

Medicaid Reforms to Expand Coverage, Control Costs and Improve Care:

Findings from the Annual Kaiser 50-State Medicaid Budget Survey

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Figure 1

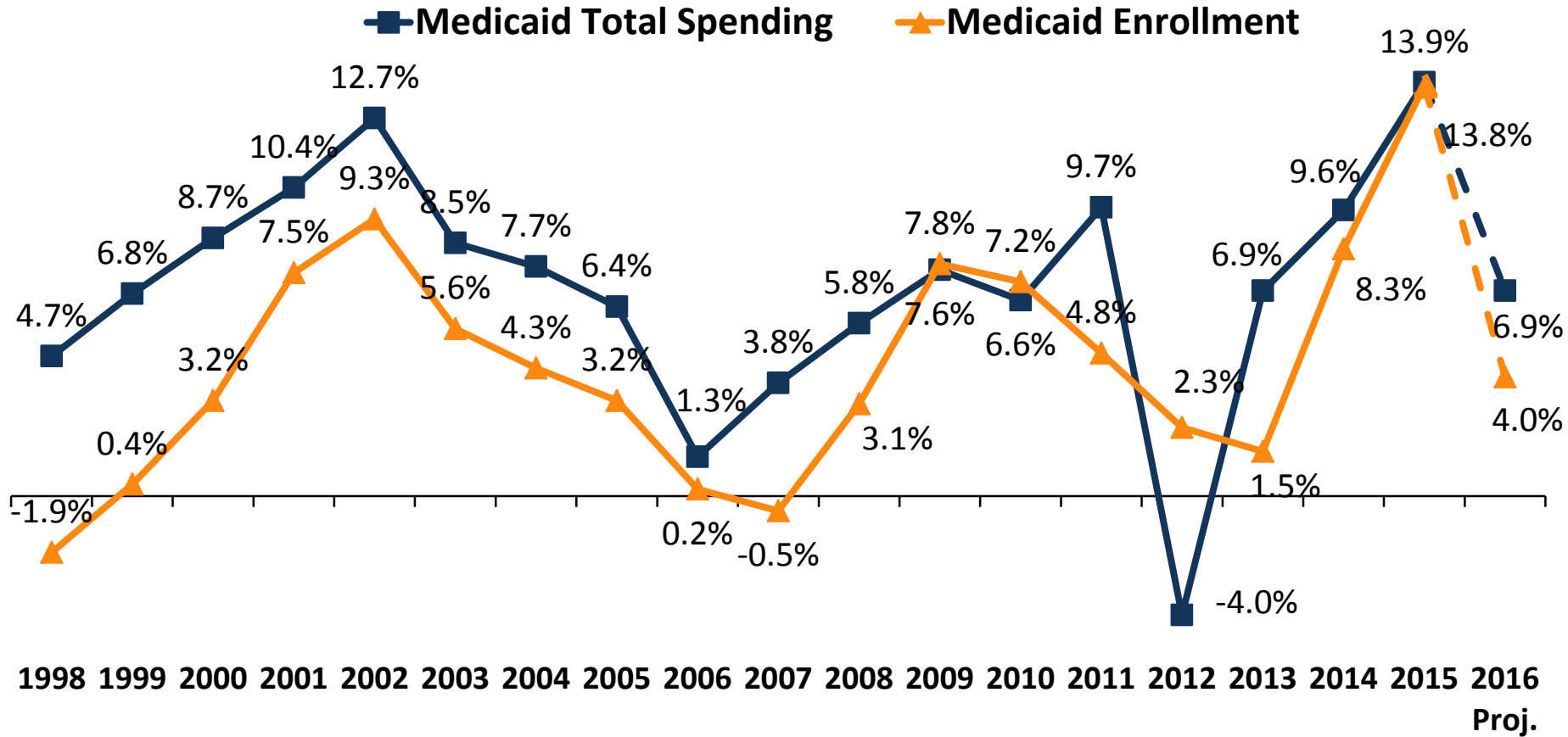
Today we are releasing 3 reports that draw on findings from our 15th annual survey of Medicaid Directors.

- 15th Annual Survey of Medicaid directors in all 50 states and DC
- Conducted in July and August 2015
- Study findings and other research used for 3 reports
 - ***Medicaid Enrollment & Spending Growth: FY 2015 & 2016*** provides an analysis of national trends in state Medicaid enrollment and spending;
 - ***Medicaid Reforms to Expand Coverage, Control Costs and Improve Care***, jointly released with NAMD, provides a detailed look at the policy and program changes in Medicaid programs in all 50 states; and
 - ***Putting Medicaid in the Larger Budget Context: An In-Depth Look at Three States in FY 2015 and 2016*** uses case studies to examine Medicaid programs in Alaska, California and Tennessee.

Figure 2

Economic conditions and policy changes drive growth in Medicaid enrollment and total spending.

