based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 12

States Reporting Impacts of Citizenship Documentation

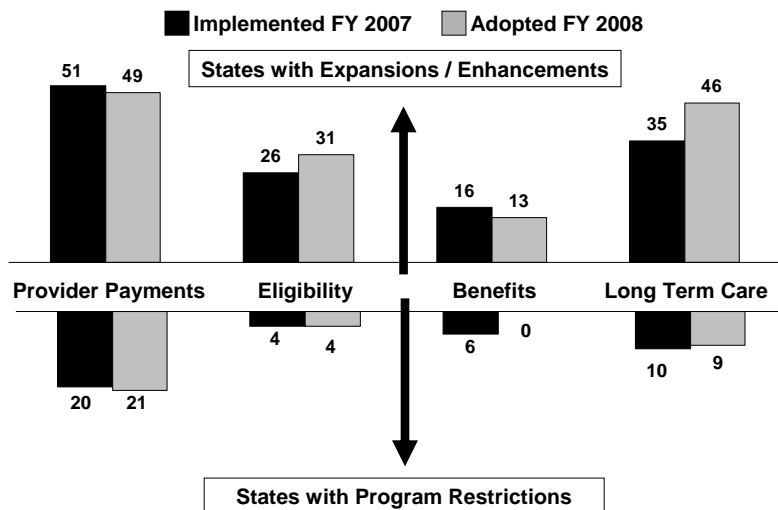


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 13

State Policy Actions Implemented in FY 2007 and Adopted for FY 2008



NOTE: Past survey results indicate not all adopted actions are implemented. Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or hospitals.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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M e d i c a i d a n d t h e U n i n s u r e d

Figure 14

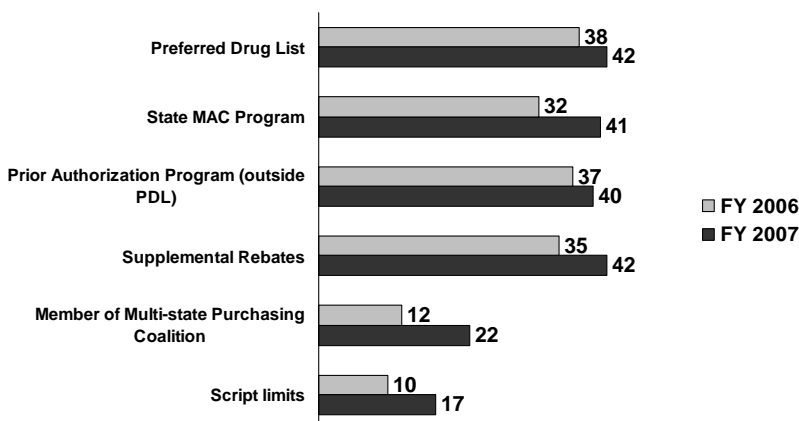
States Using DRA Options for FY 2007 and FY 2008

DRA Options	# of States
New Options	
Benefits	8
Cost Sharing	1
New LTC Options	
LTC Partnership Program	29
Self-Directed Personal Assistance Services	8
HCBS for Residential Treatment Facilities for Children	10
HCBS State Option	6
Medicaid Buy-In for Disabled Children	2
Grants and Demonstration Programs	
Medicaid Transformation Grants	26
Money Follows the Person	31
Health Opportunity Accounts	1

