November 2012

MEDICAID

States Made Multiple Program Changes, and Beneficiaries Generally Reported Access Comparable to Private Insurance

Why GAO Did This Study

Medicaid enrollment has grown significantly in recent years due to the economic downturn. This growth is expected to continue as the Patient Protection and Affordable Care Act potentially extends Medicaid eligibility in 2014 to millions of uninsured individuals. To better understand whether states are providing adequate access to medical care for beneficiaries, this report examines (1) states' experiences processing Medicaid applications, (2) states' changes to beneficiary services and provider payment rates, (3) the challenges states report to ensure sufficient provider participation, and (4) the extent to which Medicaid beneficiaries reported difficulties obtaining medical care. To examine the first three objectives, GAO administered a nationwide web-based survey to Medicaid officials on states' experiences from 2008 through 2011 and obtained a response rate of 98 percent. To examine the last objective, GAO analyzed data from the 2008 and 2009 Medical Expenditure Panel Survey, the most current available at the time of our analysis, to assess Medicaid beneficiaries' reported difficulties obtaining care, and the 2009 National Health Interview Survey to assess their reasons for delaying care. To provide context, we compared their experiences to those of individuals with private insurance or who were uninsured.

View GAO-13-55. For more information, contact Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov.

What GAO Found

From 2008 to 2011, more than half of states reported maintaining or decreasing their average Medicaid application processing times—the average number of calendar days between the receipt of a new application and the final determination of eligibility. The average processing times reported by 39 states ranged from 11 to 45 calendar days. For the same time period, however, GAO was unable to assess whether states processed applications at a rate that kept pace with the number of new applications received each month, because most states provided incomplete or inconsistent data.

States reported making numerous changes to provider payments, provider taxes, and beneficiary services since 2008. While more states reported provider-rate and supplemental payment increases each year from 2008 through 2011, the number reporting payment reductions and increased provider taxes also grew. More states reported increasing services than limiting them.

Over two-thirds of states reported challenges to ensuring enough Medicaid providers to serve beneficiaries—including dental and specialty care providers. States cited Medicaid payment rates and a general shortage of providers as adding to the challenge. To attract new providers, over half the states reported simplifying administrative requirements or increasing payment rates.

In calendar years 2008 and 2009, less than 4 percent of beneficiaries who had Medicaid coverage for a full year reported difficulty obtaining medical care, which was similar to individuals with full-year private insurance; however, more Medicaid beneficiaries reported difficulty obtaining dental care than those with private insurance. Beneficiaries with less than a full year of Medicaid coverage were almost twice as likely to report difficulties obtaining medical care as those with full-year coverage. Medicaid beneficiaries reported delaying care for reasons such as long wait times and lack of transportation.

Percentage of Individuals Who Reported Difficulties Obtaining Necessary Care or Services, by Full-Year Insurance Status, Calendar Years 2008-2009
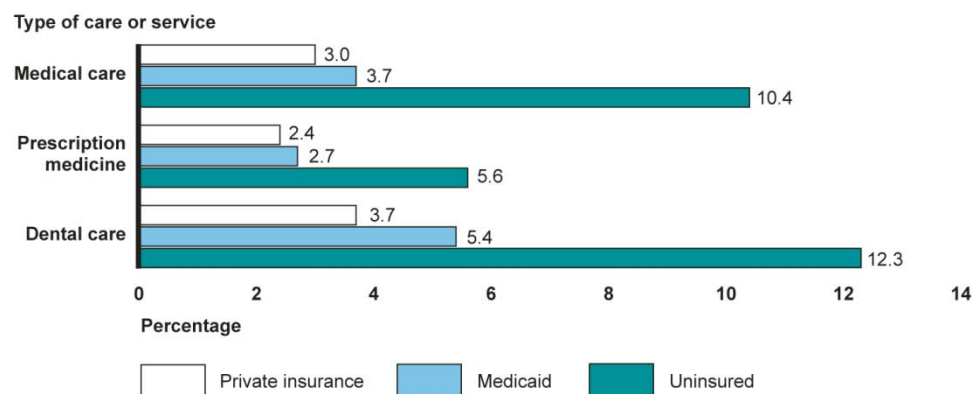
Source: GAO analysis of Medical Expenditure Panel Survey data.

The Department of Health and Human Services reviewed a draft of this report and provided technical comments, which GAO incorporated as appropriate.

_____ **United States Government Accountability Office**