

# Medicaid: Health Needs of A Diverse Population

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*for the*

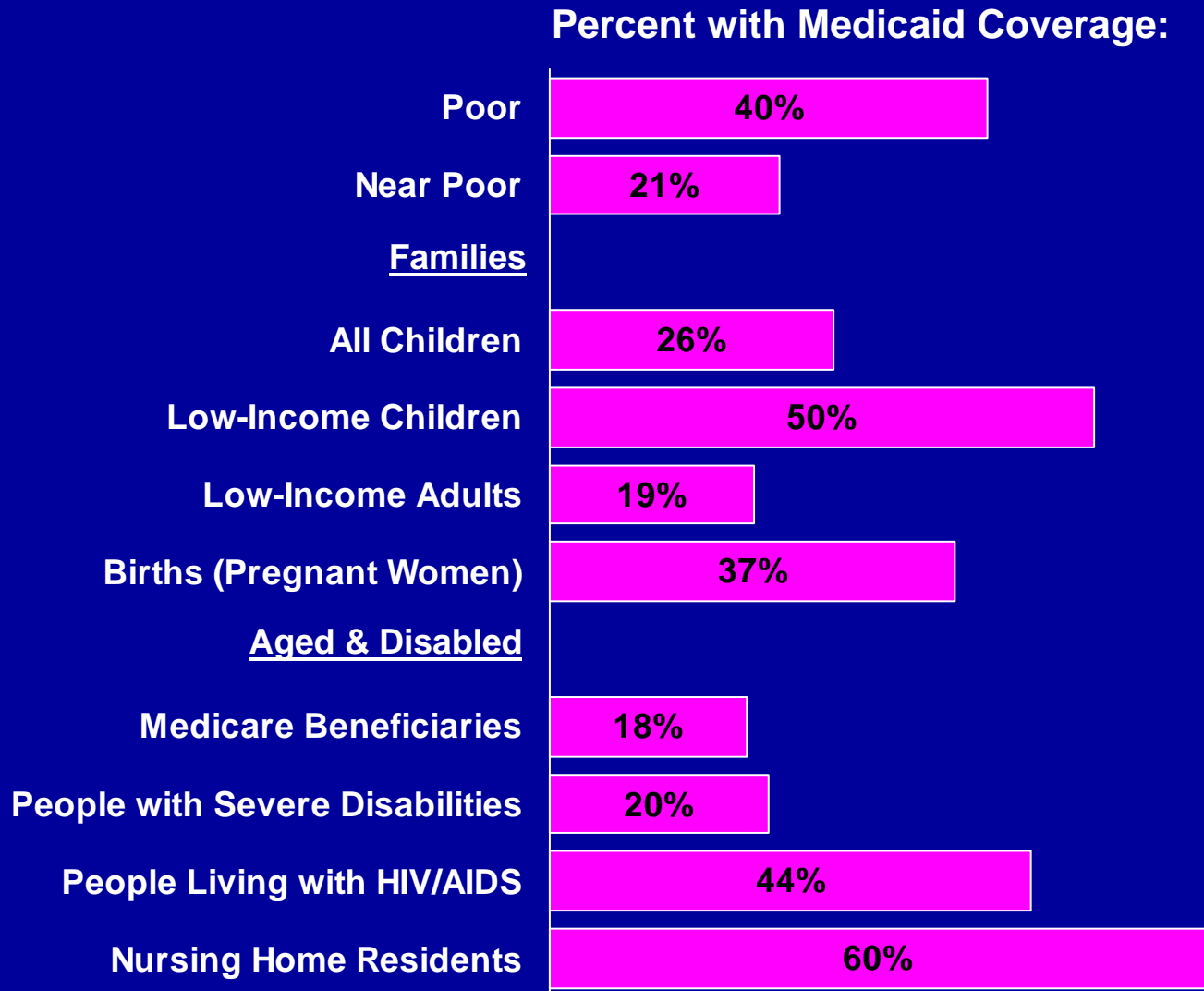
**12<sup>th</sup> Princeton Conference**

**“How Will the States Pay for Health Care”**

**May 19, 2005**

Figure 1

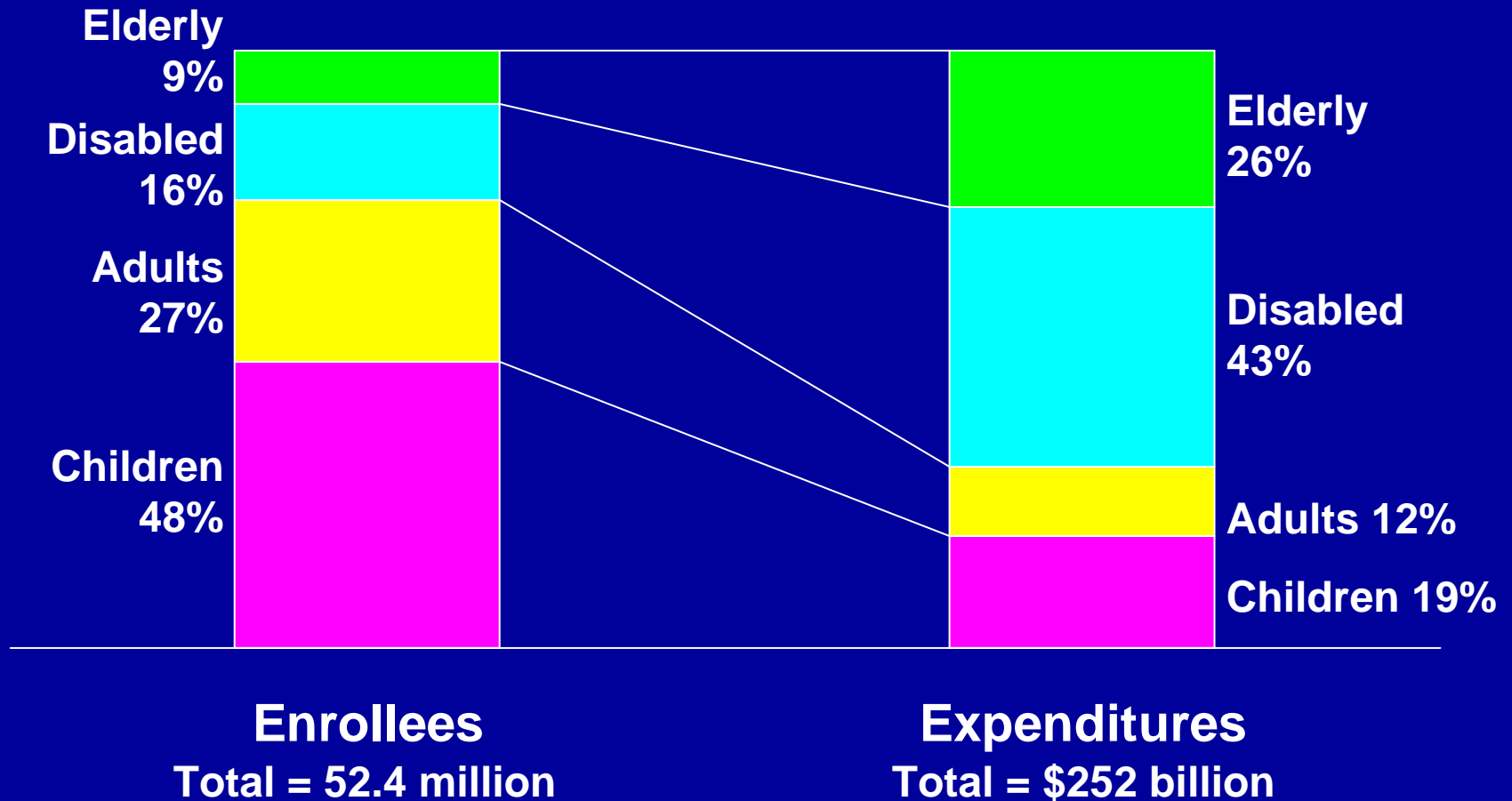
# Medicaid's Role for Selected Populations



