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December 12, 2012

The Honorable Orrin G. Hatch  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Joseph R. Pitts  
Chairman  
Subcommittee on Health  
Committee on Energy and Commerce  
House of Representatives

Subject: *Medicaid: Enrollment and Expenditures for Qualified Individual and Transitional Medical Assistance Programs*

Qualified Individual (QI) and Transitional Medical Assistance (TMA) are particular programs within Medicaid that are targeted to specific groups of low-income individuals.<sup>1</sup> The QI program provides assistance to certain low-income Medicare beneficiaries by paying for their Medicare Part B premiums and is due to expire on December 31, 2012.<sup>2</sup> The TMA program offers up to 1 year of additional Medicaid health insurance benefits for certain low-income families who would otherwise lose coverage. Under permanent provisions of the Social Security Act (SSA), Medicaid coverage continues for 4 months for families who would otherwise lose coverage due to an increase in earned income or hours of employment or increased child or

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<sup>1</sup>Medicaid, a joint federal-state program that finances health insurance coverage for certain categories of low-income individuals, spent about \$389 billion on coverage for eligible enrollees in fiscal year 2010. States administer Medicaid within broad federal guidelines that specify categories of low-income individuals that states must cover and categories that are optional. For example, in 1996, section 1931 of the Social Security Act (SSA) established a new mandatory Medicaid eligibility group of low-income families with children that are eligible to receive TMA coverage. See Pub. L. No. 104-193, § 114, 110 Stat. 2105, 2177 (adding section 1931 to the SSA) (codified at 42 U.S.C. § 1396u-1).

<sup>2</sup>Medicare is a federal health insurance program for individuals age 65 and over, individuals under the age of 65 with certain disabilities, and individuals with end-stage renal disease. Medicare has four parts, which cover different aspects of care for the population. In general, Medicare Part A covers hospital and inpatient care, Part B covers certain outpatient care, medical supplies, and preventive services, Part C is a managed care coverage option known as the Medicare Advantage program, and Part D provides an optional outpatient prescription drug benefit. The QI program was established by the Balanced Budget Act of 1997. See Pub. L. No. 105-33, § 4732, 111 Stat. 251, 520 (adding new sections 1902(a)(10)(E)(iv) and 1933 to the SSA) (codified at 42 U.S.C. §§ 1396a(a)(10)(E)(iv), 1396u-3).

spousal support.<sup>3</sup> In addition, under a provision expiring on December 31, 2012, families who would otherwise lose Medicaid eligibility because of earned income or hours of employment, or the loss of a time-limited earnings disregard, receive at least 6, and up to 12, months of Medicaid coverage.<sup>4</sup> In light of the approaching expiration of the QI program and certain TMA provisions, you asked us to provide more information on the programs' enrollment and expenditures to inform consideration of reauthorization. This report provides information about enrollment and expenditures in both the QI and TMA programs at the national and state levels.

To obtain this information, we reviewed relevant legislation and policy guidance issued by the Department of Health and Human Services (HHS), and interviewed officials from the Centers for Medicare & Medicaid Services (CMS)—the agency within HHS that administers the Medicaid program. For information on the QI program, we also examined data from CMS's Medicaid Statistical Information System (MSIS),<sup>5</sup> the CMS-64 data set,<sup>6</sup> and data published by CMS on the number of individuals potentially eligible for QI. For enrollment, we analyzed data from fiscal years 2006 through 2009, the most recent year of complete data available in MSIS. For expenditures, we analyzed CMS-64 data from fiscal years 2006 through 2011, the most recent year of data available. For the number of potential QI eligibles, we used CMS's annual estimates based on Census data for fiscal years 2006 through 2011.<sup>7</sup> According to CMS, the annual estimates of potential QI eligibles are overstated because they do not take into account certain eligibility requirements for QI, such as resource limits. In order to assess the reliability of the data we analyzed, we reviewed relevant guidance and documentation, including CMS forms and data dictionaries, and interviewed CMS officials familiar with Medicaid data. We also reviewed the data for reasonableness and consistency, including screening for missing data, outliers, and obvious errors. We determined that these data were sufficiently reliable for our purposes.

For the TMA programs, we sent an electronic survey to the Medicaid Director or his or her designated staff in all 50 states and the District of Columbia to obtain key information about TMA program design, enrollment, and expenditures beginning in 2006 through the most recent year available.<sup>8</sup> Where necessary, we followed up with

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<sup>3</sup>See SSA §§ 1902(e)(1)(A), 1931(c), 406(h) (as in effect on July 16, 1996), codified at 42 U.S.C. §§ 1396a(e)(1)(A), 1396u-1(c).

<sup>4</sup>SSA §1925, codified at 42 U.S.C. § 1396r-6. Section 1925 preempts section 1902(e)(1)(A) through December 31, 2012, for families with earned income. SSA § 1902(e)(1)(B), codified at 42 U.S.C. § 1396a(e)(1)(B).

