

Who Needs Medicaid?

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and

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for

**Medicaid Commission Meeting
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Figure 1

Medicaid's Roles Today

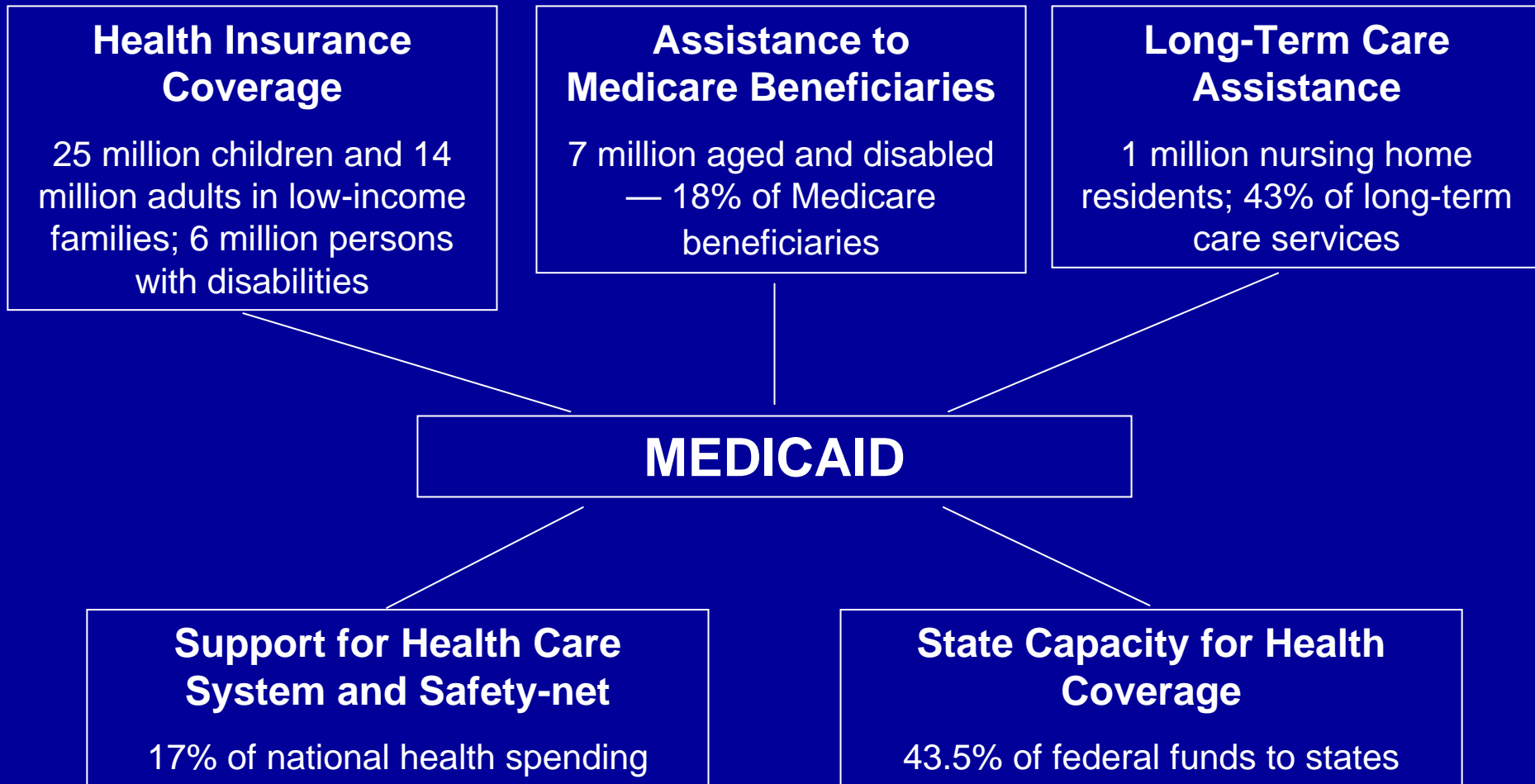
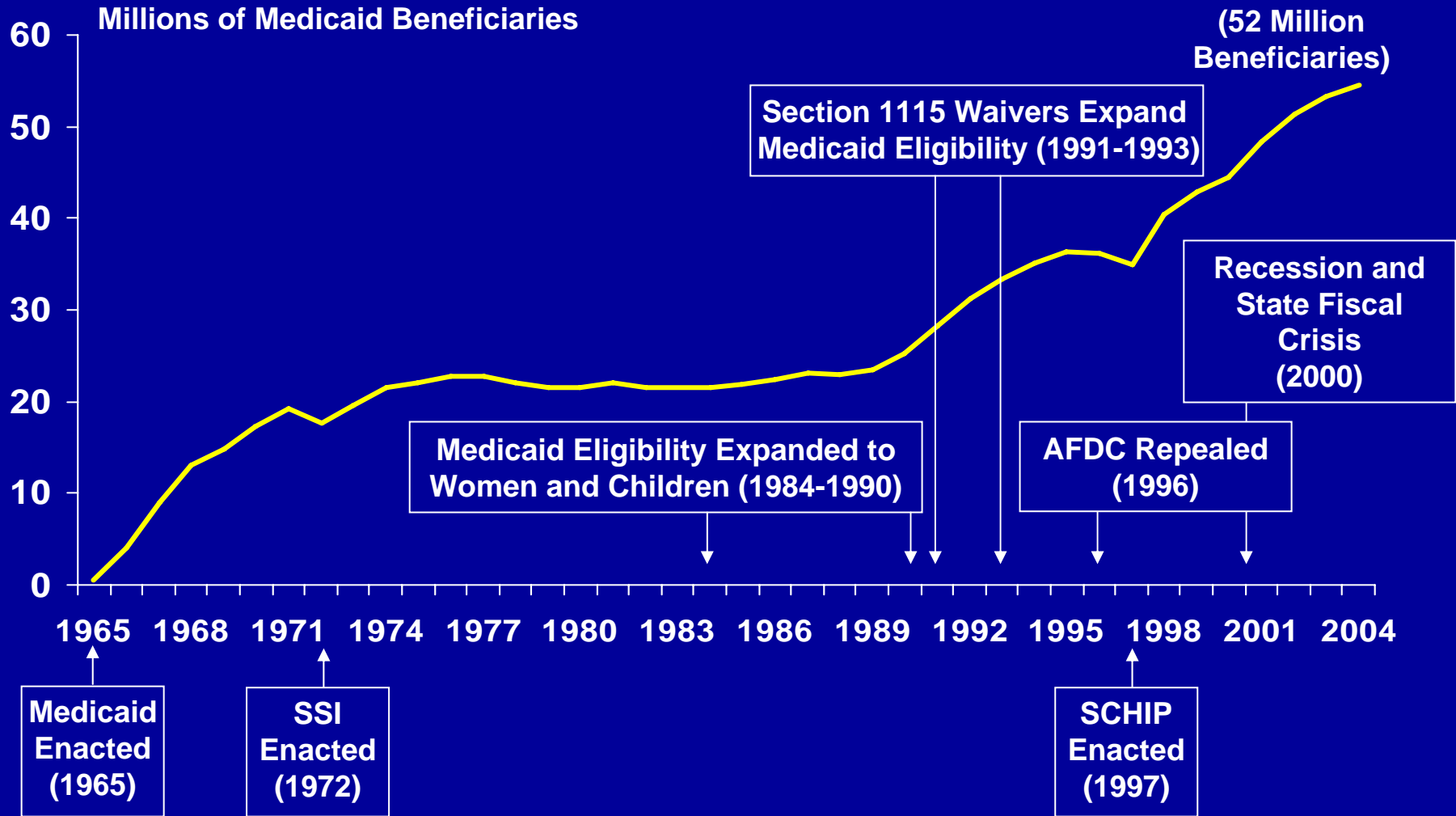


Figure 2

Medicaid Eligibility Milestones, 1965-2003



SOURCE: KCMU analysis of data from the Health Care Financing Administration and Centers for Medicare and Medicaid Services, 2004.

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Medicaid Beneficiary Groups

Mandatory Populations

- Children age 6 and older below 100% FPL (\$16,600 a year for a family of 3)
- Children under age 6 below 133% FPL (\$22,078 a year for a family of 3)
- Parents below AFDC cutoffs from July 1996 (median = 42% FPL)
- Pregnant women $\leq 133\%$ FPL
- Elderly and disabled SSI beneficiaries with income $\leq 74\%$ FPL (\$7,251 a year for an individual).
- Certain working disabled
- Medicare Buy-In groups (QMB, SLMB)