Note: "Poor" is defined as living below the federal poverty level, which was \$14,680 for a family of three in 2003. SOURCE: KCMU, KFF, and Urban Institute estimates; Birth data: NGA, MCH Update.

Figure 2

# What Groups Drive Medicaid Spending?



Note: Total expenditures on benefits excludes DSH payments.  
SOURCE: Kaiser Commission estimates for 2003 based on CBO and OMB data, 2004.

Figure 3

# What Services Drive Medicaid Spending?

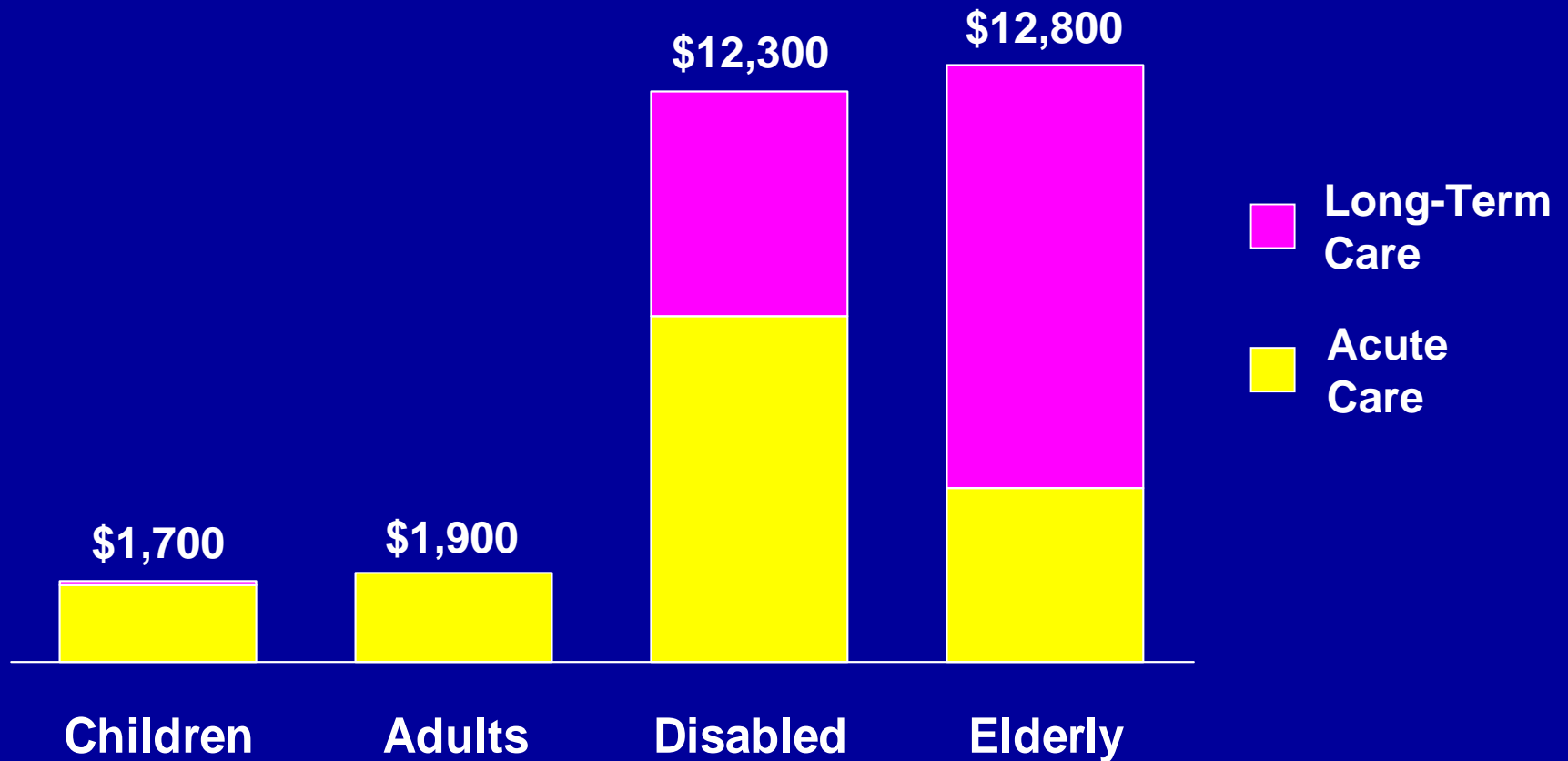
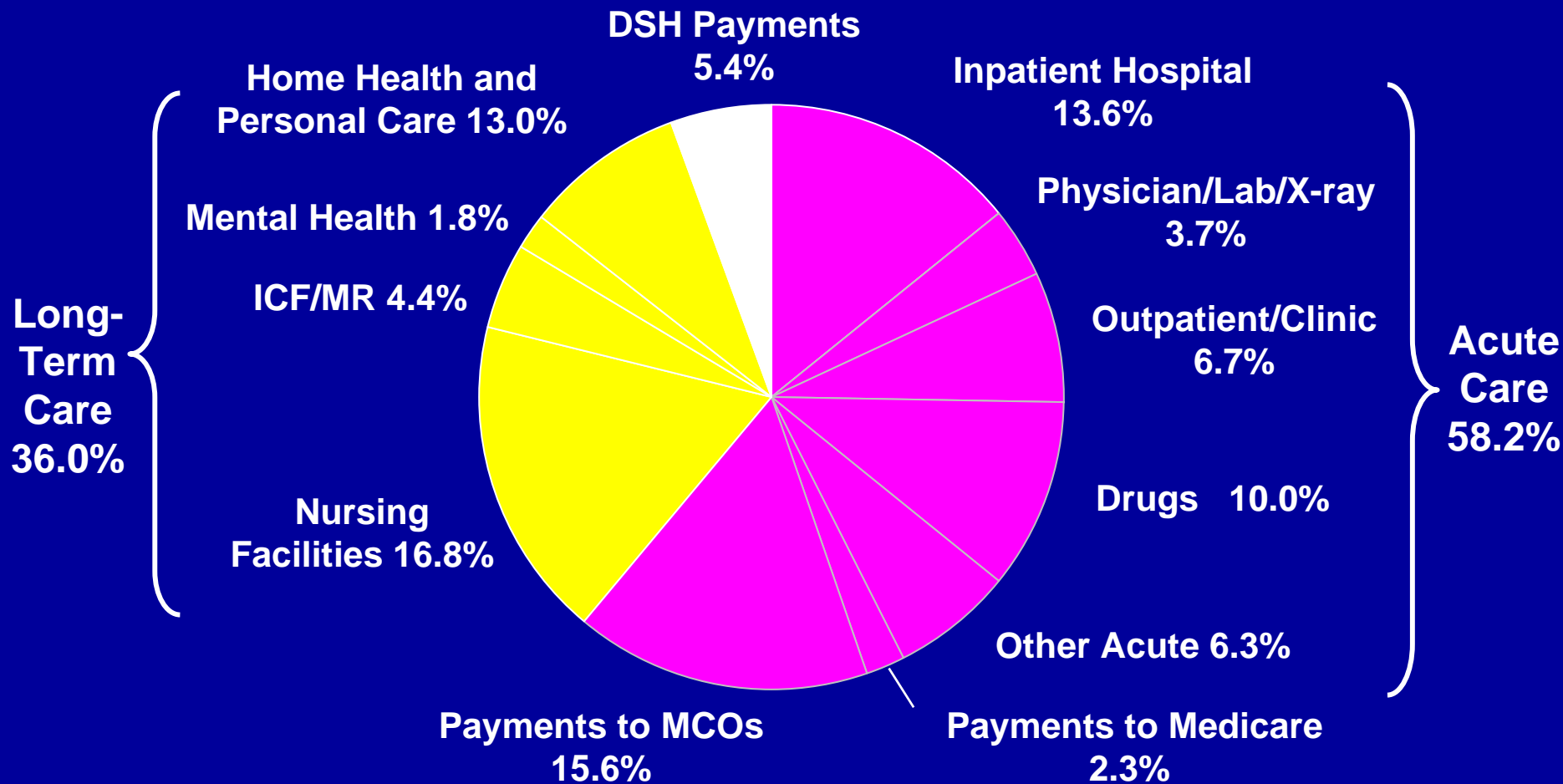