We have previously reported that TMA is a key protection offered to families at a critical juncture in their efforts to move from welfare to work. See GAO, *Medicaid: Transitional Coverage Can Help Families Move from Welfare to Work*, [GAO-02-679T](#) (Washington, D.C.: Apr. 23, 2002).

<sup>5</sup>MSIS is a CMS system that collects eligibility and claims data from states. CMS uses this system to produce eligibility and program characteristics.

<sup>6</sup>The CMS-64 data set aggregates each state's expenditures and is used to determine reimbursement to each state for its federal share of Medicaid expenditures.

<sup>7</sup>CMS's eligibility numbers are drawn from the Census Bureau Annual Social and Economic Supplement and comprise the number of Medicare beneficiaries who are not enrolled in Medicaid whose incomes are within the income limits established for QI.

<sup>8</sup>In this report, we use the term "states" to refer to the 50 states and the District of Columbia.

states by email and telephone and ultimately received responses from 45 states. Some states were not able to provide the information we requested, or were not able to provide the information within the timeframes of our work.<sup>9</sup> We conducted this performance audit from October 2012 to November 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, the QI program enrolled about 426,000 individuals nationwide in 2009—the most recent year for which comprehensive enrollment data were available—with expenditures of about \$431 million. While QI enrollment increased 30 percent from fiscal year 2006 to fiscal year 2009, program expenditures increased at a slightly faster rate, rising 39 percent during this time.<sup>10</sup> On average, one quarter of individuals potentially eligible for the QI program were enrolled during fiscal years 2006 through 2009.<sup>11</sup> However, the percentage of eligible individuals enrolled in the program climbed from 21 percent in fiscal year 2006 to 29 percent in fiscal year 2009. CMS does not have comprehensive national data on TMA enrollment and expenditures; the 41 states that had enrollment data reported that over 3.5 million individuals were enrolled in TMA in 2011, the most recent year for which complete enrollment data were reported by the highest number of states.<sup>12</sup> Fewer states were able to report TMA expenditure data; however, 32 states reported TMA total expenditures of about \$3.9 billion in 2011.<sup>13</sup>

The enclosures provide more specific information on the QI and TMA programs. Enclosure I summarizes national and state information on QI eligibility, enrollment, and expenditures. Enclosure II provides general information on TMA requirements and state-reported information on certain program features, enrollment, and expenditures.

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<sup>9</sup>For example, some states do not separate data based on the provisions under which Medicaid coverage is extended.

We did not independently verify information reported by states.

<sup>10</sup>The increase in expenditures was due in part to increases in Medicare Part B premiums, which rose 9 percent between calendar years 2006 and 2009.

<sup>11</sup>We recently reported that enrollment in Medicare Savings Programs like QI has been low historically, partly due to beneficiaries' lack of awareness and cumbersome eligibility determination and enrollment processes. Legislative requirements aimed at boosting enrollment went into effect in 2010. See GAO, *Medicare Savings Programs: Implementation of Requirements Aimed at Increasing Enrollment*, [GAO-12-871](#) (Washington, D.C.: Sept. 14, 2012).

<sup>12</sup>The 41 states that provided TMA enrollment data represented about 82 percent of nationwide Medicaid enrollment in June 2011.

<sup>13</sup>The 32 states that provided TMA expenditure data represented about 68 percent of nationwide Medicaid expenditures in fiscal year 2010.

## Agency Comments

CMS provided us with technical comments, which we incorporated as appropriate.

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As arranged with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days after its issue date. Copies will then be sent to the Administrator of CMS and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or [yocomc@gao.gov](mailto:yocomc@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report were Susan Anthony, Assistant Director; Hannah Locke; JoAnn Martinez-Shriver; and Samantha Poppe.



Carolyn L. Yocom  
Director, Health Care

Enclosures – 2

## Summary of Qualified Individual (QI) Program Enrollment and Expenditures

Since 1998, Medicaid has paid for the Medicare Part B premiums for certain low-income individuals who are not otherwise eligible for Medicaid under the Qualified Individual (QI) program. To be eligible for QI, an individual must be entitled to Medicare Part A, have income of at least 120 percent but less than 135 percent of the federal poverty level (FPL), and have resources valued at or below certain thresholds.<sup>1</sup> The amount of federal funding available for this program is limited. The Centers for Medicare & Medicaid Services (CMS) makes allocations to states using a formula that takes into account the number of individuals potentially eligible to enroll in QI in each state. States receive 100 percent federal funding to pay Part B premiums for individuals enrolled in QI to the extent that federal funding does not exceed their allocations. While CMS adjusts funding as needed based on states' projections of their enrollment and expenditures, states must limit enrollment in the QI program so that their spending does not exceed the amount of federal funds allocated to them. Table 1 provides nationwide data on the estimated number of QI eligibles, the number of enrolled individuals, and reported expenditures. Table 2 provides state-specific information on QI enrollment for fiscal years 2006 through 2009. Table 3 provides expenditure information by state for fiscal years 2006 through 2011, the most recent year of expenditure data available.