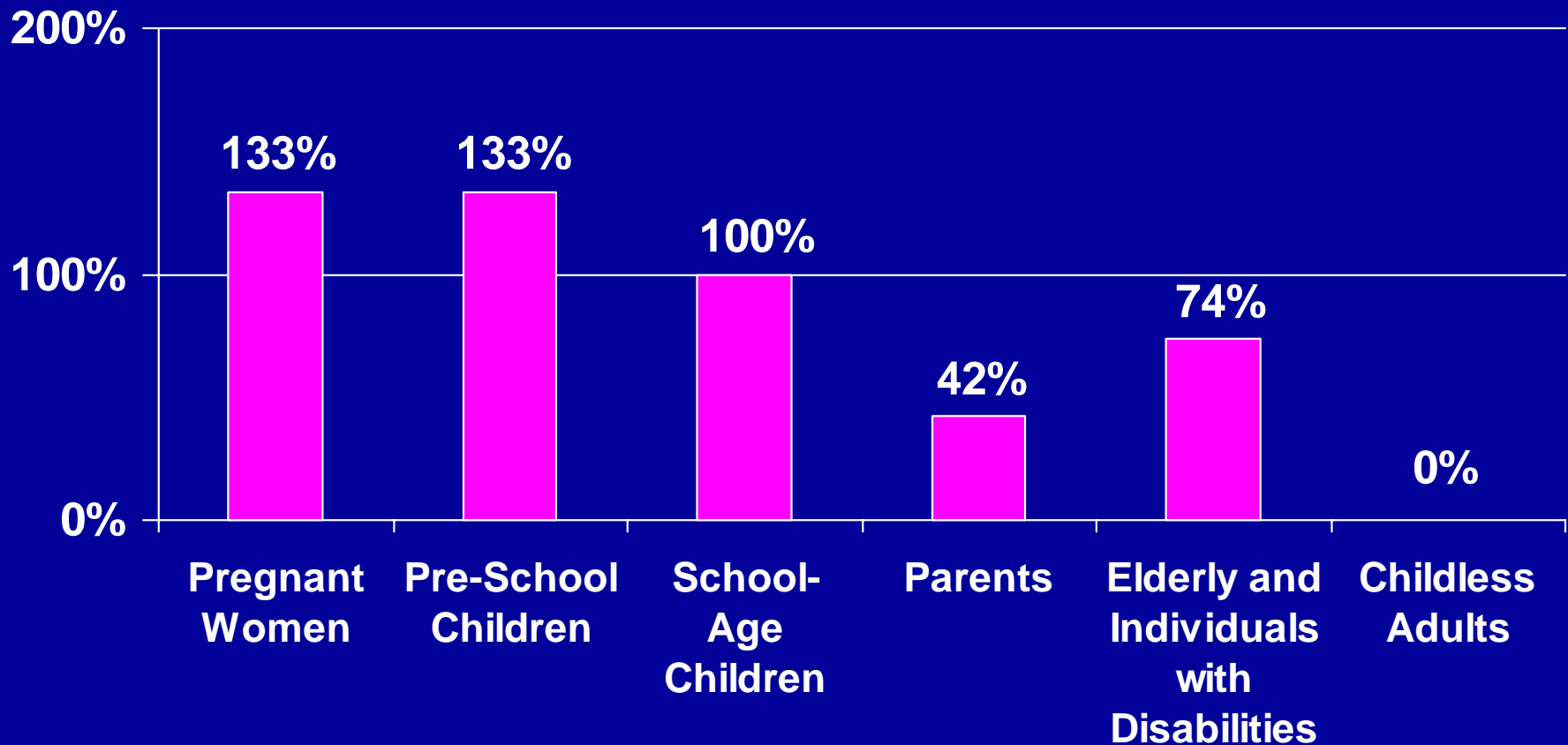
Optional Populations

- Low-income children above 100% FPL.
- Low-Income parents with income above 1996 AFDC level.
- Pregnant women $>133\%$ FPL
- Disabled and elderly below 100% FPL (\$9,800 a year for an individual).
- Nursing home residents below 300% of SSI (\$737 a month).
- Disabled (under HCBS waiver)
- Certain working disabled ($>$ SSI levels)
- Medically needy

Figure 4

Minimum Medicaid Eligibility Levels, 2005

Income eligibility levels as a percent of the Federal Poverty Level:



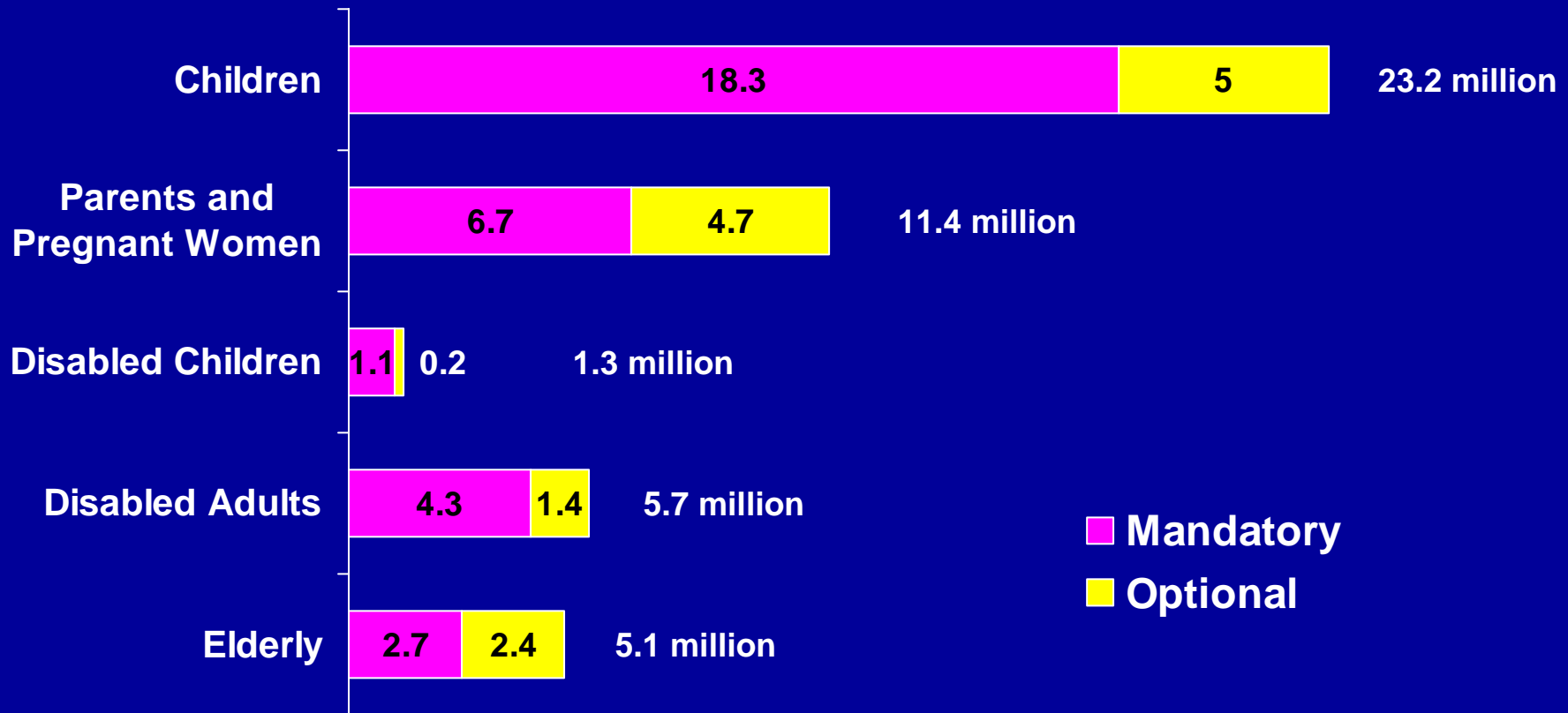
Note: The federal poverty level was \$9,750 for a single person and \$16,090 for a family of three in 2005.

SOURCE: Cohen Ross and Cox, 2005 and KCMU, Medicaid Resource Book, 2002.

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Figure 5

Medicaid Enrollment By Eligibility Group, 2001

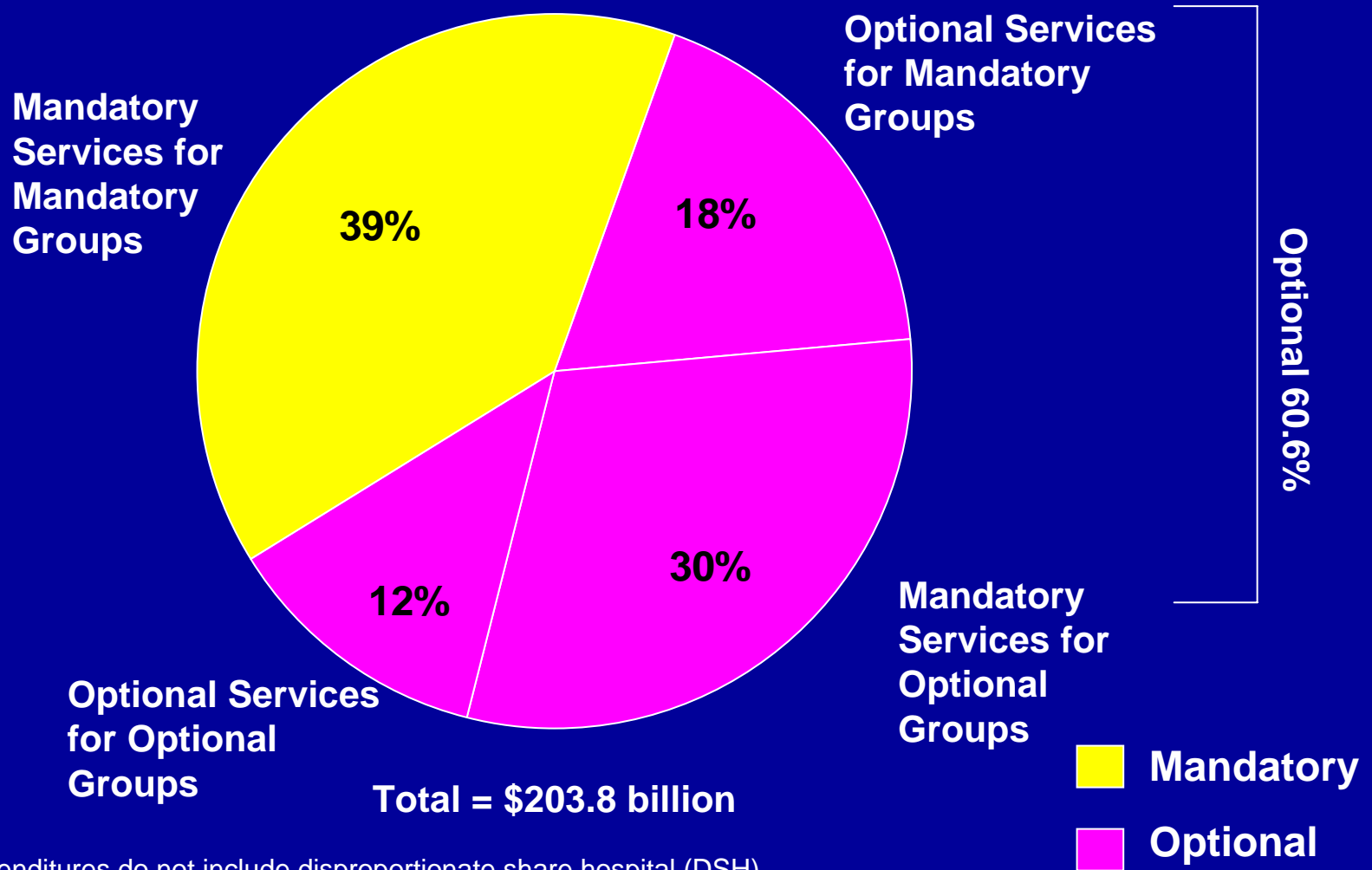


NOTE: Because of rounding, numbers may not exactly reflect Mandatory and Optional totals.

