

# MEDICAID BASICS

*April 30, 2017*

## Medicaid and Medicare

- Medicare takes care of all elderly people over 65
- Medicaid pays for health care for low income people

## Medicaid is not a huge federal program

- It is designed and managed by each individual state
- State programs must comply with CMS guidelines
- The federal government funds 67% of NC Medicaid

True or false: Medicaid pays for health care for all low income people.

False – Only about 30% of adults with low income or no income qualify for Medicaid

# Then who is eligible for Medicaid?

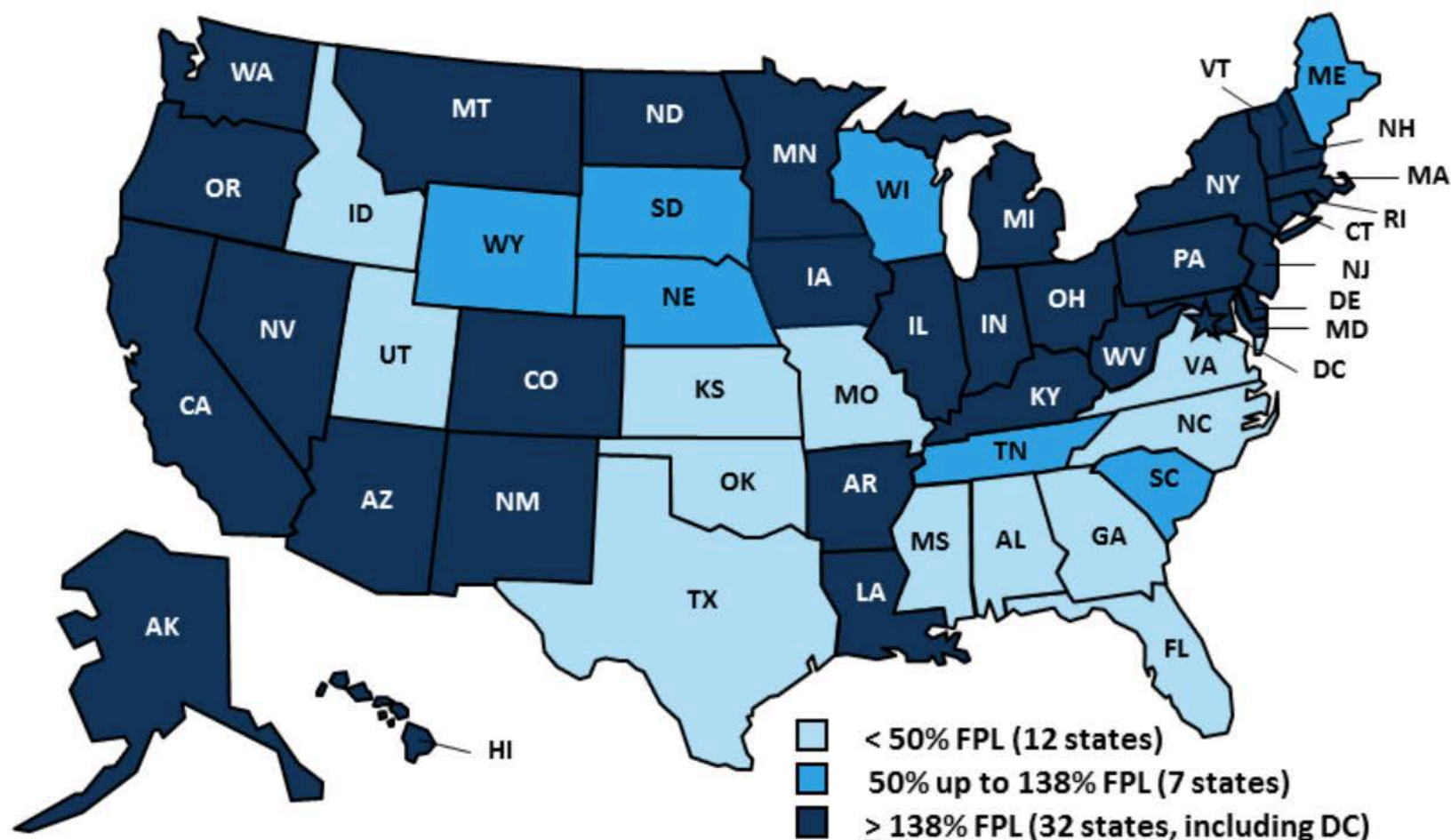
- Complex, but in general, in NC it covers those who are very poor and are:
  - Pregnant – but only if income is < 201% of the federal poverty level (FPL)
  - Children
  - Parents – only if income is < 44% of FPL, which is \$8,984 for a family of 3
  - Disabled – if <100% FPL
  - Elderly nursing home care – if < 100% FPL

# Who is not eligible for Medicaid?

- Everyone else, especially adults without children
- If you have a very low income, or no income, either single or married, but you don't have any children, you can't get Medicaid

### Figure 3

# Medicaid Income Eligibility Levels for Parents of Dependent Children, January 2017

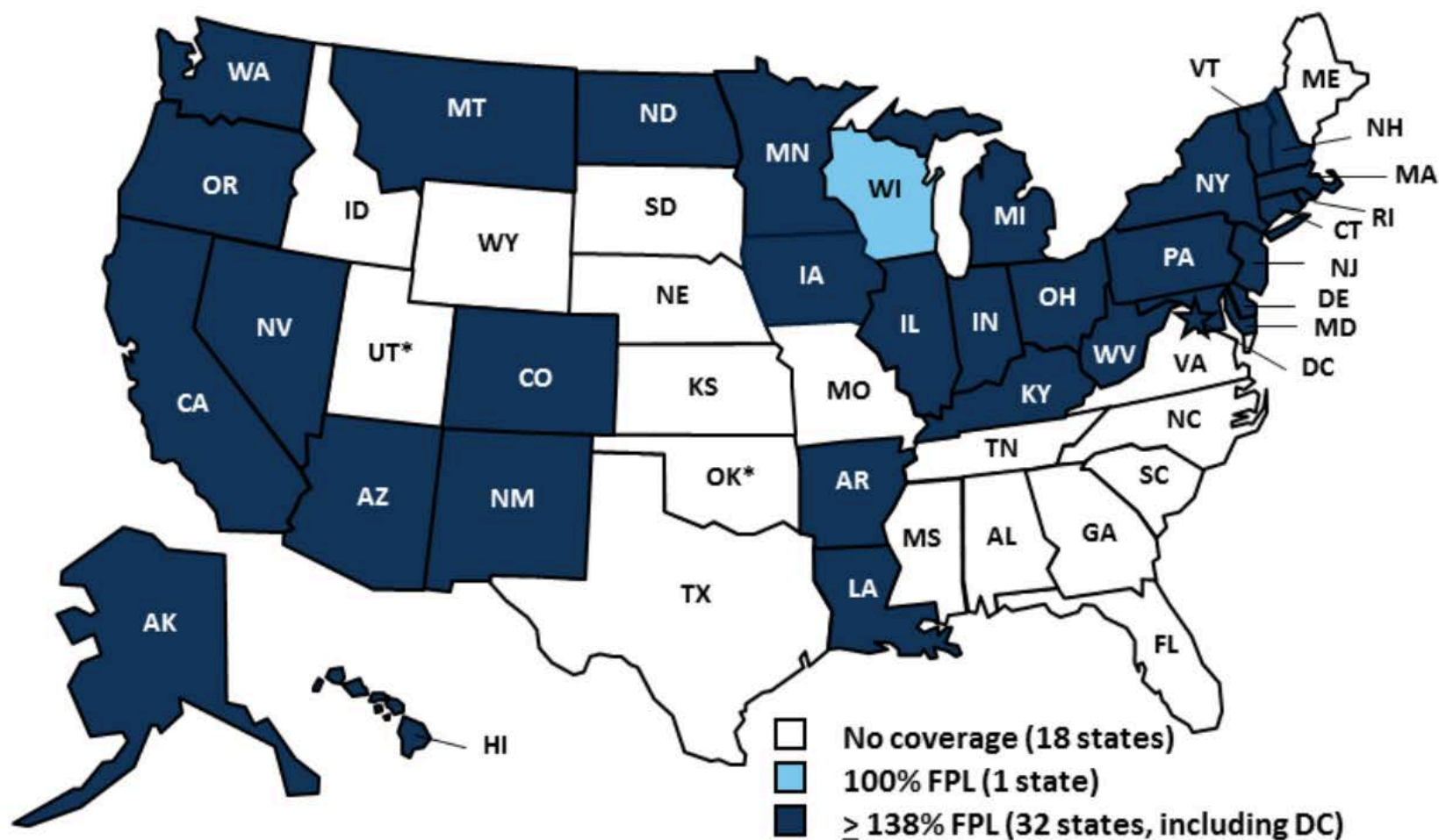


NOTE: Eligibility levels are based on 2017 federal poverty levels (FPLs) for a family of three. The FPL for a family of three in 2017 was \$20,420. Thresholds include the standard five percentage point of the FPL disregard.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2017.

