

# Medicaid Eligible Populations

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October 26-27<sup>th</sup>, 2005

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Medicaid Commission Meeting



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# Preview of Presentation

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- Medicaid eligibility groups
- Important eligibility rules
- Medicaid enrollment growth
- Preview of some key questions for the January 2006 session



# Medicaid Eligibility Groups: Being Poor, By Itself, Isn't Enough to be Covered

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# Mandatory pathways to Medicaid emerged from discreet policy goals . . .

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- Provide health benefits to **accompany cash assistance**, akin to providing health benefits attached to a government-issued “paycheck”:
  - Aid to Families with Dependent Children (welfare), retained in 1996 welfare reform law
  - Supplemental Security Income (SSI) (federal benefits to aged, blind and disabled)
    - The eleven “209(b)” states use disability rules grandfathered in from 1972 (CT, HI, IL, IN, MN, MO, NH, ND, OH, OK, VA)



. . . including jump-starting care for children and pregnant women . . .

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- Children below age six, to 133% of the federal poverty level (FPL)
- Children ages 6 to 18, to 100% FPL
- Pregnant women to 133% FPL

In 2005, for a family of four:

100% FPL = \$19,350

133% FPL = \$25,736



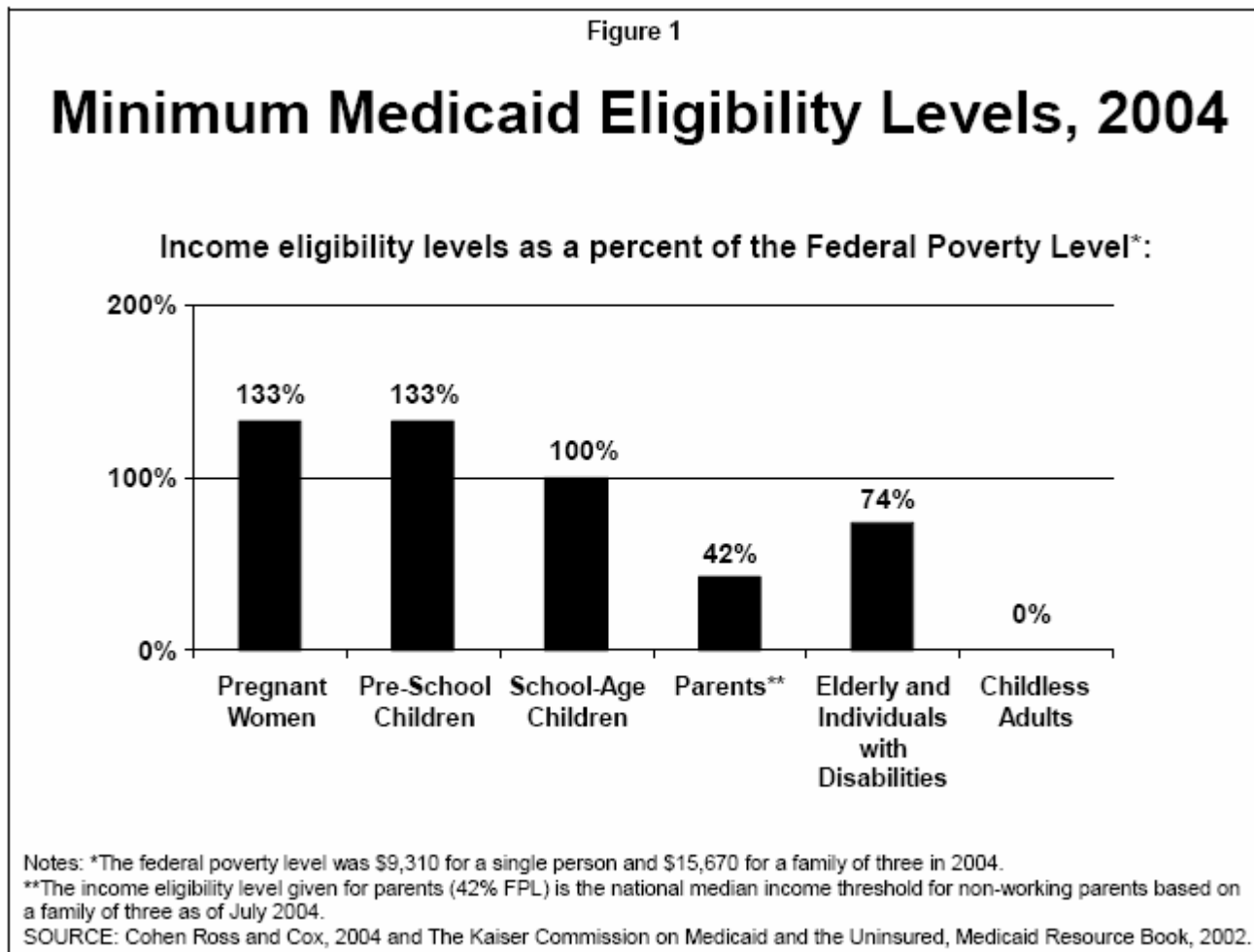
. . . and with other mandates to meet other goals . . .

