

# Medicaid Explained

Nonpartisan Learning Session  
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# Agenda

- Introductions
- Medicaid Explained
  - Medicaid basics
  - A program administered by states
  - Coverage and access
  - Addressing the needs of special populations
  - Buying value
  - Medicaid and health equity

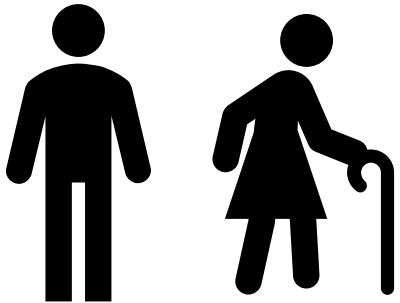
# Medicaid Basics

- Key Points
  - Covers **one in five** Americans
  - Single **largest insurer** in every state
  - Critical **engine in state economies** and significant item in state budgets
- Spending on Medicaid
  - Medicaid represents **\$1 out of every \$6** spent on health care in the U.S.
  - Third largest mandatory spending program in federal budget
  - One of the largest budget items in state budgets—in fiscal year 2019, 28.7% of state budgets were spent on Medicaid

# Medicaid vs. Medicare

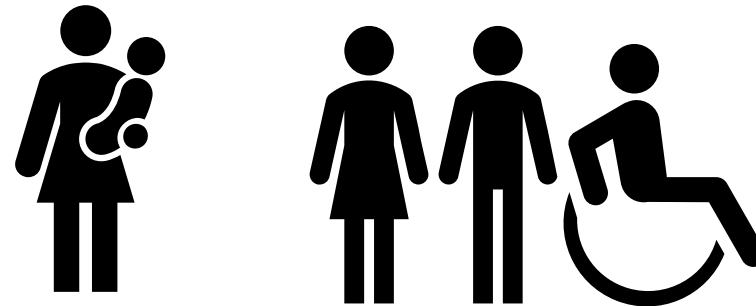
## Medicare

Federal program providing health care for **seniors**



## Medicaid

Federal/state program providing health coverage for **lower-income Americans** and **individuals with disabilities**

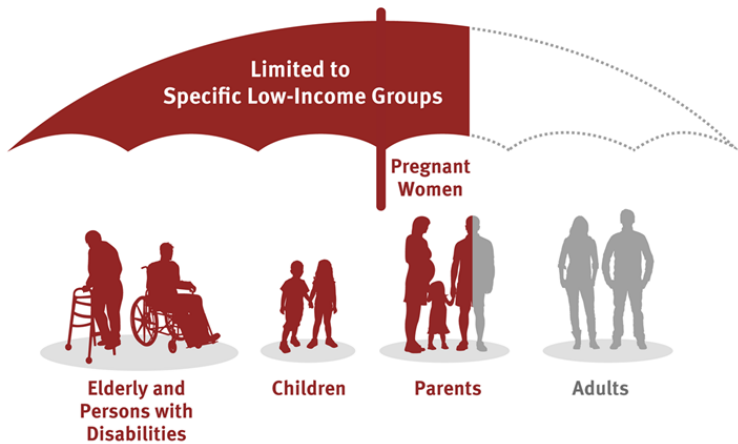


# A Program Administered by States

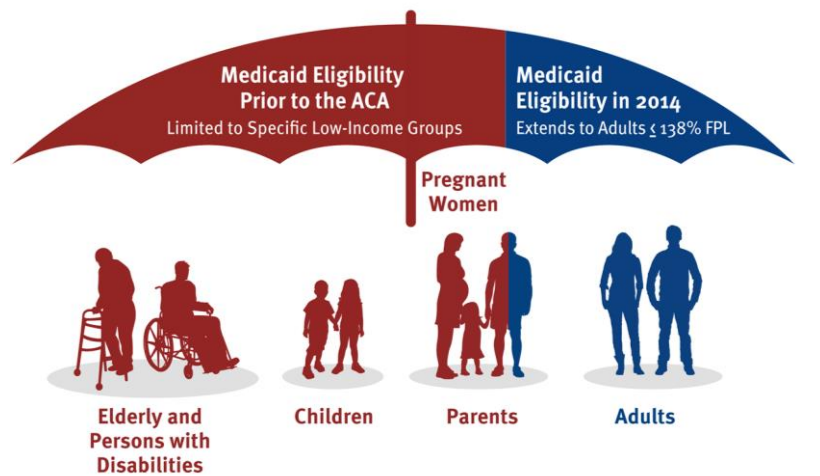
- Joint Federal-State Program
  - Federal rules with state flexibility to exceed
    - States must provide **core benefits** to core populations without imposing wait lists or limits on enrollment
    - States can cover “optional” services or “optional” groups
    - **States have discretion** to determine how to purchase covered services and to set how much they pay providers
  - Guaranteed federal matching payments with no pre-set limit
    - States with lower per capita incomes have a higher federal matching rate for Medicaid
  - **Spending per Medicaid enrollee varies significantly** across eligibility groups and states because of **state program flexibility**