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Figure 15

Medicaid Pharmacy Cost Containment Measures in Place in FY 2006 and in FY 2007

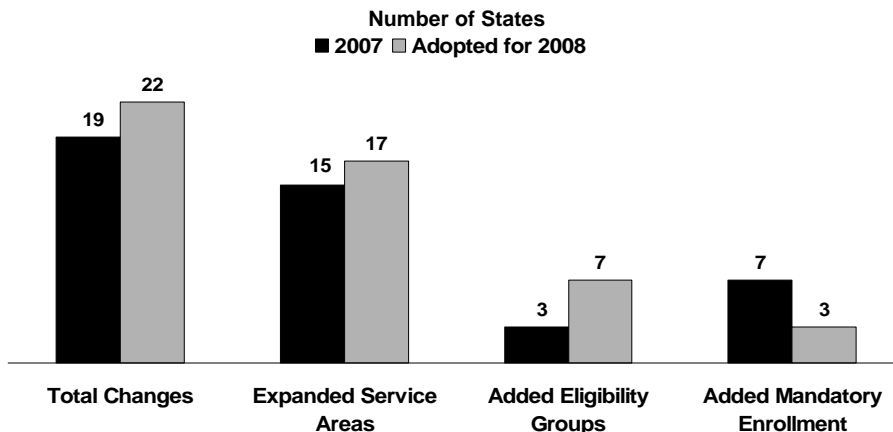


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 16

Medicaid Managed Care Changes Implemented in FY 2007 and Adopted for FY 2008

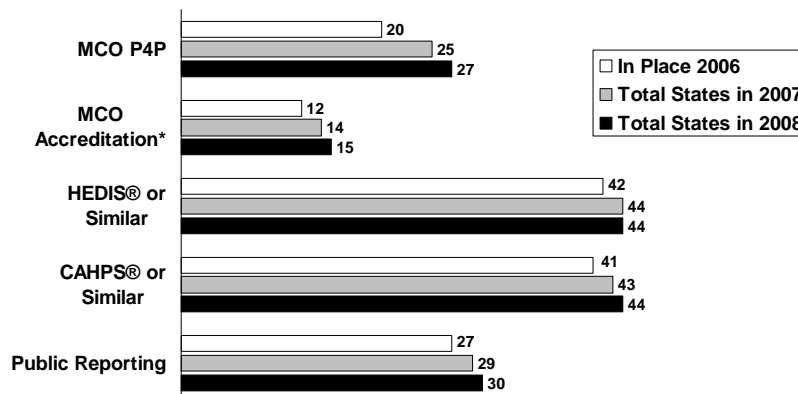


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 17

States with Selected Medicaid Quality Initiatives In FY 2006, FY 2007 and Adopted for FY 2008

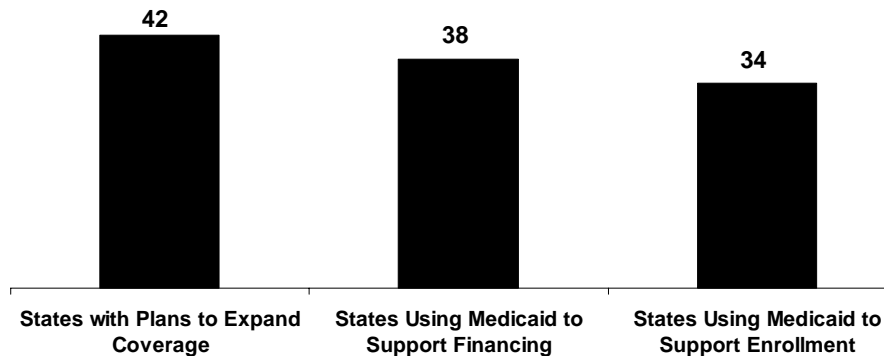


*Note: Includes states that require or reward accreditation.
SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 18

States Moving Forward with Initiatives to Address the Uninsured



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2007.

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Figure 19

Outlook for 2008 and Beyond

- Low spending and enrollment growth for Medicaid coupled with an improved fiscal picture allowed states the opportunity to focus on restorations, improvements and expansions to Medicaid
- States continue to focus on Medicaid quality initiatives and care management to get better “value for Medicaid expenditures”
- States have been slow to take up options related to benefits and costs sharing. More states looking at DRA options around LTC
- Controlling Medicaid costs remains a key concern for Medicaid officials. Other key concerns include:
 - Implementation of the citizenship documentation requirements
 - Federal fiscal oversight
- States are moving forward to address the growing number of uninsured, most rely on Medicaid to support these efforts. Progress depends on:
 - SCHIP Reauthorization
 - Outlook for state revenues in 2008 and beyond

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