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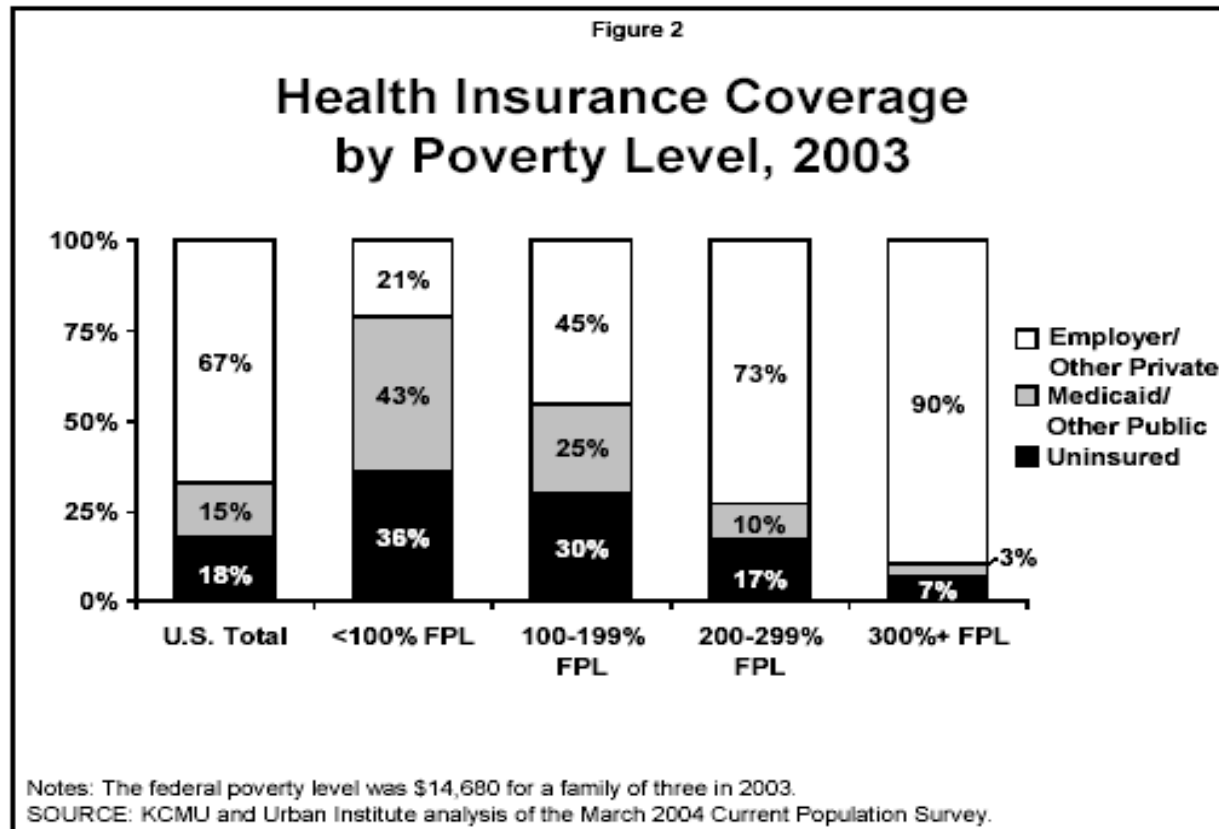
- Assist Medicare beneficiaries with their Medicare cost-sharing:
  - Qualified Medicare Beneficiaries (QMB) from 74% to 100% FPL
    - No Medicaid benefits, but all Medicare cost sharing
  - Specified Low-Income Medicare Beneficiaries (SLMB) and Qualified Individuals (QI), from 100-135% FPL
    - Limited to Medicare Part B premium payments only
- Reduce disincentive for welfare recipients to work:
  - Transitional Medical Assistance, on a time-limited basis



. . . and the result is that Medicaid does not cover “the poor,” but instead requires states to cover targeted groups . . .



. . . which is one reason many people below the poverty level are uninsured.





