

Hoping For Economic Recovery, Preparing for Health Reform: A Look at Medicaid Spending, Coverage and Policy Trends

**Presenting the Findings:
Robin Rudowitz, Kaiser Family Foundation
Vernon Smith, Health Management
Associates**

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Report Authors:

Vernon Smith, Kathleen Gifford and Eileen Ellis
Health Management Associates

Robin Rudowitz and Laura Snyder

Kaiser Commission on Medicaid and the Uninsured, Kaiser Family
Foundation

Figure 2

Medicaid Today

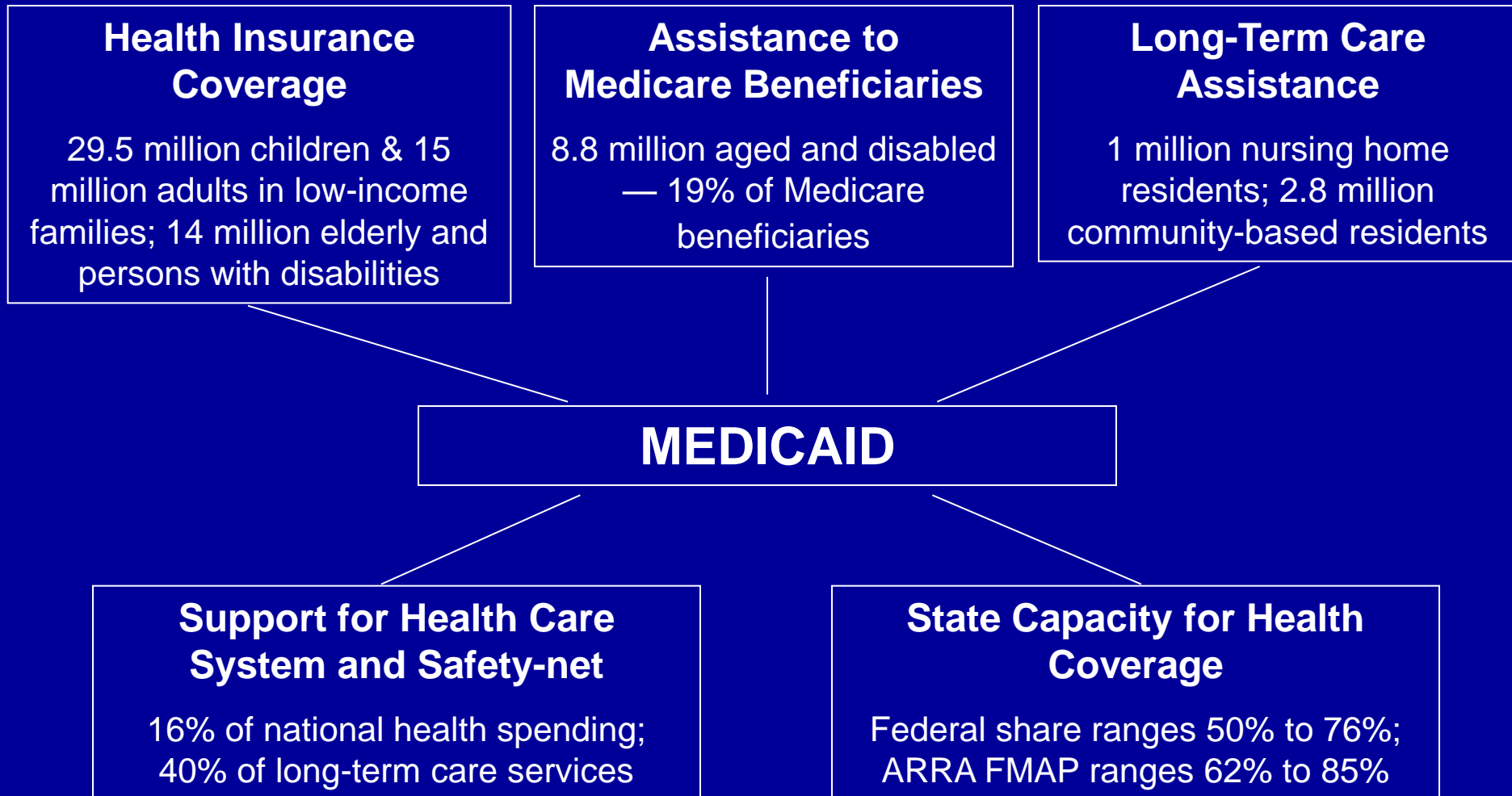


Figure 3

Medicaid Enrollees and Expenditures by Enrollment Group, FFY 2007

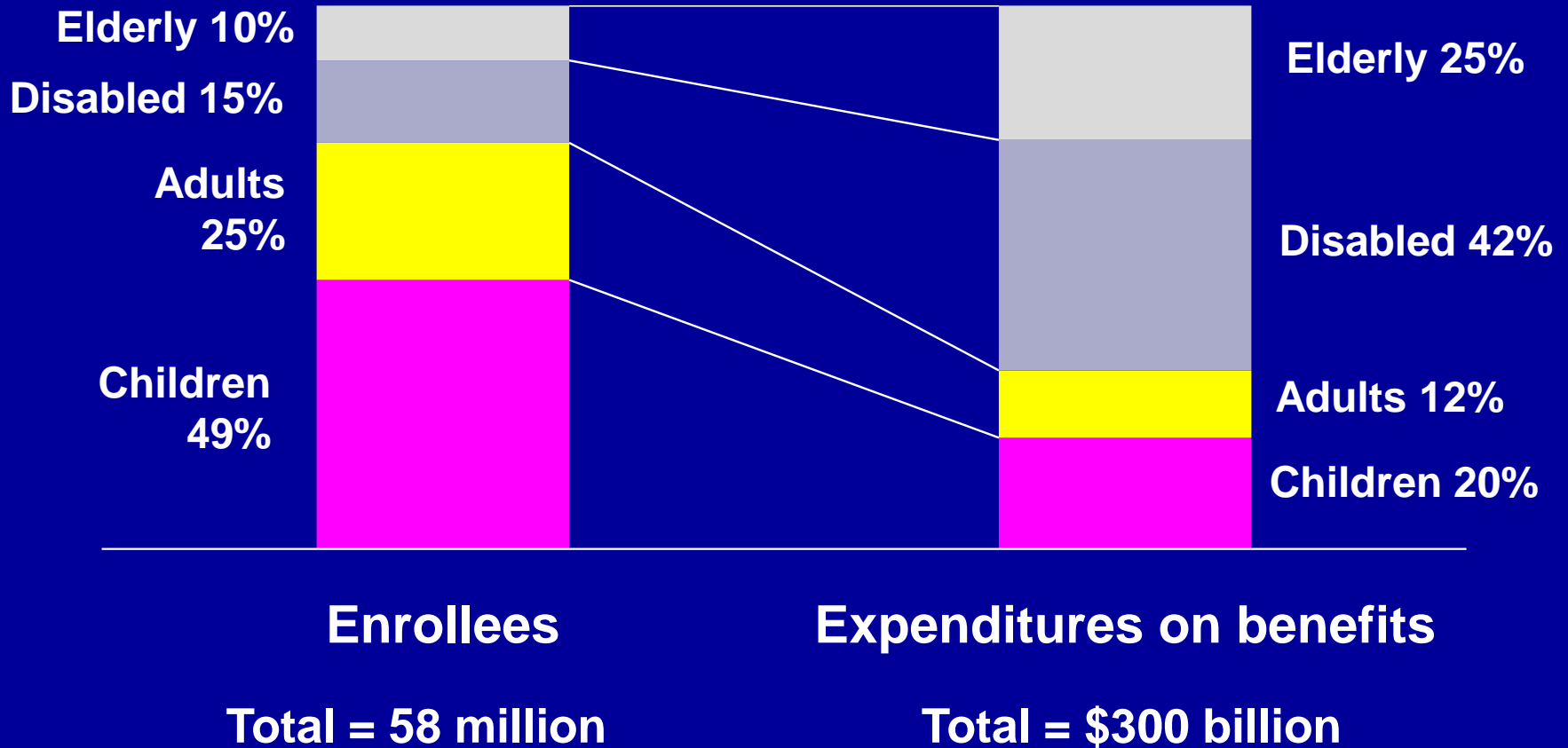


Figure 4

State Tax Revenue, 1999 – 2010

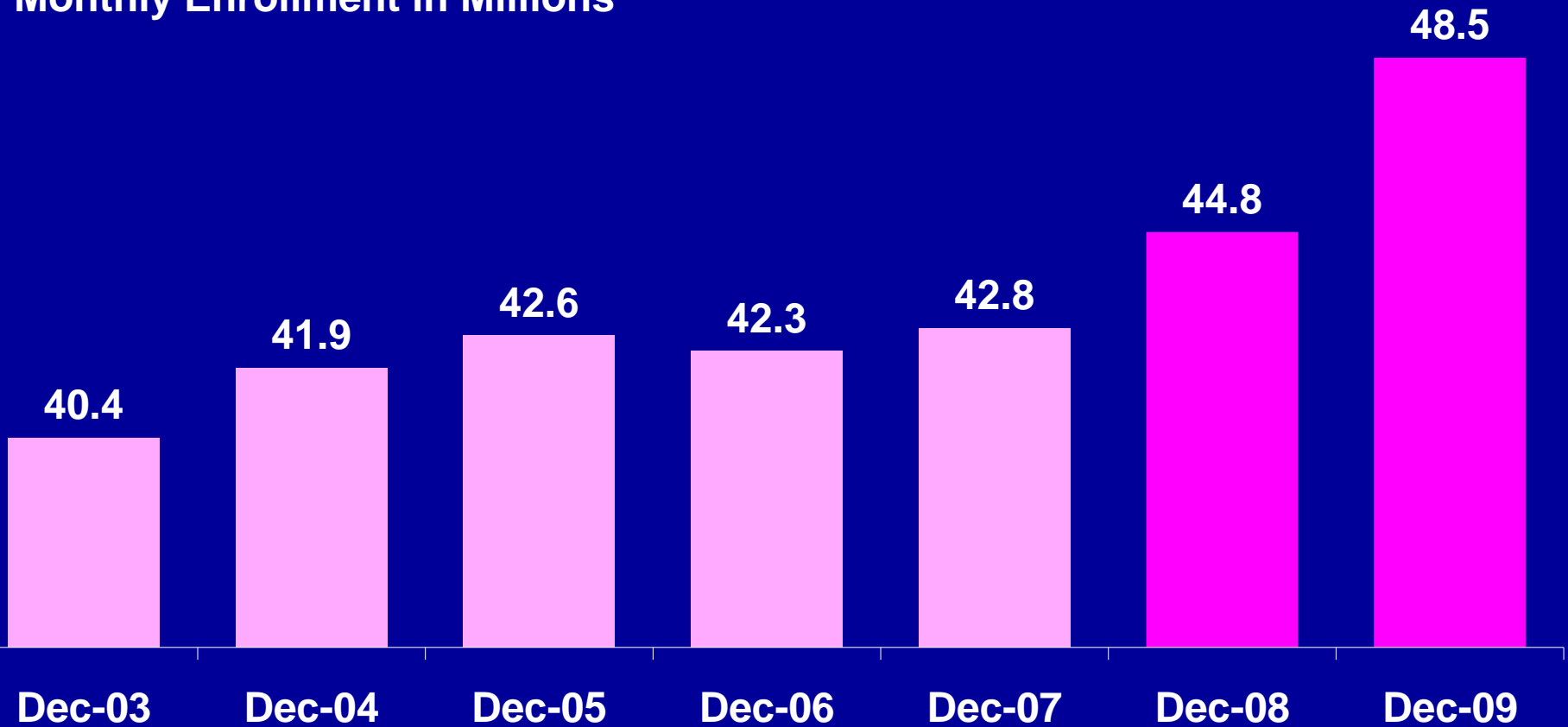


SOURCE: Percent change in quarterly state tax revenue, US Census Bureau

Figure 5

Medicaid Enrollment Has Increased by Nearly 6 Million Since the Start of the Recession