# Coverage and Access

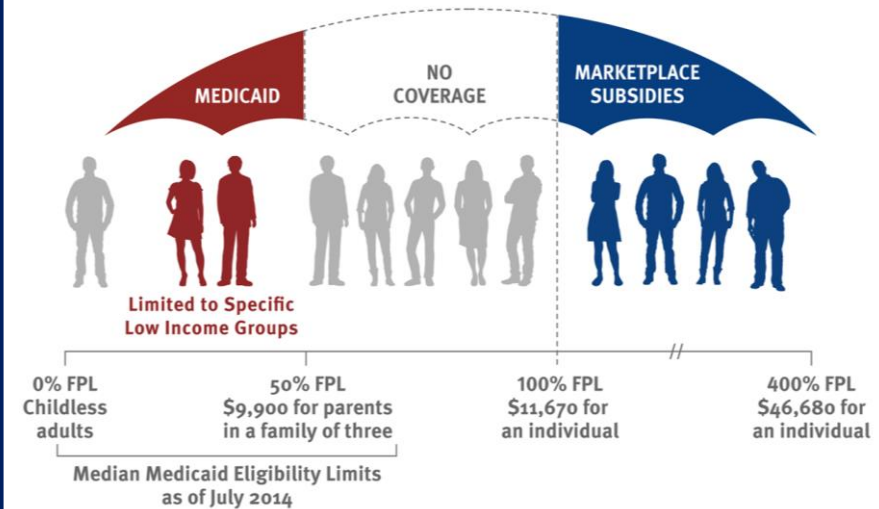
## Eligibility Prior to the ACA



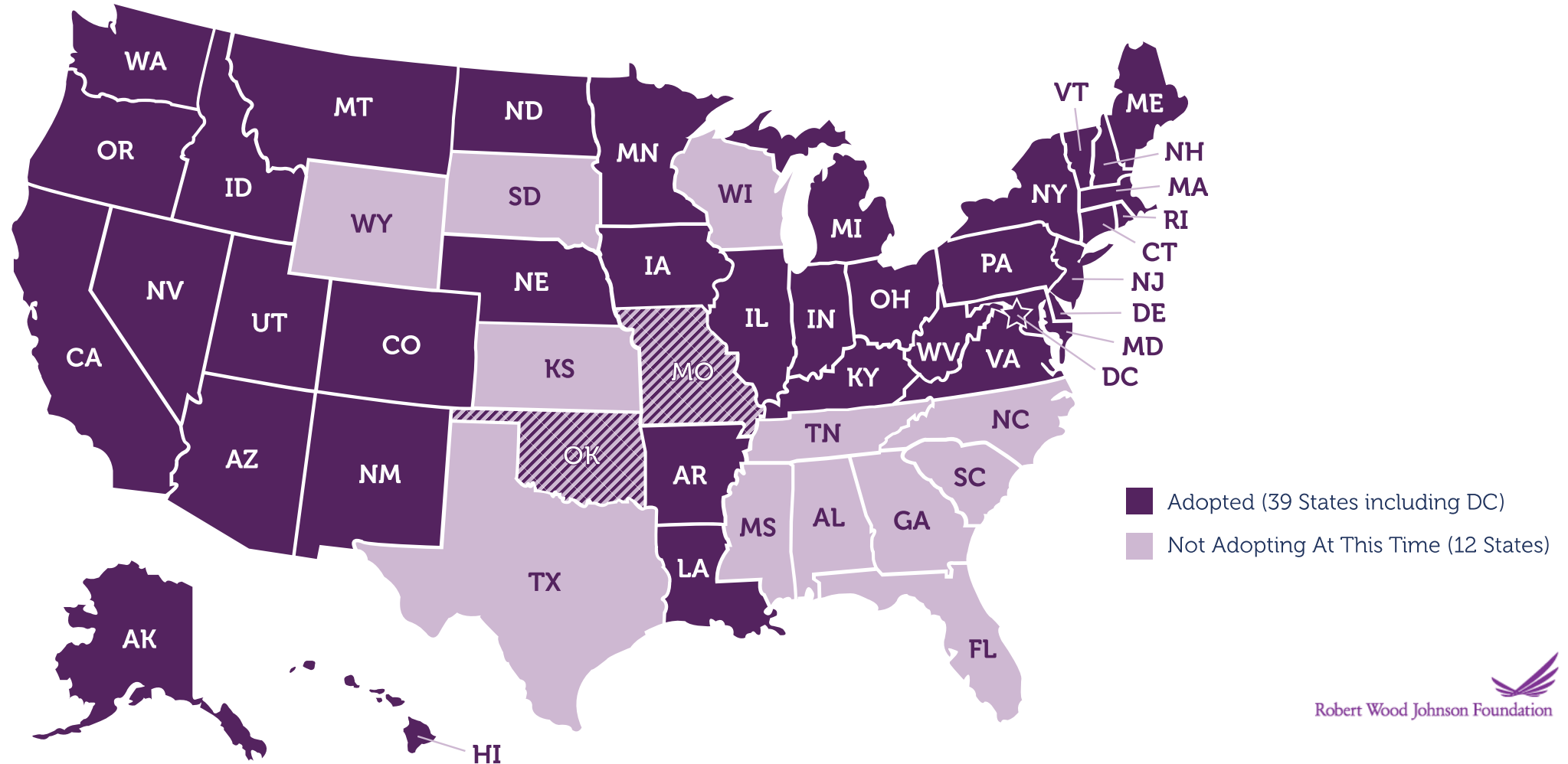
## Eligibility as Envisioned in ACA



## Coverage Gap in States without Medicaid Expansion



# Coverage and Access: Medicaid Expansion



# Coverage and Access: Coverage for Children

- In 2019, **45 million children** were covered by Medicaid or the Children's Health Insurance Program (CHIP)
  - Some states combine their Medicaid and CHIP programs
  - Children's coverage is usually available to higher income levels than adult coverage
- Medicaid **covers nearly half of all births** in the United States
- Medicaid also **funds school-based health services**



# Addressing the Needs of Special Populations

- Services for Elderly and Disabled Adults
  - Enrollees who rely on community and institutional long-term-care services and supports make-up a **small proportion of the Medicaid population**—about 6%—but **consume a disproportionate share of Medicaid resources**—over 40%
- Behavioral Health Care
  - Medicaid is the **dominant payer for mental health and substance use disorder services** nationally and an important lever in addressing the most pressing behavioral health needs among Americans