Figure 4

# Medicaid Income Eligibility Levels for Other Adults, January 2017



NOTE: Eligibility levels are based on 2017 federal poverty levels (FPLs) for an individual. The FPL for an individual in 2017 was \$12,060. Thresholds include the standard five percentage point of the FPL disregard.

\*OK and UT provide more limited coverage to some childless adults under Section 1115 waiver authority.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2017.



In North Carolina, approximately  
500,000 low income people are  
not eligible for Medicaid

Why don't people with very low incomes just get subsidized health insurance through the Affordable Care Act (ACA)?

- The ACA makes subsidized private health insurance available only to low income people who earn more than 100% of the federal poverty level (FPL).
- **If you make less than 100% FPL, you are too poor to qualify for subsidized health insurance.**
  - 100% FPL is \$12,060 per year for a single person, \$24,600 for a family of four.
  - If your income is less than this, and you have no children, you are in the health coverage “gap,” or “**Medicaid Gap**,” below 100% FPL. **There is no health care coverage available for you.**

# How do poor people not on Medicaid get medical care now?

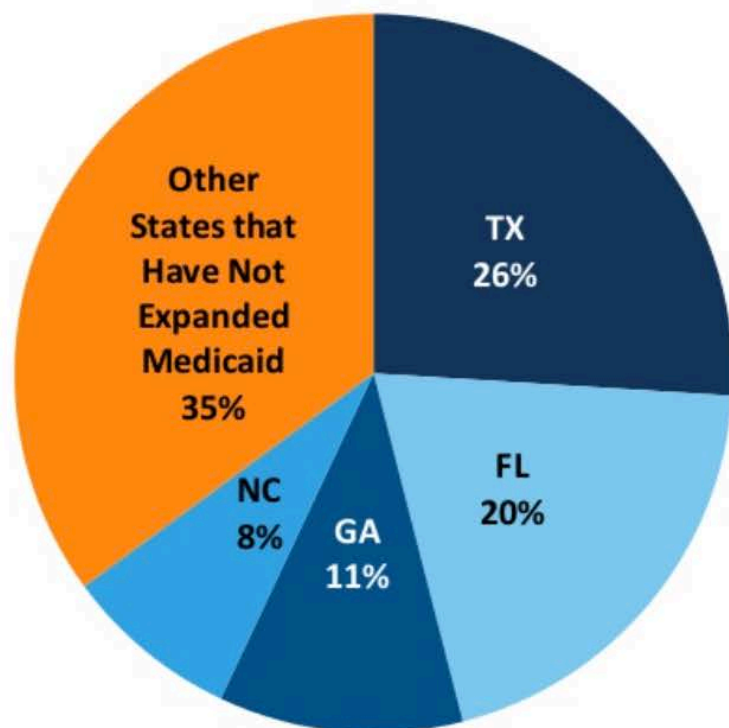
- Emergency Room
- If hospitalized, the cost is passed on to all of us in the form of higher taxes and health insurance premiums (“cost-shifting”)
- Community Health Centers (limited capacity)
- Charity care, e.g., UNC
- Mostly, they don’t get much care at all.

- The ACA “expanded” Medicaid coverage to include everyone making <138% FPL.
- It was intended that everyone would be covered.
- But in North Carolina, the very poor are not being covered, because we have not expanded Medicaid.

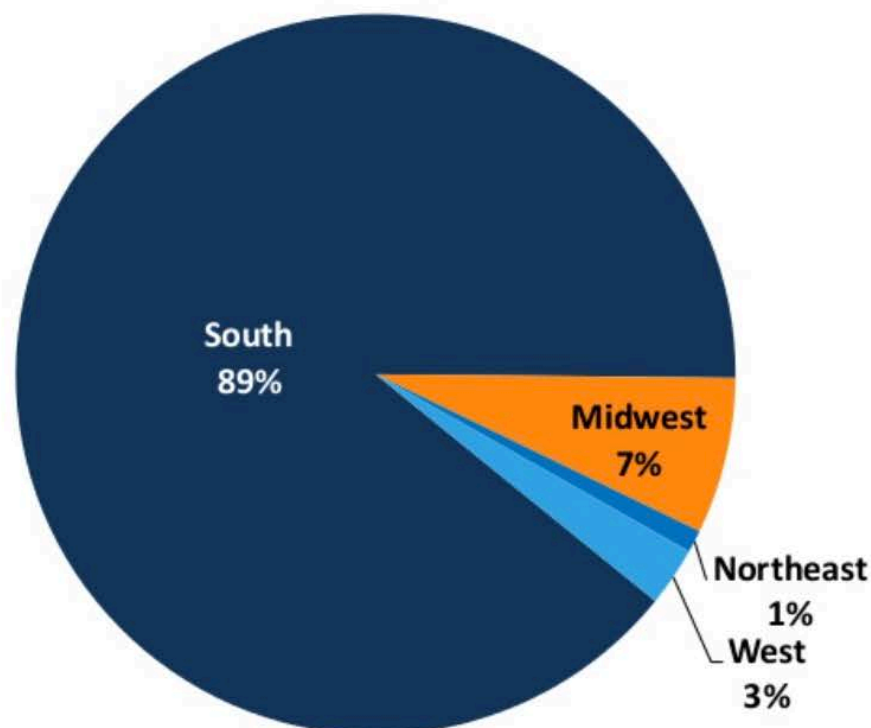
- Who are the people in the Medicaid Gap?

# An estimated 2.9 million nonelderly adults fall into the coverage gap, most of whom reside in the South.

Distribution By State:



Distribution By Geographic Region:



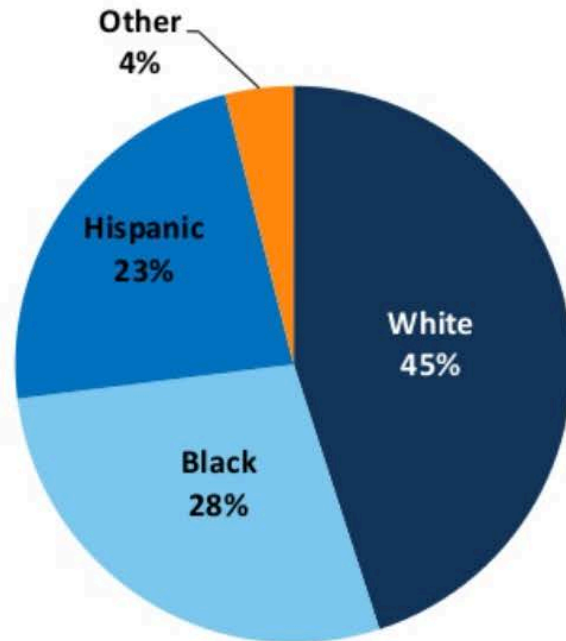
**Total = 2.9 Million in the Coverage Gap**

Note: Totals may not sum to 100% due to rounding.