Figure 4

# Where Do Medicaid Dollars Go?



**Total = \$266.1 billion**

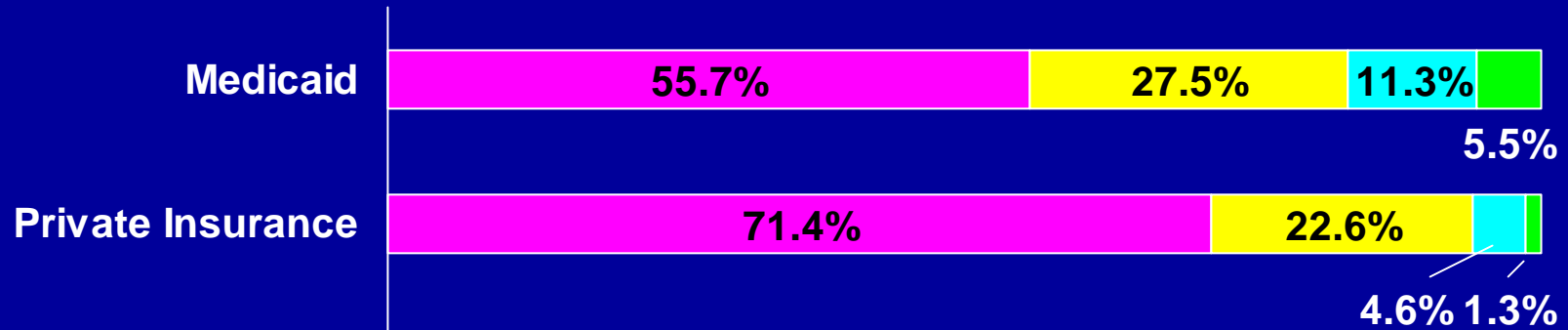
SOURCE: Urban Institute estimates based on data from CMS (Form 64), prepared for KCMU.

Figure 5

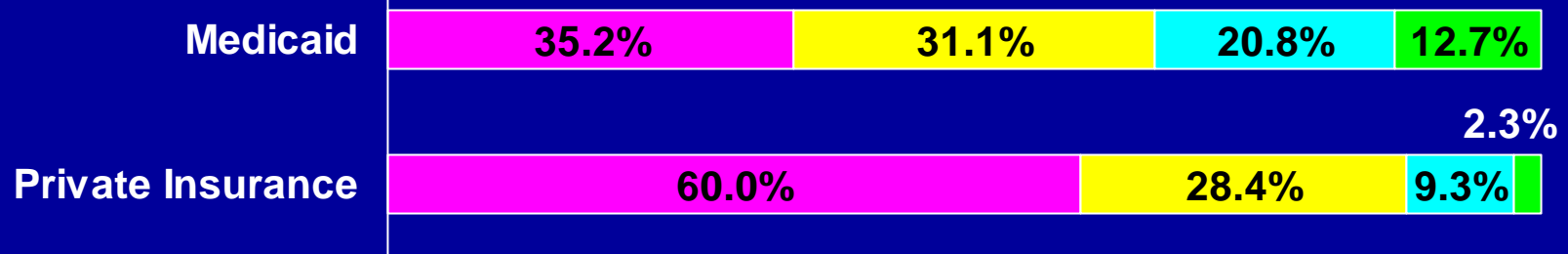
# Medicaid Enrollees are Sicker than the Privately Insured