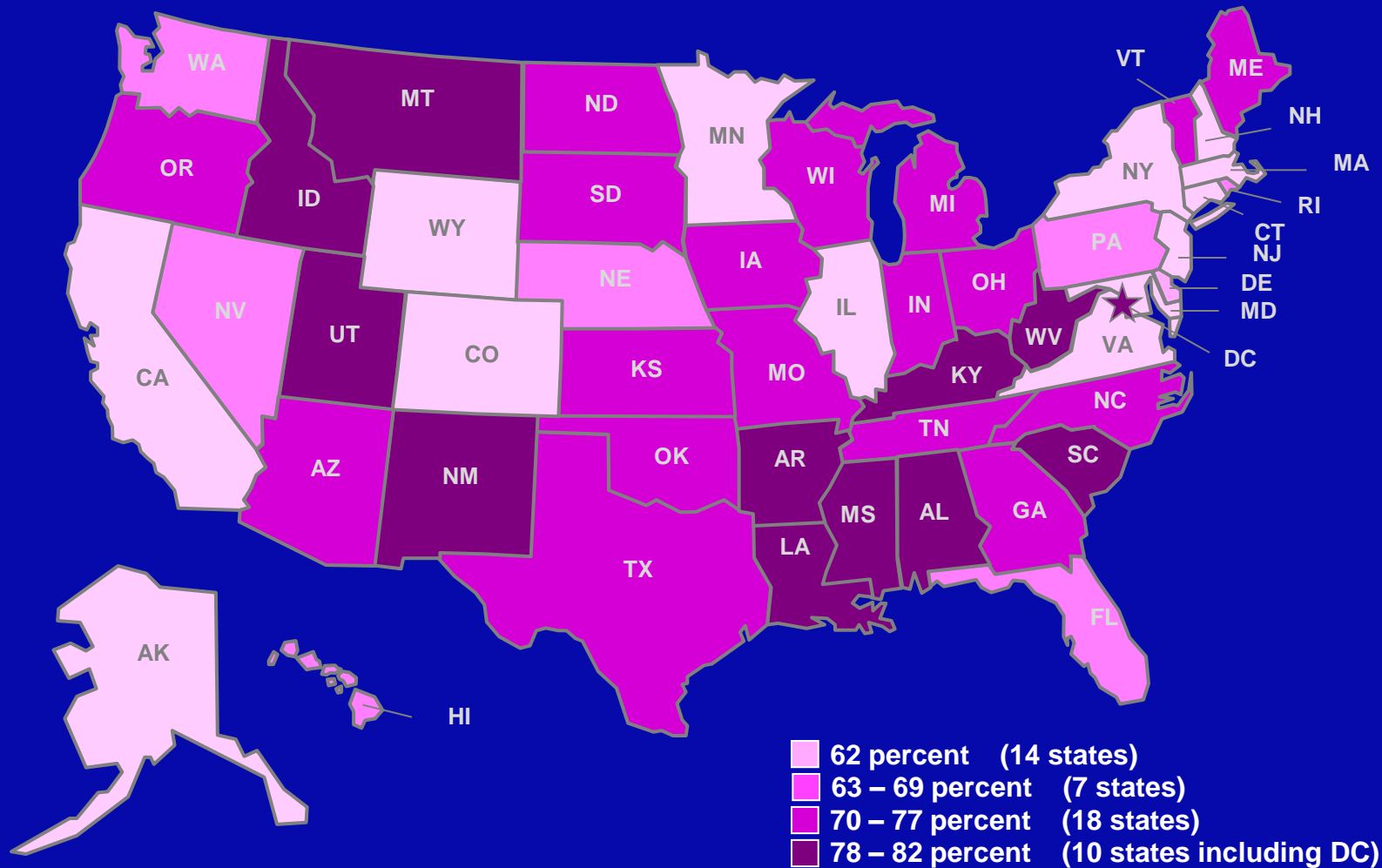
Monthly Enrollment in Millions



SOURCE: Analysis for KCMU by Health Management Associates, using compiled state Medicaid enrollment reports

Figure 6

Enhanced Federal Medical Assistance Percentages (FMAP), FY 2011

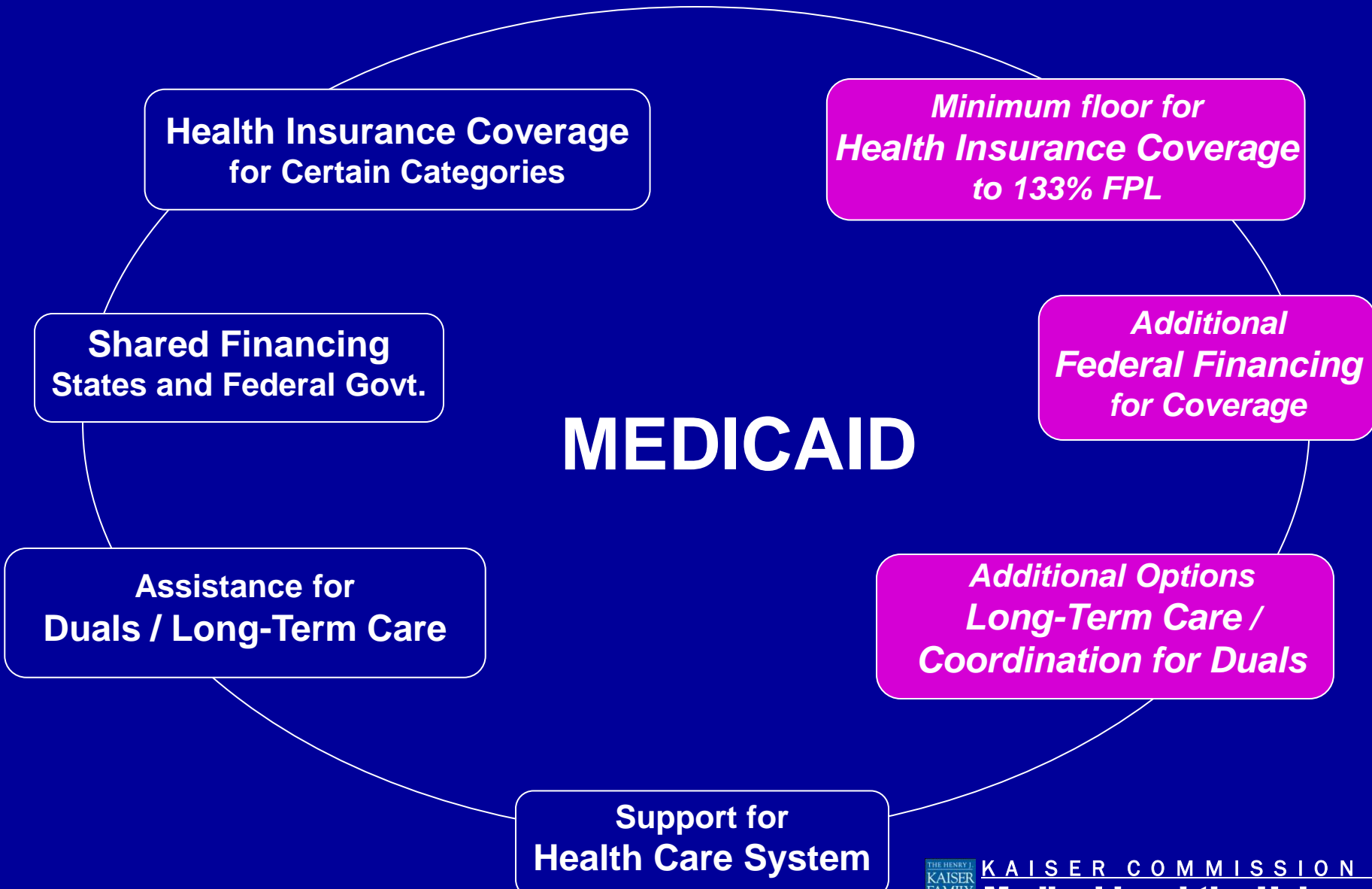


NOTE: Reflects the enhanced FMAPs granted to states under ARRA.