**Table 1: Nationwide Qualified Individual (QI) Program Eligibles, Enrollment, and Expenditures**

Fiscal year	Potentially eligible individuals (in thousands) <sup>a</sup>	Enrolled individuals (in thousands) <sup>b</sup>	Percentage enrolled <sup>b</sup>	Expenditures (dollars in millions)
2006	1,521	326	21%	\$310
2007	1,518	358	24	353
2008	1,428	381	27	411
2009	1,473	426	29	431
2010	1,446	—	—	547
2011	1,453	—	—	660

Source: GAO analysis of CMS data.

<sup>a</sup>CMS estimates the number of potential QI eligibles using Census data on the number of Medicare beneficiaries who are not enrolled in Medicaid whose incomes are at least 120 percent but less than 135 percent of the federal poverty level. The number of potentially eligible individuals is based on the average of the 3 preceding years; for example, 2006 is based on an average of the number of potential eligibles for 2003 through 2005. According to CMS, the annual estimates of potential QI eligibles are overstated because they do not take into consideration certain eligibility requirements, such as resource limits.

<sup>b</sup>The “—” indicates that data were not available for a particular year. As of October 2012, only 40 states had data in the Medicaid Statistical Information System for fiscal year 2010, and no fiscal year 2011 data were available.

<sup>1</sup>Social Security Act (SSA) §§ 1902(a)(10)(E)(iv), 1933, 1905(p), codified at 42 U.S.C. §§ 1396a(a)(10)(E)(iv), 1396u-3, 1396d(p). In most states, in order to qualify for QI, individuals must meet resource limits established for the Low-Income Subsidy program (LIS), a program established to help low-income individuals pay for prescription drugs under Medicare Part D. In 2012, the resource limit for LIS was \$6,940 for an individual and \$10,410 for a couple.

**Table 2: Enrollment in the Qualified Individual (QI) Program by State, Fiscal Years 2006 through 2009**

Number of individuals				
State	Fiscal year			
	2006	2007	2008	2009
Alabama	14,985	16,029	16,272	14,128
Alaska	75	103	110	115
Arizona	1,234	9,790	11,090	13,200
Arkansas	1,918	6,258	7,870	8,858
California	7,314	10,043	12,132	13,779
Colorado	2,306	2,022	2,315	2,574
Connecticut	7,120	7,974	8,777	9,444
Delaware	1,670	1,657	1,761	1,912
District of Columbia <sup>a</sup>	N/A	N/A	N/A	N/A
Florida	35,727	34,784	39,090	46,320
Georgia	17,297	18,577	20,027	23,237
Hawaii	620	615	773	987
Idaho	1,190	1,290	1,399	1,548
Illinois	14,504	11,835	12,702	12,892
Indiana	6,896	7,050	6,924	6,538
Iowa	2,249	2,447	2,591	2,814
Kansas	1,946	2,277	2,585	2,972
Kentucky	8,695	8,678	9,450	10,762
Louisiana	11,311	12,861	12,897	14,103
Maine	5,691	2,226	3,097	4,444
Maryland	3,615	4,086	4,428	5,211
Massachusetts	—	—	—	7,332
Michigan	8,460	9,746	10,126	10,557
Minnesota	3,453	3,509	3,859	4,470
Mississippi	9,982	9,983	9,789	11,181
Missouri	330	253	280	425
Montana	313	365	443	516
Nebraska	2,145	2,519	2,476	3,013
Nevada	2,648	2,671	2,961	3,305
New Hampshire	917	990	1,164	1,536
New Jersey	8,638	8,408	8,053	7,686
New Mexico	—	—	—	188
New York	33,273	35,186	32,483	30,887
North Carolina	17,121	18,674	19,592	21,939
North Dakota	413	452	485	592
Ohio	10,277	12,993	14,485	17,020
Oklahoma	6,165	6,557	6,950	7,583
Oregon	3,385	4,293	4,840	6,312
Pennsylvania	19,346	20,562	21,227	23,392
Rhode Island	1,898	1,809	1,943	2,072

## Enclosure I

Number of individuals				
State	Fiscal year			
	2006	2007	2008	2009
South Carolina	7,329	8,183	7,156	7,243
South Dakota	857	952	1,031	1,163
Tennessee	—	—	—	—
Texas	24,701	28,005	29,690	32,882
Utah	—	1,041	966	1,038
Vermont	—	—	2,949	2,749
Virginia	7,002	7,815	8,334	9,444
Washington	5,449	5,347	5,835	6,334
West Virginia	3,529	4,129	4,442	5,137
Wisconsin	1,642	2,045	2,572	3,097
Wyoming	494	496	504	612
<b>Total</b>	<b>326,130</b>	<b>357,585</b>	<b>380,925</b>	<b>425,543</b>

Legend: N/A = Not Applicable

Source: GAO analysis of CMS data.