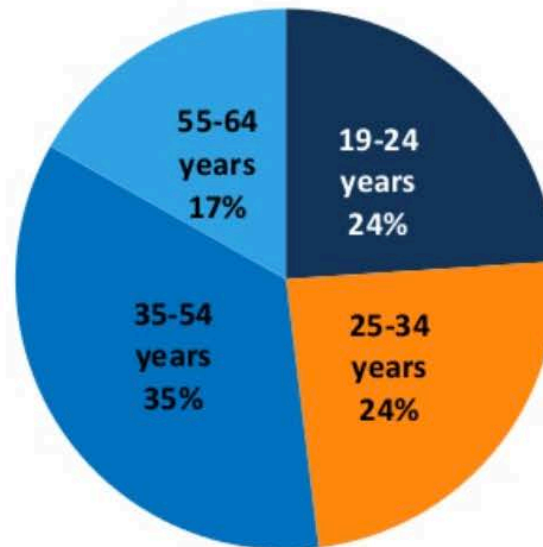
Source: Kaiser Family Foundation analysis based on 2015 Medicaid eligibility levels updated to reflect state Medicaid expansion decisions as of January 2016 and 2015 Current Population Survey data.

# More than half of adults in the coverage gap are adults of color. Adults in the coverage gap are of varying age and health status.

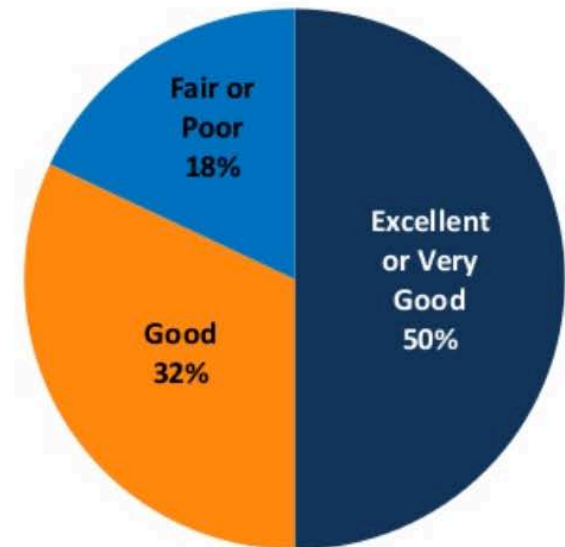
*Distribution By  
Race/Ethnicity:*



*Distribution By  
Age:*



*Distribution By  
Health Status:*



**Total = 2.9 Million in the Coverage Gap**

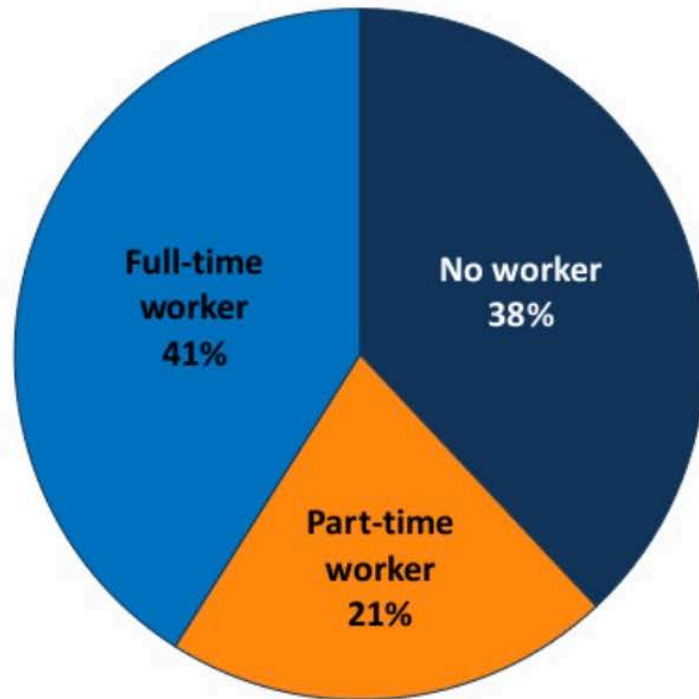
Note: Totals may not sum to 100% due to rounding.

Source: Kaiser Family Foundation analysis based on 2015 Medicaid eligibility levels updated to reflect state Medicaid expansion decisions as of January 2016 and 2015 Current Population Survey data.



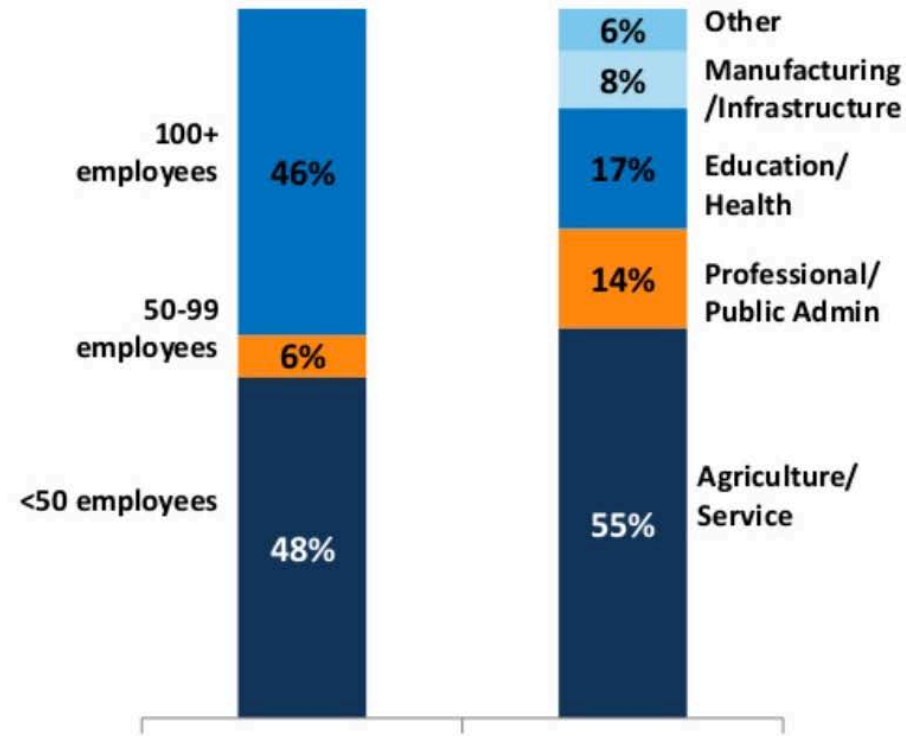
# Nearly two-thirds of adults in the coverage gap are in a family with a worker, but most work in jobs that are unlikely to offer insurance.

Family work status :



Total = 2.9 Million in the Coverage Gap

Firm size and industry among those working:



Total = 1.5 Million Workers in the Coverage Gap

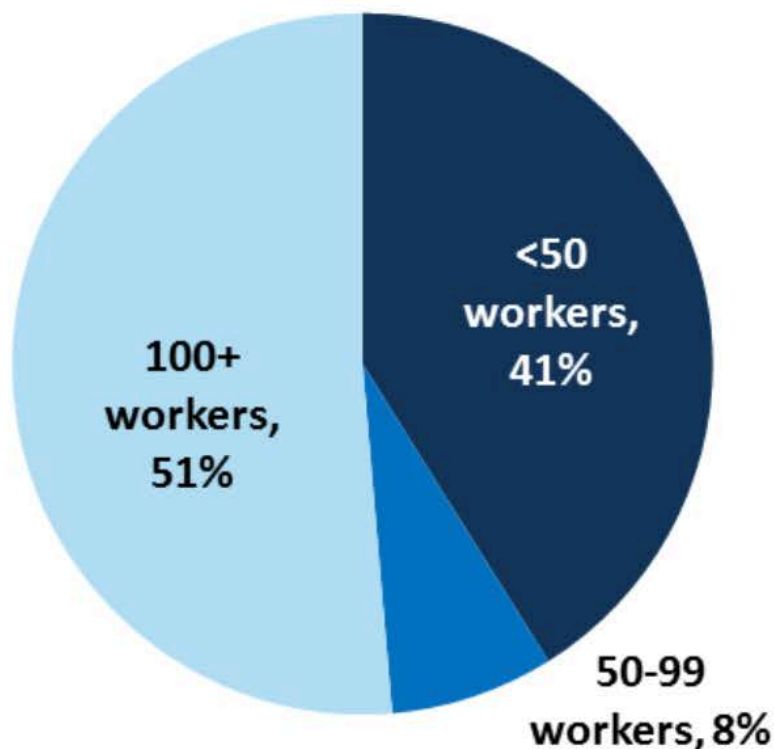
Notes: Industry classifications: Agriculture/Service includes agriculture, construction, leisure and hospitality services, wholesale and retail trade. Education/Health includes education and health services. Professional/Public Admin includes finance, professional and business services, information, and public administration. Manufacturing/Infrastructure includes mining, manufacturing, utilities, and transportation. Totals may not sum to 100% due to rounding.