SOURCE: Federal Register, August 26, 2010

Figure 7

Medicaid Today *and Tomorrow*

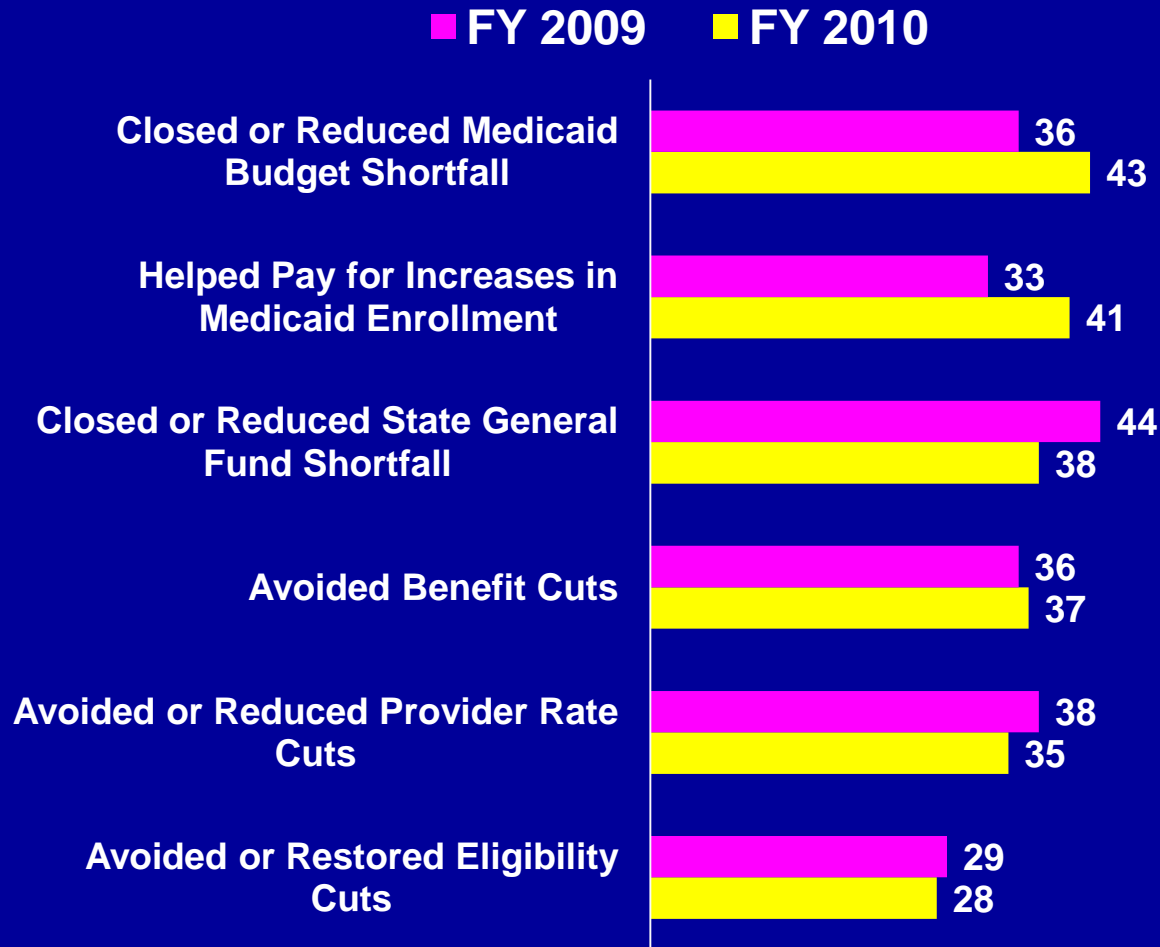


About the Study

- 10th Annual Survey of Medicaid directors in all 50 states and DC
- Conducted in July and August 2010
- Report focuses on actions implemented in FY 2010 and adopted for FY 2011
- Purpose: To track trends in state budgets, Medicaid spending, enrollment, policy initiatives and impact of federal policies such as ARRA
- Establish a baseline for evaluating changes as states implement health reform

Figure 9

How States Used ARRA Enhanced Medicaid Funding in FY 2009 and FY 2010



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, 2009 and 2010.