# States also may cover “optional” groups, without a waiver, such as . . .

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- Many of the previous mandatory groups, but to higher income levels:
  - Children up to 185% FPL
  - S-CHIP covers children to 200% FPL, or 50% above the state’s level before S-CHIP, whichever is higher
  - Pregnant women up to 185% FPL
  - Low-income parents above AFDC
  - Aged, blind, and disabled (“SSI”) up to 100% FPL



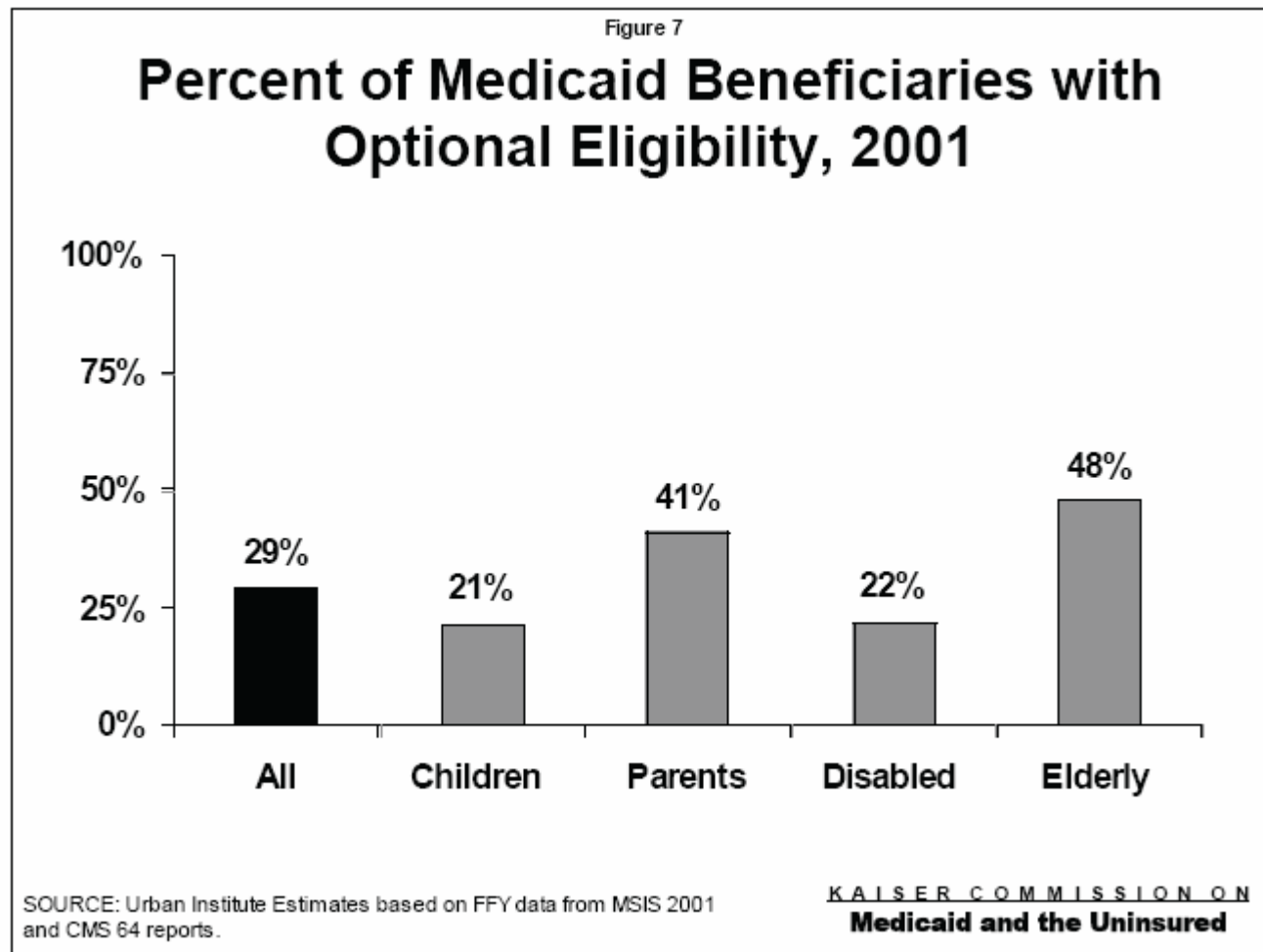
. . . and new groups best described as people who otherwise would fall through the cracks of the current insurance underwriting system.