Source: Kaiser Family Foundation analysis based on 2015 Medicaid eligibility levels updated to reflect state Medicaid expansion decisions as of January 2016 and 2015 Current Population Survey data.

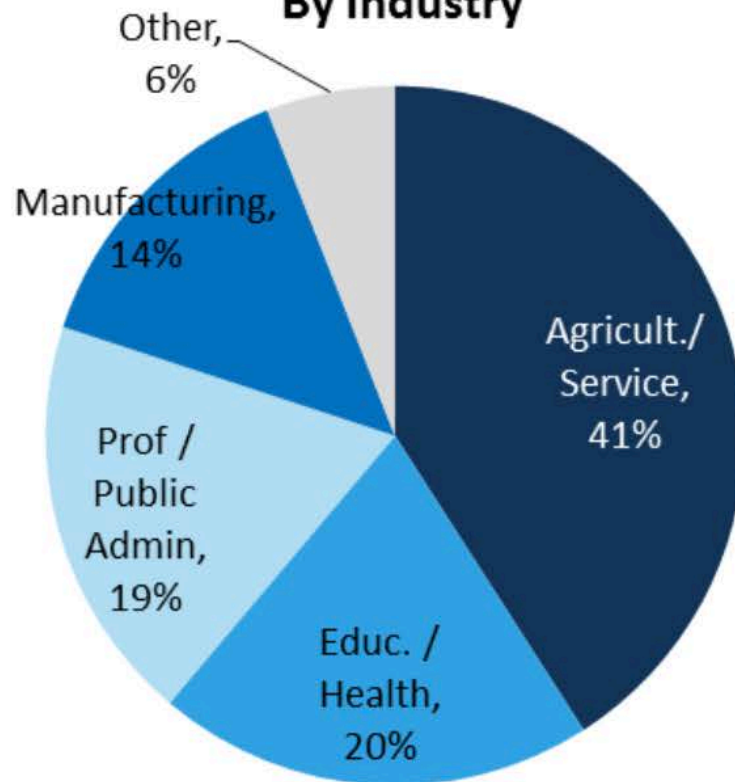
# Work characteristics of working adult Medicaid enrollees, 2015

*Characteristics based on own work status:*

**By Firm Size**



**By Industry**



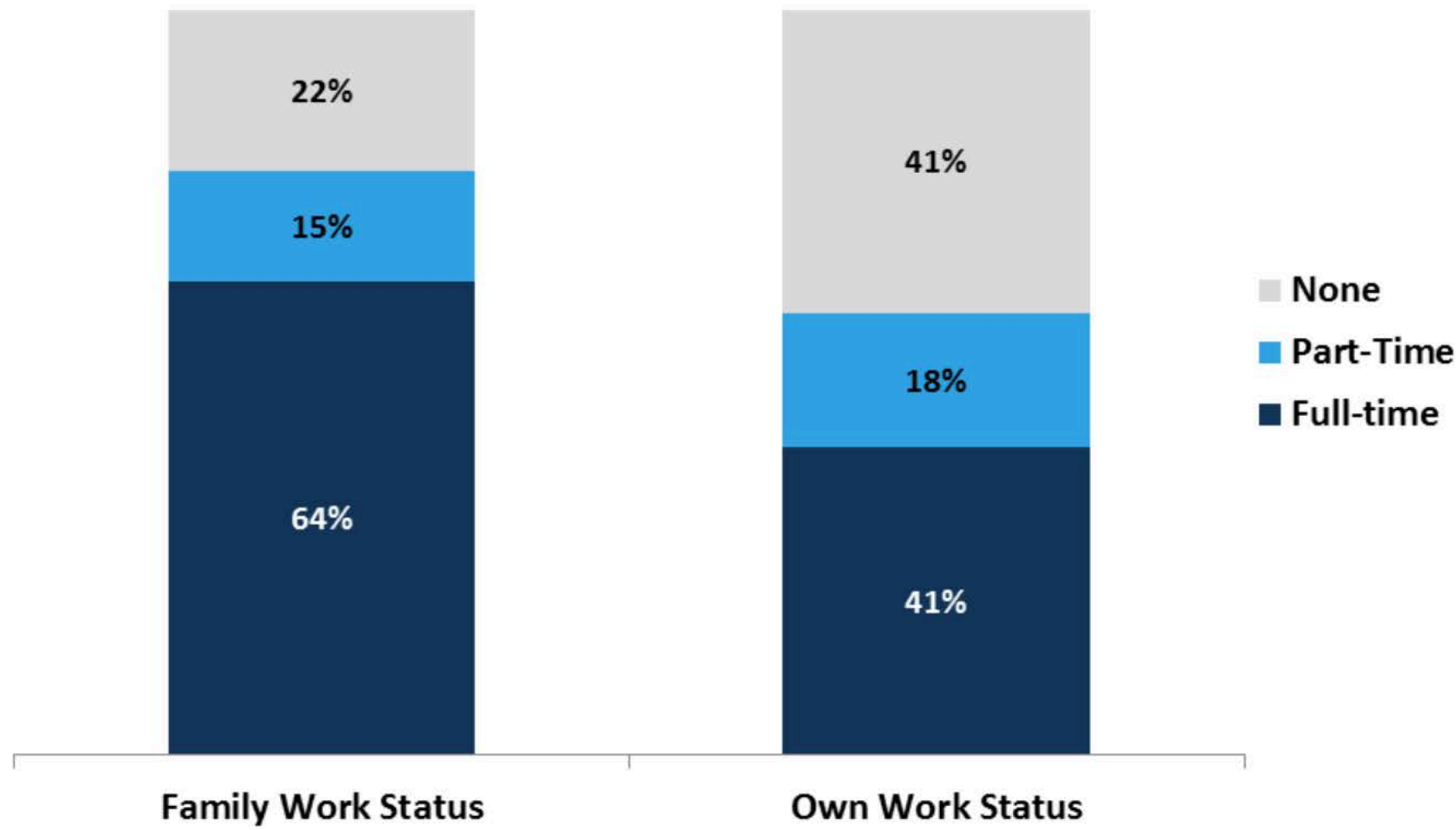
**Total = 14.2 Million**

Notes: Data may not sum to 100% due to rounding. Includes nonelderly adults who do not receive Supplemental Security Income (SSI). Industry classifications: Agricult./Service includes agriculture, construction, leisure and hospitality services, wholesale and retail trade. Educ./Health includes education and health services. Prof/Public Admin includes finance, professional and business services, information, and public administration. Manufacturing includes mining, manufacturing, utilities, and transportation. SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

# Industries with largest number of workers covered by Medicaid, 2015

Industry	Number of Adult Workers with Medicaid
Restaurant and food services	1,399,000
Construction	956,000
Elementary and secondary schools	397,000
Hospitals	383,000
Grocery stores	367,000
Home health care services	329,000
Department stores and discount stores	311,000
Services to buildings and dwellings	255,000
Child day care services	253,000
Nursing care facilities	<u>247,000</u>
Total for Listed Industries (34% of adult Medicaid enrollees who are workers)	4,897,000