Figure 10

Projected and Actual Total Medicaid Spending and Enrollment Growth for FY 2010

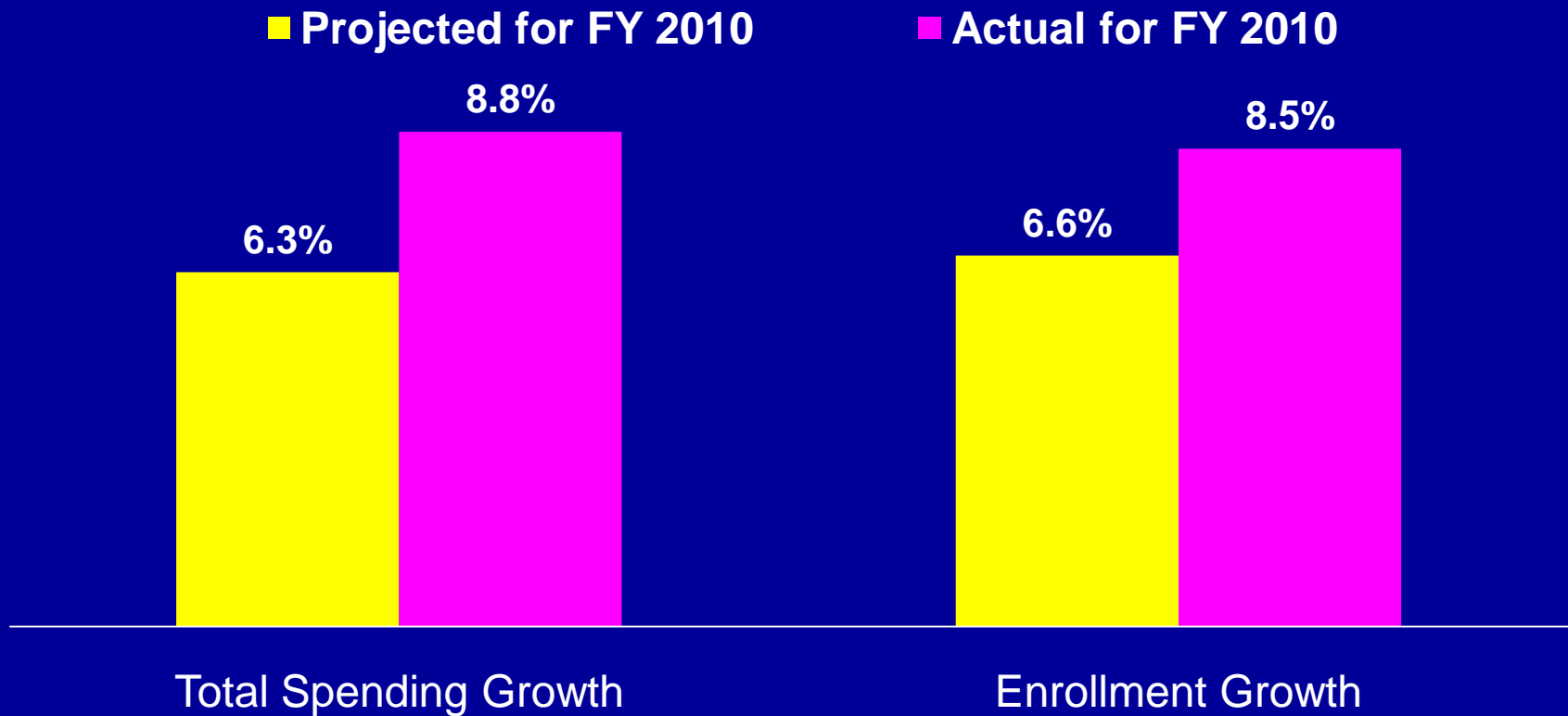
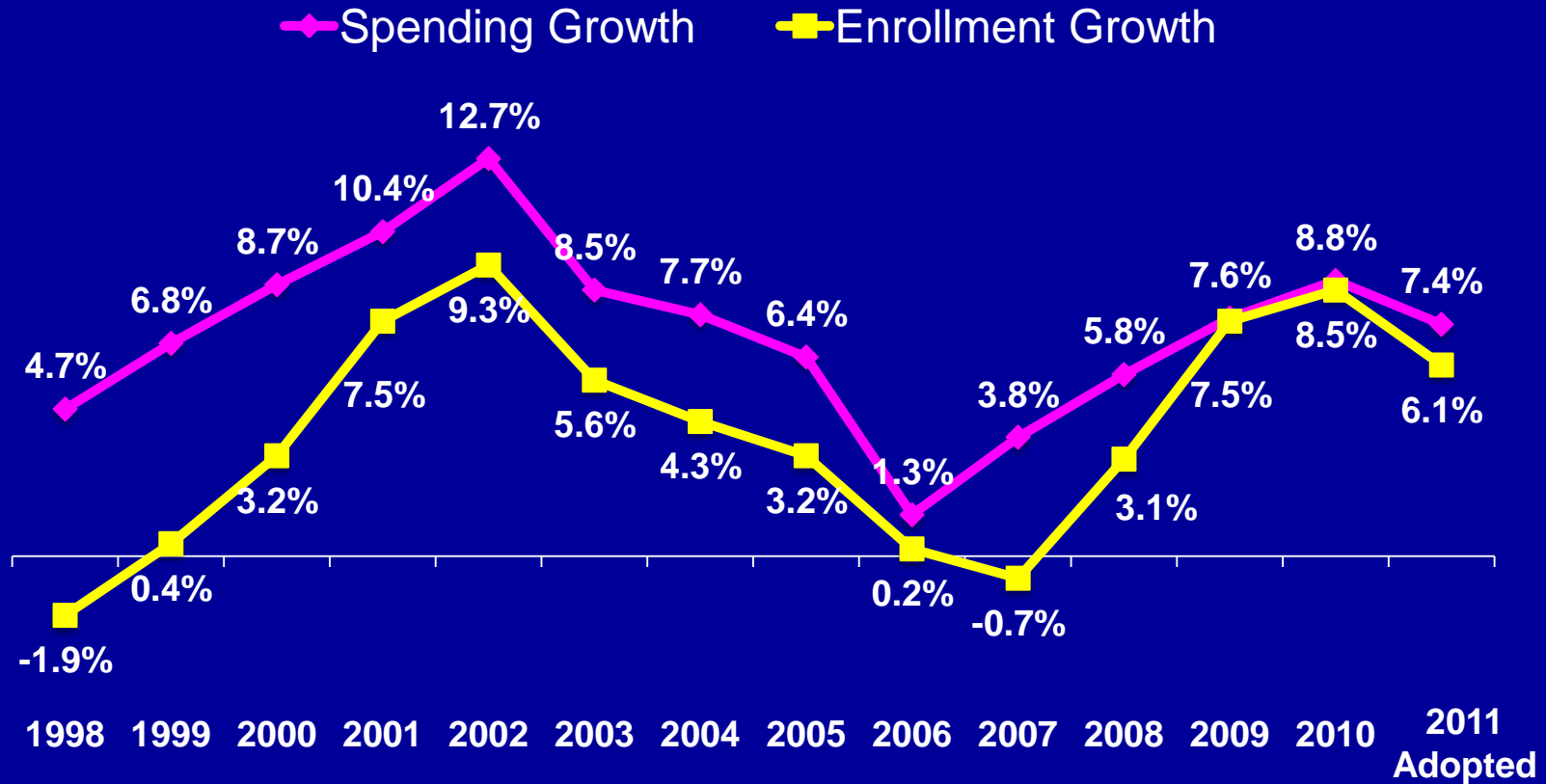


Figure 11

Percent Change in Total Medicaid Spending and Enrollment, FY 1998 – FY 2011



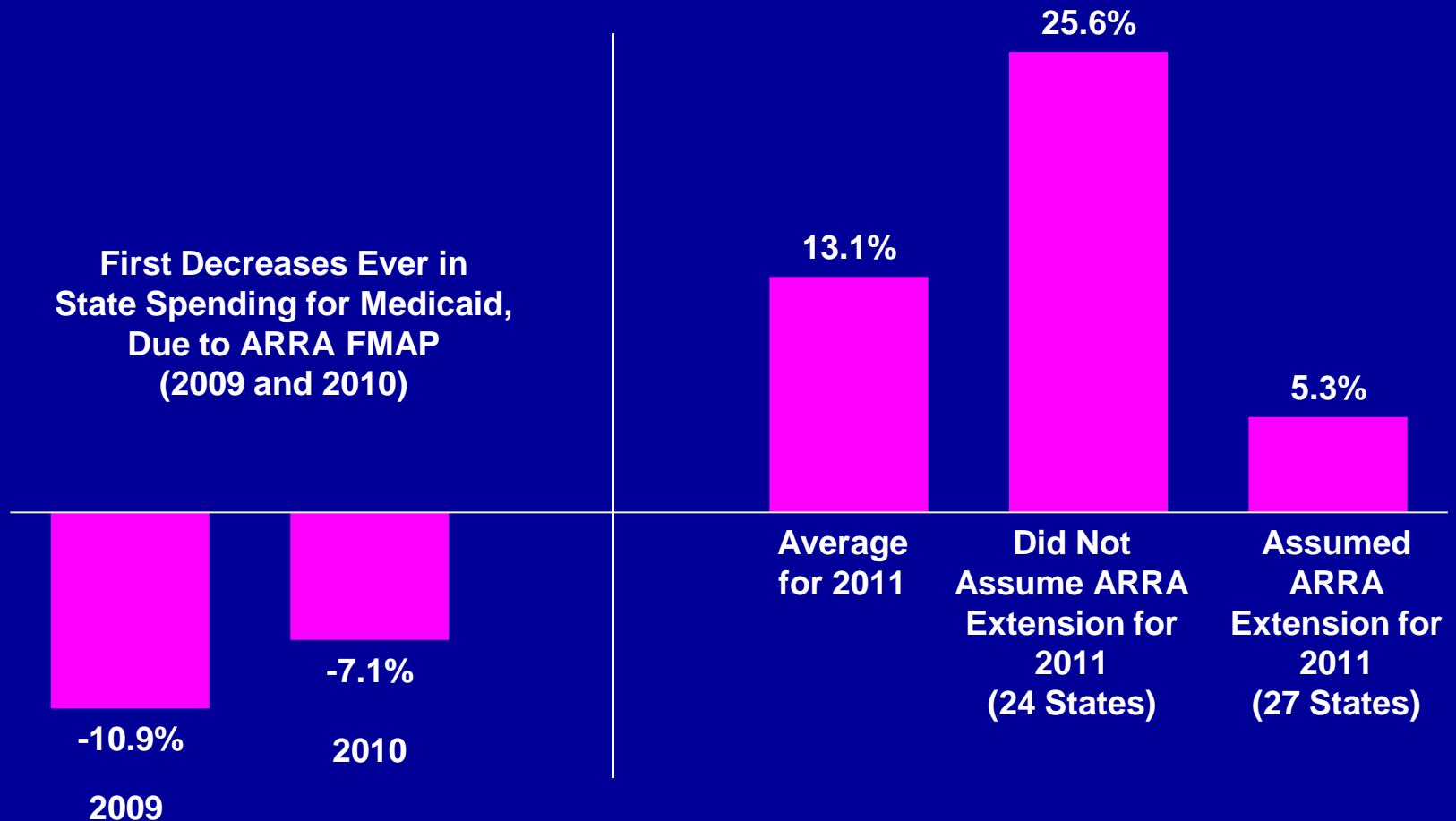
NOTE: Enrollment percentage changes from June to June of each year.