Annual Percentage Changes, 1998 - 2016



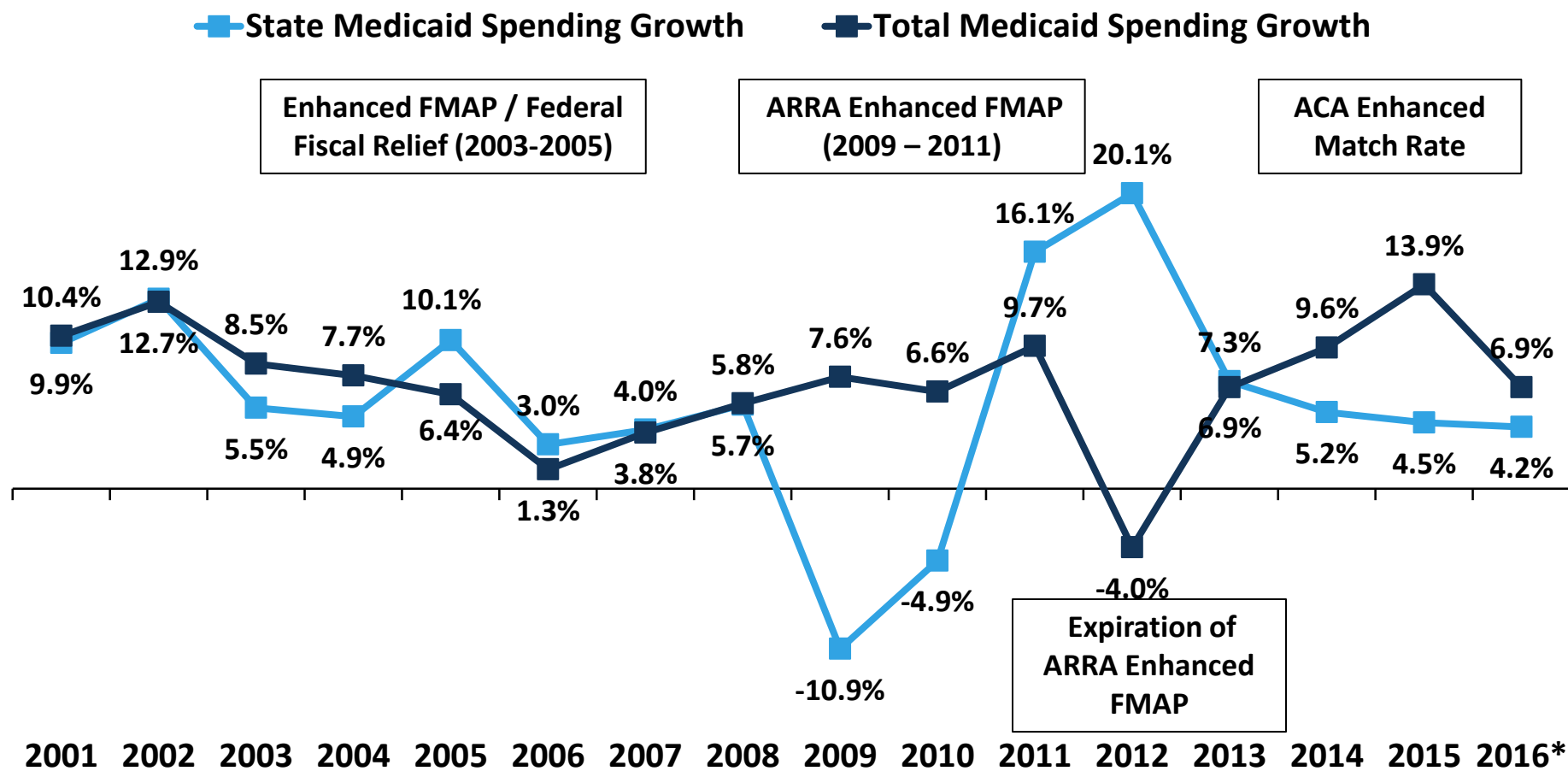
NOTE: Percentage changes from June to June of each year. Data for FY 2016 are projections based on enacted budgets.

SOURCE: Historic Medicaid enrollment growth rates are as reported in *Medicaid Enrollment June 2013 Data Snapshot*, KCMU, January 2014.

Historic Medicaid spending growth rates are derived from KCMU Analysis of CMS Form 64 Data. FY 2014-2016 data are derived from the KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 3

Total and state Medicaid spending generally grow at similar rates, except when statutory changes impact FMAP: 2001 - 2016

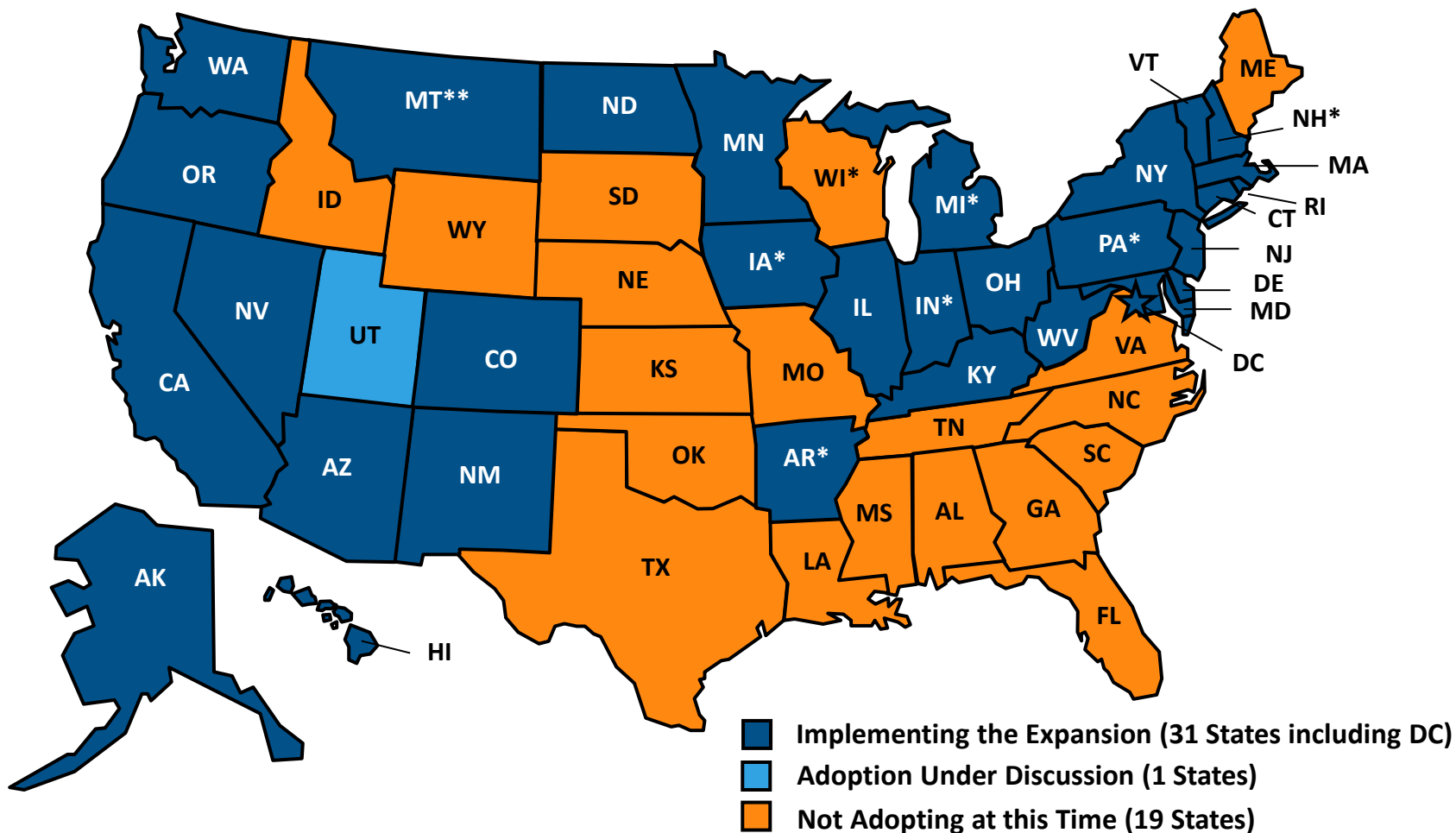


NOTE: *Data for FY 2016 are projections based on enacted budgets. State spending for years 2001-2013 includes all non-federal spending. State Medicaid spending for FYs 2014 - 2016 refers to state spending, largely general fund.