# Work status of non-SSI, adult Medicaid enrollees, 2015

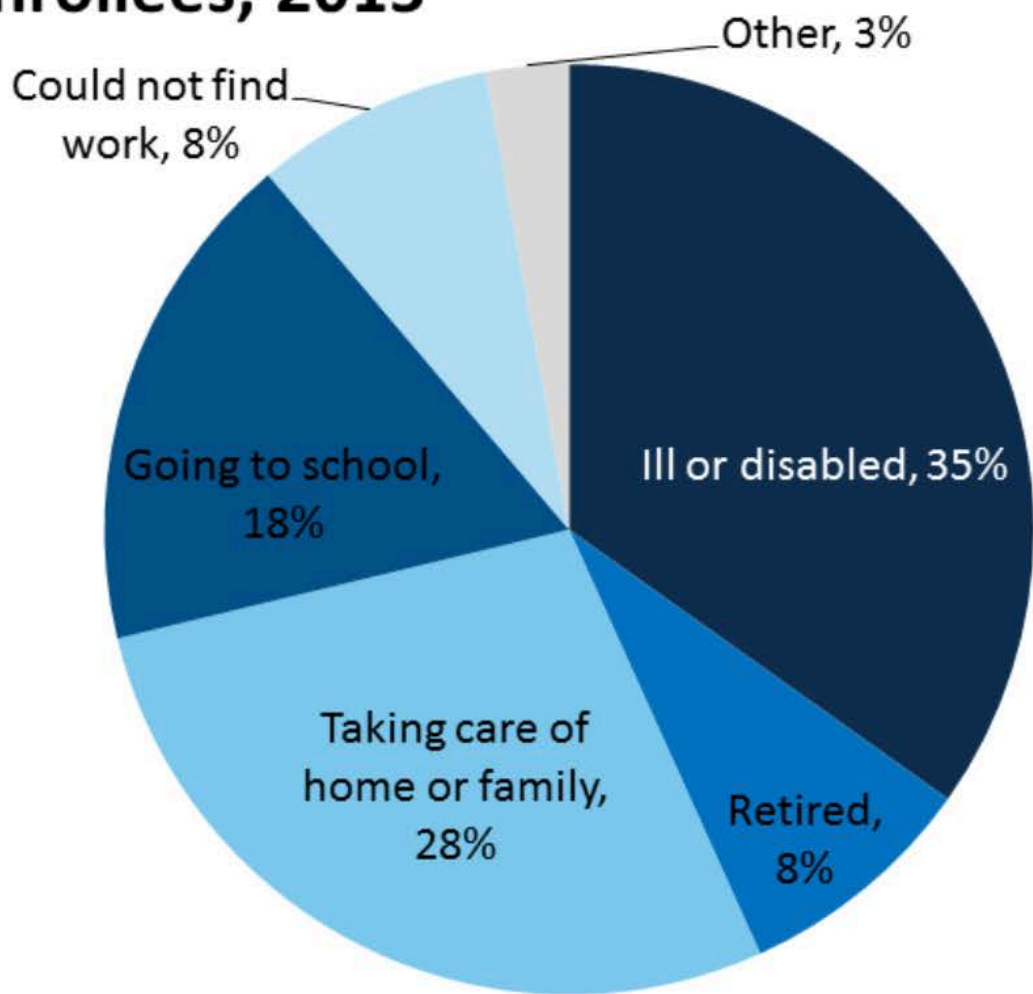


**Total = 24 Million Non-Elderly Adults without SSI**

NOTE: Totals may not add due to rounding. Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.



# Main reasons for not working among non-SSI, adult Medicaid enrollees, 2015



**Total = 9.8 Million**

NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.



Health Affairs Blog, March 6, 2017:

Only 13% of adults covered by Medicaid's expansion are able-bodied and not working, in school or seeking work. Of that small group, three quarters report that they are not working in order to care for family members and the rest report other reasons, like being laid off. A much higher share of overall American adults are unemployed or not in the labor force, according to 2015 census data.

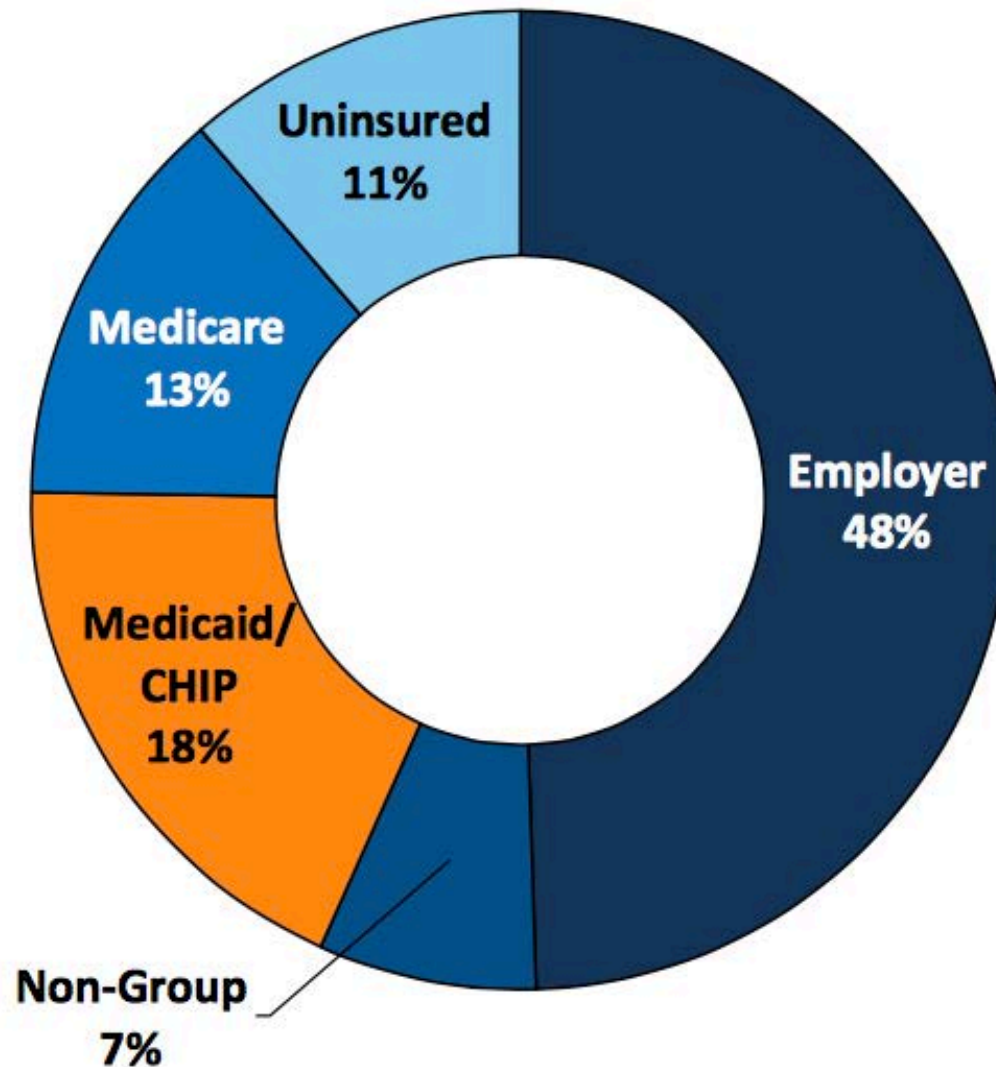
**Medicaid expansion enrollees are more likely to be working or looking for work than the general public.**

# Miscellaneous information about Medicaid

- Medicaid is America's **single largest provider of health care coverage**
- 1 in 5 Americans are covered by Medicaid = **74 million**
- Third largest domestic program: **\$532B in FY 2015**
- Principal source of **long term care** coverage nationally



**In 2015, 18% of people in NC were covered by Medicaid/CHIP.**



# In NC, Medicaid/CHIP covers:



**1 in 8 adults <65**



**2 in 5 low-income individuals**



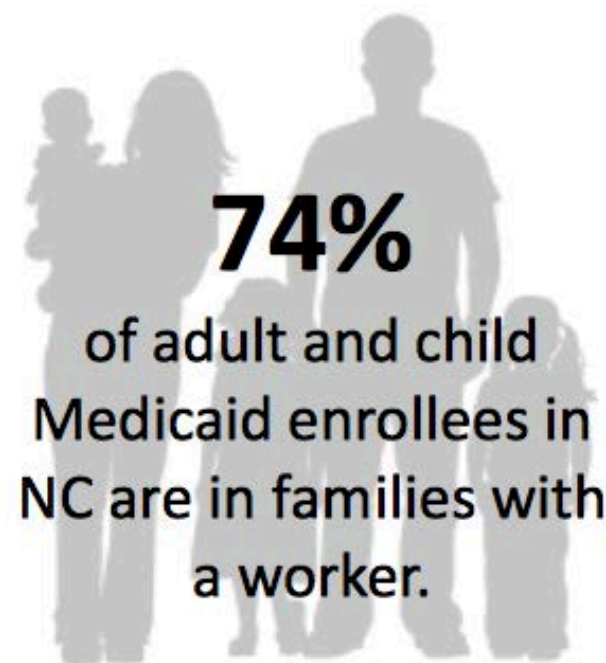
**2 in 5 children**



**3 in 5 nursing home residents**



**2 in 5 people with disabilities**



**74%**

of adult and child  
Medicaid enrollees in  
NC are in families with  
a worker.