SOURCE: Urban Institute Estimates based on FFY data from MSIS 2001 and CMS 64 reports.

Figure 6

Medicaid Expenditures by Eligibility Group and Type of Service, 2001

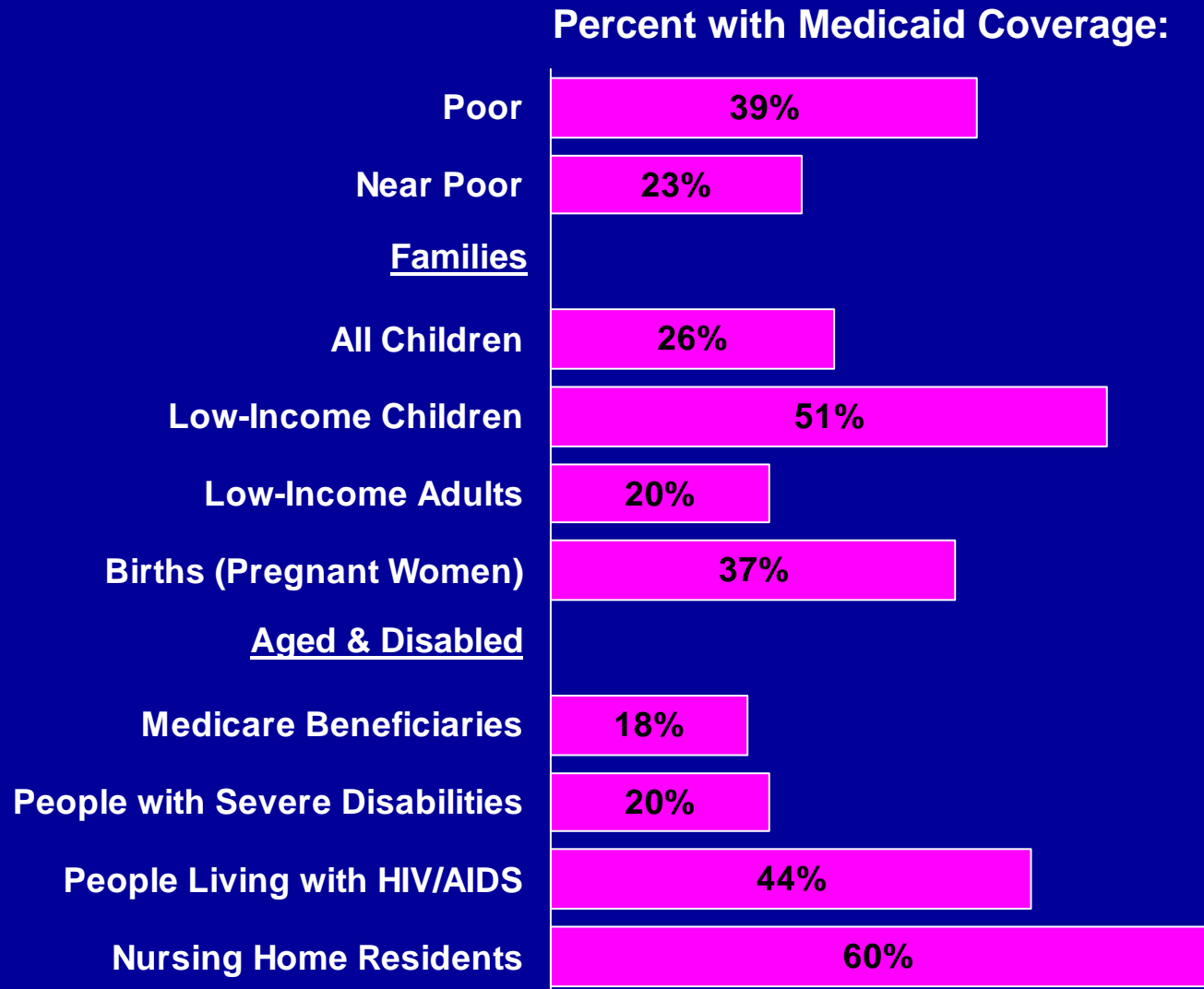


NOTE: Total expenditures do not include disproportionate share hospital (DSH) payments, administrative costs, or accounting adjustments.

SOURCE: Urban Institute Estimates based on FFY data from MSIS 2001 and CMS 64 reports.

Figure 7

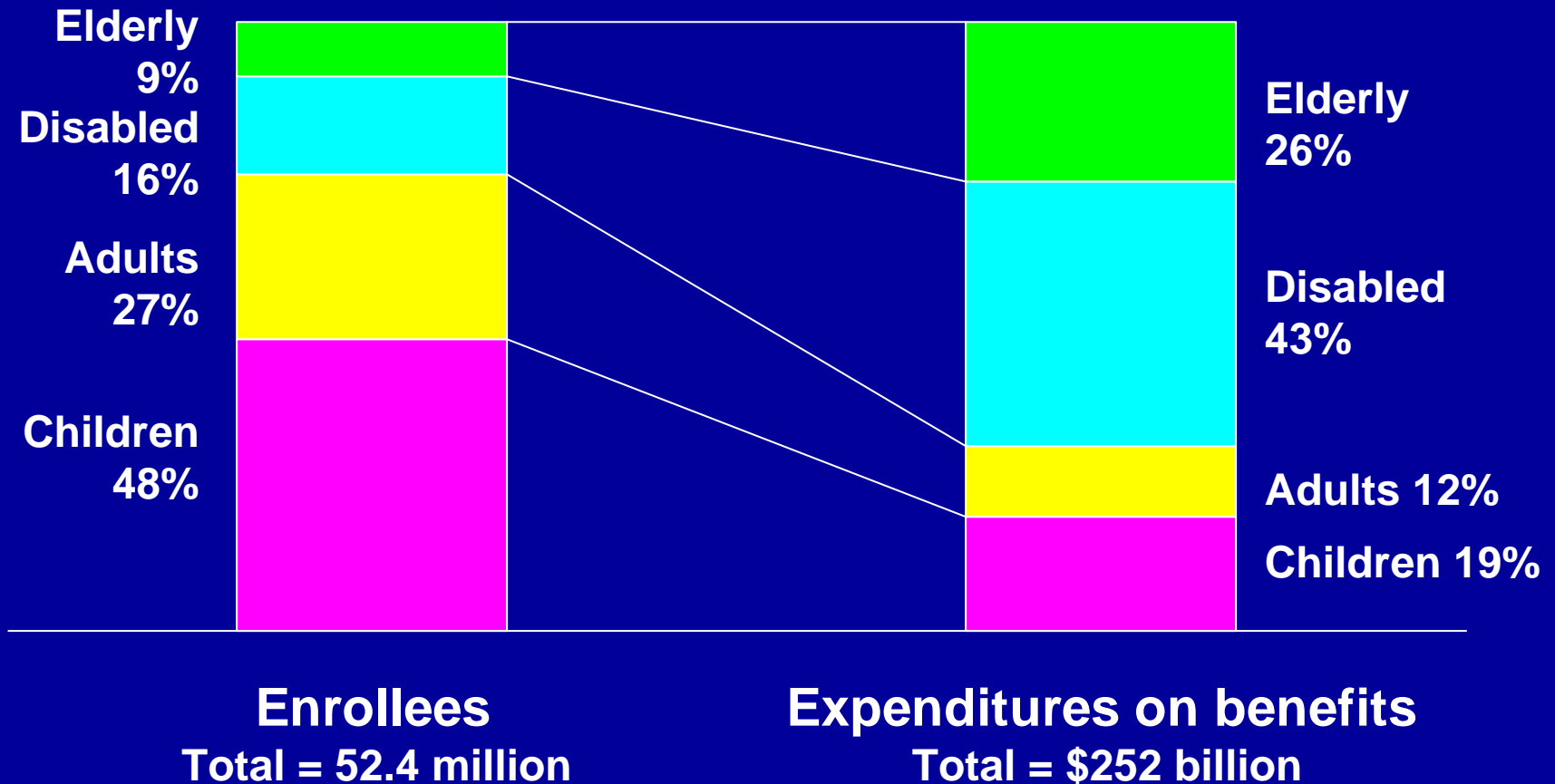
Medicaid's Role for Selected Populations



Note: "Poor" is defined as living below the federal poverty level, which was \$19,307 for a family of four in 2004. SOURCE: KCMU, KFF, and Urban Institute estimates; Birth data: NGA, MCH Update.