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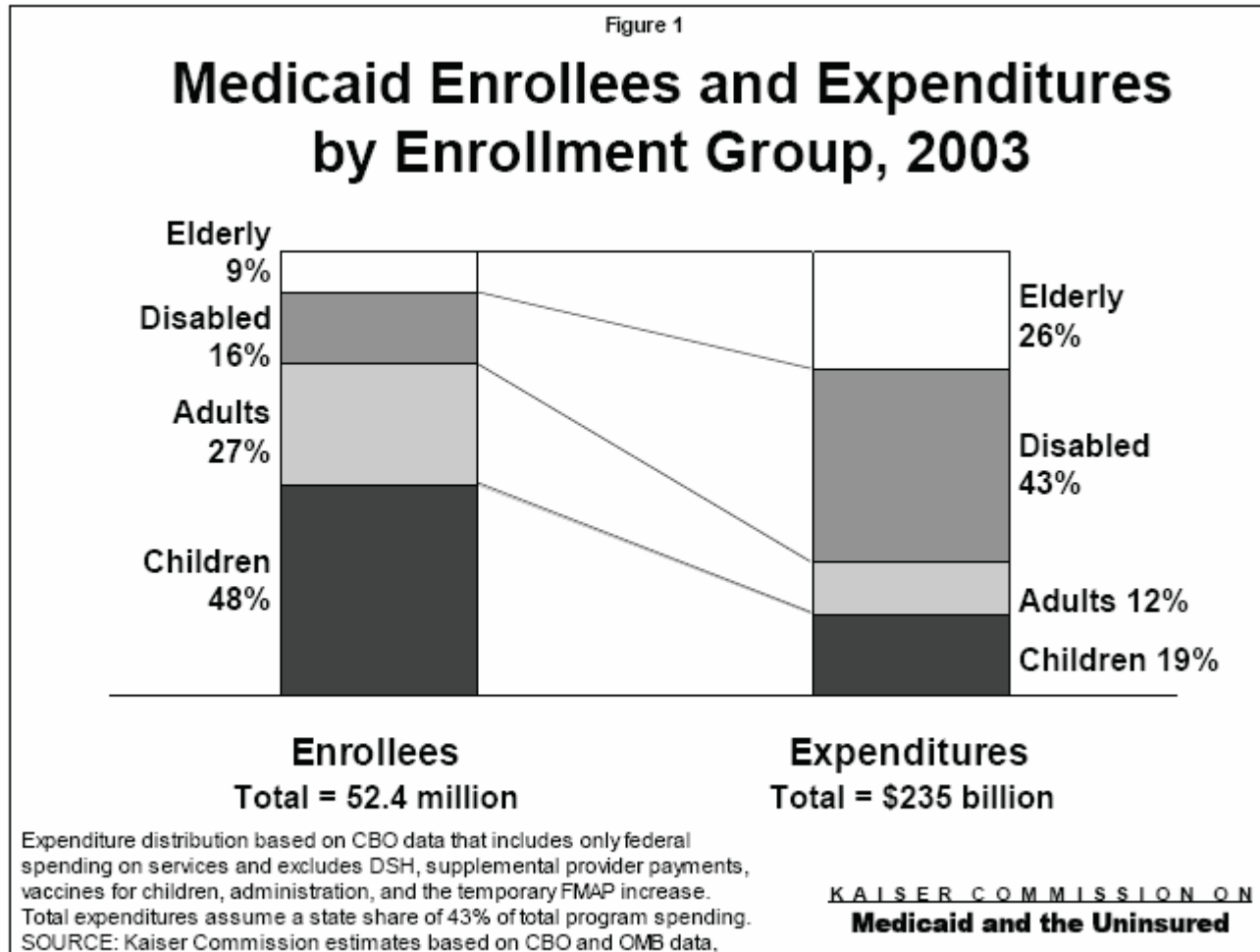
- People in nursing facilities below 300% of the SSI payment levels
- Working individuals with disabilities
  - For this group, states may impose sliding scale cost-sharing, subject to federal approval
- The “Medically Needy”
- Disease-specific groups (tuberculosis, and breast and cervical cancer)