# Economics of Medicaid in North Carolina

## **Federal funding to states is guaranteed with no cap and fluctuates depending on program needs.**

In NC the federal share (FMAP) is 66.9%. For every **\$1** spent by the state, the Federal government matches **\$2.02**.

Expansion states receive an increased FMAP for the expansion population. NC did not expand Medicaid and did not receive additional federal funds.



**17%**

of state general fund spending  
in NC is for Medicaid.

**67%**

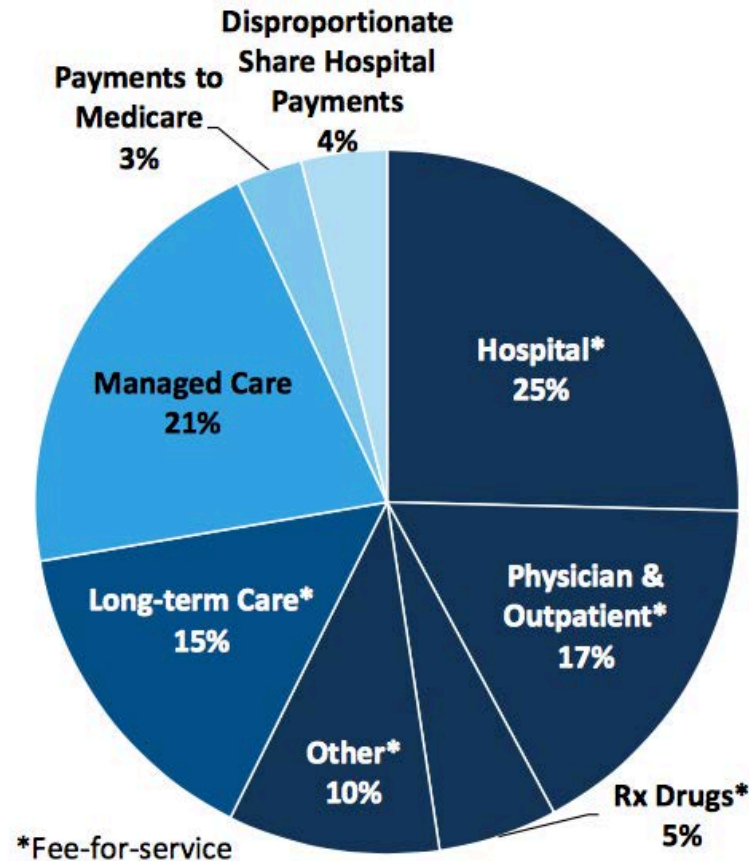
of all federal funds received  
by NC is for Medicaid.

# If NC had not refused federal Medicaid expansion funds:

Between 2016 and 2020:

- NC would have received \$20 billion in federal funds for Medicaid expansion
- 43,000 NC jobs would have been created
- Due to increased economic growth, NC would have collected \$860 million more in state tax revenue.
- This, plus cost savings in areas like mental health, would have offset or exceeded the state costs involved. This is what is now happening in states that did expand Medicaid. Thus, it would have cost NC nothing to expand Medicaid. It was a freebie!

**In FY 2015, Medicaid spending in NC  
was \$13.5 billion.**

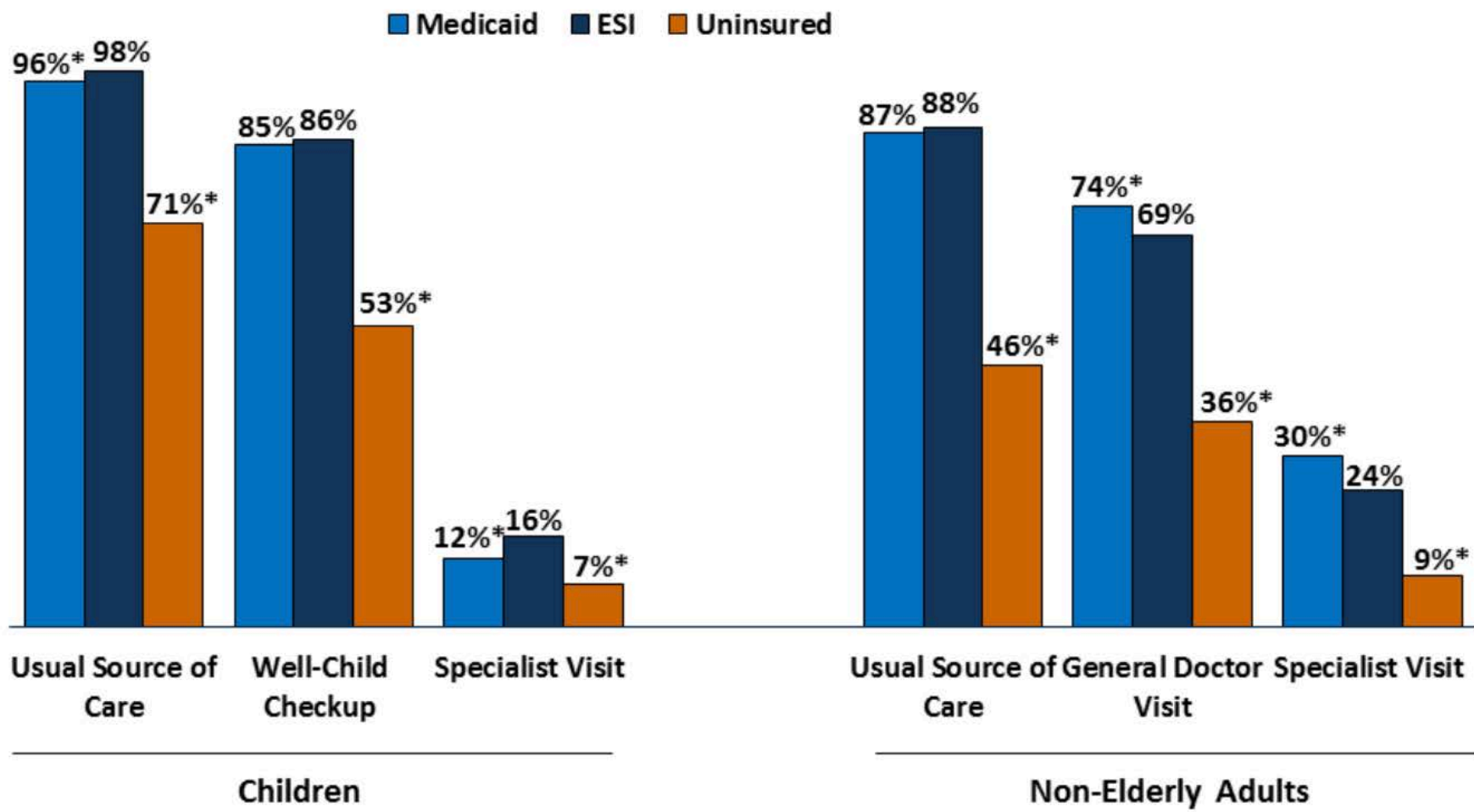


**0.79**

is the Medicaid-to-Medicare  
physician fee ratio in NC.