Figure 8

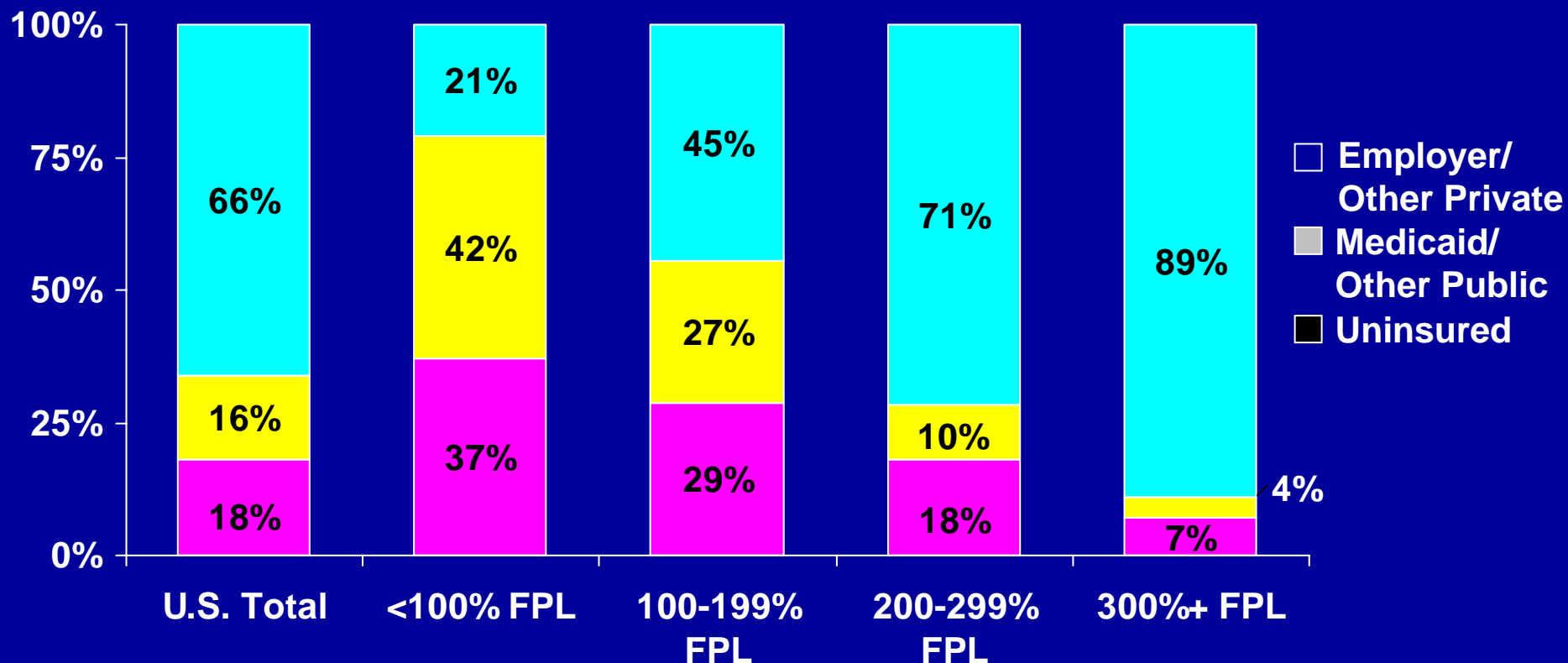
Medicaid Enrollees and Expenditures by Enrollment Group, 2003



Note: Total expenditures on benefits excludes DSH payments.
SOURCE: Kaiser Commission on Medicaid and the Uninsured estimates based on CMS, CBO, and OMB data, 2004.

Figure 9

Health Insurance Coverage by Poverty Level, 2004



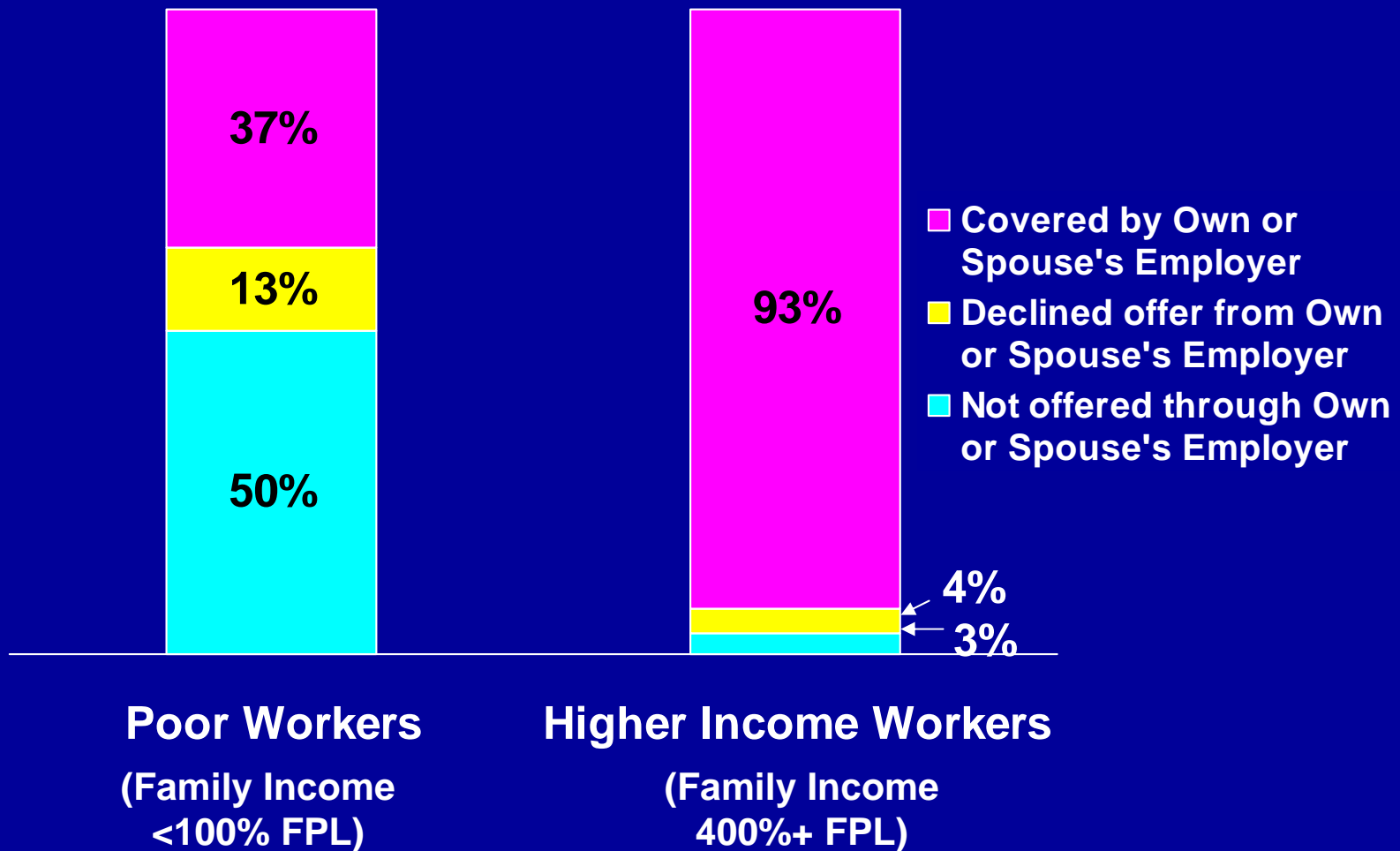
Notes: The federal poverty level was \$19,307 for a family of four in 2004.

SOURCE: KCMU and Urban Institute analysis of the March 2005 Current Population Survey.

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Figure 10

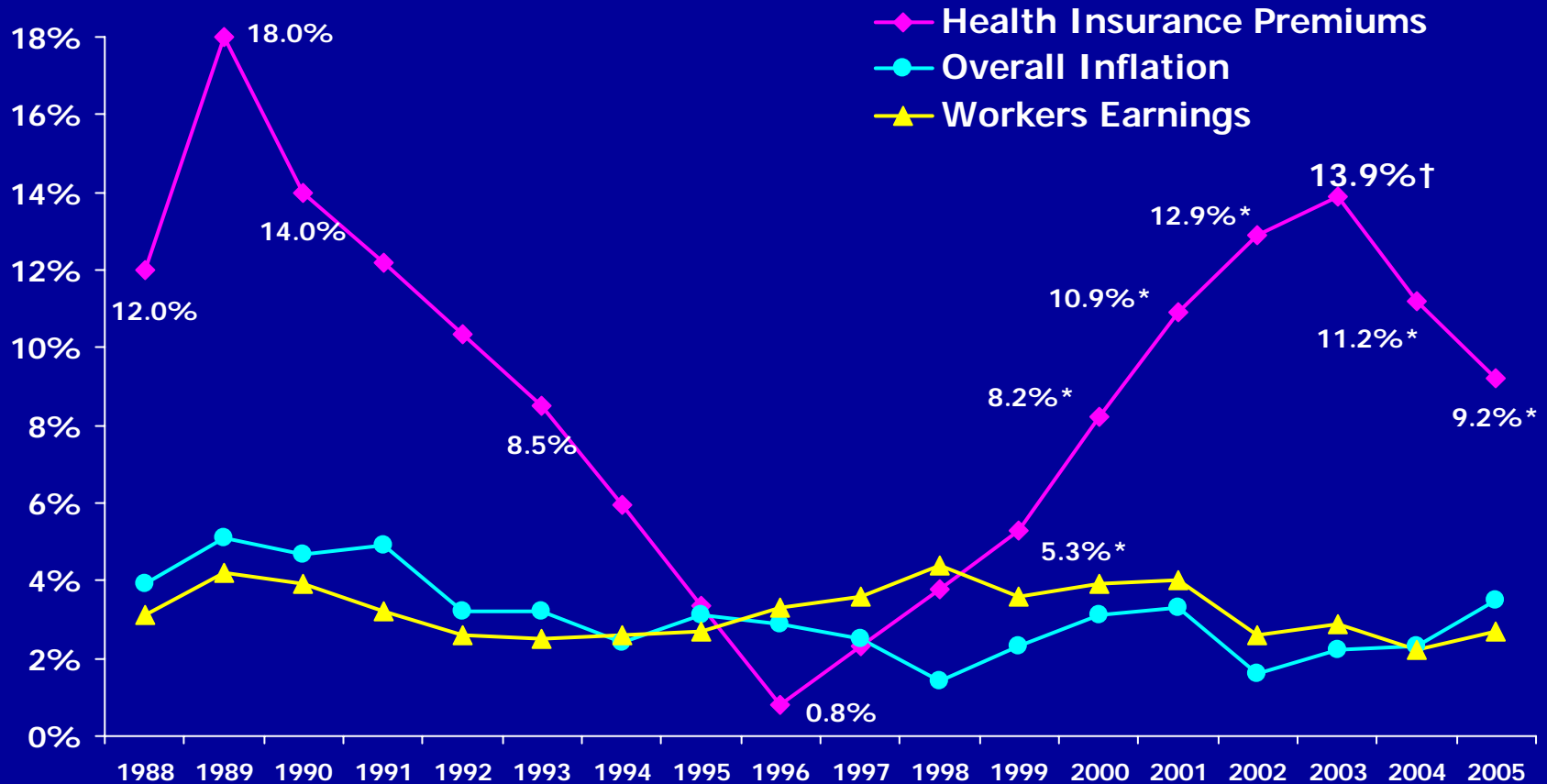
Half of Poor Workers Have No Access to Employer-Based Coverage



SOURCE: Garrett B. *Employer-Sponsored Health Insurance Coverage: Sponsorship, Eligibility, and Participation Patterns in 2001*. KCMU report. July 2004.

