Medicaid basics

Zach Reat

health policy institute of ohio

Loren Anthes

THE CENTER FOR COMMUNITY SOLUTIONS
3 key takeaways

1. Ohio Medicaid is big. The program provides health insurance to more than 2.8 million Ohioans.

2. Ohio Medicaid is a significant investment. Ohio’s total spending for the program in SFY2019 was $26.8 billion dollars.

3. Ohio Medicaid is changing. Ohio policymakers are considering different approaches to manage the program’s size and cost.
Ohio Medicaid Basics 2019

3 key findings for policymakers

- Ohio Medicaid provides access to healthcare services for over three million Ohioans and more than 1.5 million children.
- Medicaid represents a significant portion of government spending in Ohio.
- Federally mandated reductions accounted for approximately 40% of total spending on Medicaid in 2017.

To improve health value in Ohio, state policymakers need to balance Medicaid’s modest role in providing access to healthcare with budgetary and administrative challenges.

Introduction

Medicaid pays for healthcare services for over three million Ohioans and is the primary source of coverage for low-income Ohioans who generally do not have access to other forms of insurance. Medicaid is also used to pay for care for people who are elderly or disabled, including long-term care services and supports that are not covered by Medicare, and state health insurance programs. As a result, policymakers need to carefully consider the impact of changes to Medicaid and the Affordable Care Act on health care costs, access, and quality.

Medicaid and the U.S. healthcare system

Medicaid is a federal and state program that provides health coverage to low-income individuals and families, including some individuals who are not eligible for Medicare. It is funded through a combination of federal and state funds and is administered by the federal government. In Ohio, Medicaid is administered by the Ohio Department of Medicaid, which manages the program on behalf of the state. Medicaid spending in Ohio is relatively high, with approximately 30% of state spending going towards Medicaid.

Who is eligible for Medicaid coverage?

Ohio Medicaid covers individuals who meet certain income and asset guidelines. Federal poverty level guidelines determine eligibility for Medicaid. The federal poverty level for a family of three is currently $25,760. Ohio Medicaid covers individuals with incomes up to 133% of the federal poverty level. In addition, Ohio Medicaid covers individuals with disabilities, elderly Ohioans, and individuals who meet other federal and state eligibility requirements.

Enrollment changes during FY 2017

In FY 2017, Ohio Medicaid enrollment increased by 2,743,540 people, or 11.4%. Enrollment increased for all age groups, with the largest increase in enrollment for children under 18 years old. Enrollment increased by 15.3% for children under 6 years old, 13.7% for children aged 6-17 years old, and 11.5% for adults aged 18-64 years old. Enrollment decreased for individuals aged 65 years old or older.

Financial characteristics of Ohio Medicaid enrollees

- 36% of Ohio Medicaid enrollees are children under 18 years old.
- 31% of enrollees are adults aged 18-64 years old.
- 27% of enrollees are elderly Ohioans aged 65 years old or older.
- 6% of enrollees are individuals with disabilities.

Figure 1. Ohio Medicaid enrollment trend, 2003-2017

Figure 1 shows the trend in Ohio Medicaid enrollment from 2003 to 2017. enrollment increased from 1,950,500 in 2003 to 2,743,540 in 2017, an increase of 8.2 million people.

Figure 2. Ohio Medicaid income eligibility thresholds for MAGI households, by FPL, 2017

Figure 2 shows the income eligibility thresholds for the Medical Assistance Program (MAGI) for Ohio Medicaid enrollees by FPL in 2017.

Figure 3. Federal poverty level (FPL) by household size, 2017

Figure 3 shows the federal poverty level (FPL) by household size for 2017. The FPL is the income level at which a family of four is considered to be at or below the poverty level.
State Budgeting Matters

2020-2021 State Budget, Ohio Department of Medicaid
Loren Anthes
Policy Fellow, Center for Medicaid Policy

Status of Women

Demographic Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Cuyahoga</th>
<th>Ohio</th>
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<tbody>
<tr>
<td>Population</td>
<td>1,185,132</td>
<td>12,022,174</td>
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<tr>
<td>Male</td>
<td>592,085</td>
<td>612,863</td>
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<tr>
<td>Female</td>
<td>593,047</td>
<td>589,311</td>
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Healthcare with Children, Female Headed

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Children under age 18</td>
<td>26.9%</td>
</tr>
<tr>
<td>Women with children 18-24</td>
<td>11.0%</td>
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<tr>
<td>Women with children 25-34</td>
<td>9.2%</td>
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<tr>
<td>Women with children 35-44</td>
<td>7.7%</td>
</tr>
<tr>
<td>Women with children 45-54</td>
<td>6.0%</td>
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Educational Attainment

<table>
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<tr>
<th>Category</th>
<th>Cuyahoga</th>
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<tr>
<td>High School Graduates</td>
<td>28%</td>
<td>20%</td>
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<tr>
<td>Associate's Degree</td>
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<tr>
<td>Bachelor's Degree</td>
<td>13%</td>
<td>10%</td>
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Labor Force Participation, by Age

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<tr>
<th>Age Group</th>
<th>Cuyahoga</th>
<th>Ohio</th>
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<tbody>
<tr>
<td>16-17</td>
<td>18%</td>
<td>18%</td>
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<tr>
<td>18-19</td>
<td>26%</td>
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<tr>
<td>20-24</td>
<td>29%</td>
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<tr>
<td>25-34</td>
<td>56%</td>
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<tr>
<td>35-44</td>
<td>65%</td>
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<tr>
<td>45-54</td>
<td>70%</td>
<td>70%</td>
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<tr>
<td>55-64</td>
<td>65%</td>
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Unemployment Rate