SOURCE: Historic Medicaid spending growth rates are derived from KCMU Analysis of CMS Form 64 Data. FY 2014-2016 data reflect changes in state spending derived from the KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 4

Over half of states have adopted the ACA Medicaid expansion.



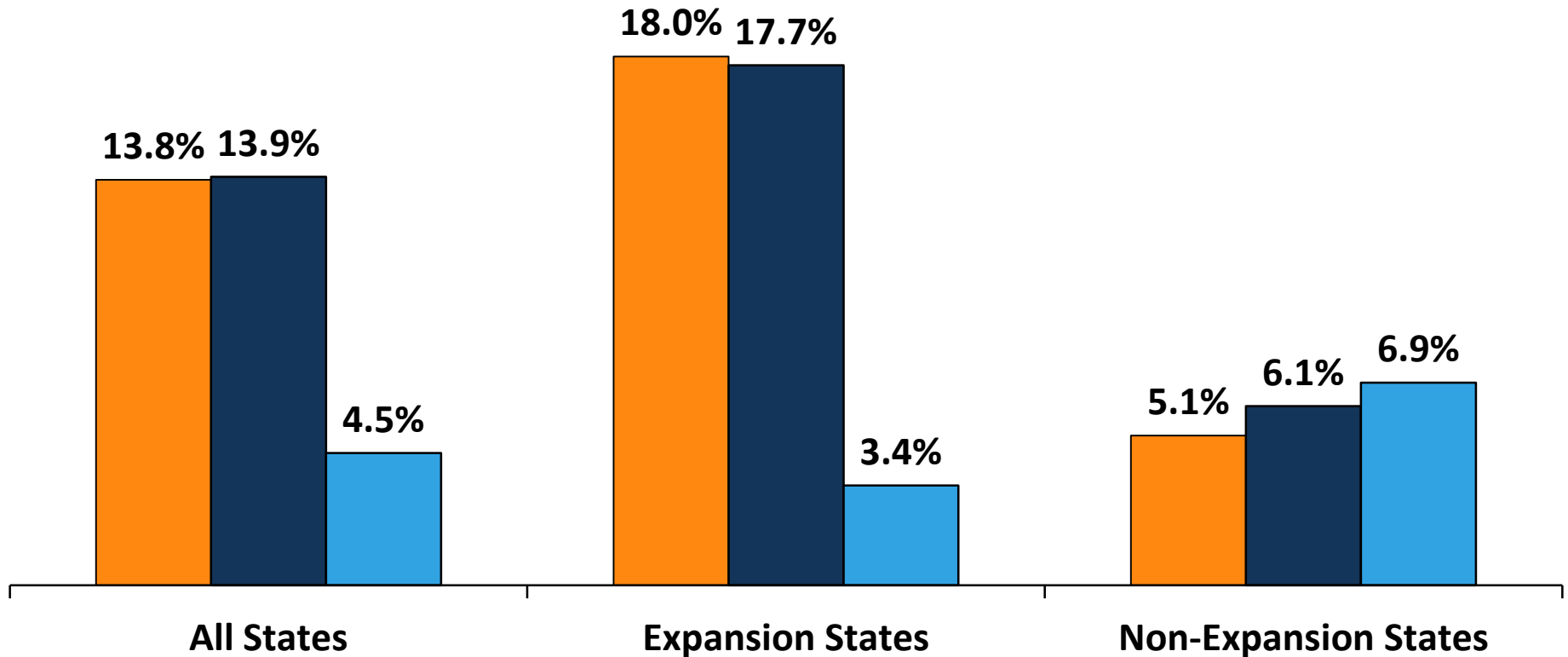
NOTES: *AR, IA, IN and MI have approved Section 1115 waivers for Medicaid expansion. WI covers adults up to 100% FPL in Medicaid, but did not adopt the expansion. **Montana has passed legislation adopting the expansion; it requires federal approval.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated September 1, 2015..

Figure 5

FY 2015 enrollment and total spending growth in expansion states far exceeded non-expansion states; state spending growth was lower.

■ Medicaid Enrollment ■ Total Medicaid Spending ■ State Medicaid Spending



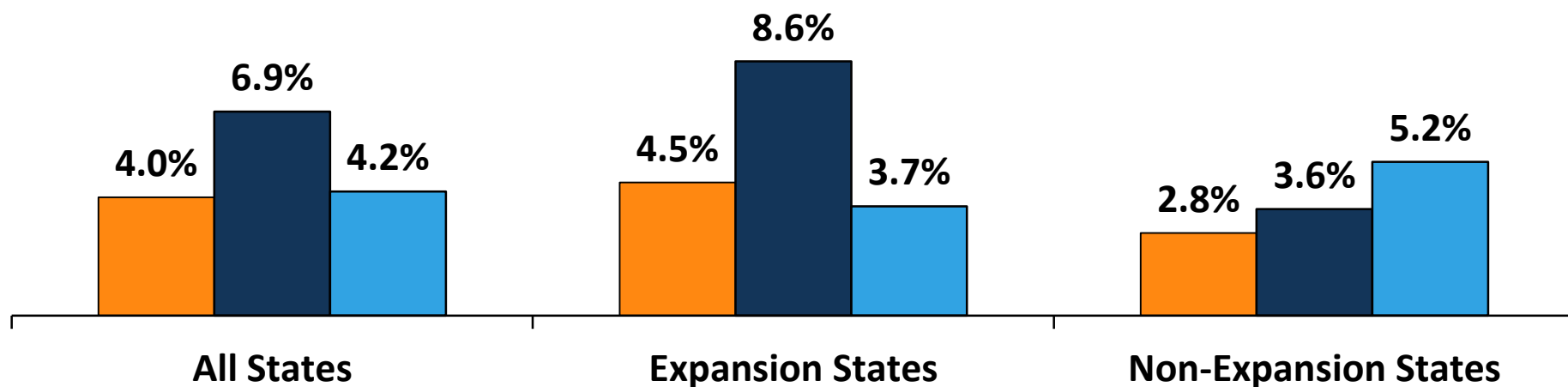
NOTE: Data show the year over year change in enrollment FY 2014 to FY 2015. Expansion States for FY 2015 include 29 states. Total Medicaid spending includes federal, state and local spending.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 6

For FY 2016, Medicaid enrollment and total Medicaid spending are projected to slow.