Figure 11

Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2005



* Estimate is statistically different from the previous year shown at $p < 0.05$. No statistical tests were conducted for years prior to 1999.

† Estimate is statistically different from the previous year shown at $p < 0.1$. No statistical tests were conducted for years prior to 1999.

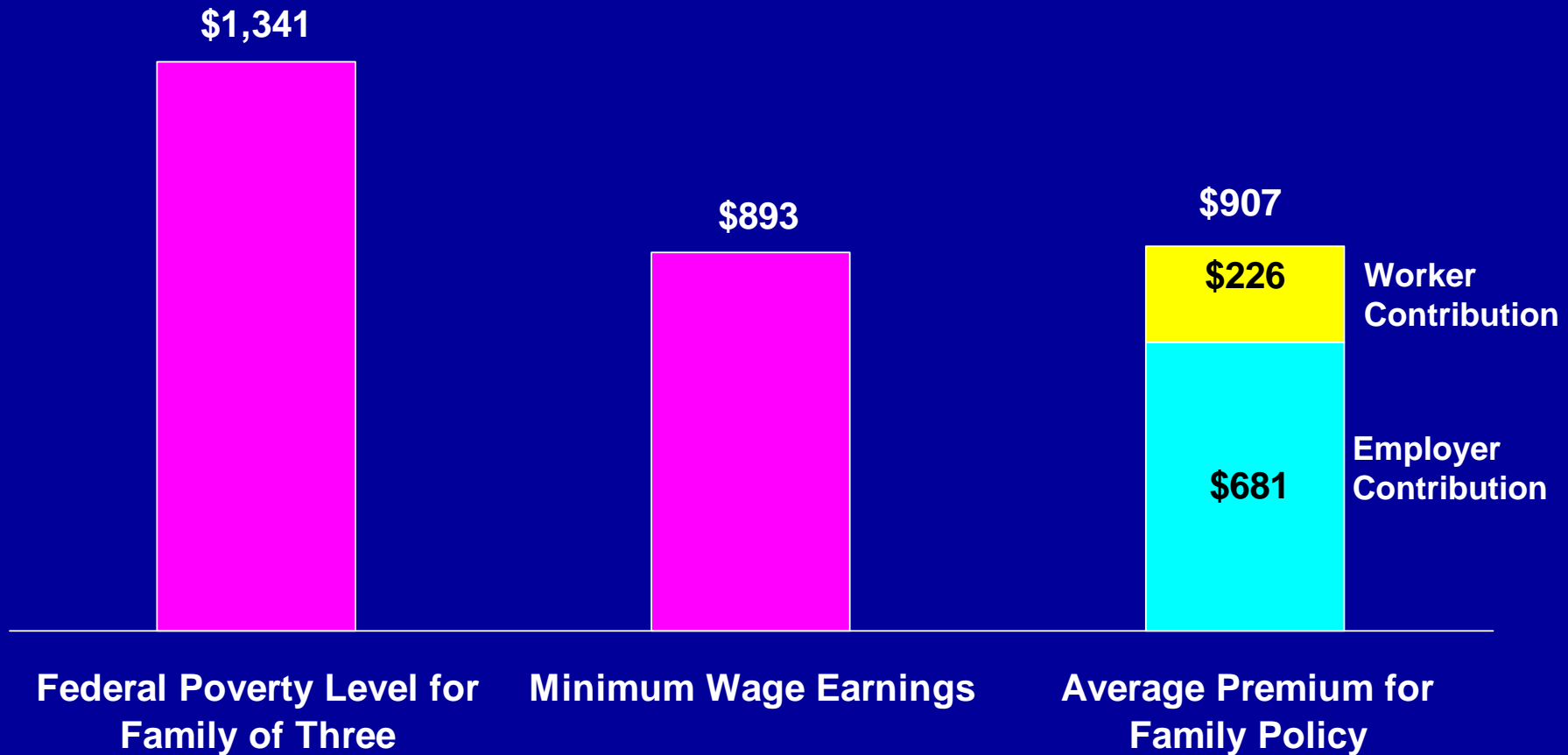
Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 1999-2005; KPMG Survey of Employer-Sponsored Health Benefits, 1993-1996; The Health Insurance Association of America (HIAA), 1988, 1989, 1990; Bureau of Labor Statistics, Consumer Price Index (U.S. City Average of Annual Inflation (April to April), 1988-2005; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey (April to April), 1988-2005.

Figure 12

Federal Poverty Level, Minimum Wage, and Worker Contribution for Family Insurance, 2005

Dollars on a monthly basis

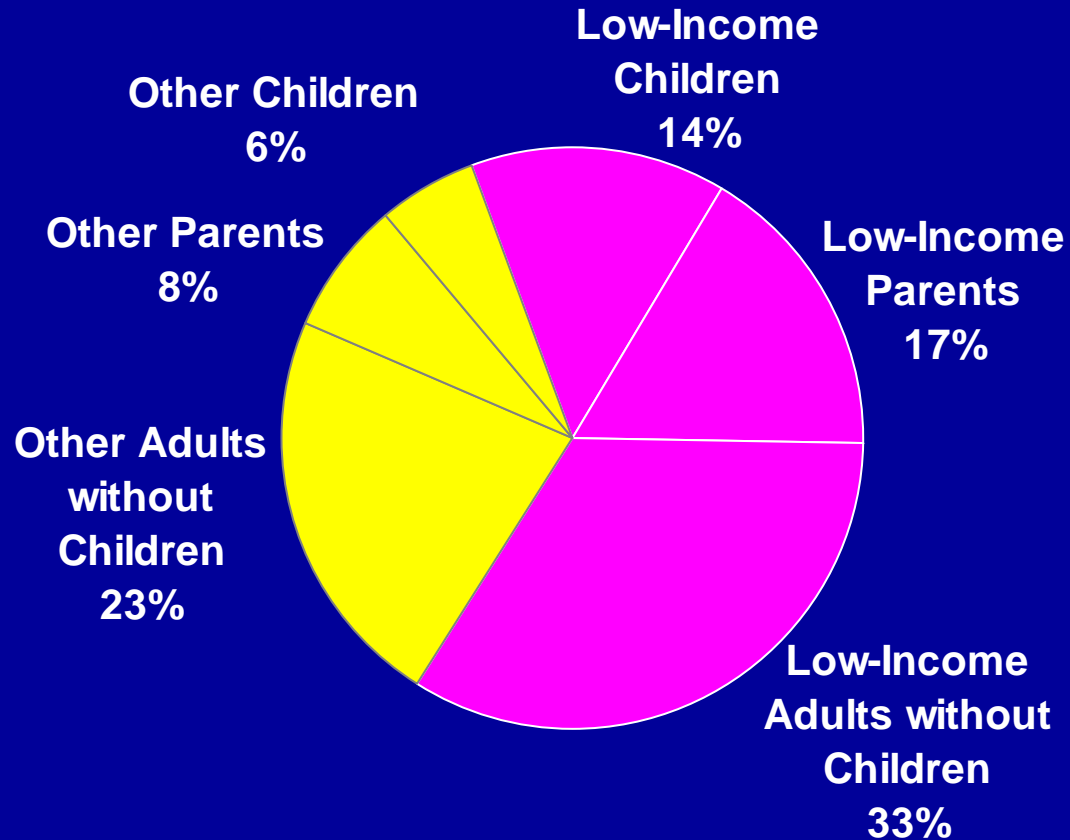


SOURCES: 2005 HHS Poverty Guidelines; U.S. Department of Labor; *Employer Health Benefits, 2005 Annual Survey*, KFF/HRET.