## Nonelderly Population

■ Excellent/Very Good ■ Good ■ Fair ■ Poor



## Nonelderly with Asthma



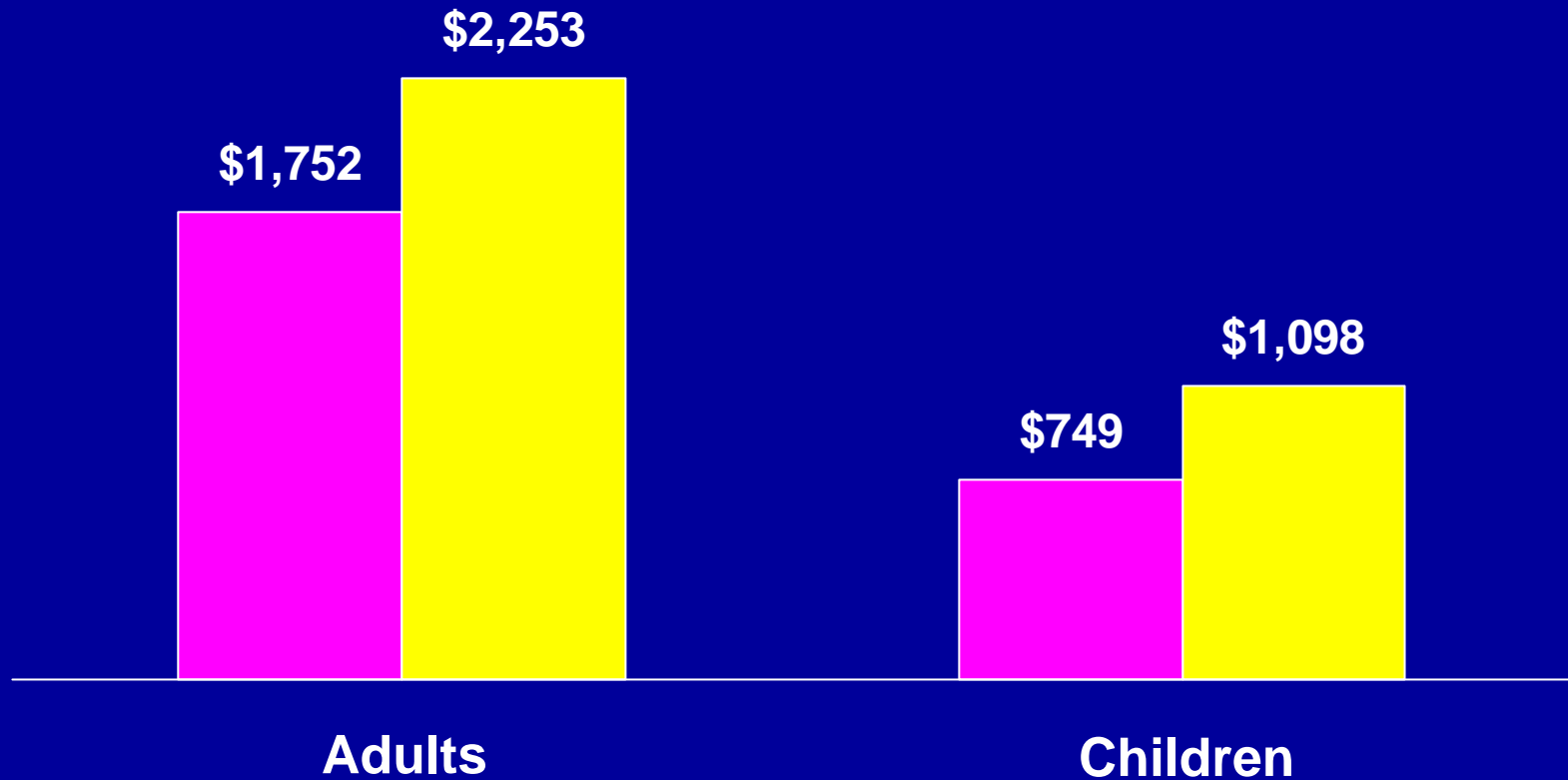
Note: 15.5% of Medicaid enrollees and 9.1% of the privately insured had asthma.  
SOURCE: KFF estimates based on pooled 2001-2002 MEPS data.