Notes: The “—” indicates that data were not available for a particular year.

<sup>a</sup>The District of Columbia does not participate in QI because its Medicaid policies result in all applicants in the QI income range qualifying for a higher level of benefits.

**Table 3: Federal Medicaid Expenditures for the Qualified Individual (QI) Program by State, Fiscal Years 2006 through 2011**

Dollars in thousands

State	Fiscal year					
	2006	2007	2008	2009	2010	2011
Alabama	\$31,171	\$16,622	\$17,498	\$16,475	\$14,657	\$21,009
Alaska	41	106	109	97	27	316
Arizona	10,321	11,467	11,953	12,726	15,482	17,334
Arkansas	4,657	6,194	7,043	9,142	11,487	13,231
California	11,336	12,981	17,832	21,745	27,636	28,552
Colorado	1,859	2,436	2,568	2,981	4,146	5,305
Connecticut	6,716	7,838	9,212	10,044	3,883	4,522
Delaware	262	254	246	625	2,092	3,378
District of Columbia <sup>a</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Florida	26,485	30,147	32,802	35,566	55,327	63,834
Georgia	17,646	17,464	20,268	22,582	27,648	23,502
Hawaii	—	483	839	767	1,031	1,286
Idaho	1,104	1,364	1,528	1,660	1,825	2,339
Illinois	12,844	14,558	16,639	16,113	20,843	23,813
Indiana	5,960	4,565	8,559	4,839	5,852	7,283
Iowa	2,118	2,478	2,675	2,762	3,348	4,241
Kansas	1,435	1,871	2,423	2,750	3,386	4,443
Kentucky	172	14,917	9,131	10,371	13,459	15,761
Louisiana	10,031	11,438	13,478	14,377	17,320	20,326
Maine	3,695	3,748	2,494	3,469	4,847	5,649
Maryland	2,793	3,556	4,088	4,590	5,883	7,488
Massachusetts	3,307	3,199	10,231	7,957	8,840	10,784
Michigan	6,966	8,537	10,242	9,944	10,854	15,010
Minnesota	2,811	3,585	3,870	4,247	5,261	6,228
Mississippi	—	—	22,307	10,642	12,574	14,834
Missouri	2,378	3,319	4,172	4,856	5,870	5,898
Montana	560	787	643	1,209	1,305	1,591
Nebraska	1,707	2,175	2,289	2,761	2,735	2,489
Nevada	1,784	2,187	2,161	2,568	3,396	4,516
New Hampshire	—	—	—	—	6,394	2,306
New Jersey	8,725	9,443	9,256	8,916	9,866	10,468
New Mexico	1,880	2,189	2,577	2,872	3,690	4,368
New York	32,098	38,064	42,222	35,657	40,421	46,178
North Carolina	14,145	22,145	14,352	20,603	25,681	27,744
North Dakota	343	443	467	540	658	724
Ohio	12,444	12,783	18,216	17,051	20,903	25,283
Oklahoma	5,191	6,377	7,189	7,397	8,757	10,469
Oregon	4,827	6,759	7,823	8,656	10,785	12,874
Pennsylvania	16,312	19,524	20,719	22,568	26,411	33,435



## Enclosure I

Dollars in thousands						
State	Fiscal year					
	2006	2007	2008	2009	2010	2011
Rhode Island	1,767	1,550	1,758	1,685	1,829	3,156
South Carolina	6,515	5,121	8,010	7,703	7,520	10,006
South Dakota	780	926	974	1,070	1,298	1,707
Tennessee	146	816	365	14,469	21,392	18,896
Texas	19,385	20,593	17,859	18,767	29,199	75,288
Utah	120	546	2,538	1,500	1,410	2,751
Vermont	—	—	—	1,377	10,351	3,601
Virginia	5,213	6,577	7,420	8,036	10,830	13,428
Washington	5,098	5,229	5,334	5,902	7,833	9,698
West Virginia	3,110	3,621	4,117	4,514	5,614	6,602
Wisconsin	1,268	1,981	2,012	3,476	4,395	5,406
Wyoming	743	409	452	482	718	643
<b>Total</b>	<b>\$310,272</b>	<b>\$353,370</b>	<b>\$410,960</b>	<b>\$431,106</b>	<b>\$546,967</b>	<b>\$659,991</b>

Legend: N/A = Not Applicable

Source: GAO analysis of CMS data.

Notes: The “—” indicates that data were not available for a particular year.