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Figure 13

Non-Elderly Uninsured, by Age and Income Groups, 2004



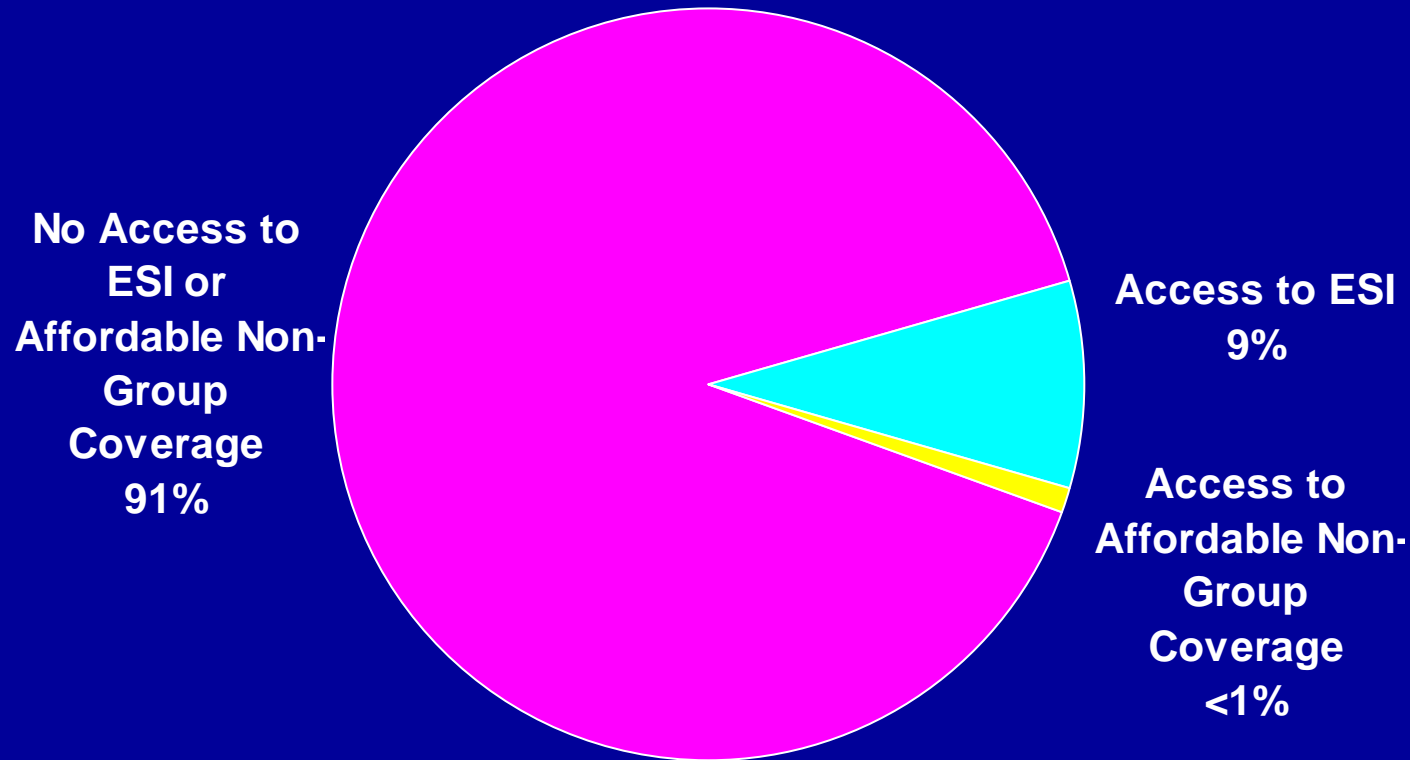
Total = 45.5 Million Uninsured

NOTES: Low-income is <200% of the federal poverty level (\$30,134 for family of three in 2004). Parents of dependent children under age 19. Adults without children also include parents whose children are no longer dependent.

SOURCE: *Health Insurance Coverage in America, 2004 Data Update*, KCMU.

Figure 14

Low-Income Adults Have Few Insurance Options In the Absence of Public Coverage



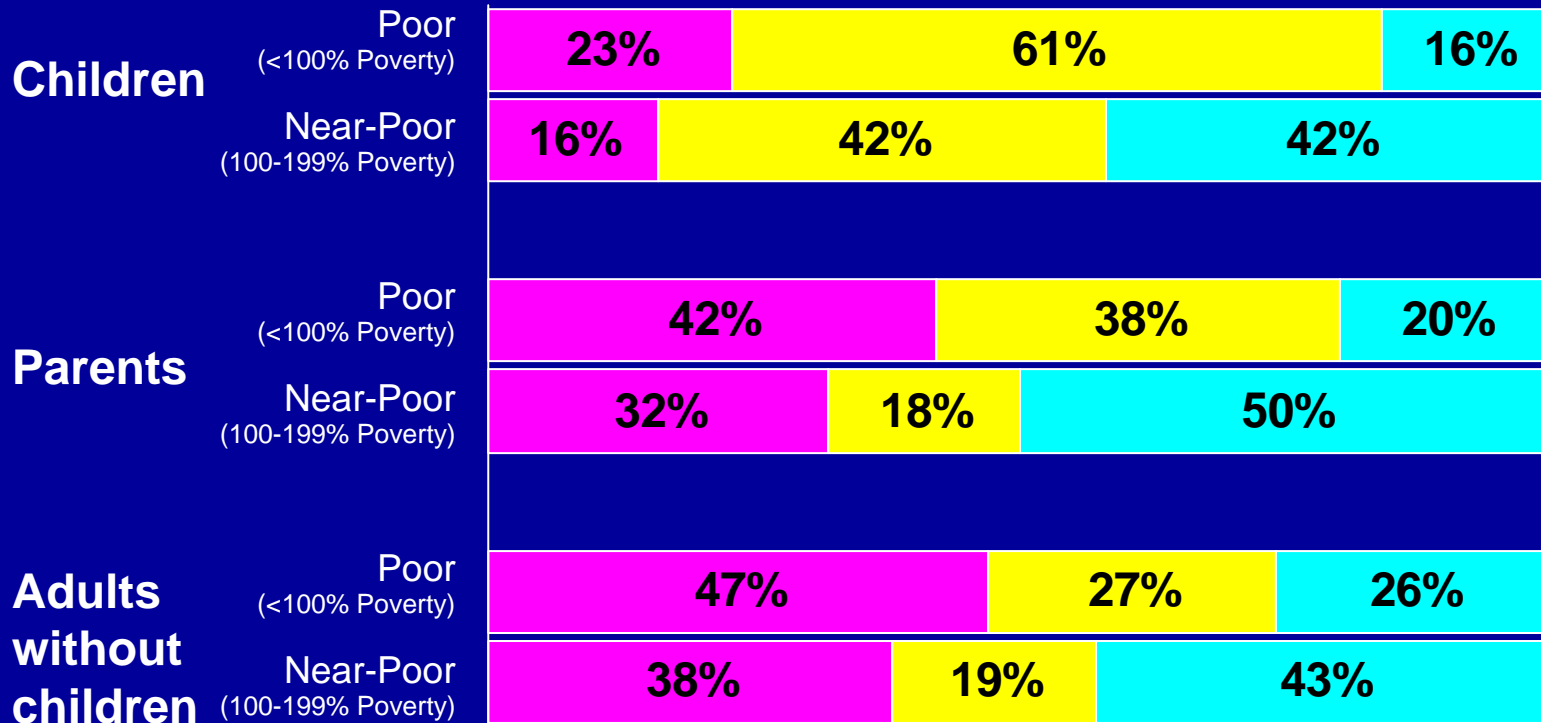
Note: Analysis based on 2002 National Survey of America's Families; low-income defined as less than 200% of the federal poverty line; affordable coverage defined as less than 5% of income.

SOURCE: Long S and J Graves, KCMU, January 2006, publication number 7449

Figure 15

Health Insurance Coverage of Low-Income Adults and Children, 2004

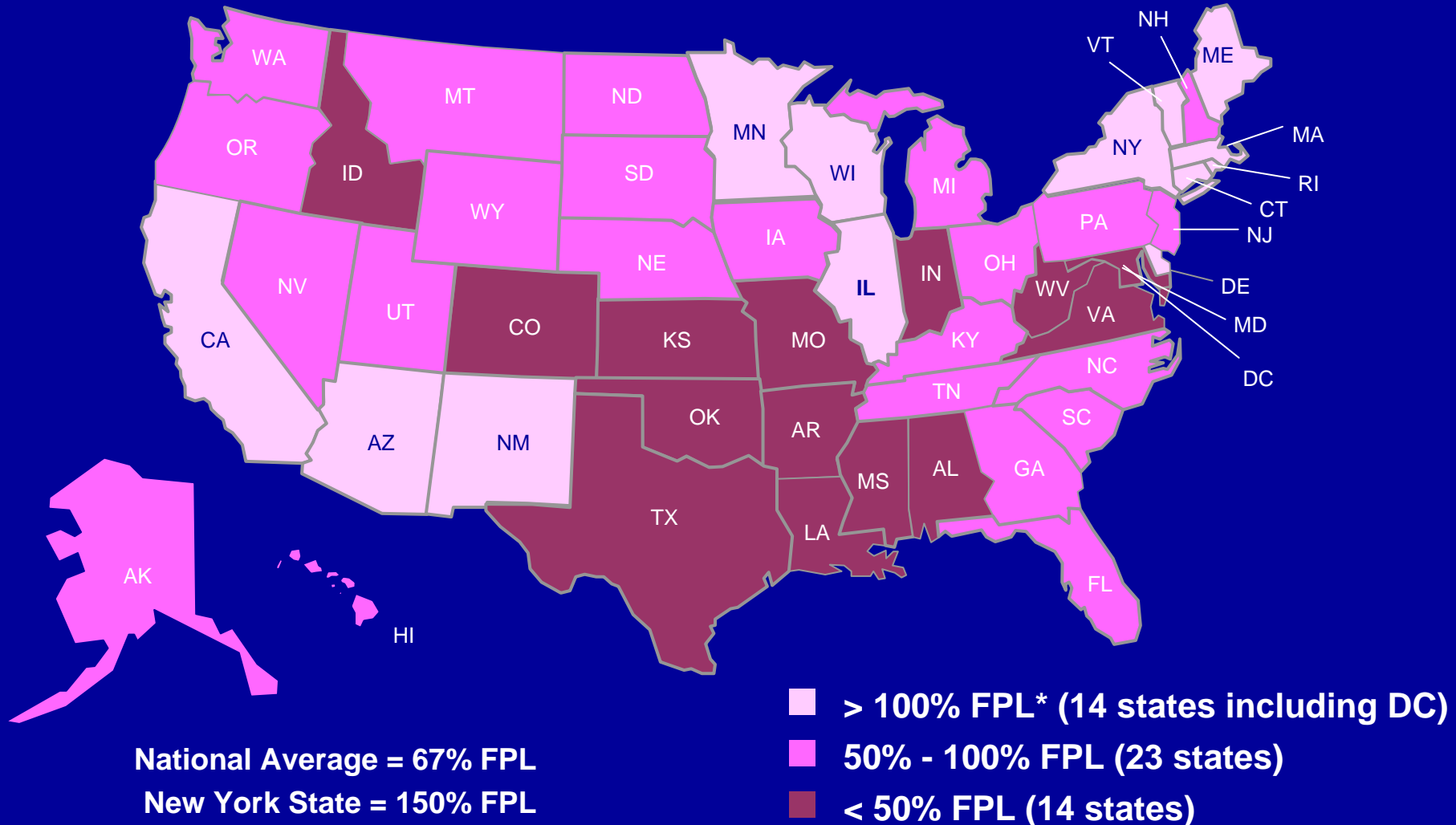
■ Uninsured ■ Medicaid/SCHIP ■ Employer/Other Private



Notes: The federal poverty level was \$19,307 for a family of four in 2004.
 SOURCE: KCMU and Urban Institute analysis of March 2005 Current Population Survey.

Figure 16

Medicaid Eligibility for Working Parents, by Income, July 2005



* Federal Poverty Level (FPL) refers here to HHS Poverty Guidelines, \$16,090 for a family of three in 2005.