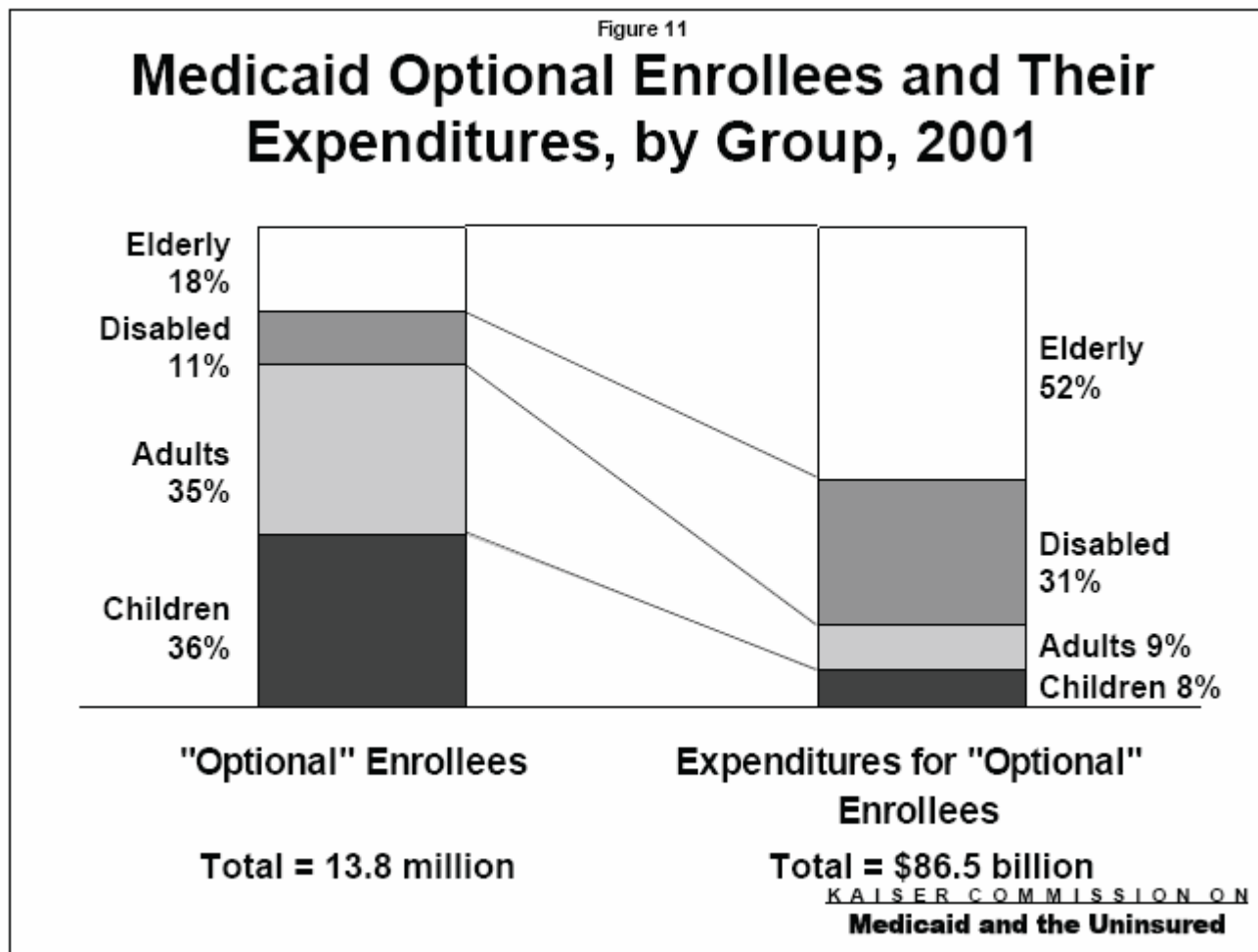
... resulting in a picture where almost one-third of beneficiaries are in optional eligibility groups.



# Expenditures vary by eligibility category . . .



. . . so states must be cautious about expanding and contracting eligibility.



# In more detail, Medicaid covers a large number of children . . .

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- Covers 25 million or 1 out of 4 children
- Some states cover S-CHIP beneficiaries through their Medicaid programs
- Covers recipients of adoption assistance and foster care children who are eligible for Title IV-E



. . . more than one-third of all births by covering pregnant women . . .

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- Funds over 1/3 of all births in the U.S.
- Is the largest source of public funding for family planning
- Most states offer coverage beyond the mandatory income level of 133% of poverty
- Coverage is limited to pregnancy-related services and ends 60 days after pregnancy



. . . more people with disabilities than the combined residents of Maryland and the District of Columbia . . .

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- Medicaid covers over 8 million low-income persons with disabilities and chronic illnesses
- About 20% of non-elderly persons with a disability who are living in the community have Medicaid
- Primary source of coverage for low-income children with disabilities
- Approx. 20% of adults with disabilities who receive Medicaid are also employed





. . . and over 7 million dual eligibles.

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- 18% of Medicare beneficiaries are also eligible for Medicaid
- Fills in the gap for services not covered by Medicare (e.g., long term care, vision, dental, and *prescription drugs until Jan. 2006*)
- Subsidizes Medicare premiums and cost-sharing requirements