■ Medicaid Enrollment ■ Total Medicaid Spending ■ State Medicaid Spending



NOTE: Data show the year over year change in enrollment from FY 2015 to FY 2016. Expansion States for FY 2016 include 31 states; Alaska and Montana reported plans to adopt the Medicaid expansion in FY 2016.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 7

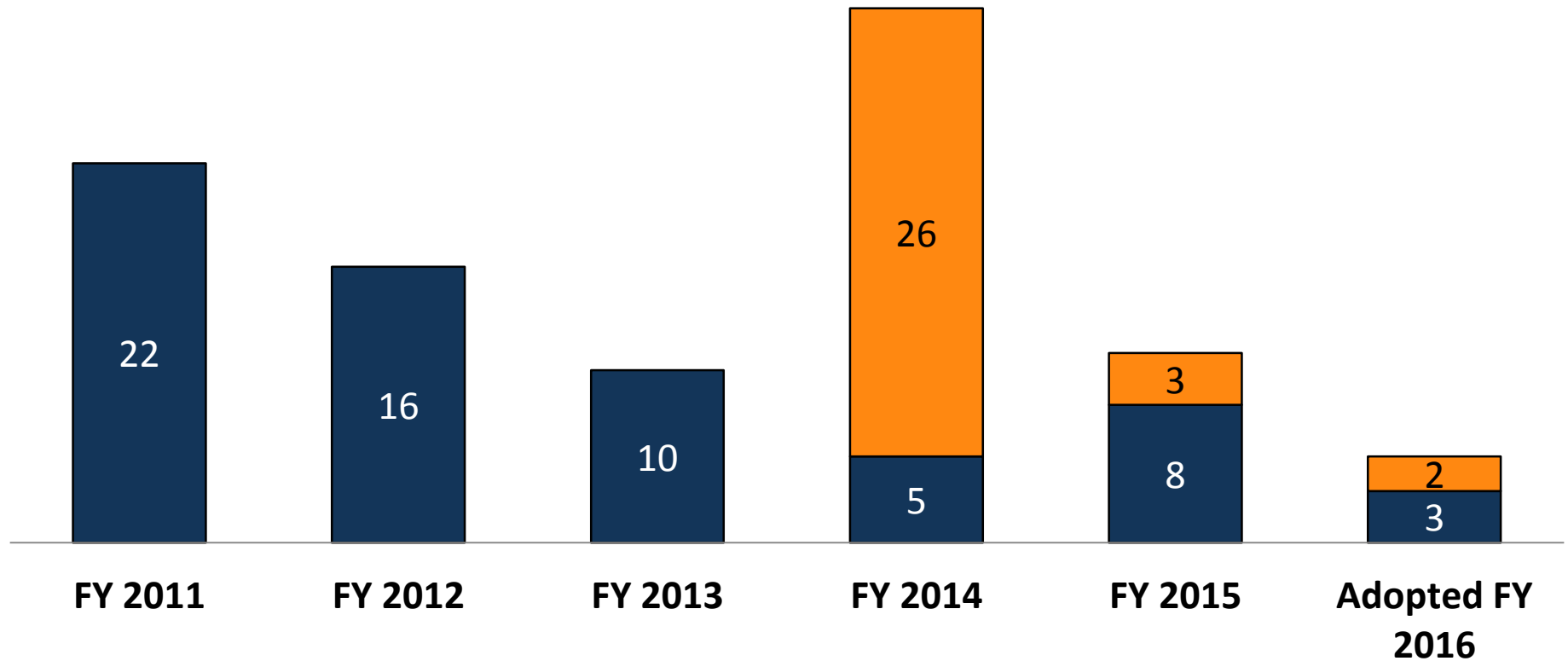
The report focuses on the following major policy areas:

- Traditional Medicaid Policy Actions
 - Eligibility and Enrollment
 - Benefits Changes
 - Provider Rates and Taxes
- Medicaid Strategies and Reforms to Expand Coverage, Control Costs and Improve Care
 - Managed Care
 - Payment and Delivery System Reforms
- Medicaid Priorities for 2016

Figure 8

States with Eligibility Expansions / Enhancements FY 2011- FY 2016

■ Other Eligibility Expansions ■ ACA Medicaid Expansion

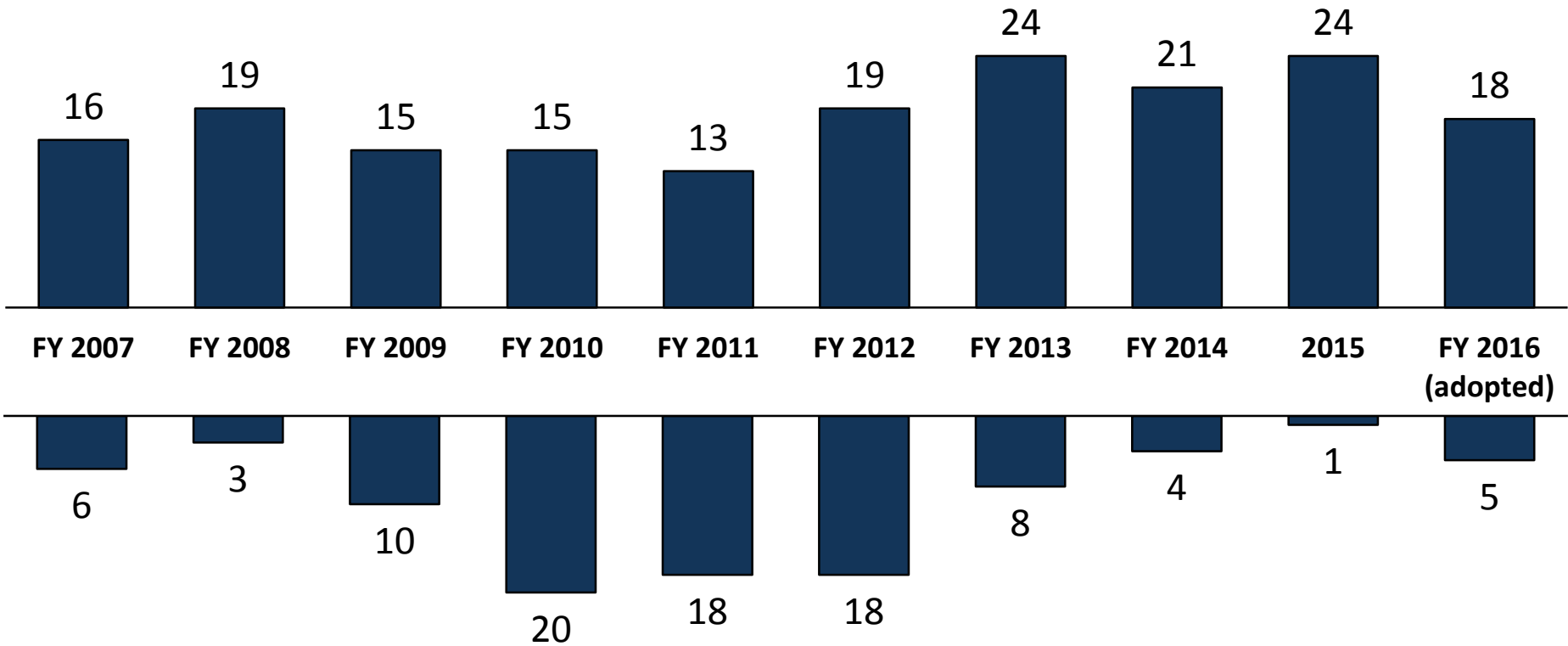


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2011 - 2015.