Figure 6

# Medicaid Spends Less Per Capita than Private Insurance

Per capita expenditures (in 2001 dollars) based on non-disabled population

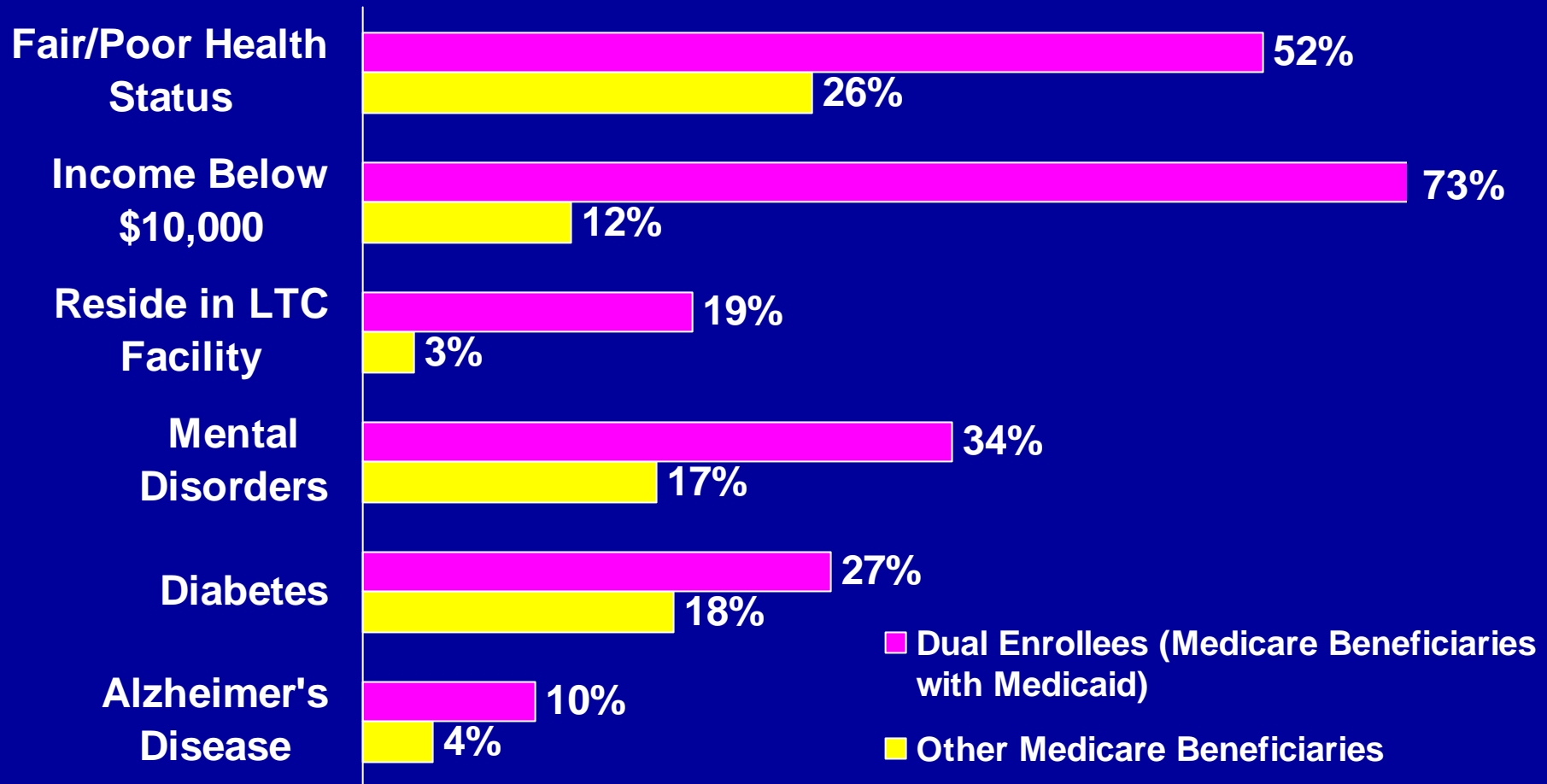
■ Medicaid ■ Low-Income Privately Insured



Note: "Low income" defined as income below 200% of the Federal Poverty Level. "Children" defined as age 0-18. "Non-disabled" defined as those not reporting any limitations.  
SOURCE: Analysis of MEPS data from 1996, 1997, 1998, and 1999; Hadley and Holahan, *Inquiry*, Vol. 40, No. 4 (Winter 2003/2004).

Figure 7

# Dual Enrollees are Poorer and Sicker Than Other Medicare Beneficiaries

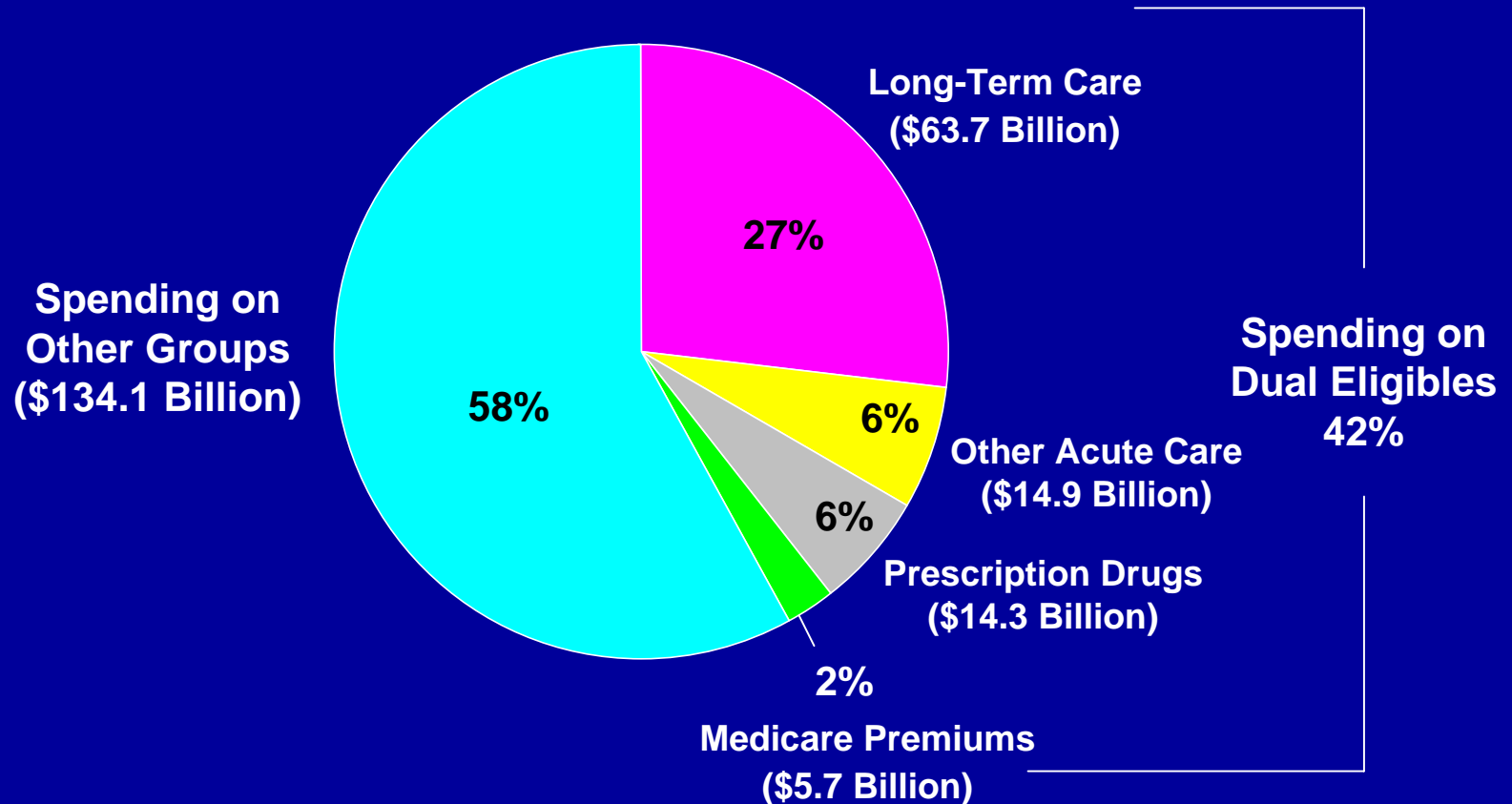


SOURCE: KFF estimates based on the Centers for Medicare and Medicaid Services Medicare Current Beneficiary Survey 2002 Access to Care File.