Spending growth percentages in state fiscal year.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2010.

Figure 12

Change in State Share of Medicaid Spending, FY 2009 – FY 2011



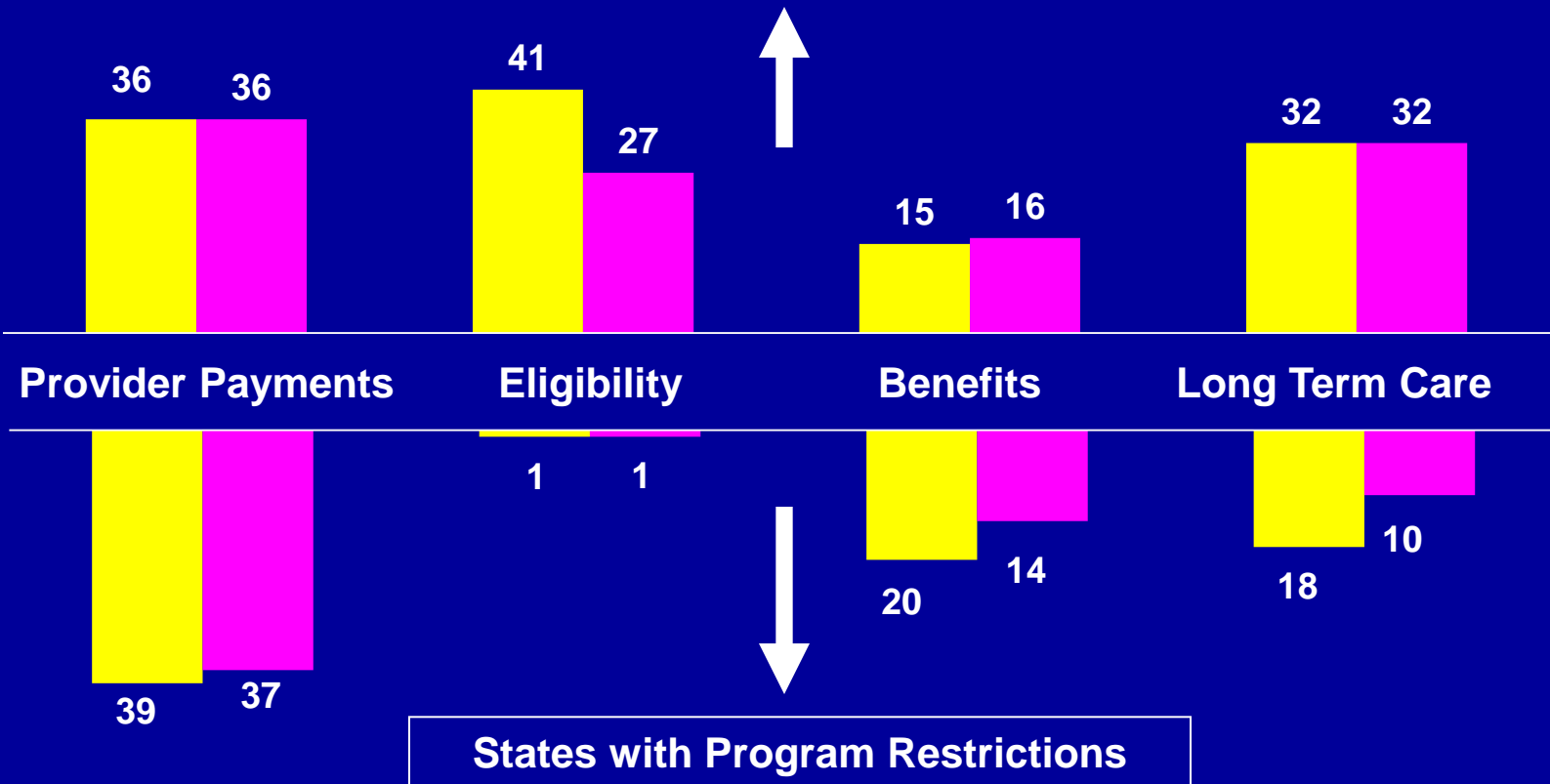
SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2010.