# So who is not covered by Medicaid?

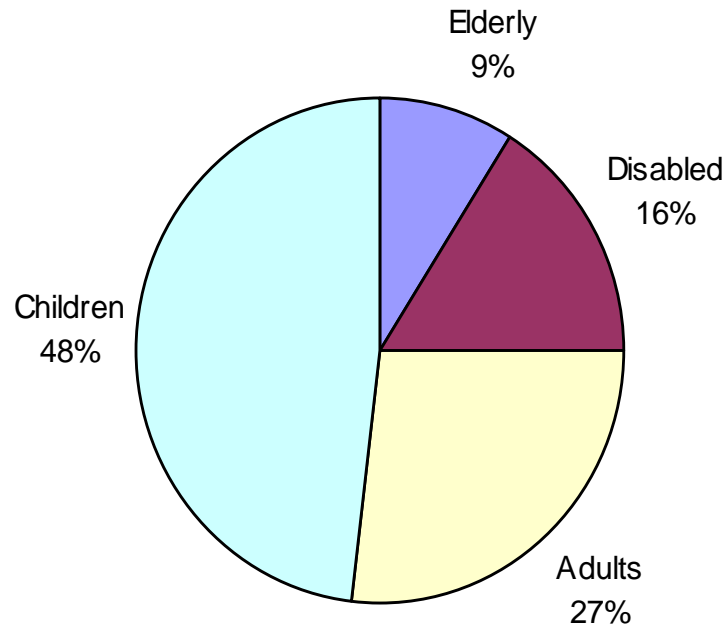
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- Homeless woman who has not been evaluated for a disability
- Low-income adults without children (except through a waiver)
- In 14 states, working parents with incomes at 50% of the federal poverty level earn too much to qualify for Medicaid



# The overall Medicaid enrollment looks like this.

**Medicaid Enrollees by Enrollment Group, 2003**



Source: Kaiser Commission on Medicaid and the Uninsured



# Important Eligibility Rules

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# Medicaid eligibility in mandatory and state-chosen optional groups is an “entitlement.”

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- States may not cap the enrollment.
- Everyone who meets the eligibility criteria must be given entry into Medicaid.



Besides mandatory and optional groups, states may cover people via Section 1115 waivers.

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- These waivers must be “budget neutral.”
- Therefore, savings must be achieved elsewhere in Medicaid to expand coverage.
- These “expansion” groups may be capped.
- Examples: TennCare, and Utah’s Primary Care Network.



# Medicaid eligibility varies by immigration status.

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- Medicaid must cover all U.S. citizens
- Certain legal permanent resident aliens qualify as well, such as:
  - Refugees and people seeking asylum, depending on length of time in the country
  - Those who have 40 qualifying quarters in SSA
  - Those connected to military service
- For undocumented aliens, only emergency care is permitted



# Retroactive eligibility applies.

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- Medicaid coverage may begin three months before the month of formal application, if all eligibility rules are met.
- This protects people who suddenly are injured or become disabled, and who may not immediately pursue Medicaid.
- But it also means that, unlike employer-sponsored insurance, there is adverse selection into Medicaid and the early months often are quite expensive.





# Other rules also apply.

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- States have the option of providing “continuous” coverage for certain groups, such as children:
  - Eligibility may be guaranteed, if income levels rise.
- And states may allow “presumptive” eligibility for children and pregnant women:
  - Pay for services with Medicaid funds pending the official eligibility determination.



# Medicaid Enrollment Growth

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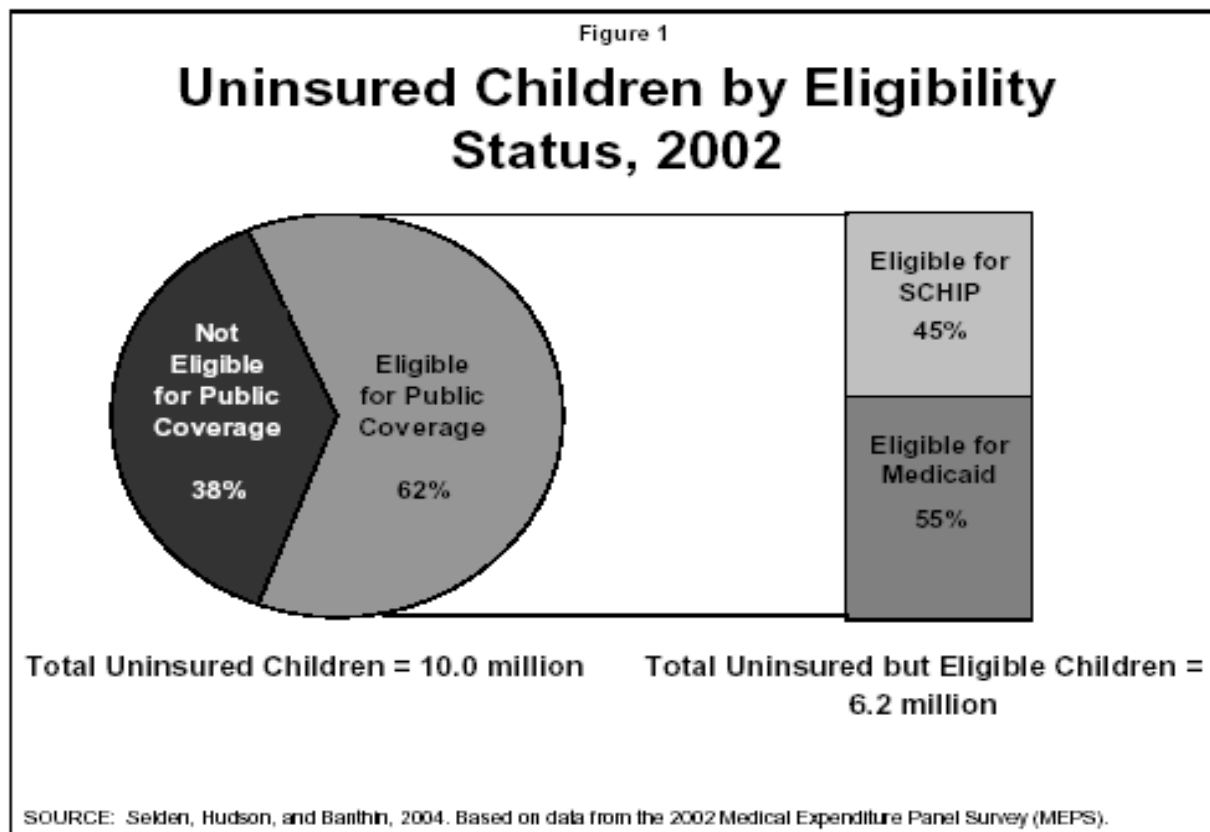
# Medicaid enrollment growth has occurred because of targeted efforts to reduce the number of uninsured . . .