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Figure 8

# Spending on Dual Eligibles Comprises a Large Share of Medicaid Spending



**Total Spending on Benefits = \$232.8 Billion**

SOURCE: Urban Institute estimates prepared for KCMU based on an analysis of 2000 MSIS data applied to CMS-64 FY2002 data.

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Figure 9

# Small Share of the Medicaid Population Accounts for Large Share of Expenditures

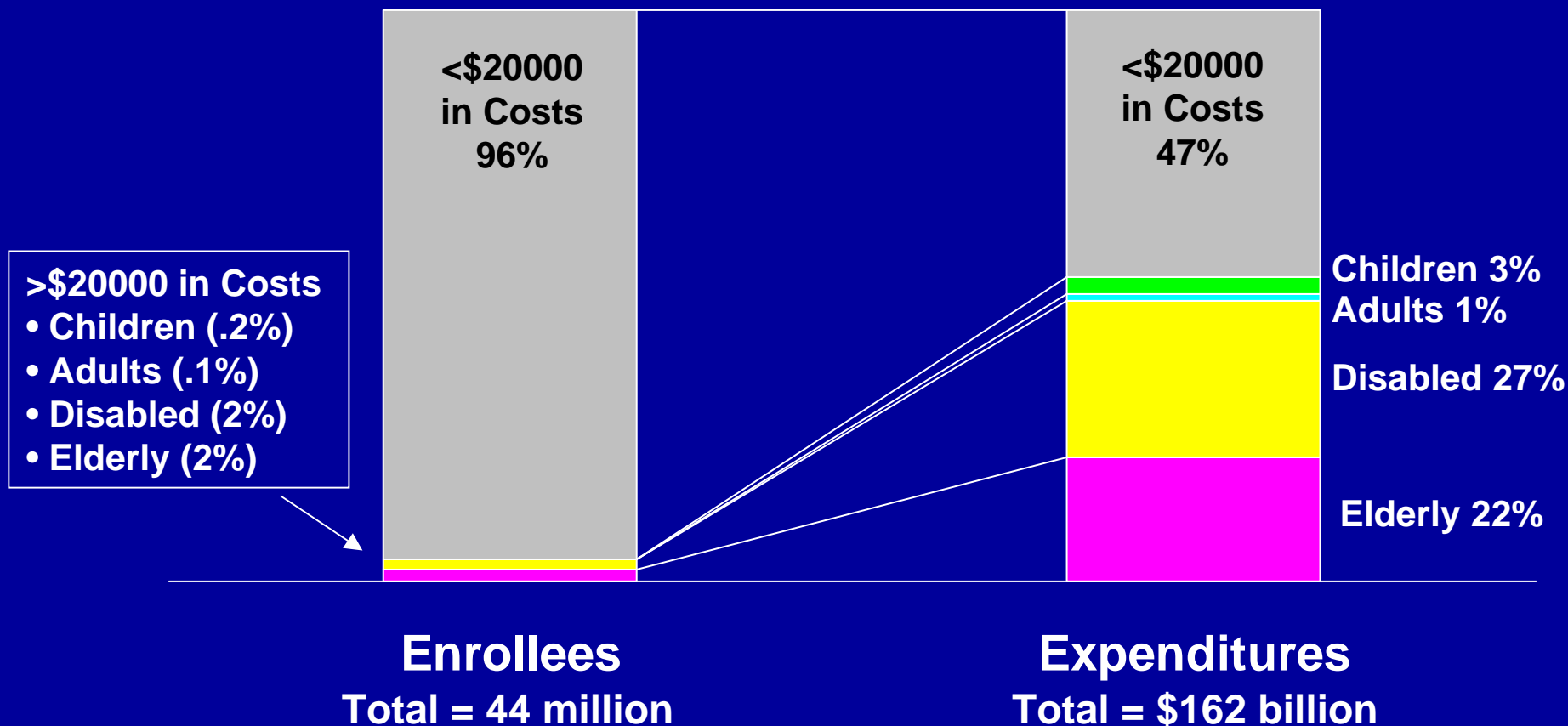


Figure 10