Figure 13

State Policy Actions Implemented in FY 2010 and Adopted for FY 2011

■ FY 2010 ■ Adopted FY 2011

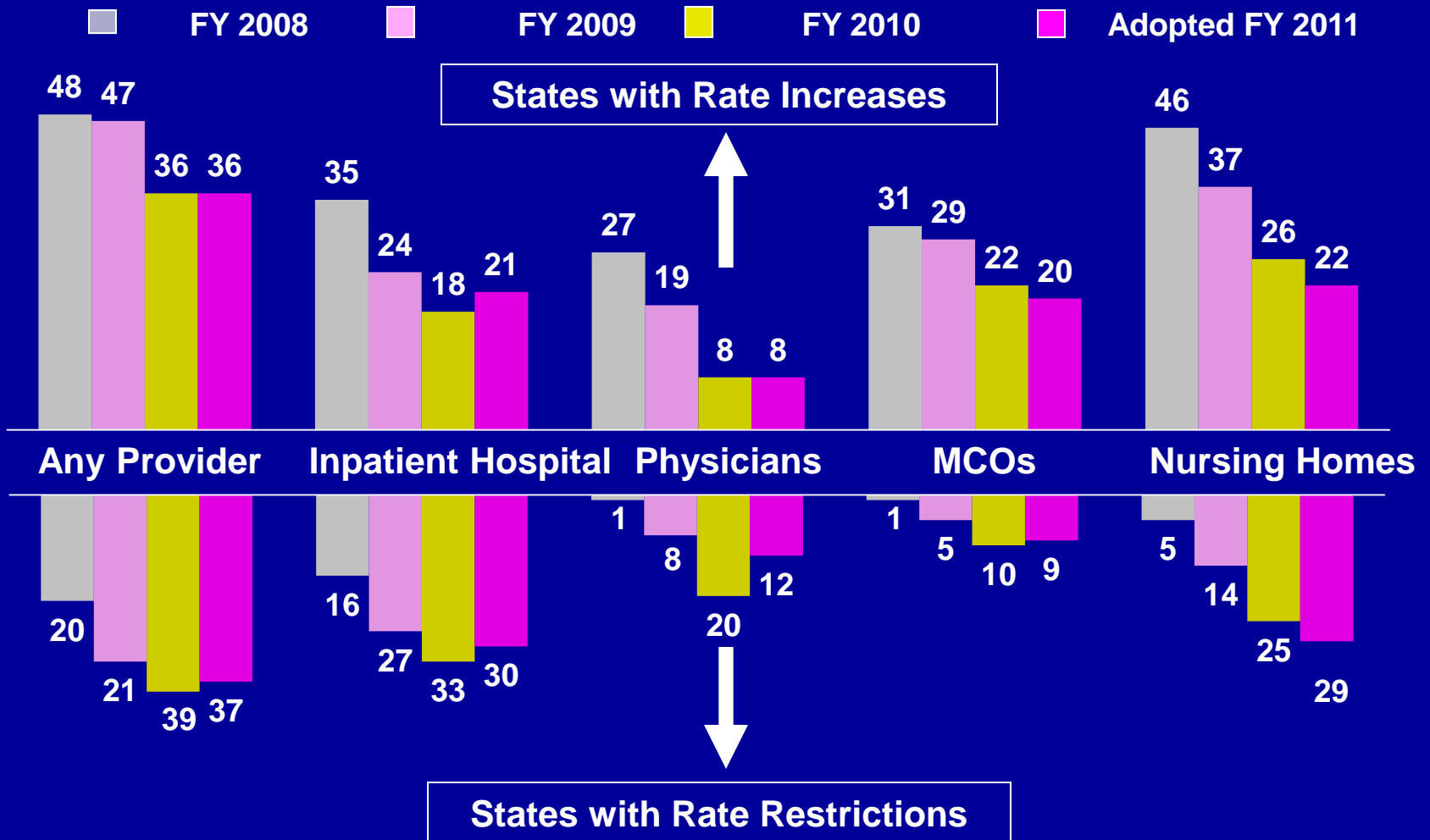
States with Expansions / Enhancements



NOTE: 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, September 2010.

Figure 14

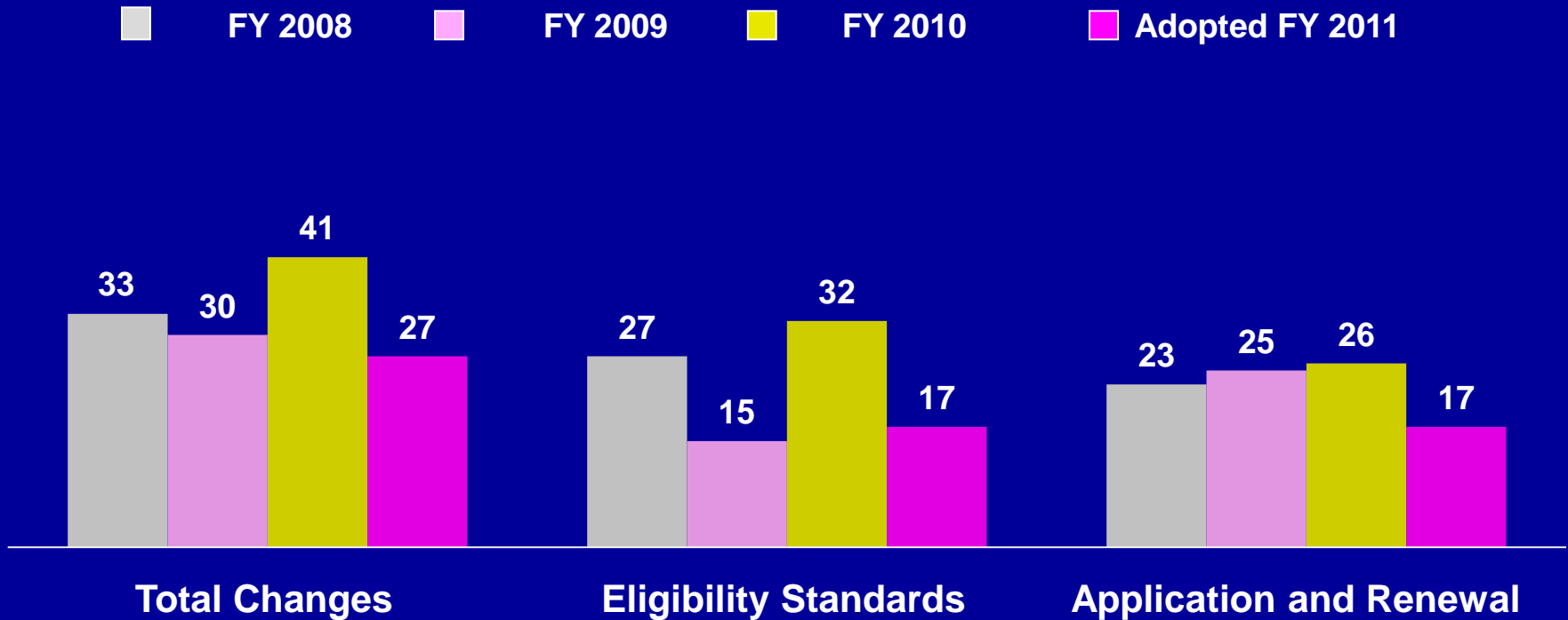
States with Provider Rate Changes FY 2008 – FY 2011



NOTE: Rate restrictions include rate cuts for any provider and also frozen rates for inpatient hospitals and nursing homes. SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008 - 2010