# Buying Value

- 40 states contract with insurance companies to pay for and deliver some or all Medicaid services
- Most states are **shifting from paying for volume to paying for value**
  - **Volume = fee-for-service**
    - Doctors and other health care providers are **paid for each service performed**
  - **Value = managed care**
    - A health care delivery system organized to manage cost, utilization, and quality
    - Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept payment for these services

# Medicaid and Health Equity

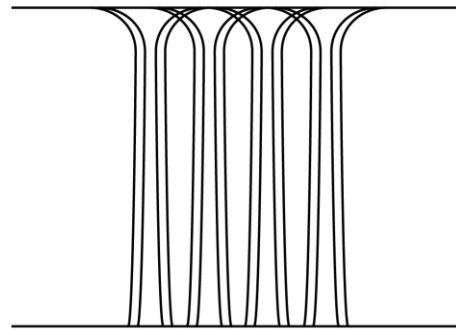
- **More than half** of the program's 73 million enrollees identify as Black, Latino(a), Asian American/Pacific Islander, Indigenous American and/or Alaska Native
- Addressing racial inequities
  - **COVID-19 has disproportionately affected** Black, Latino(a)s and Asian Americans who experience higher overall rates of infection, hospitalization, and death due to COVID-19
  - **Women of color** experience greater risks of maternal morbidity, mortality, and giving birth to a preterm or low-birthweight infant
  - **Nearly 60%** of those in the Medicaid coverage gap are people of color

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# QUESTIONS



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