<sup>a</sup>The District of Columbia does not participate in QI because its Medicaid policies result in all applicants in the QI income range qualifying for a higher level of benefits.

## **Transitional Medical Assistance (TMA) Requirements and State Survey Responses Regarding the Program**

Since 1988, the Medicaid program has required states to offer at least 6, and up to 12, months of Transitional Medical Assistance (TMA) to certain low-income families who would otherwise lose coverage because of hours of employment or earned income, or the loss of a time-limited earnings disregard.<sup>1</sup> Under this provision—set to expire on December 31, 2012—families are entitled to an initial 6 months of Medicaid coverage, and states must provide families with the same level of Medicaid benefits that they were previously receiving. However, under the Social Security Act (SSA), states are given the option of meeting this requirement by using Medicaid funds to pay for a family’s premiums or other related costs for employer-based health coverage if it is available.<sup>2</sup> After the initial 6-month period, families may continue coverage for an additional 6 months if the family’s earnings, minus child care costs, do not exceed 185 percent of the federal poverty limit (FPL), among other requirements.<sup>3</sup> Additionally, in the second 6-month period, states may require families with incomes at or above 100 percent of the FPL to pay a premium for the additional coverage.<sup>4</sup> States vary widely in the income eligibility levels that families must exceed in order to qualify for TMA—ranging from up to 17 percent of the FPL in Arkansas to 215 percent of the FPL in Minnesota. See table 4 for groupings of states by their respective income eligibility levels. In order to qualify for benefits at the state’s applicable eligibility level, under the expiring TMA provision, families must report earnings minus child care costs over the course of both 6-month periods as specified in the statute.<sup>5</sup>

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<sup>1</sup>Social Security Act (SSA) §1925, codified at 42 U.S.C. § 1396r-6. Under permanent provisions of the SSA, Medicaid coverage continues for 4 months for families who would otherwise lose coverage because of an increase in earned income or hours of employment or increased child or spousal support. See SSA §§ 1902(e)(1)(A), 1931(c), 406(h) (as in effect on July 16, 1996), codified at 42 U.S.C. §§ 1396a(e)(1)(A), 1396u-1(c). Section 1925 preempts section 1902(e)(1)(A) through December 31, 2012, for families with earned income.

<sup>2</sup>SSA § 1925(a)(4)(B), codified at 42 U.S.C. 1396r-6(a)(4)(B).

<sup>3</sup>See SSA § 1925(b)(1) and (b)(3)(A)(iii)(III), codified at 42 U.S.C. § 1396r-6(b)(1) and (b)(3)(A)(iii)(III). In 2012, for a family of three, 185 percent of the FPL is \$35,317 annually, or \$2,943 per month.

<sup>4</sup>SSA § 1925(b)(5), codified at 42 U.S.C. § 1396r-6(b)(5).

<sup>5</sup>See SSA § 1925(b)(2)(B), codified at 42 U.S.C. § 1396r-6(b)(2)(B).

**Table 4: Summary of Transitional Medical Assistance (TMA) Income Eligibility Levels, as a Percentage of the Federal Poverty Level (FPL) in 2012**

TMA income eligibility level	Number of states
<b>Less than 50 percent of FPL:</b>	
Alabama, Arkansas, Georgia, Idaho, Indiana, Kansas, Louisiana, Mississippi, Missouri, New Hampshire, North Carolina, Oregon, Pennsylvania, Texas, Utah, Virginia, West Virginia	17
<b>50 to 100 percent of FPL:</b>	
Alaska, Florida, Hawaii, Iowa, Kentucky, Michigan, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Washington, Wyoming.	17
<b>More than 100 percent of FPL:</b>	
Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Rhode Island, Tennessee, Vermont, Wisconsin	17

Source: GAO analysis of July 2012 data from Kaiser Commission on Medicaid and the Uninsured.

Note: This table is based on data for upper income limits of Medicaid eligibility for low-income families under SSA § 1931, codified at 42 U.S.C. § 1396u-1.

In 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) changed some aspects of TMA coverage for families. In particular, ARRA offered states the option to extend Medicaid eligibility to families for a period of 12 months at the outset—rather than an initial period of 6 months followed by a second 6-month period.<sup>6</sup> Additionally, while states were not historically required to report on TMA separately from other Medicaid data, ARRA changed this by adding a new provision that requires all states to collect and submit to the Department of Health and Human Services (HHS), and make publicly available, information on average monthly enrollment and average monthly participation rates for adults and children covered under the expiring TMA provision.<sup>7</sup> In light of this requirement, the Centers for Medicare & Medicaid Services (CMS)—the agency within HHS that administers the Medicaid program—has made some initial efforts to collect relevant data from the states. In 2009, CMS issued guidance and provided instructions and a template for state submission of enrollment data, specifying that states begin reporting in July 2010. While CMS officials report having received data from some states, officials indicated that they have not enforced the requirement because of competing agency priorities.