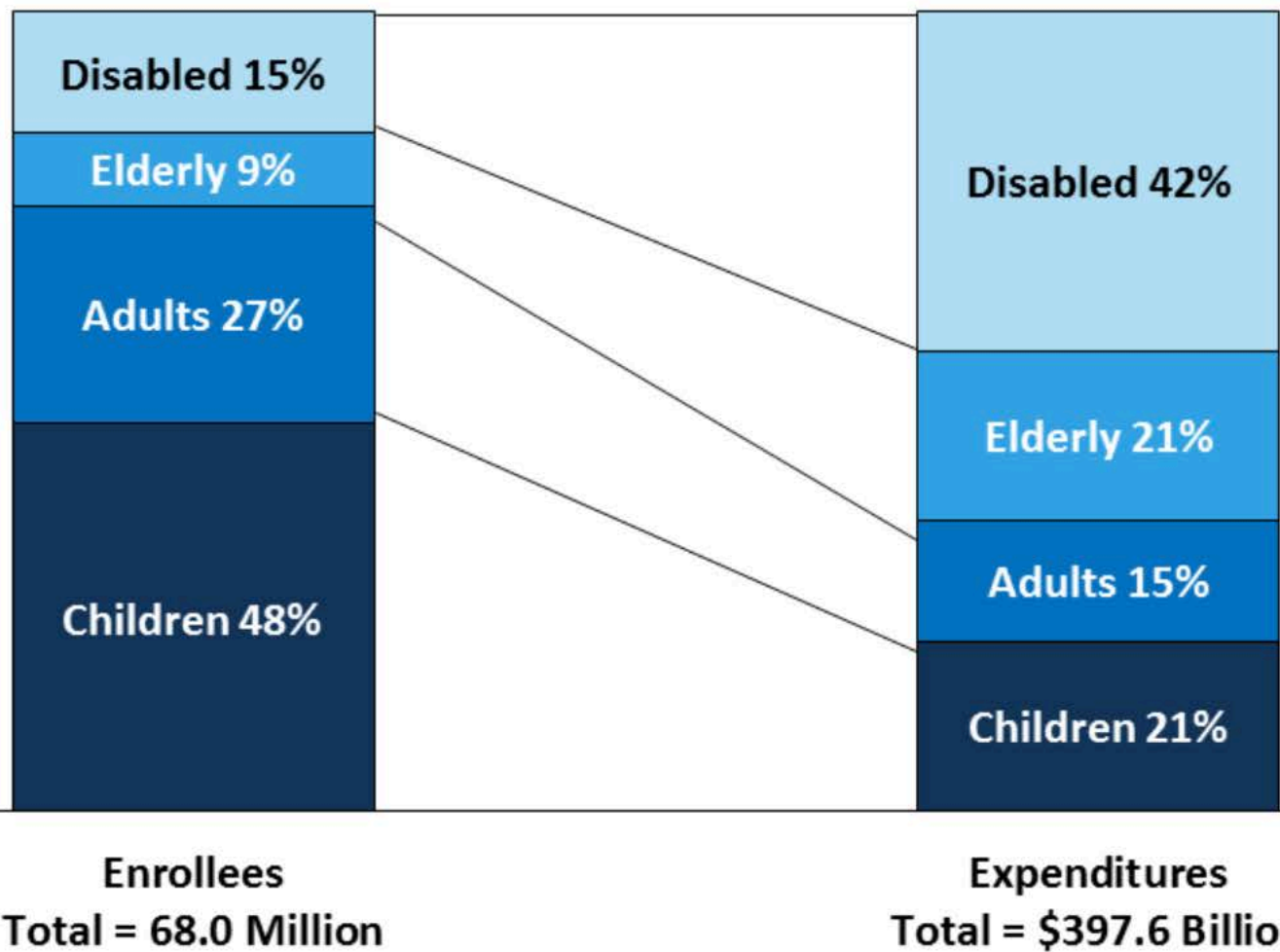


# Access to Care among Medicaid Enrollees Compared to Privately Insured and Uninsured



NOTES: Access measures reflect experience in past 12 months. Respondents who said usual source of care was the emergency room are not counted as having a usual source of care. \*Difference from ESI is statistically significant (p<.05)  
SOURCE: KCMU analysis of 2015 NHIS data.

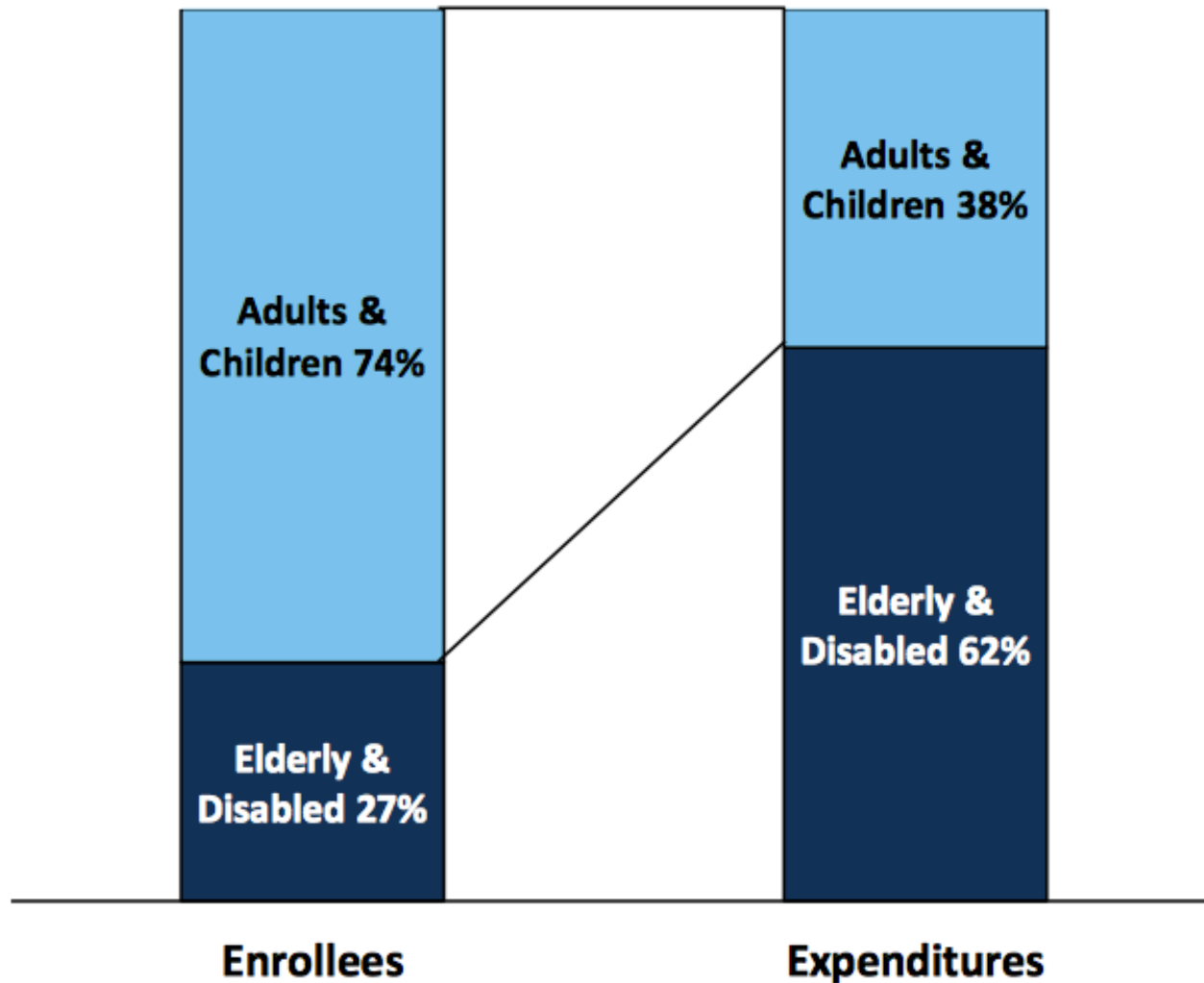
# Distribution of Medicaid Spending by Eligibility Group



SOURCE: KCMU/Urban Institute estimates based on data from FY 2011 MSIS and CMS-64. MSIS FY 2010 data were used for FL, KS, ME, MD, MT, NM, NJ, OK, TX, and UT, but adjusted to 2011 CMS-64.

