

FACTFILE

Healthcare Reform: Medicaid

Federal healthcare reform legislation will produce dramatic changes in Medicaid.

The impact on the various states, though, will vary. Medicaid eligibility will expand to include nearly all individuals under age 65 with incomes up to 133% of the federal poverty line (FPL). The Congressional Budget Office estimates that nearly 16 million additional individuals will enroll in Medicaid. The federal government initially will pick up 100% of the cost of covering newly eligible people, but that will drop to 80% by 2020. Because eligibility criteria vary by state, some states will benefit more than others. Enrollment rates are likely to vary by state because of different levels of support and outreach.

STATES AFFECTED DIFFERENTLY

States that currently have not extended Medicaid eligibility will experience the highest expansion of the eligible population under the Patient Protection and Affordable Care Act. States that already have generous Medicaid programs will see little or no change in eligibility. Here is a look at the percent of uninsured population in each state that will be newly eligible for Medicaid under healthcare reform.

West Virginia	33.31%	Ohio	22.31%	Arizona	5.42%
Arkansas	31.03%	South Carolina	21.58%	Maryland	3.40%
Alabama	30.27%	Colorado	20.99%	New York	3.28%
Kentucky	29.49%	Florida	20.96%	Delaware	2.98%
Missouri	28.54%	Michigan	20.13%	Hawaii	0.00%
North Dakota	28.19%	Montana	19.88%	Connecticut	0.00%
Mississippi	28.18%	Wyoming	18.85%	District of Columbia	0.00%
Idaho	27.03%	Tennessee	18.35%	Indiana	0.00%
Louisiana	26.99%	California	15.23%	Iowa	0.00%
North Carolina	26.44%	Nevada	14.74%	Massachusetts	0.00%
Nebraska	25.05%	New Hampshire	13.89%	Minnesota	0.00%
Kansas	24.97%	Illinois	13.80%	New Mexico	0.00%
Oklahoma	24.84%	Rhode Island	13.56%	Pennsylvania	0.00%
Texas	24.82%	Alaska	13.03%	Utah	0.00%
Virginia	24.14%	New Jersey	9.60%	Vermont	0.00%
Georgia	24.11%	Oregon	7.94%	Washington	0.00%
South Dakota	23.68%	Maine	5.90%	Wisconsin	0.00%

SOURCE: Thomson Reuters.

GAP BETWEEN ELIGIBLE AND ENROLLED

Nationally, approximately 83% of those eligible under the minimum mandatory limits actually enroll in Medicaid. These primarily are children. Enrollment among optionally eligible adults is lower, at approximately 67%. Rates vary dramatically by state.

District of Columbia	96.86%	West Virginia	88.05%	New Mexico	80.34%
Massachusetts	95.69%	Minnesota	88.02%	South Carolina	80.31%
Maine	93.90%	Louisiana	87.98%	Georgia	79.51%
Hawaii	93.00%	Tennessee	87.33%	Kansas	79.36%
Vermont	92.76%	Pennsylvania	87.18%	Wyoming	78.87%
Rhode Island	91.30%	North Dakota	85.85%	Oregon	77.71%
New York	90.85%	Ohio	85.71%	Idaho	77.53%
Michigan	90.32%	Alabama	85.59%	Alaska	74.92%
Wisconsin	89.97%	New Jersey	85.05%	Montana	74.88%
Connecticut	89.92%	Oklahoma	84.78%	Arizona	74.77%
Arkansas	89.78%	North Carolina	84.16%	Texas	74.48%
South Dakota	89.75%	Washington	84.14%	Florida	71.69%
Kentucky	89.54%	California	83.27%	Utah	70.00%
Iowa	89.51%	Nebraska	82.41%	Colorado	68.51%
Illinois	89.19%	Virginia	82.41%	Nevada	57.47%
New Hampshire	88.86%	Delaware	82.28%		
Maryland	88.65%	Mississippi	81.78%		
Missouri	88.35%	Indiana	81.49%		

■ Indicates state with expanded enrollment

Note: To create a controlled comparison between states, this data compares percent enrolled only for individuals eligible under the mandatory eligibility criteria, which are common to all states. The states with the most generous coverage tend to be those with the highest enrollment rates.

SOURCE: Thomson Reuters.

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Expanded Eligibility

Fewer than half of states offer expanded Medicaid eligibility for adults. Usually, limited benefits are offered, but in five states, the expanded population may receive full Medicaid benefits. Here is a rundown.