Figure 9

Benefit Changes Reported by States, FY 2007 - 2016

Number of States Reporting Benefit Enhancements/ Additions



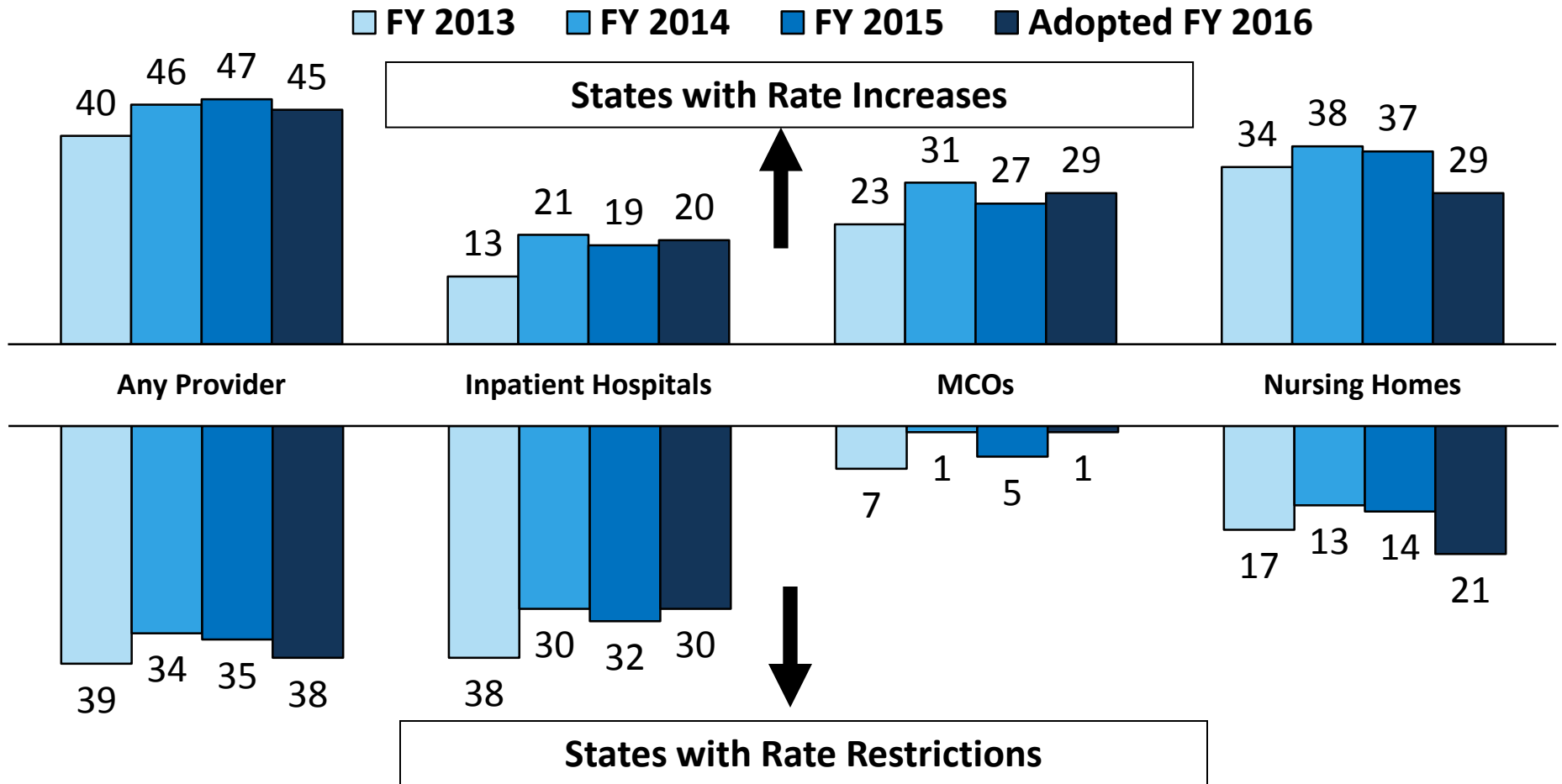
Number of States Reporting Benefit Restrictions/ Eliminations

NOTES: States were asked to report benefit restrictions, eliminations, enhancements, and additions in FY 2015 and FY 2016. Excluded from these changes are the implementation of alternative benefit plans for the Medicaid expansion group.

SOURCE: Kaiser Commission on Medicaid and the Uninsured Survey of Medicaid Officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 10