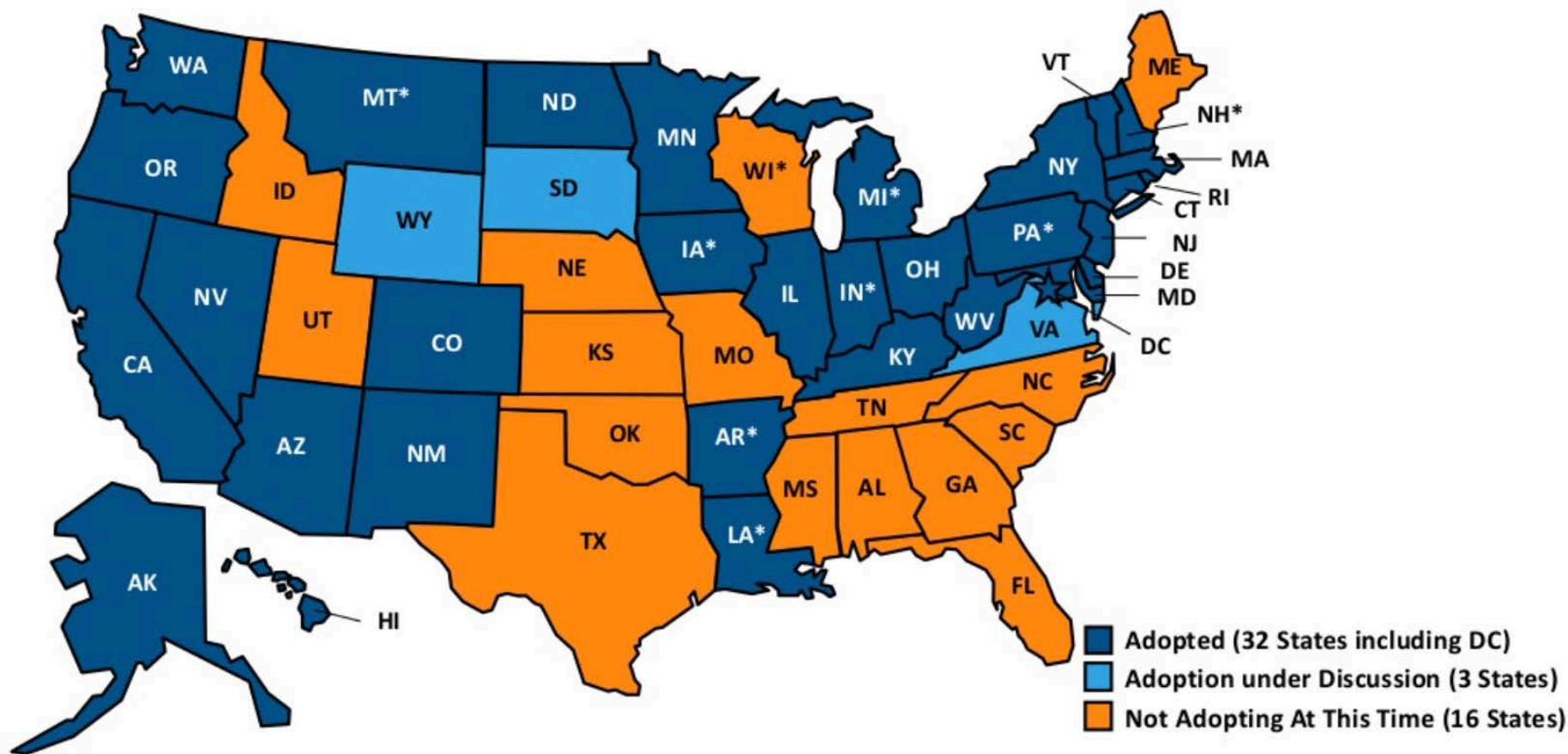


**In 2011, most Medicaid beneficiaries in NC were children and adults, but most spending was for the elderly and people with disabilities.**





## Status of Medicaid Expansion Decisions, January 12, 2016

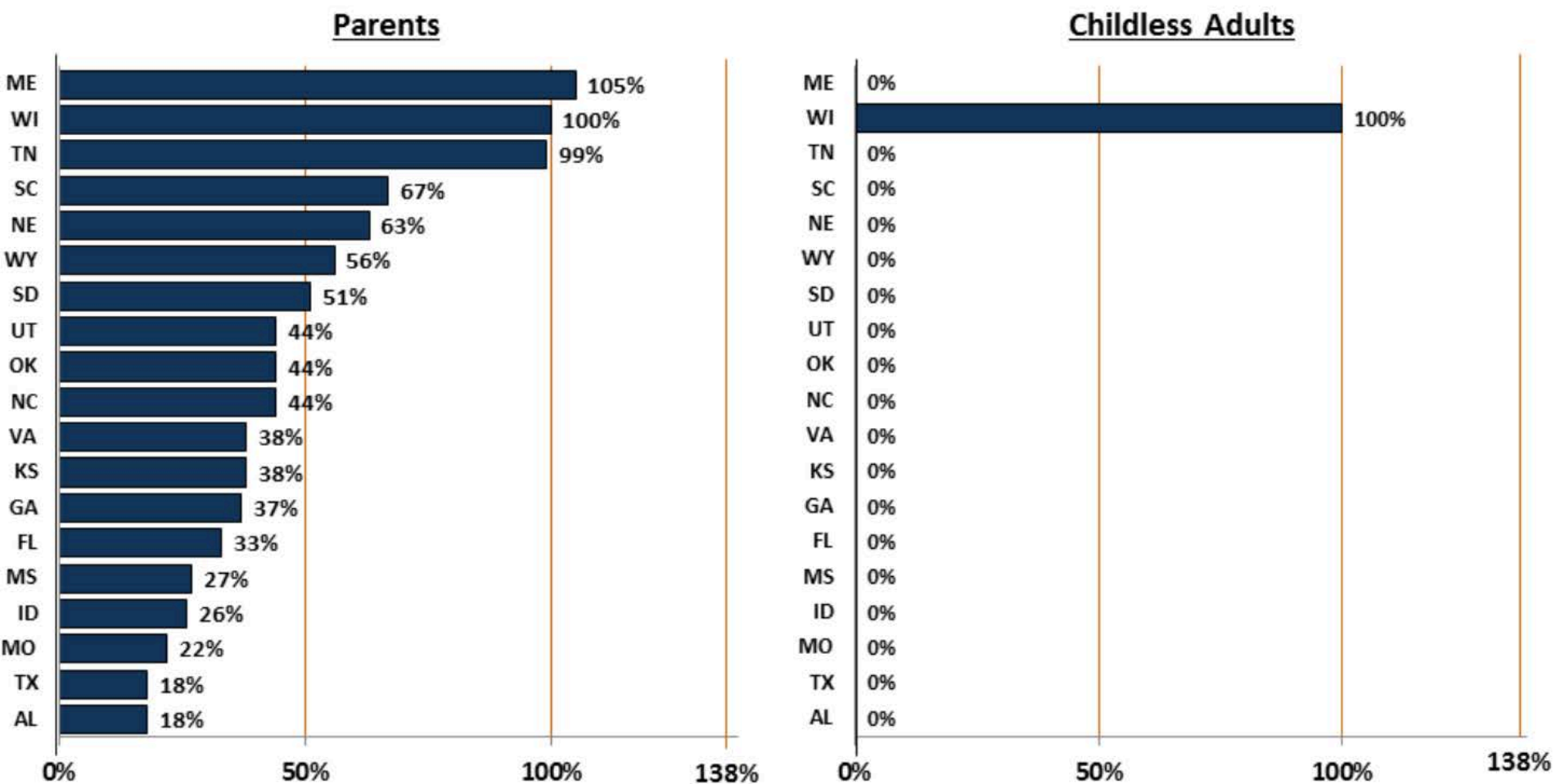


NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. \*AR, IA, IN, MI, MT, NH and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it has transitioned coverage to a state plan amendment. Coverage under the MT waiver went into effect 1/1/16. LA's Governor signed an Executive Order to adopt the Medicaid expansion on 1/12/16, but coverage under the expansion is not yet in effect. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 12, 2016.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

# Medicaid Income Eligibility Limits for Adults in States that Have Not Implemented the Medicaid Expansion, January 2017



NOTE: Eligibility levels are based on 2017 federal poverty levels (FPLs) and are calculated based on a family of three for parents and an individual for childless adults. In 2017, the FPL was \$20,420 for a family of three and \$12,060 for an individual. Thresholds include the standard five percentage point of the FPL disregard.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2017.

THE HENRY J. KAISER FAMILY FOUNDATION

**In states that have not adopted the Medicaid expansion, poor adults fall into a coverage gap, earning too much to qualify for Medicaid but too little for subsidies for Marketplace coverage.**