# High Cost Beneficiaries Account for Large Share of Expenditures Among Groups

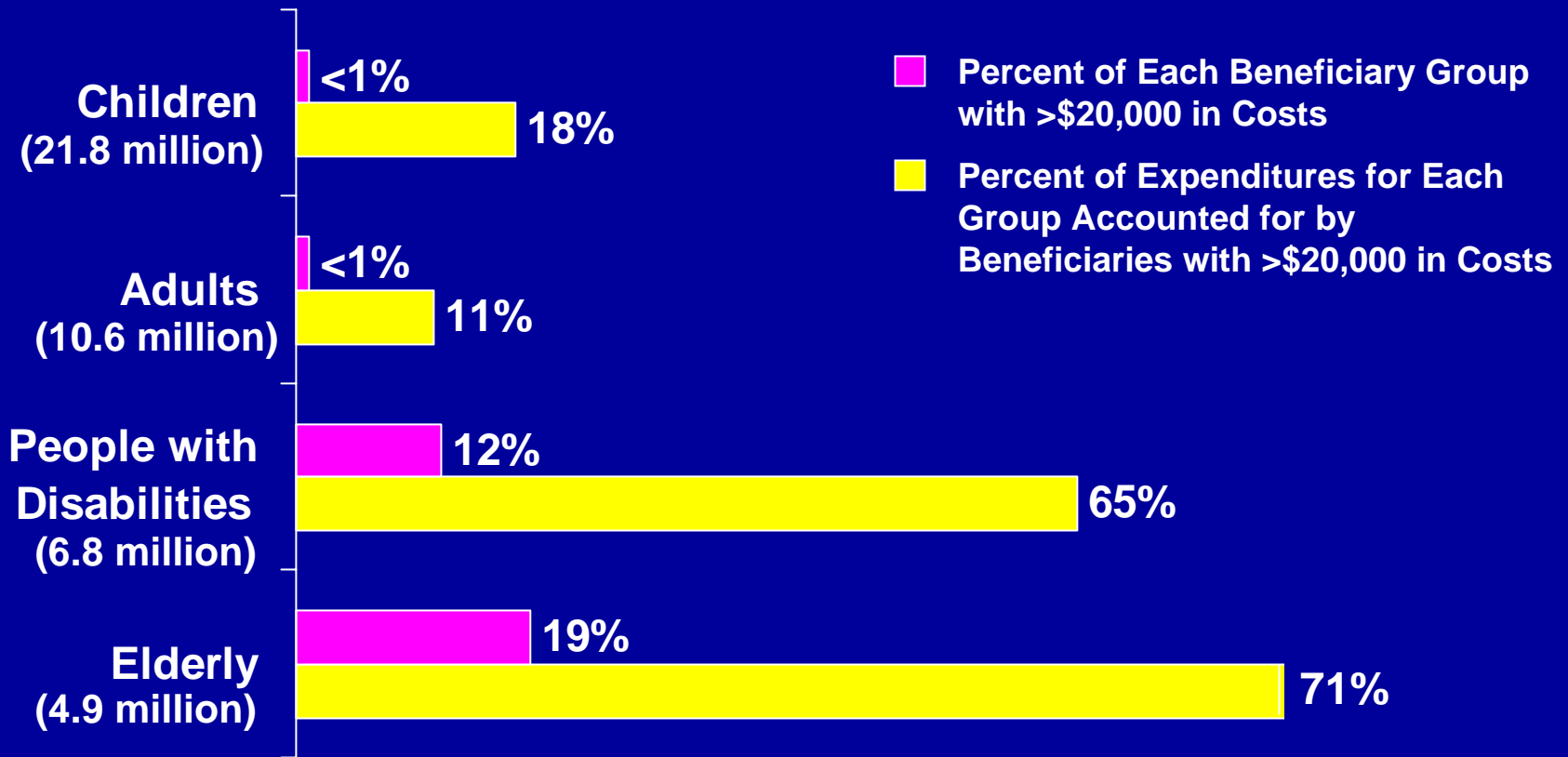
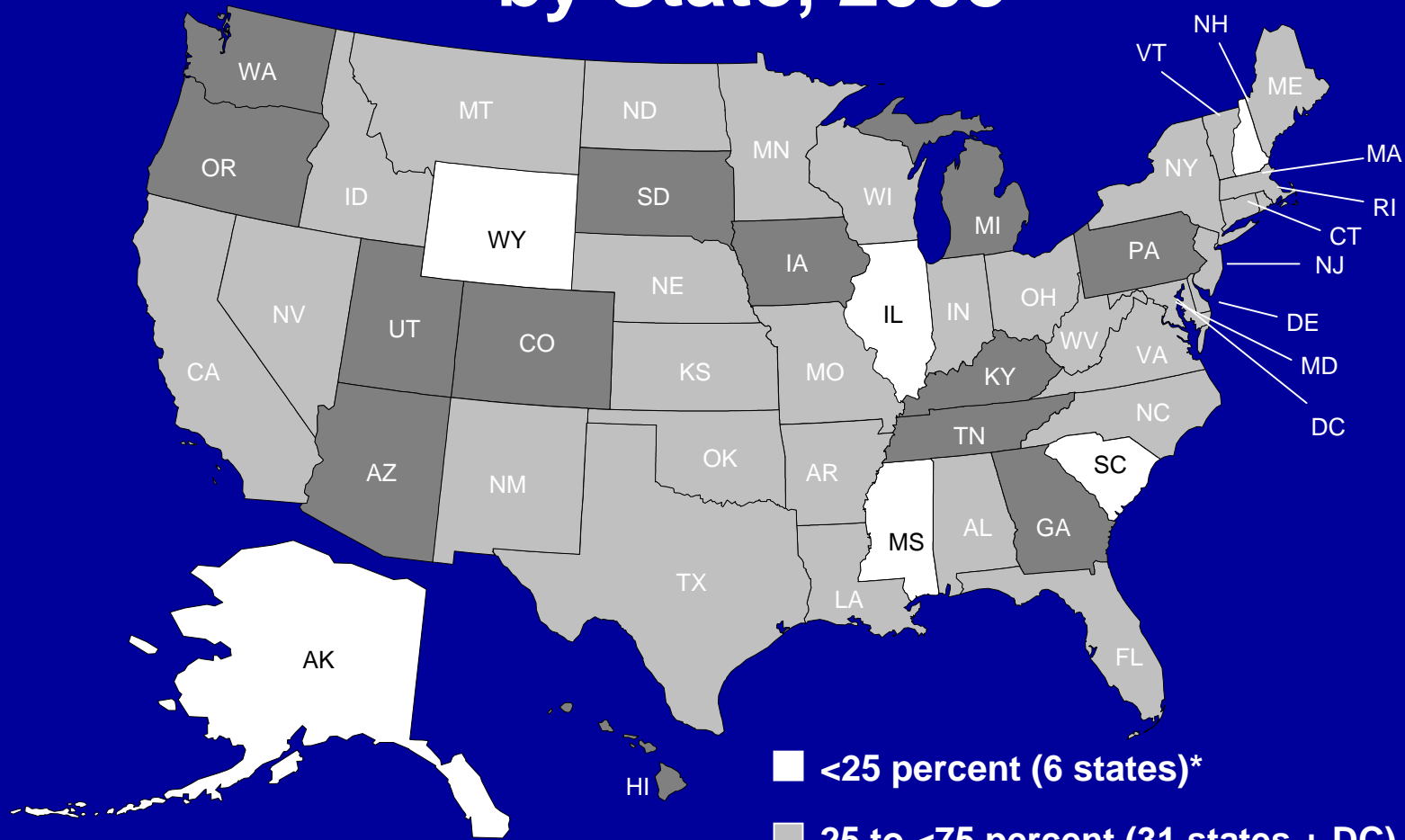


Figure 11

# Medicaid Managed Care Enrollment, by State, 2003



**National Average = 59.1%**

■ <25 percent (6 states)\*

■ 25 to <75 percent (31 states + DC)

■ 75+ percent (13 states)

\* Alaska, Wyoming, and Mississippi report zero Medicaid managed care enrollment.

Note: Includes full-risk and PCCM arrangements.

SOURCE: CMS, 2004.