Provider Rate Changes Implemented in FY 2013 - FY 2015 and Adopted for FY 2016

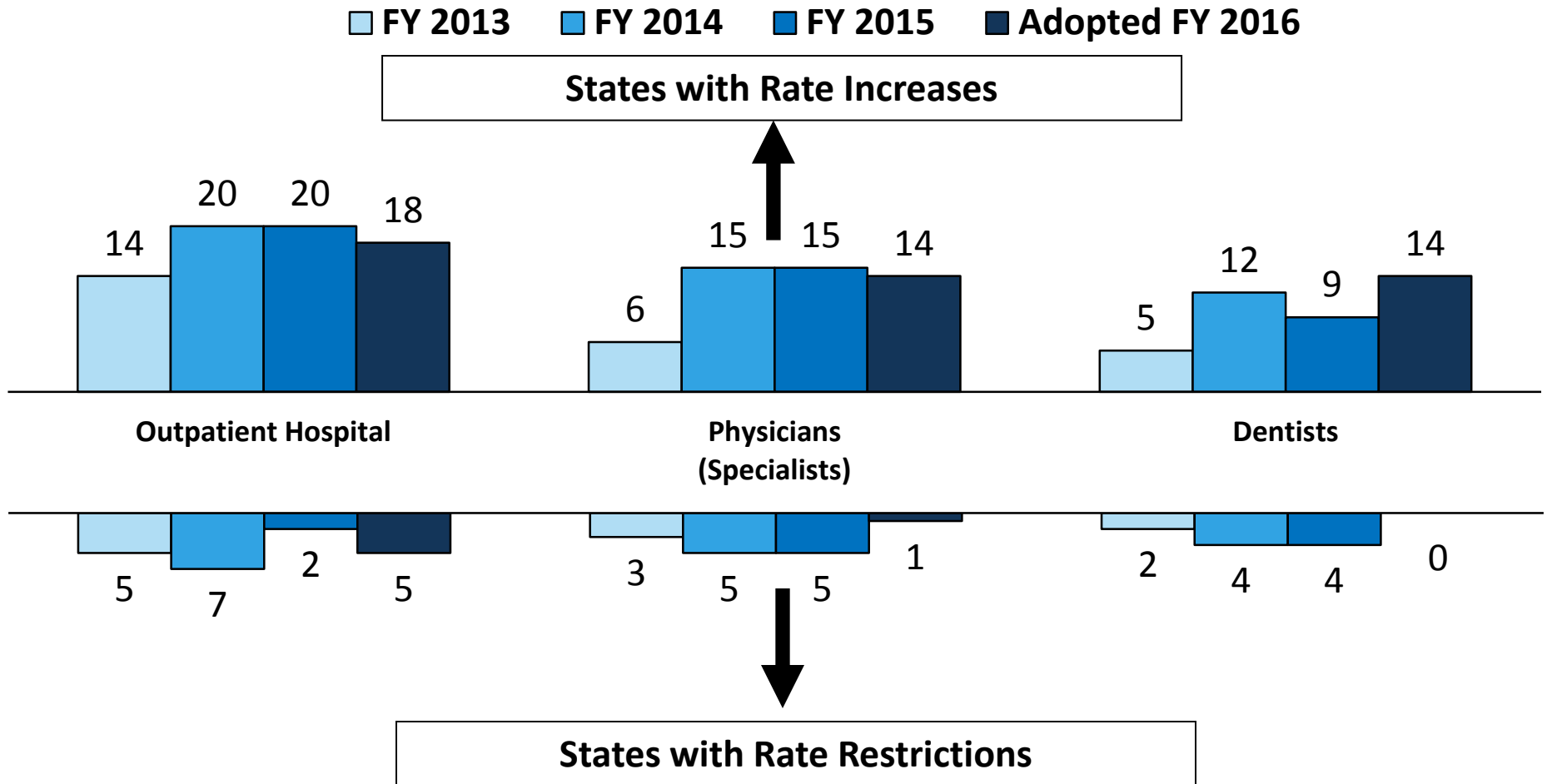


NOTE: Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or hospitals. FY 2016 rates had not been determined for MCOs in Florida at the time of the survey. Illinois and North Carolina did not provide responses for any FY 2016 rates as budgets had not been enacted in these states.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 11

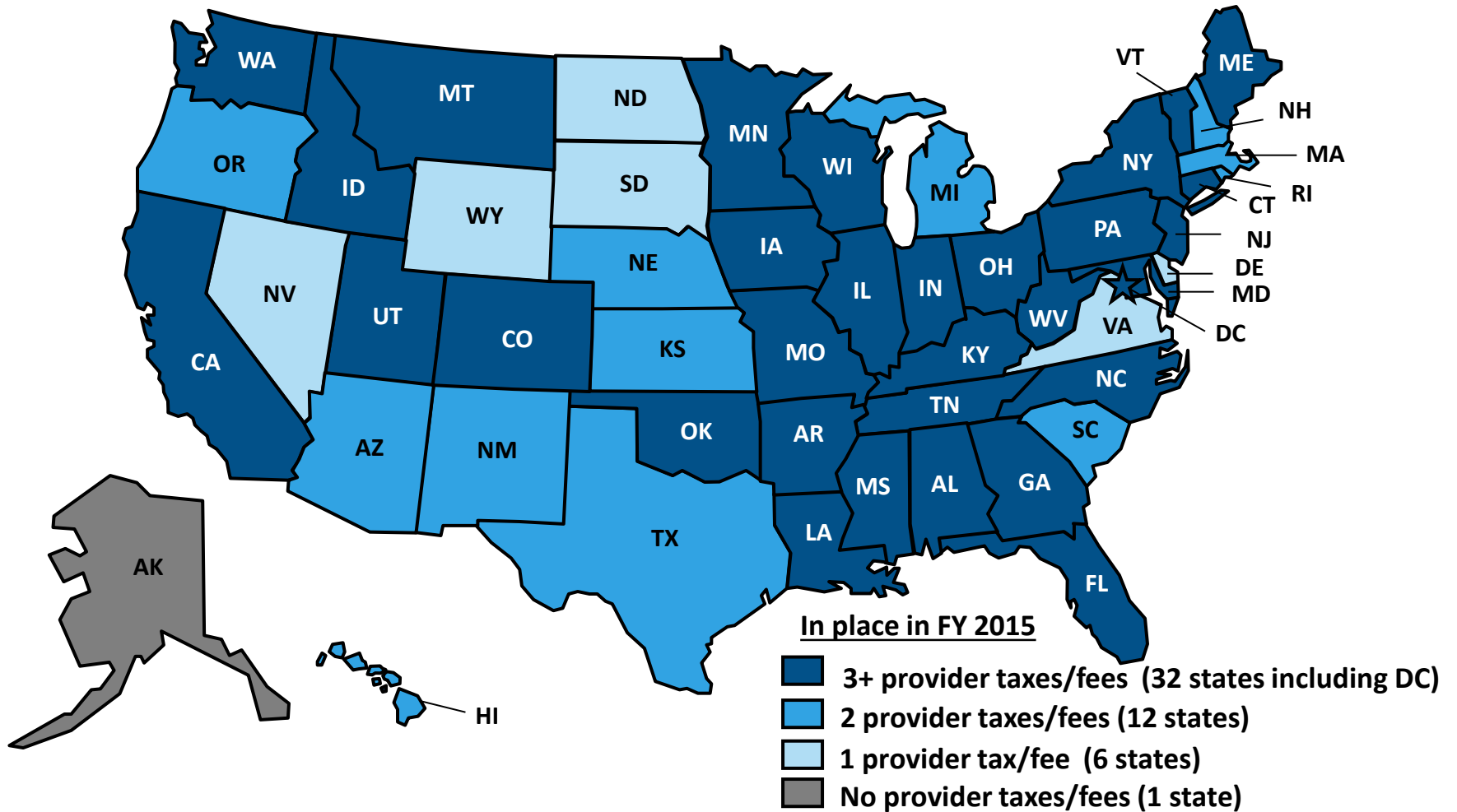
Physician Rate Changes Implemented in FY 2013 - FY 2015 and Adopted for FY 2016