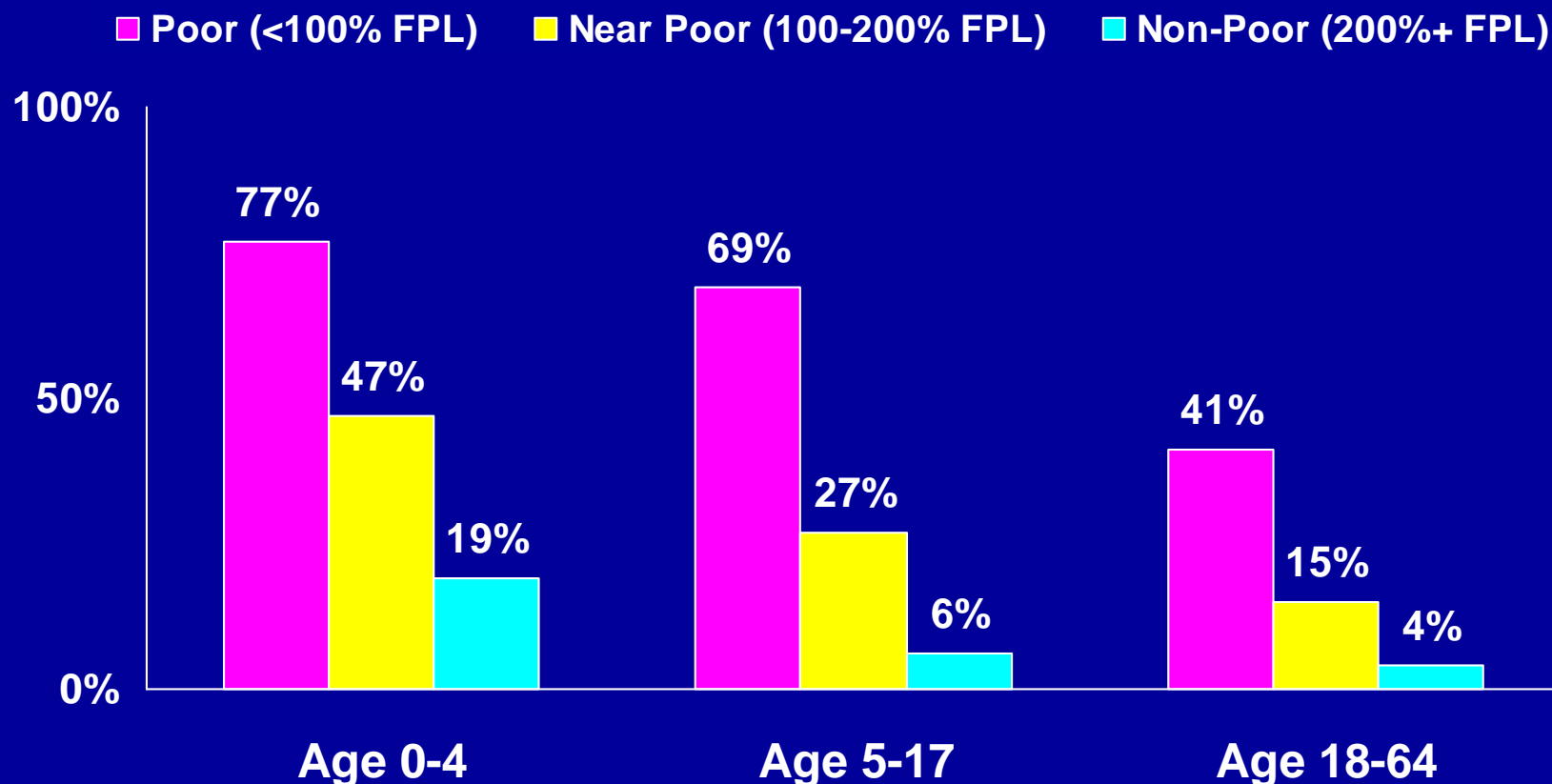
SOURCE: Center on Budget and Policy Priorities for KCMU, 2005

Medicaid Eligibility Expansions for Low-Income Disabled Workers

- **Balanced Budget Act of 1997**
 - States can extend coverage to the working disabled *under* 250% of poverty (\leq \$24,500).
 - States set income and resource standards.
 - States may impose cost-sharing and premiums.
- **Ticket to Work and Work Incentives Act, 1999**
 - States can extend coverage to the working disabled *above* 250% of poverty (\geq \$24,500).
 - States set income and resource standards.
 - States may impose cost-sharing and premiums.
- **15 states have enacted buy-ins, covering 17,000 individuals**

Figure 18

Medicaid Coverage of Individuals with a Specific, Chronic Disability, by Poverty Level



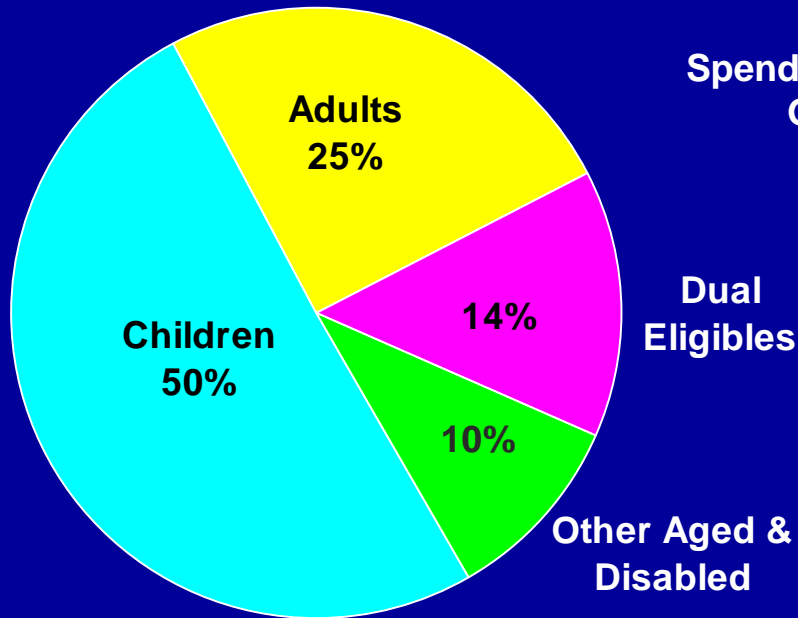
SOURCE: Economic and Social Research Institute, Based on data from the 1994 National Health Interview Survey, Disability Supplement, Phase 1, April 1999.

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Figure 19

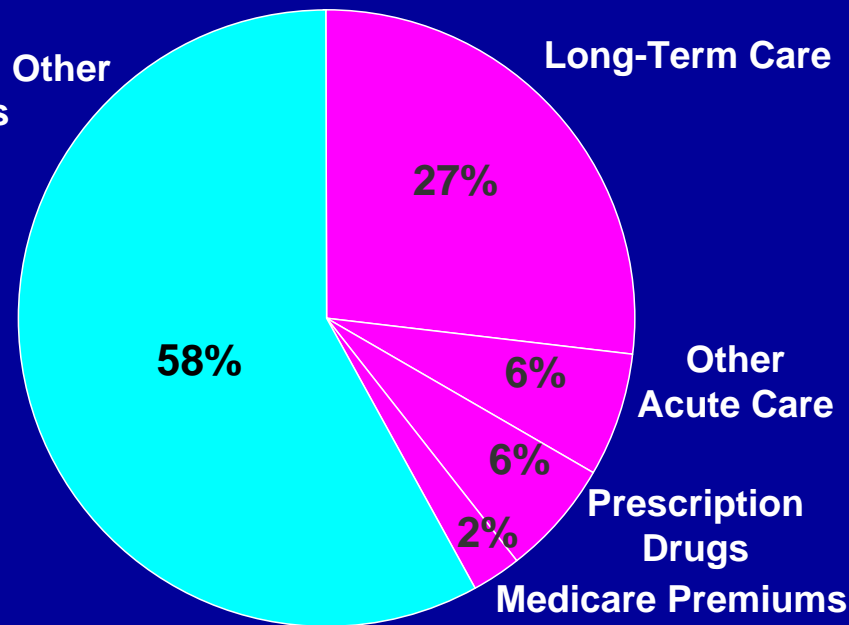
Medicaid Dual Eligibles: Enrollment and Spending