Figure 12

# State Use of Managed Care by Medicaid Eligibility Group, 1990-2000

Number of States:

1990 1996 2000

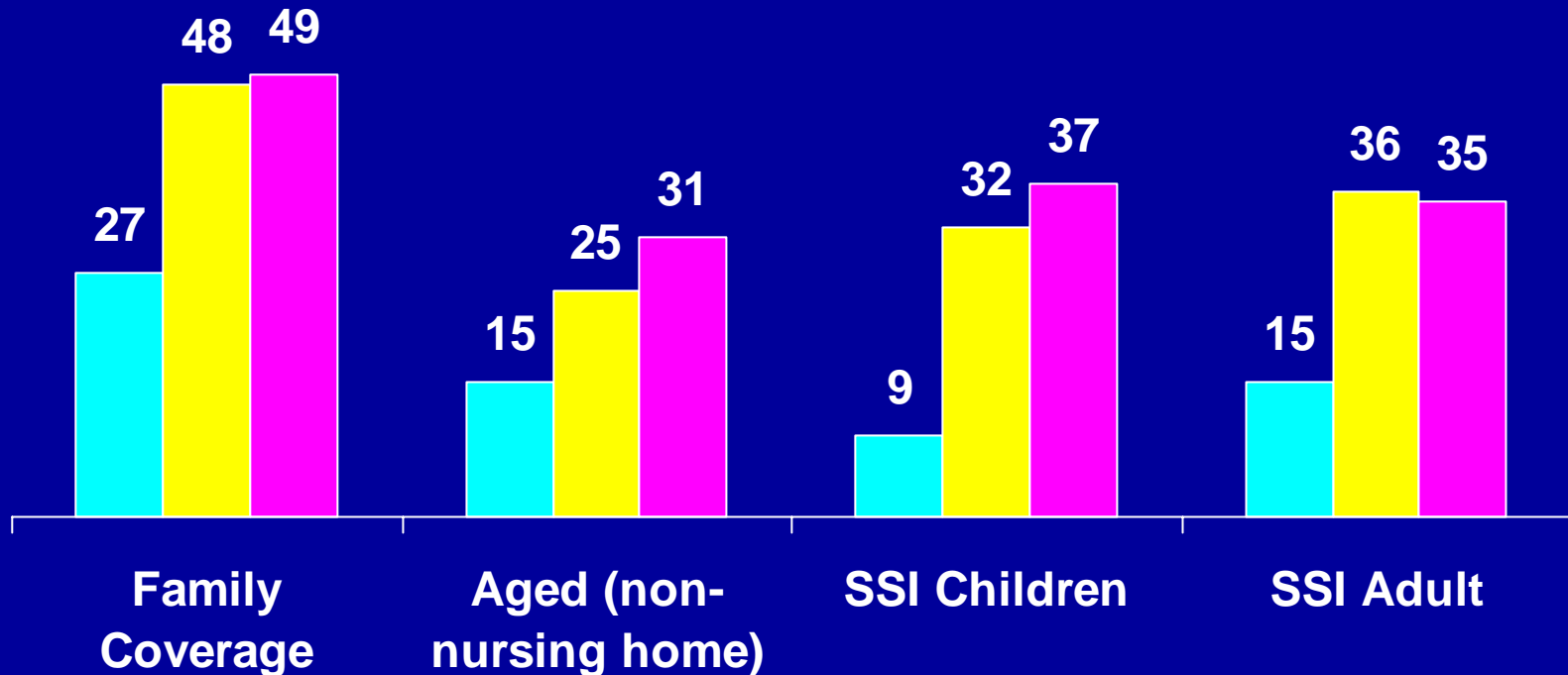
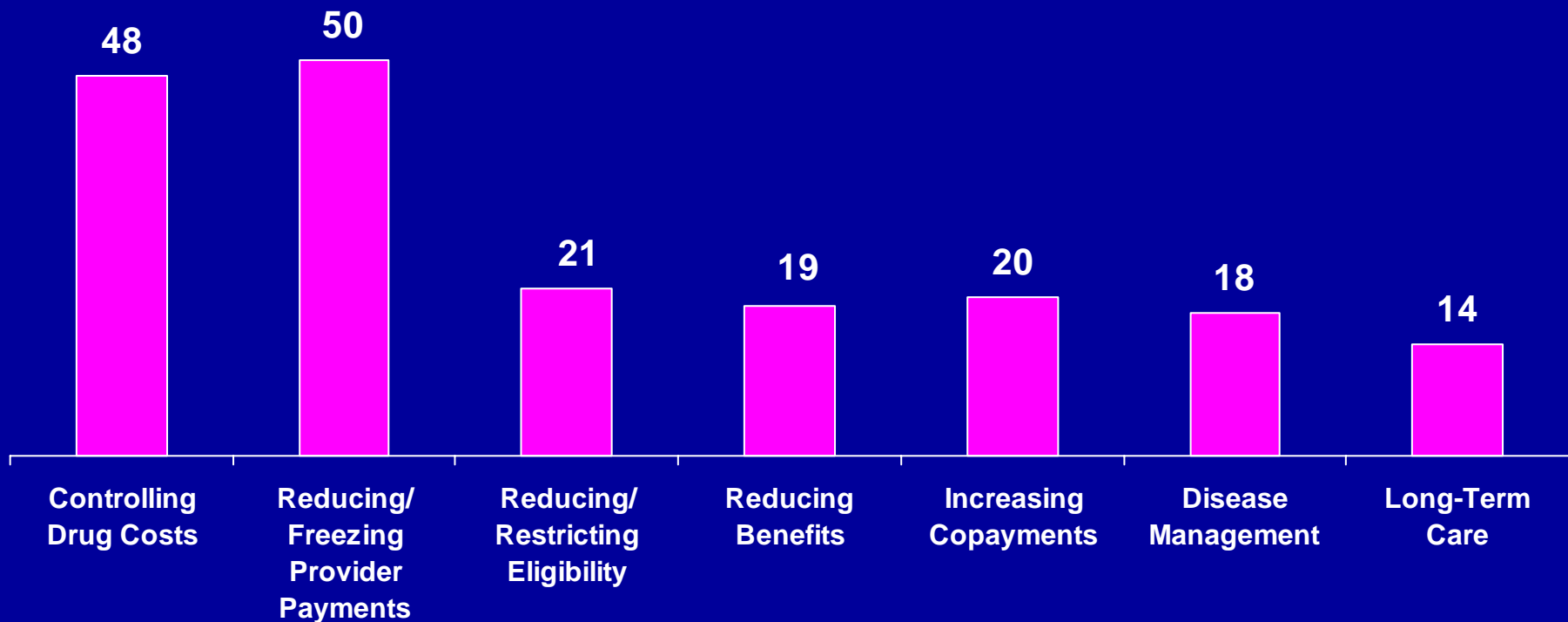


Figure 13

# Reducing Costs: States Implementing Cost Controls in 2004



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2004.

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# Opportunities for Care Improvement

- **Continuous eligibility**
- **Enforceable standards for managed care**
- **Incentives for providing good care**
- **Improved coordination of care**
- **Better monitoring of care and quality**

Figure 15

# Medicaid's Leverage to Influence the Health System