<sup>6</sup>Pub. L. No. 111-5, § 5004, 123 Stat. 115, 503. According to CMS, 13 states selected this option. These states are Alaska, Colorado, Connecticut, Florida, Idaho, Maryland, Montana, New Mexico, New York, Ohio, Oregon, South Dakota, and Wisconsin.

<sup>7</sup>States must also report the number and percentage of children who continue eligibility in another Medicaid eligibility group or are enrolled in the State Children’s Health Insurance Program, after their TMA eligibility ends. Under the new provision, HHS is responsible for specifying the format, timing, and frequency for this reporting and HHS is required to submit an annual report to Congress on such enrollment and participation rates. SSA § 1925(g), codified at 42 U.S.C. § 1396r-6(g).

## Enclosure II

We asked state Medicaid officials to provide information about their current TMA program policies and to provide enrollment and expenditure information from 2006 through the most recent year available. Forty-five states responded to the survey.<sup>8</sup> While all 45 states provided information about their TMA program policies, fewer states were able to provide complete enrollment or expenditure data. Specifically, 41 states provided at least some years of enrollment data, and 32 states provided at least some years of expenditure data.<sup>9</sup> State responses are summarized below.

- All but one state reported offering a maximum of 12 months of continued Medicaid coverage through TMA.<sup>10</sup>
- The states that were able to break out the number of enrollees based on the provisions under which Medicaid coverage is extended generally reported over 90 percent of enrollees were eligible for TMA because of earnings. Other enrollees were eligible for extended Medicaid coverage because of increased child or spousal support as provided for by permanent Medicaid provisions.
- Most states reported taking steps to verify the income of TMA enrollees. The verification methods used in these states included self-attestation, electronic data matching, and employer or client verification.<sup>11</sup>
- Twenty-three states reported implementing an option to pay enrollees' costs associated with employer sponsored insurance in providing continued Medicaid coverage under TMA.
- Seventeen states reported that they had access to data on the extent to which TMA enrollees participate in employer-sponsored insurance.<sup>12</sup>

Forty-one states reported over 3.5 million individuals enrolled in TMA in 2011, the most recent year for which all 41 states reported data. States provided enrollment data for the other 5 years, but generally to a lesser extent. In addition, although states are not required to track TMA expenditures, 32 states reported total TMA expenditures of about \$3.9 billion for 2011, the most recent year for which all reporting states provided data. Table 5 summarizes total enrollment and

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<sup>8</sup>The 6 states that did not respond to our survey were Connecticut, Montana, New Hampshire, North Carolina, South Dakota, and Vermont.

<sup>9</sup>Some states do not separate data based on the provisions under which Medicaid coverage is extended.

<sup>10</sup>South Carolina reported TMA coverage for a maximum of 24 months.

<sup>11</sup>States reported using a variety of methods to verify income of TMA enrollees. For example, electronic data matching can include the use of state and federal databases to help determine income. Employer and client verification methods can include either party providing check stubs or a written statement including income information.

<sup>12</sup>TMA enrollees are allowed to participate in employer-sponsored insurance and in the TMA program at the same time. In these cases, Medicaid is the secondary payer for any costs incurred during the TMA coverage period.

Enclosure II

expenditures reported by responding states for 2006 through 2011. Tables 6 and 7 provide state-specific enrollment and expenditure data for these years.

**Table 5: Total Enrollment and Expenditures for the Transitional Medical Assistance (TMA) Program for All States Reporting Data, 2006 through 2011**

	2006	2007	2008	2009	2010	2011
Total enrollment (in millions) <sup>a</sup> (number of states providing data)	2.78 (N=35)	3.13 (N=38)	3.15 (N=40)	3.08 (N=41)	3.22 (N=41)	3.54 (N=41)
Total expenditures (dollars in billions) (number of states providing data)	\$1.80 (N=27)	\$3.09 (N=32)	\$2.91 (N=32)	\$2.86 (N=31)	\$3.29 (N=32)	\$3.86 (N=32)

Source: GAO analysis of state data.

Notes: State data are as of November 13, 2012. State officials were asked to provide an unduplicated enrollment number for each year of available data. Alaska and Arizona could not provide unduplicated enrollment data. Twenty-one states reported enrollment data by state fiscal year, 6 reported by federal fiscal year, 12 reported by calendar year and 2 reported an average monthly enrollment. Twenty-two states reported expenditure data by state fiscal year, 4 reported by federal fiscal year, and 6 reported by calendar year.

<sup>a</sup>Some states do not separate data based on the provisions under which Medicaid coverage is extended. However, the states that were able to break out the number of enrollees based on the provisions under which Medicaid coverage is extended generally reported over 90 percent of enrollees were eligible for TMA due to earnings.