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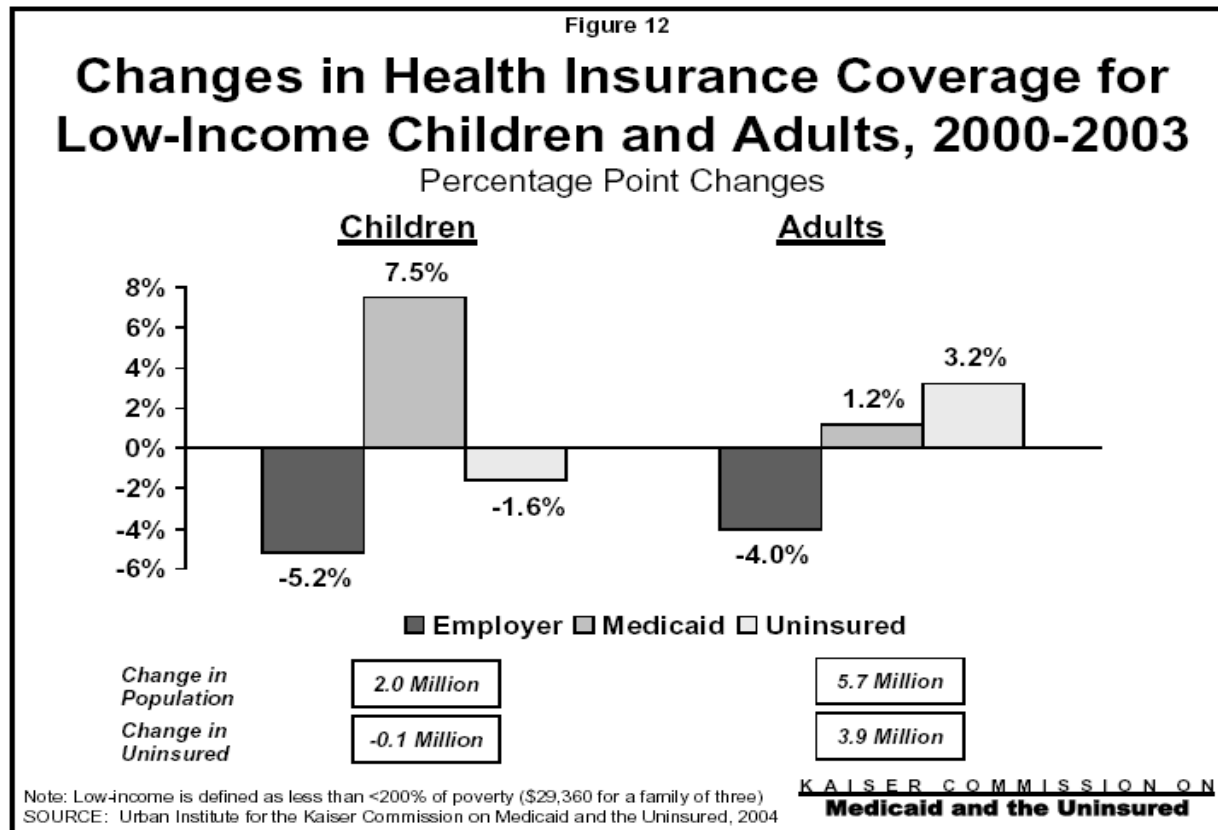
- Outreach: Enroll eligible but unenrolled individuals (no policy change needed)
- Expand eligibility to optional eligibility groups (no federal approval needed)
- Use a “demonstration” (1115) waiver to cover an expansion group