NOTE: Provider rate changes for select physician types; rate changes for primary care providers were not included in this figure. Illinois did not provide responses for any FY 2016 rates as budget discussions continued in that state at the time of the survey. SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 12

States with Provider Taxes or Fees in Place in FY 2015

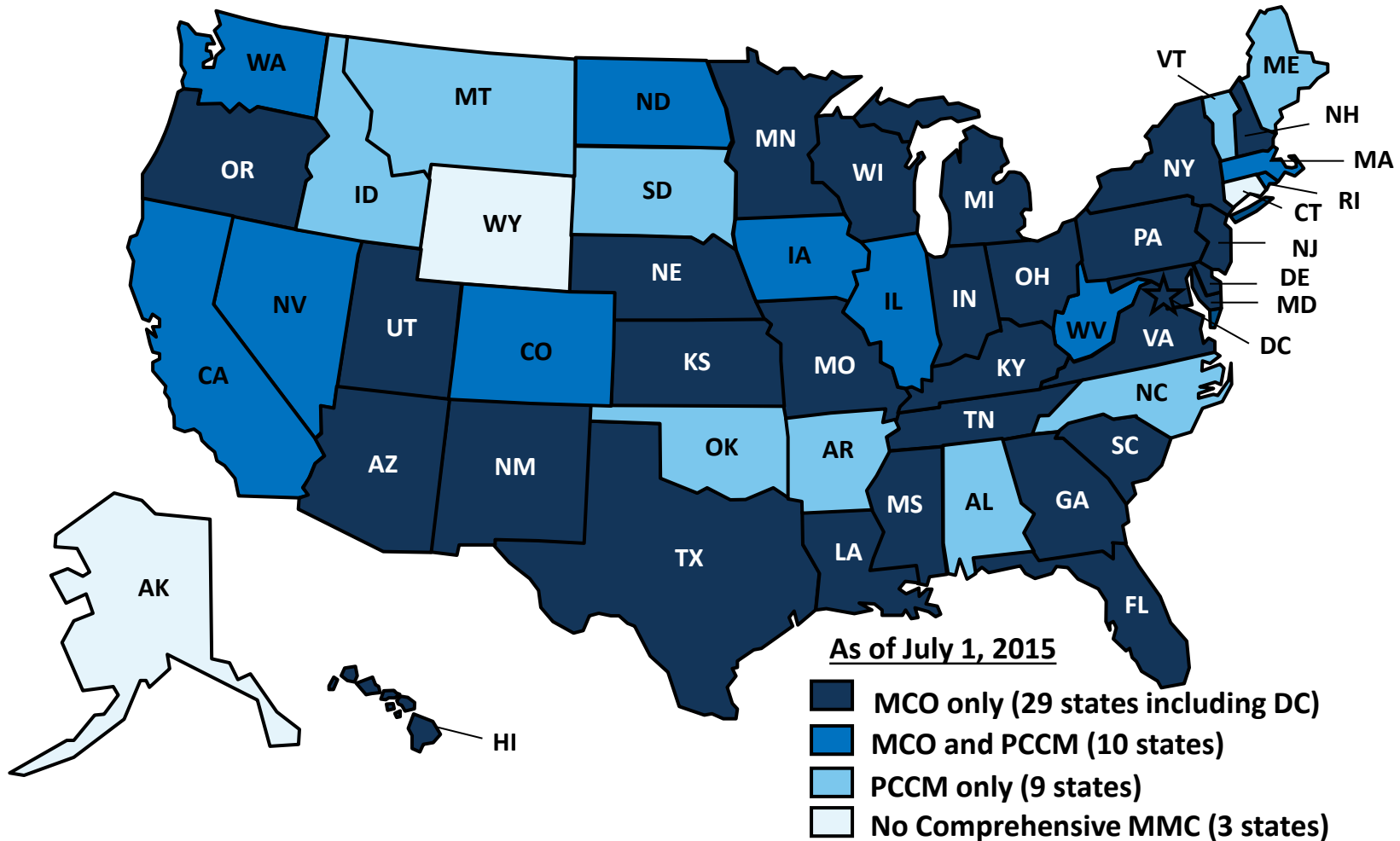


NOTES: Includes Medicaid provider taxes as reported by states. It is possible that there are other sources of revenue from taxes collected on health insurance premiums or health insurance claims that are not reflected here.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 13

Comprehensive Medicaid Managed Care Models in the States, 2015



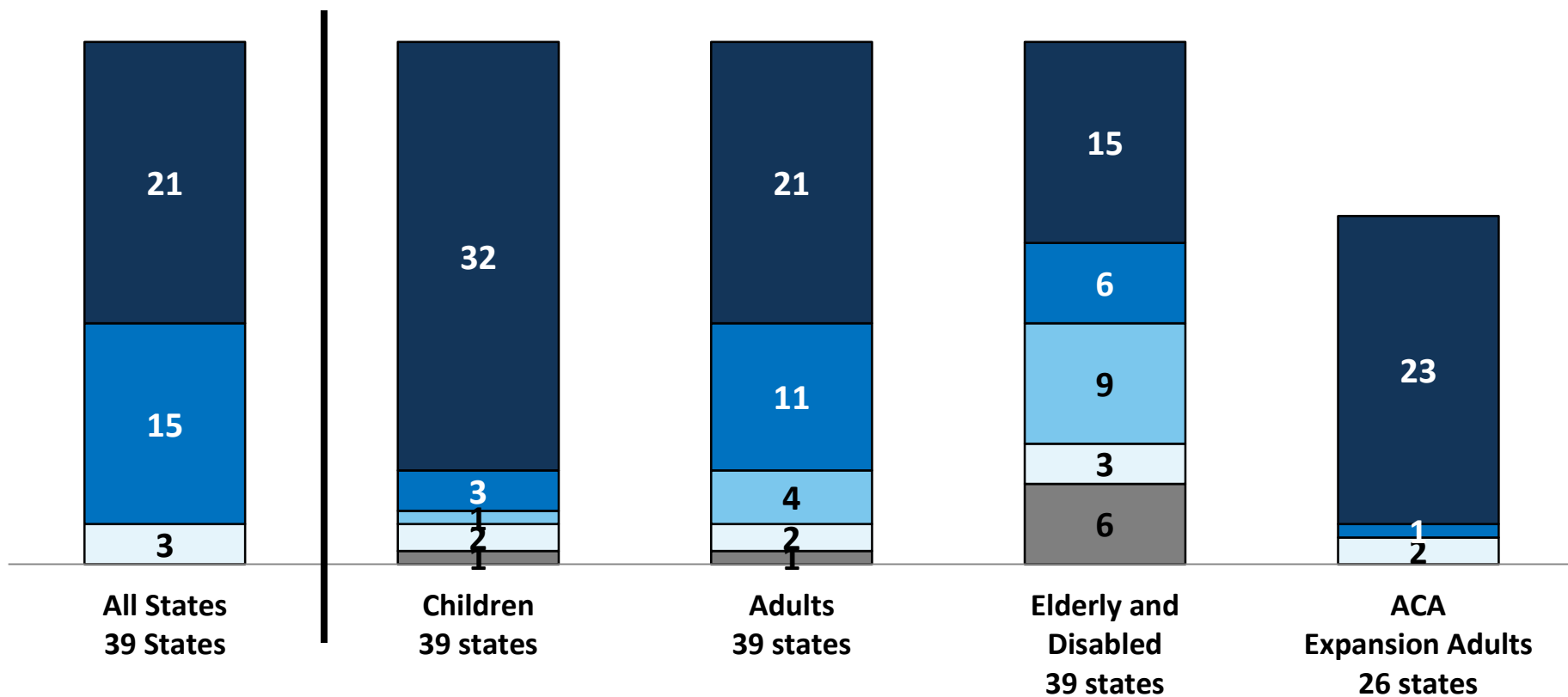
NOTES: ID's MMCP program, which is secondary to Medicare, has been re-categorized by CMS from a PAHP to an MCO by CMS but is not counted here as such. CA has a small PCCM program operating in LA county for those with HIV. Wyoming's PCMH program uses PCCM authority to make PMPM payment but is not counted here as such.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 14