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<th>Category</th>
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<tbody>
<tr>
<td>Unemployment Rate</td>
<td>4.4%</td>
<td>5.0%</td>
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Covered groups

- Children
- Older adults
- Women who are pregnant
- Adults without dependents
- People with disabilities
Estimated percent of Ohioans enrolled in Medicaid state fiscal year 2018

Total Ohio population: 11.66 million

26% of Ohioans (3.01 million) enrolled in Medicaid

Sources: Ohio Department of Medicaid and U.S. Census Bureau, American Community Survey
Eligibility

- Income
- Assets, such as stocks, bonds, real estate
- Household size
- Disability status and medical conditions (in some cases)
- Residence (state)
- Citizenship/immigration status
Ohio Medicaid income eligibility thresholds for MAGI-categories by percent of Federal Poverty Level, 2019

- 211% children
- 205% pregnant women
- 138% adults

Source: Ohio Department of Medicaid
# Federal poverty level (FPL) by household size, 2019

<table>
<thead>
<tr>
<th></th>
<th>100%</th>
<th>138%</th>
<th>205%</th>
<th>211%</th>
<th>250%</th>
<th>400%</th>
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<tbody>
<tr>
<td>1</td>
<td>$12,490</td>
<td>$17,236</td>
<td>$25,605</td>
<td>$26,354</td>
<td>$31,225</td>
<td>$49,960</td>
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<tr>
<td>2</td>
<td>$16,910</td>
<td>$23,336</td>
<td>$34,666</td>
<td>$35,680</td>
<td>$42,275</td>
<td>$67,640</td>
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<tr>
<td>3</td>
<td>$21,330</td>
<td>$29,435</td>
<td>$43,727</td>
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<td>4</td>
<td>$25,750</td>
<td>$35,535</td>
<td>$52,788</td>
<td>$54,333</td>
<td>$64,375</td>
<td>$103,000</td>
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</table>

**Note:** Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)

**Source:** Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.
Federal poverty level (FPL) by household size, 2019

Scenario
• Four people in household
• Eligibility for children without other insurance (211% FPL)

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Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.
## Federal poverty level (FPL) by household size, 2019

### Scenario
- Single adult without dependents
- Eligibility for adults without dependents (138% FPL)

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• Residence (state)
• Disability status and medical conditions (in some cases)
• Assets, such as stocks, bonds, real estate
Ohio Medicaid enrollment trend
SFY 2005-2018

Sources: SFY 2005-2011 Ohio Department of Job and Family Services, Public Assistance Monthly Statistics reports; SFY 2012-2018 Ohio Department of Medicaid
Reasons people enroll in Medicaid

- Unemployment and other changes that impact coverage
- Price of individual (non-group) health insurance coverage
- Coverage for long term services and supports (LTSS)

Source: Kaiser Family Foundation analysis of the National Health Interview Survey. 1999-2017
Ohio Medicaid spending, by source, state fiscal year 2019

- 68.3% federal ($18.3 billion)
- 19.5% GRF state ($5.2 billion)
- 12.3% non-GRF ($3.3 billion)

Source: Ohio Legislative Service Commission
Ohio Medicaid spending in billions, state fiscal years 2008 – 2019

Source: Ohio Department of Medicaid (via Ohio Legislative Service Commission)
Where does Ohio rank?

Population health: 43
Healthcare spending: 28

Health value in Ohio: 46
Change

• Medicaid as a first responder
• Privatization
• Creating Value
• Using Waivers
Coverage & Public Health
Rates by County

Teen Births
Infant Mortality
Opioid Use

Source: Ohio Department of Medicaid, US Census
Population Health
Managed Care and Value-Based Design

Let’s Talk Statistics!

- Risk in insurance is “the likelihood an insured service occurs”
- In a population, the risk is distributed based on observations and experience

- Historically: We are agnostic to risk – ie we pay for services rendered (this is “Fee For Service”).
- The incentives align with providing more services at higher prices.
Population Health
Managed Care and Value-Based Design

- Payments can be upfront, global or “at risk” meaning you keep what you don’t spend and are paid for achieving quality.
- You are reimbursed by lowering the risk exposure of payers like insurers, Medicare and Medicaid.

Tools
- Utilization Management
- Competition
- Coordination

Payment
- P4P
- Episodes
- CPC
Legislative Pressure
Change through Personal Responsibility

Waiver Concepts

Work Requirements

Cost Sharing

Source: Kaiser Family Foundation, State Health Facts, Approved Section 1115 Medicaid Waivers and Pending Section 1115 Medicaid Waivers, November 11, 2019.
### Legislative Pressure

Change through Personal Responsibility

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
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<th>FY22</th>
<th>FY23</th>
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<tr>
<td>Millions</td>
<td>$(1,000)</td>
<td>$(2,000)</td>
<td>$(3,000)</td>
<td>$(4,000)</td>
<td>$(5,000)</td>
<td>$(6,000)</td>
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**Total Reduction in Medicaid Spending**

**Expectation vs. Per Capita Proposal**

**TOTAL CUT IN MEDICAID VIA AHCA:**

$16.3 - 22.3B

**Financing Alternatives**

- Block Grants
- Per Capita Caps
1. **Ohio Medicaid is big.** The program provides health insurance to more than 2.8 million Ohioans.

2. **Ohio Medicaid is a significant investment.** Ohio’s total spending for the program in SFY2019 was $26.8 billion dollars.

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Questions?