Figure 15

States With Eligibility Expansions / Enhancements FY 2008 – FY 2011

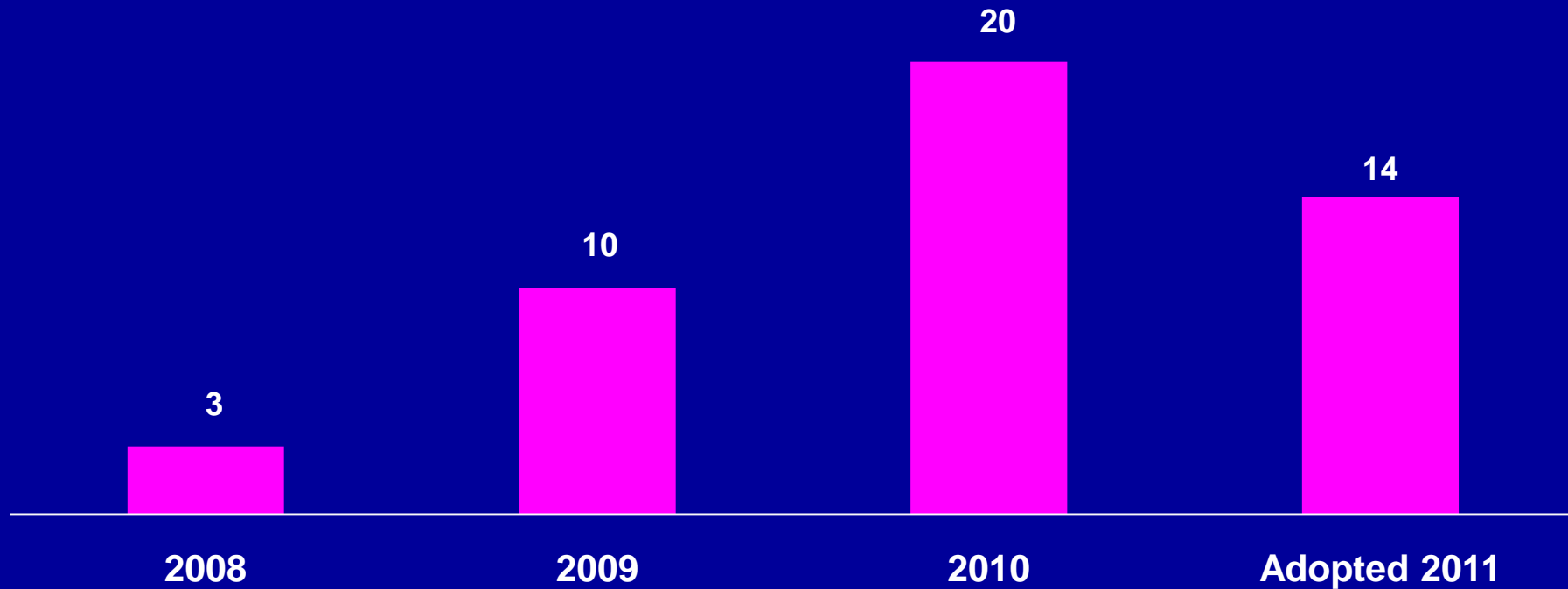


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008 – 2010.

Figure 16

States Cutting or Restricting Benefits FY 2008 – FY 2011

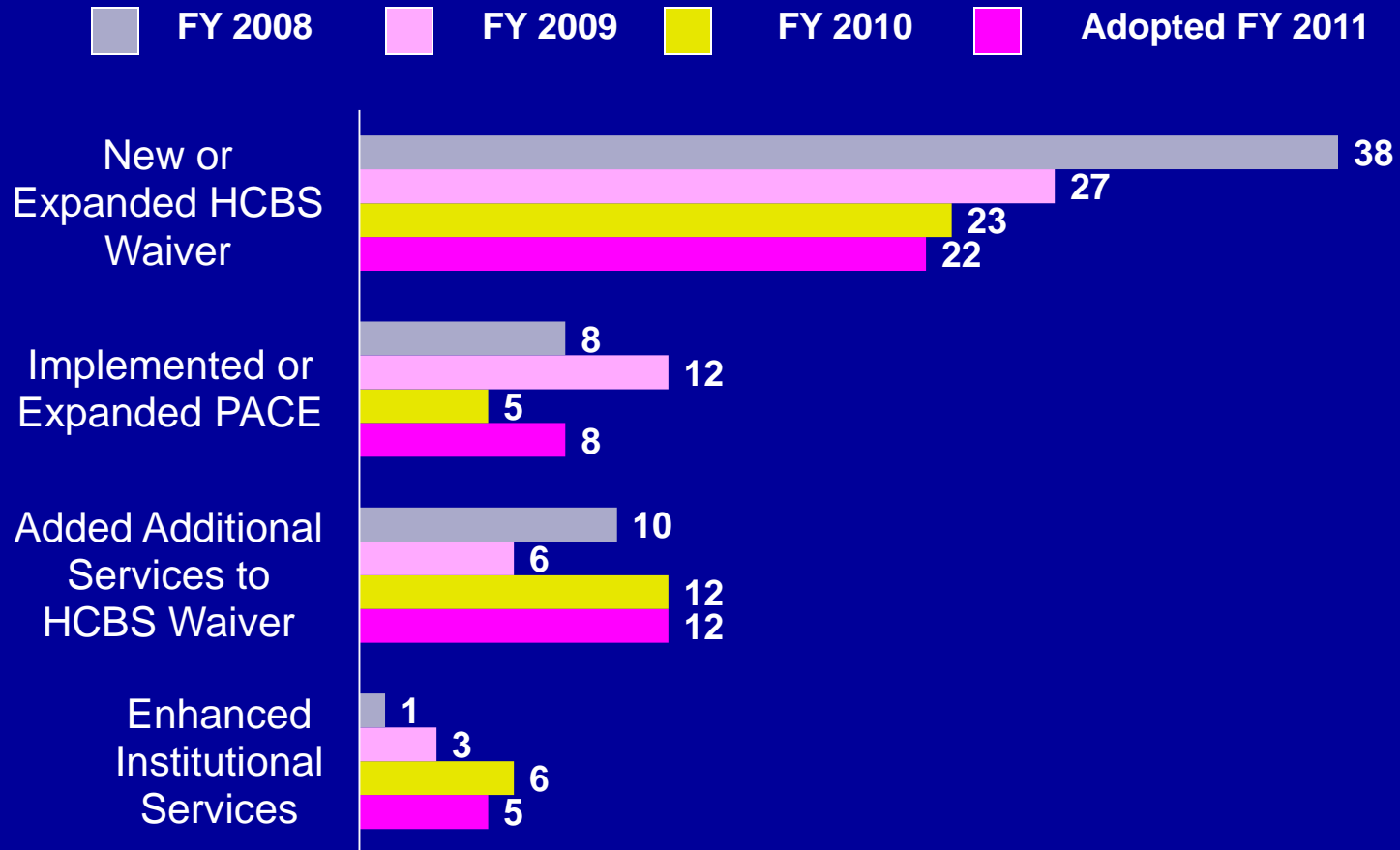
■ Number of States



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008 – 2010.

Figure 17

Medicaid Long-Term Care Expansions, Implemented in FY 2008 – FY 2011



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2009 and 2010.

Delivery System Changes

- States continue to broaden use of managed care
- ACA includes provisions to improve care delivery
 - Health Home Option - enhanced funding for care coordination for individuals with chronic care needs
 - CMS Innovation Center to test payment and delivery models,
 - Federal Coordinated Health Care Office within CMS to improve coordination for dual eligibles
 - Funding for demonstrations and grants
- States focused on initiatives to improve quality using HEDIS and CAHPS, P4P and other strategies
- States continue to expand the use of HIT
 - Focus on adoption and meaningful use of electronic health records (EHRs) and health information exchanges (HIEs)

Outlook for FY 2011 and Beyond

- Even though the recession is over, states are still feeling the impact and will for the next few years
- Few options left for significant Medicaid savings
- Major concerns about the end of ARRA funds in 2012
- Health reform presents new opportunities and challenges
 - Estimates show large declines in the uninsured in 2019 and increased federal funds for Medicaid expansion
 - Biggest challenges: staff capacity, implementing Medicaid expansion, establishing Exchanges, transitioning to MAGI, designing new eligibility systems