MCO Managed Care Penetration Rates for Select Groups of Medicaid Beneficiaries as of July 1, 2015

■ Excluded □ <25% □ 25-49% □ 50-74% ■ 75+%

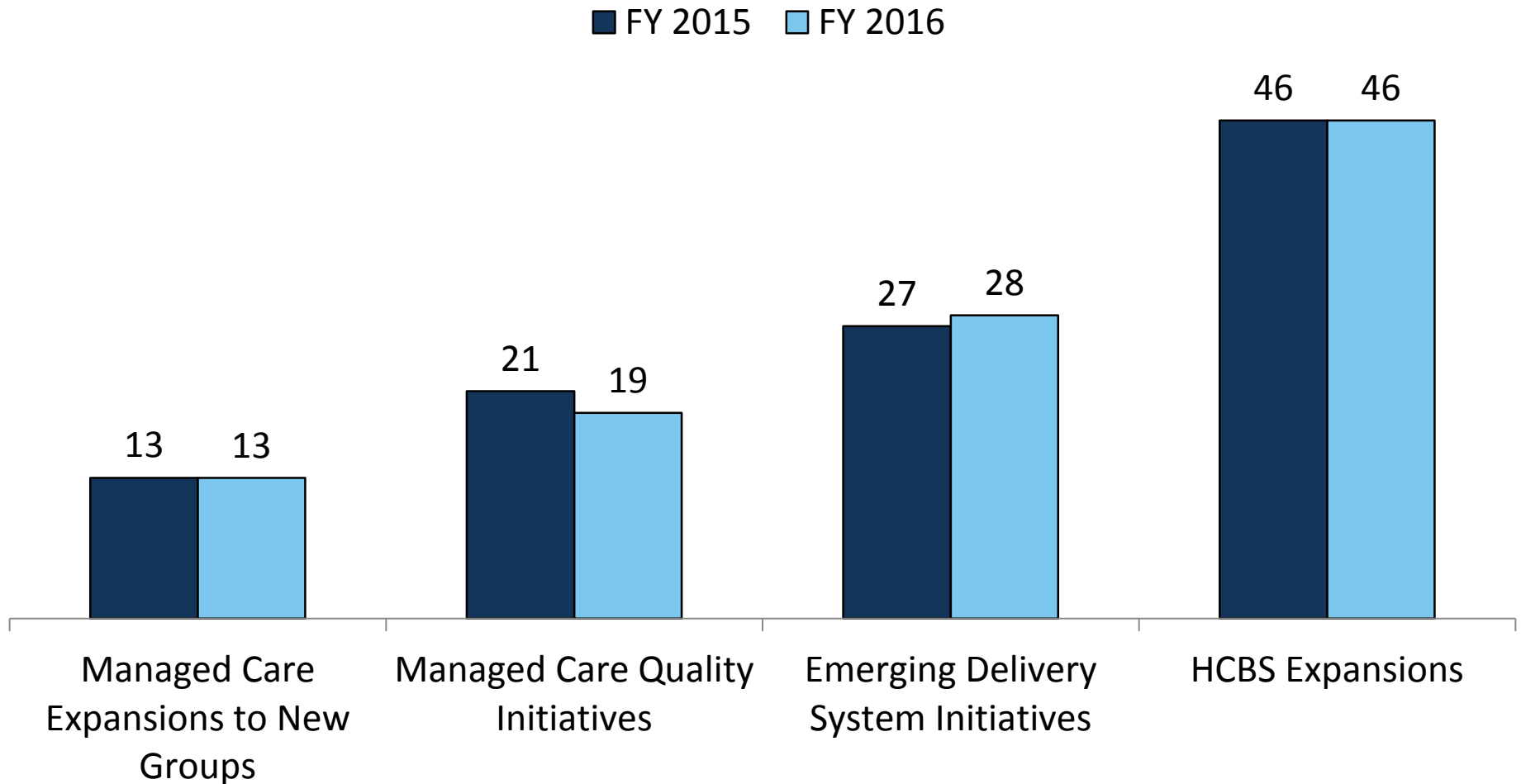


NOTES: Limited to 39 states with MCOs in place on July 1, 2015. Elderly and disabled includes dual eligible beneficiaries. Of the 29 states that had implemented the ACA Medicaid expansion as of July 1, 2015, 26 had MCOs in operation.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 15

Medicaid programs continue to add and expand payment and delivery system reforms in FYs 2015 and 2016.



NOTE: Managed Care Expansions to New Groups refers to expansions to new groups, new regions, increasing the use of mandatory enrollment, and new RBMC programs. Other Delivery System Initiatives include new or expanded initiatives related to PCMH, Health Homes, ACOs, Episodes of Care, DSRIP and initiatives focused on dual eligible beneficiaries.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.

Figure 16

Medicaid directors reported many key priorities for FY 2016 and beyond.

Medicaid Priorities

ACA
Implementation

Cost Control

Payment and
Delivery
System Reform

Systems and
Administration

Population
Health and
Social
Determinants
of Health