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**Table 6: Enrollment in the Transitional Medical Assistance (TMA) Program by State, Years 2006 through 2011**

Number of individuals						
State	2006	2007	2008	2009	2010	2011
Alabama	3,170	2,408	1,928	2,103	2,370	1,927
Alaska <sup>a</sup>	1,740	1,811	1,833	1,902	2,168	2,889
Arizona <sup>b</sup>	—	—	45,445	43,836	42,843	45,562
Arkansas	5,288	4,818	4,524	3,793	3,133	3,235
California	227,419	297,103	316,787	312,139	323,300	336,635
Colorado	—	—	58,817	60,152	54,697	64,643
Connecticut	—	—	—	—	—	—
Delaware	35,061	13,168	14,940	14,179	14,351	17,585
District of Columbia	2,917	2,342	1,762	1,287	1,140	1,332
Florida	328,912	277,890	280,906	324,094	384,227	424,312
Georgia	148,259	106,472	127,110	118,149	110,933	111,554
Hawaii	6,151	4,850	4,808	4,536	4,892	6,271
Idaho	29,160	16,131	4,654	4,070	4,280	7,089
Illinois	—	358,910	374,673	382,085	399,244	445,481
Indiana	113,527	113,095	109,547	99,217	99,173	109,114
Iowa	—	49,961	46,569	44,342	44,358	41,180
Kansas	25,739	22,061	18,020	14,521	10,910	15,632
Kentucky	58,574	59,821	56,374	52,162	48,590	54,119
Louisiana	23,391	27,689	29,262	28,575	25,830	24,893
Maine	22,400	23,661	23,940	21,440	20,269	23,427
Maryland	19,424	15,744	14,186	32,412	69,080	96,945
Massachusetts	63,376	65,120	70,208	73,528	69,696	64,886
Michigan	155,329	140,315	130,920	142,853	135,214	166,496
Minnesota	27,607	28,846	30,108	29,121	30,036	35,359
Mississippi	—	—	—	12,356	35,946	37,348
Missouri	238,727	84,676	104,803	117,594	112,421	109,357
Montana	—	—	—	—	—	—
Nebraska	31,335	28,060	18,443	23,928	35,448	40,903
Nevada	13,782	10,092	3,102	2,814	8,156	10,297
New Hampshire	—	—	—	—	—	—
New Jersey	23,066	26,084	30,889	32,973	32,739	35,627
New Mexico	59,151	56,436	52,923	53,100	52,949	50,532
New York	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
North Dakota <sup>c</sup>	—	—	—	—	—	—
Ohio	360,876	369,752	352,192	328,838	320,639	371,193
Oklahoma	14	125	469	48	20	86
Oregon	80,614	63,517	52,328	48,218	55,021	70,197
Pennsylvania	223,732	277,879	294,864	251,688	233,278	240,330
Rhode Island	19,165	15,763	12,162	9,718	9,776	8,128

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Number of individuals						
State	2006	2007	2008	2009	2010	2011
South Carolina	52,840	47,658	55,520	53,583	53,876	62,190
South Dakota	—	—	—	—	—	—
Tennessee	—	178,188	95,687	46,018	50,559	55,669
Texas	214,713	174,581	152,595	130,002	129,332	135,068
Utah	12,180	15,155	20,808	21,807	21,486	22,846
Vermont	—	—	—	—	—	—
Virginia	—	—	—	—	—	—
Washington	—	—	—	—	—	—
West Virginia	7,789	6,060	4,322	4,046	4,415	3,135
Wisconsin	140,313	138,053	131,371	131,424	158,621	187,016
Wyoming	3,944	4,081	4,005	3,691	3,760	4,013
<b>Total states providing enrollment data</b>	<b>35</b>	<b>38</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>41</b>
<b>Total for states reporting enrollment</b>	<b>2,779,685</b>	<b>3,128,376</b>	<b>3,153,804</b>	<b>3,082,342</b>	<b>3,219,176</b>	<b>3,544,501</b>

Source: GAO analysis of state data.

Notes: State data are as of November 13, 2012. State officials were asked to provide an unduplicated enrollment number for each year. Alaska and Arizona could not provide unduplicated enrollment data. Officials in 21 states reported enrollment data by state fiscal year, 6 reported by federal fiscal year, 12 reported by calendar year, and 2 reported average monthly enrollments.

Some states do not separate data based on the provisions under which Medicaid coverage is extended. However, the states that were able to break out the number of enrollees based on the provisions under which Medicaid coverage is extended generally reported over 90 percent of enrollees were eligible for TMA due to earnings.

The “—” indicates that data were not available from the state.