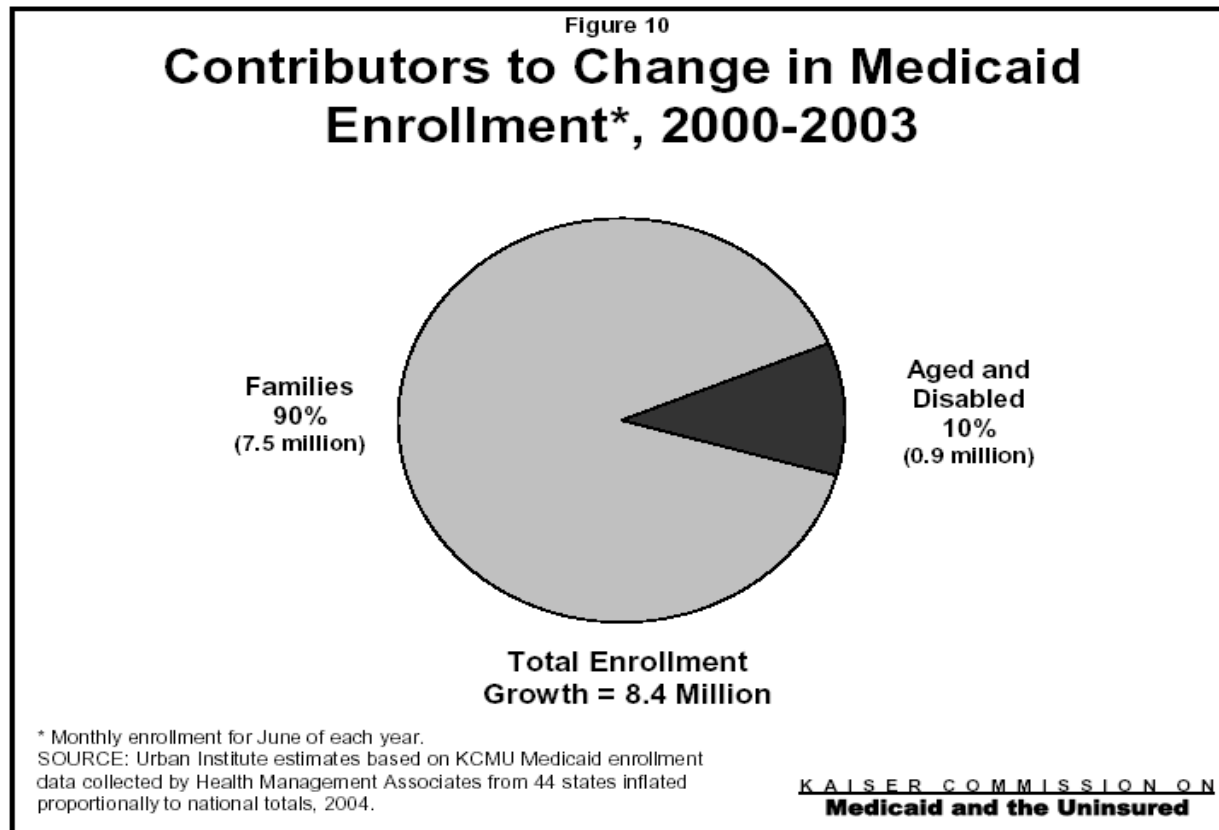
. . . outreach by itself can swell Medicaid's rolls, since most uninsured children already qualify for Medicaid or SCHIP.



# Medicaid enrollment growth also reflects substitution of coverage of the previously insured . . .



. . . and the net effect was growth from 2000-2003 by 8.4 million people.



# Preview of Some Key Questions for the January 2006 Session

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# Key recommendations in “eligibility” from the Commission will include:

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- Should minimum national standards of any type be set?
- If so, should the existing minimum national standards be altered?
- How much flexibility should states have?
- Should Medicaid remain an “entitlement” program (non-capped enrollment)?
- What is the federal government’s role in providing policy options to address the “underwriting” failures that have led to Medicaid expansions?
- How can Medicaid enrollment growth be managed in the face of the continuing dynamics leading to the substitution of coverage?





# Questions

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