Full Medicaid Benefits

State	Percent of FPL
Vermont	160%
Arizona	110%
Delaware	110%
Hawaii	100%
New York	100%

Limited Medicaid Benefits

State	Percent of FPL
Vermont	300%
Connecticut	300%
Massachusetts	300%
Iowa	250%
Minnesota	250%
New Mexico	250%
Pennsylvania	213%
District of Columbia	211%
Hawaii	200%
Indiana	200%
Washington	200%
Wisconsin	200%
Utah	150%
Maryland	116%
Maine	100%
Oregon	100%
Michigan	45%

SOURCE: Kaiser State Health Facts; www.statehealthfacts.org.

Upcoming Topic:

> Readmissions

MANDATORY EXPANSION

The new healthcare reform law requires states to extend Medicaid eligibility to certain mandatory populations: children under 6 in families under 133% of the Federal Poverty Level, children under 18 in families under 100% of FPL, pregnant women under 133% of FPL, families with children who are eligible for AFDC, and elderly and disabled Supplementary Security Income (SSI) beneficiaries under 74% FPL.

SOURCE: Thomson Reuters.

FACT FILE PARTNER:



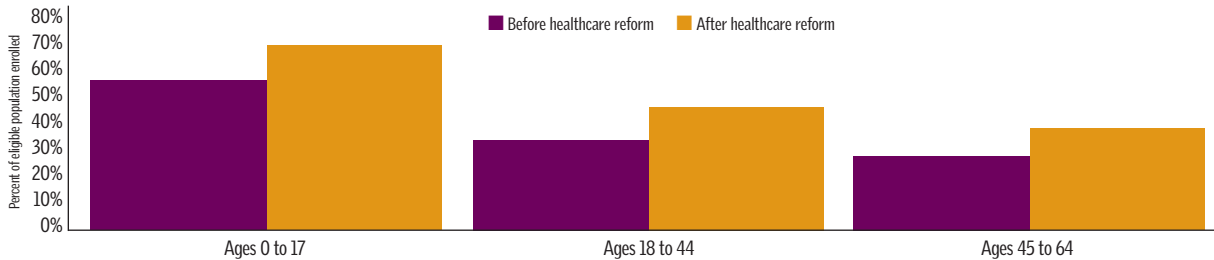
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WILL THE ELIGIBLE ACTUALLY ENROLL?

Nonparticipating eligibles tend to be the poorest adults. This group will generally not be subject to penalties for failing to enroll. Expanded eligibility under reform may create a climate of enrollment, where enrolling is considered the default. Vigorous enrollment campaigns and public support could encourage those previously not participating to enroll, creating a "woodwork effect." Massachusetts, which expanded Medicaid eligibility limits in the fall of 2006, is an interesting example. Because the state already had relatively generous extensions to eligibility, this expansion did not affect those who had already been eligible. But the state engaged in enrollment campaigns and public announcements to encourage Medicaid participation. As a result, enrollment rates increased, even for those already eligible under mandatory criteria.



SOURCE: Thomson Reuters.

PACE OF MEDICAID SPENDING HAS SLOWED ...

In the past decade, Medicaid spending rose nearly 11% between 1990 and 2001. In the first part of this decade, that pace continued at about 9.5%. Lately, that rate of increase has slowed to just over 3.5% between 2004 and 2007. Again, there is considerable variation by state. In the same period, you may see some states show double-digit increases in spending while others show declines in spending.

	FY 1990-2001	FY 2001-2004	FY 2004-2007
United States	10.9%	9.4%	3.6%
Alabama	12.4%	8.1%	4.0%
Alaska	12.9%	15.2%	2.3%
Arizona	15.4%	22.8%	10.3%
Arkansas	11.2%	10.7%	4.9%
California	10.6%	8.5%	5.1%
Colorado	13.4%	7.0%	3.6%
Connecticut	9.4%	6.3%	2.9%
Delaware	15.1%	10.2%	7.7%
District of Columbia	8.4%	7.4%	4.4%
Florida	11.8%	14.1%	1.8%
Georgia	11.5%	21.2%	-8.7%
Hawaii	10.9%	12.5%	6.2%
Idaho	14.6%	10.9%	4.6%
Illinois	11.1%	8.7%	7.6%
Indiana	9.6%	6.6%	1.3%
Iowa	9.2%	10.4%	3.7%
Kansas	11.9%	1.8%	6.0%
Kentucky	11.6%	8.4%	2.1%
Louisiana	10.8%	6.0%	1.6%
Maine	10.8%	14.8%	-0.8%
Maryland	9.9%	12.3%	4.8%
Massachusetts	7.2%	8.5%	4.9%
Michigan	9.7%	4.5%	3.9%
Minnesota	9.3%	13.1%	3.2%
Mississippi	13.5%	11.0%	-1.4%
Missouri	15.9%	9.0%	2.1%
Montana	8.8%	11.3%	2.9%
Nebraska	12.9%	6.4%	1.7%
Nevada	14.7%	15.3%	6.2%
New Hampshire	13.2%	9.6%	0.1%
New Jersey	10.6%	3.8%	3.7%
New Mexico	15.7%	14.8%	5.9%
New York	9.2%	9.1%	2.1%
North Carolina	14.0%	9.8%	5.5%
North Dakota	6.8%	6.2%	1.2%
Ohio	9.2%	11.1%	3.7%
Oklahoma	10.2%	7.2%	9.2%
Oregon	15.8%	-0.6%	3.3%
Pennsylvania	12.4%	8.9%	3.9%
Rhode Island	9.4%	11.6%	1.3%
South Carolina	12.4%	8.8%	1.5%
South Dakota	9.7%	6.5%	2.9%
Tennessee	13.0%	8.6%	0.3%
Texas	12.9%	11.6%	8.1%
Utah	10.7%	14.0%	3.6%
Vermont	13.3%	9.9%	4.1%
Virginia	10.5%	8.3%	8.0%
Washington	12.3%	6.7%	2.8%
West Virginia	12.9%	7.7%	3.6%
Wisconsin	9.5%	3.6%	3.2%
Wyoming	12.5%	14.5%	5.4%

SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on data from HCFA/CMS-64 reports; www.statehealthfacts.org/comparetable.jsp?ind=181&cat=4.

... BUT IS EXPECTED TO CLIMB THROUGH 2019

With expanded enrollment, Medicaid spending is expected to rise significantly between 2014 and 2019, even under the so-called "limited outreach scenario" shown here. Under an "enhanced outreach scenario," state spending would increase 2.9%, federal spending would rise 26.5%, and the overall jump would be 16.4%, according to a May 2010 report from the Kaiser Commission on Medicaid and the Uninsured.

	State Spending	Federal Spending	Total Spending
United States	1.4%	22.1%	13.2%
Alabama	3.6%	35.9%	25.7%
Alaska	2.1%	36.9%	19.5%
Arizona	0.2%	4.2%	2.9%
Arkansas	4.7%	38.9%	29.1%
California	1.5%	23.0%	12.3%
Colorado	1.8%	37.1%	19.4%
Connecticut	1.2%	21.0%	11.1%
Delaware	0.1%	6.2%	3.3%
District of Columbia	0.9%	8.3%	6.1%
Florida	1.9%	24.3%	14.3%
Georgia	2.7%	28.9%	19.8%
Hawaii	-0.5%	46.8%	24.0%
Idaho	2.5%	27.1%	19.4%
Illinois	1.6%	25.9%	13.8%
Indiana	2.5%	22.9%	16.1%
Iowa	1.4%	15.7%	10.3%
Kansas	1.7%	24.0%	14.8%
Kentucky	3.5%	32.2%	24.0%
Louisiana	1.7%	21.6%	14.4%
Maine	-1.5%	12.9%	7.7%
Maryland	1.7%	29.6%	15.6%
Massachusetts	-2.1%	3.5%	0.7%
Michigan	2.0%	21.5%	14.8%
Minnesota	1.2%	22.0%	11.6%
Mississippi	4.8%	37.0%	28.9%
Missouri	1.7%	19.5%	13.0%
Montana	3.7%	40.0%	27.9%
Nebraska	1.5%	23.5%	14.4%
Nevada	2.9%	49.8%	27.1%
New Hampshire	1.1%	21.3%	11.2%
New Jersey	1.2%	20.9%	11.1%
New Mexico	2.1%	21.3%	15.5%
New York	0.0%	3.3%	1.7%
North Carolina	2.6%	29.0%	19.7%
North Dakota	1.4%	16.9%	10.8%
Ohio	1.6%	19.2%	12.8%
Oklahoma	4.0%	48.2%	32.7%
Oregon	3.6%	50.6%	33.1%
Pennsylvania	1.4%	17.7%	10.5%
Rhode Island	0.7%	14.6%	8.1%
South Carolina	3.6%	36.0%	26.3%
South Dakota	1.1%	16.4%	10.5%
Tennessee	2.5%	20.4%	14.3%
Texas	3.0%	38.9%	24.7%
Utah	3.7%	35.3%	26.2%
Vermont	-0.6%	1.9%	0.9%
Virginia	1.8%	35.1%	18.4%
Washington	1.2%	26.0%	13.6%
West Virginia	2.4%	20.4%	15.6%
Wisconsin	0.9%	12.7%	8.0%
Wyoming	1.2%	26.8%	14.0%

SOURCE: "Medicaid Coverage and Spending in Health Reform: National and State-By-State Results for Adults at or Below 133% FPL," the Urban Institute, May 2010; www.kff.org/healthreform/8076.cfm and www.statehealthfacts.org/comparereport.jsp?rep=68&cat=4.