<sup>a</sup>For a number of reasons, Alaska does not determine annual, unduplicated enrollment for TMA. Instead, the state tracks monthly TMA enrollment and provided us with the average monthly TMA enrollment for state fiscal years 2006 through 2012. However, a state Medicaid official noted that these data have limitations. For example, the enrollment data have not been adjusted for retroactive eligibility determinations, and for state fiscal years 2006 through 2010, TMA enrollment may be overstated because of the potential overlap between eligibility categories that existed during that time.

<sup>b</sup>Arizona Medicaid officials told us that they were not able to provide an unduplicated count.

<sup>c</sup>Officials in North Dakota were not able to provide TMA enrollment data for all years; however, they were able to produce a point-in-time enrollment of 6,066 individuals as of September 30, 2012.

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**Table 7: Reported Expenditures for the Transitional Medical Assistance (TMA) Program by State, 2006 through 2011**

Dollars in thousands						
State	2006	2007	2008	2009	2010	2011
Alabama	\$2,102	\$1,795	\$1,596	\$1,599	\$1,676	\$2,283
Alaska	—	—	—	—	—	—
Arizona	—	—	—	—	—	—
Arkansas	—	—	—	—	—	—
California	140,258	161,731	180,819	139,563	138,335	186,278
Colorado	—	—	—	—	—	—
Connecticut	—	—	—	—	—	—
Delaware	—	—	—	—	—	—
District of Columbia	—	—	—	—	—	—
Florida	—	195,949	173,440	194,094	251,171	296,136
Georgia	132,323	25,673	94,009	114,709	97,227	75,333
Hawaii	8,778	8,645	4,568	9,257	9,738	11,217
Idaho	34,349	21,305	8,994	7,820	10,455	15,735
Illinois	—	336,931	389,190	439,819	504,305	563,039
Indiana	92,055	99,702	98,091	94,301	92,932	91,440
Iowa	48,644	45,857	45,474	44,487	42,130	45,025
Kansas	23,430	23,833	18,823	16,204	12,772	21,785
Kentucky	60,571	66,954	70,800	71,606	66,000	74,405
Louisiana	16,059	18,325	22,478	26,285	24,603	21,197
Maine	50,593	57,440	56,365	53,855	51,289	58,173
Maryland	25,049	21,517	19,451	53,845	138,587	193,185
Massachusetts	77,683	85,291	101,443	109,969	105,848	100,472
Michigan	—	307,621	151,110	—	251,771	313,474
Minnesota	39,354	47,180	54,867	57,040	58,358	66,827
Mississippi	—	—	—	—	—	—
Missouri	—	—	—	—	—	—
Montana	—	—	—	—	—	—
Nebraska	29,613	31,556	28,918	27,438	39,823	50,893
Nevada	—	—	—	—	—	—
New Hampshire	—	—	—	—	—	—
New Jersey	16,645	24,851	33,728	37,250	40,074	43,894
New Mexico	87,946	95,415	96,049	97,414	93,521	82,437
New York	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
North Dakota	—	—	—	—	—	—
Ohio	314,746	384,472	339,743	390,330	365,884	525,133
Oklahoma	25	27	373	47	2	53
Oregon	93,012	64,796	59,659	58,105	76,398	103,688
Pennsylvania	241,658	323,900	352,511	323,874	299,649	319,087
Rhode Island	24,865	22,021	18,526	13,407	12,211	10,977



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Dollars in thousands						
State	2006	2007	2008	2009	2010	2011
South Carolina	—	78,952	83,914	97,815	94,104	117,013
South Dakota	—	—	—	—	—	—
Tennessee	—	302,074	160,141	100,932	118,499	139,625
Texas	72,008	73,745	82,661	105,498	107,592	125,559
Utah	20,663	18,291	18,694	22,993	23,868	18,411
Vermont	—	—	—	—	—	—
Virginia	—	—	—	—	—	—
Washington	—	—	—	—	—	—
West Virginia	9,505	9,589	13,337	10,990	10,826	11,368
Wisconsin	128,524	123,186	121,724	121,964	137,355	160,679
Wyoming	13,017	14,519	12,636	12,817	12,743	12,406
<b>Total states reporting expenditure data</b>	<b>27</b>	<b>32</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>32</b>
<b>Total for states reporting expenditures</b>	<b>\$1,803,472</b>	<b>\$3,093,143</b>	<b>\$2,914,130</b>	<b>\$2,855,327</b>	<b>\$3,289,746</b>	<b>\$3,857,227</b>

Source: GAO analysis of state data.

Notes: State data are as of November 13, 2012. State officials were asked to provide total expenditures, including federal and state portions, for TMA; these data can include expenditures for some or all provisions under which Medicaid coverage is extended. Unless noted, states returned expenditure information for a 12-month period. The boundaries of this period varied, with 22 reporting expenditure data by state fiscal year, 4 reporting by federal fiscal year, and 6 reporting by calendar year.

The “—” indicates that data were not available from the state.

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