Medicaid Enrollment



Total = 51 Million

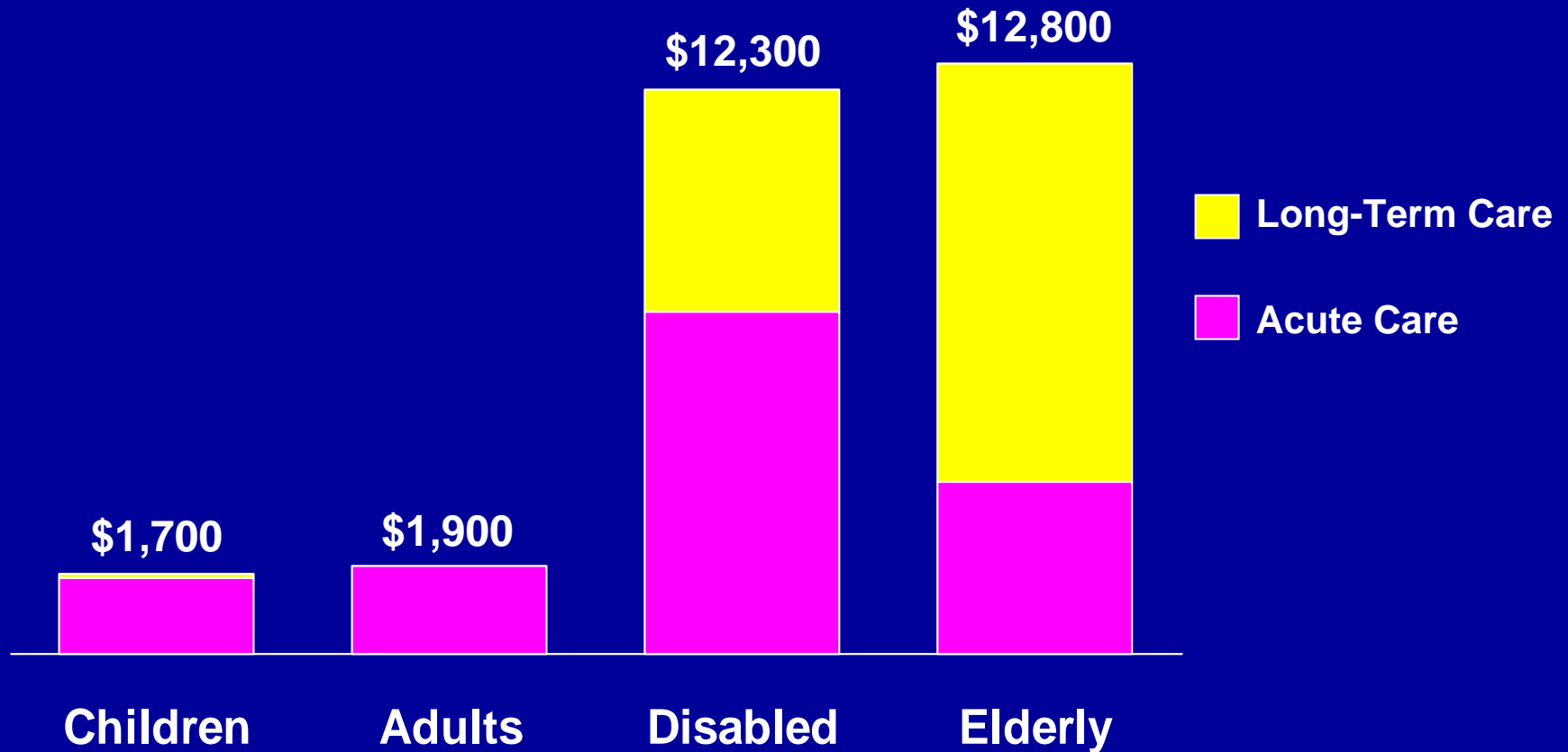
Medicaid Spending



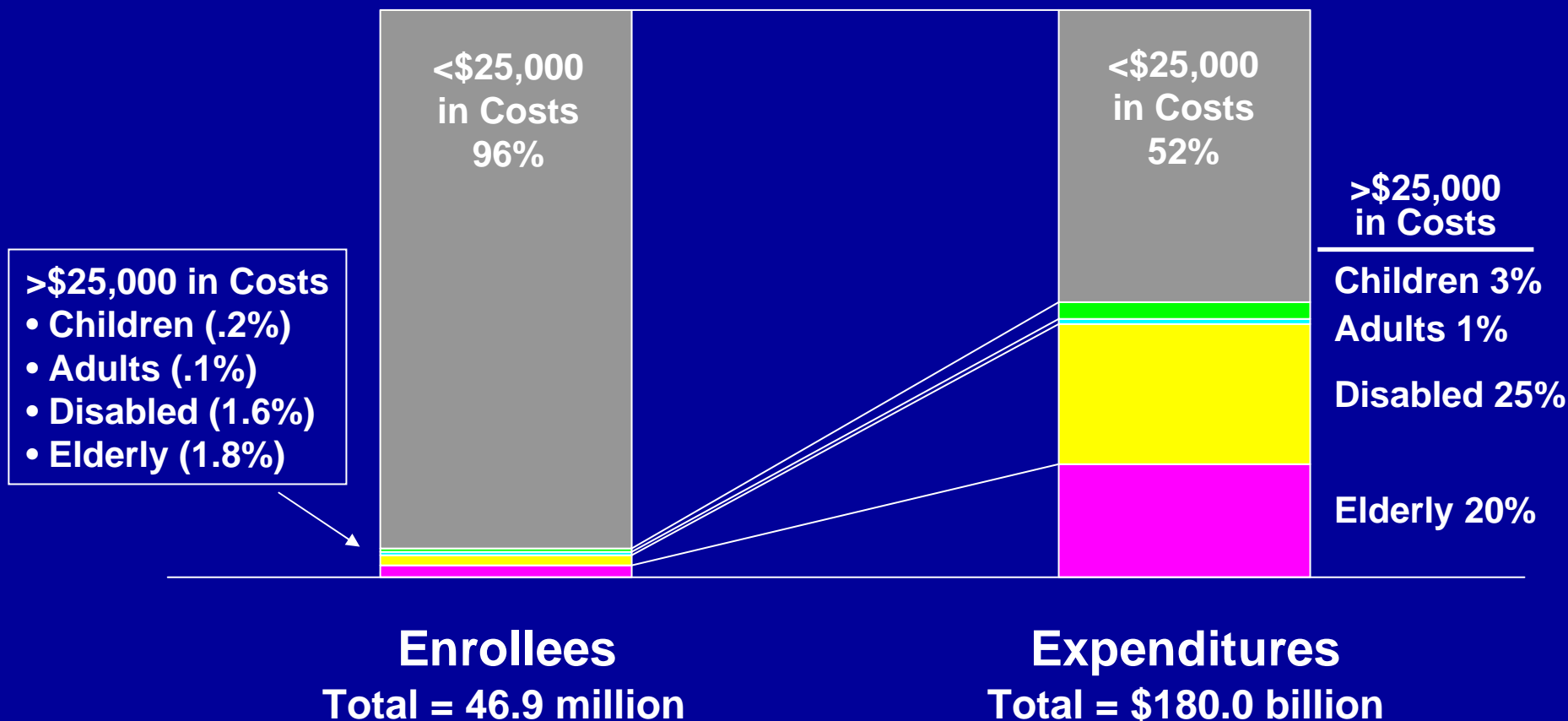
**Spending on Benefits = \$232.8 Billion
(42% on Duals)**

Figure 20

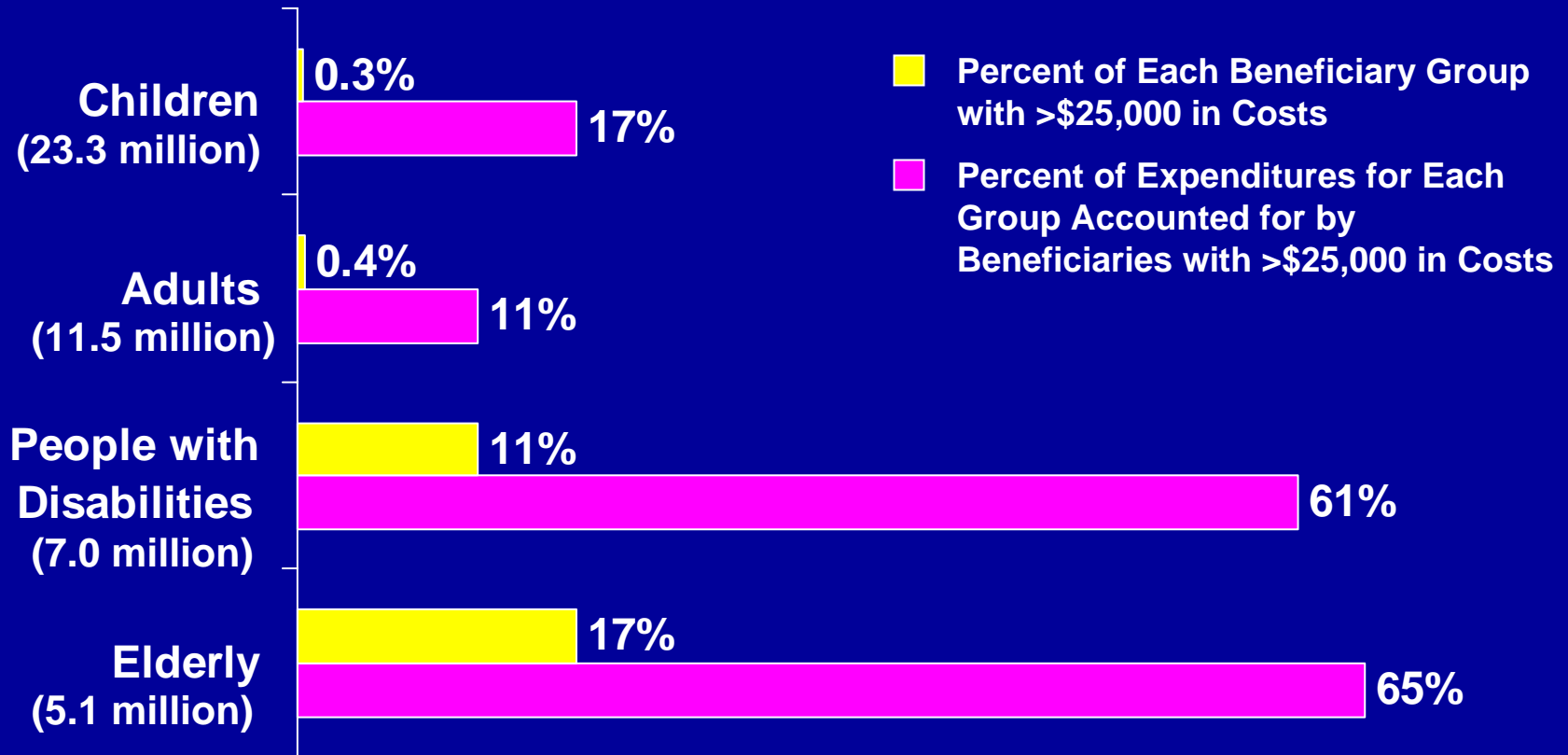
Medicaid Payments Per Enrollee by Acute and Long-Term Care, 2003



4 Percent of Medicaid Population Accounted for 48% of Expenditures in 2001



High Cost Beneficiaries Account for Large Share of Expenditures Among Groups



No alternatives for some of Medicaid's toughest and most costly responsibilities

- No private sector alternative to health insurance for the poor
- No insurance market for high-cost, chronically ill or disabled individuals
- No alternative to supplement Medicare for 6 million dually eligible beneficiaries
- No effective market for financing long-term care
- Inadequate financing for safety net

Cautionary Notes for Medicaid Reform

- Medicaid is nation's health safety net
- Beneficiaries are poor with limited resources
- Many have chronic conditions with multiple health needs
- Medicaid assists those with disabilities requiring both acute and long-term care
- Beneath the averages, there are a few high-cost cases
- Limits on Medicaid result in more uninsured and increased unmet health needs

