

Medicaid: Big Decisions Ahead



Medicaid in 2008 and Beyond
Thursday, July 10, 2008
United Hospital Fund

Medicaid: Big Decisions Ahead

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Medicaid in 2008 and Beyond

Challenges and Prospects

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Medicaid: Big Decisions Ahead

- Transition agenda
- Fiscal relief?
- Medicaid regulations
- SCHIP reauthorization
- Broader health reform



Transition Agenda: The Time to Get Ready is Now

New Management Nov. 2008



SCHIP?

- Expires March 31, 2009
- Taking care of unfinished business or pulled into health reform?
- Major Medicaid components
 - Financing
 - New options



Broader Health Reform: The Context

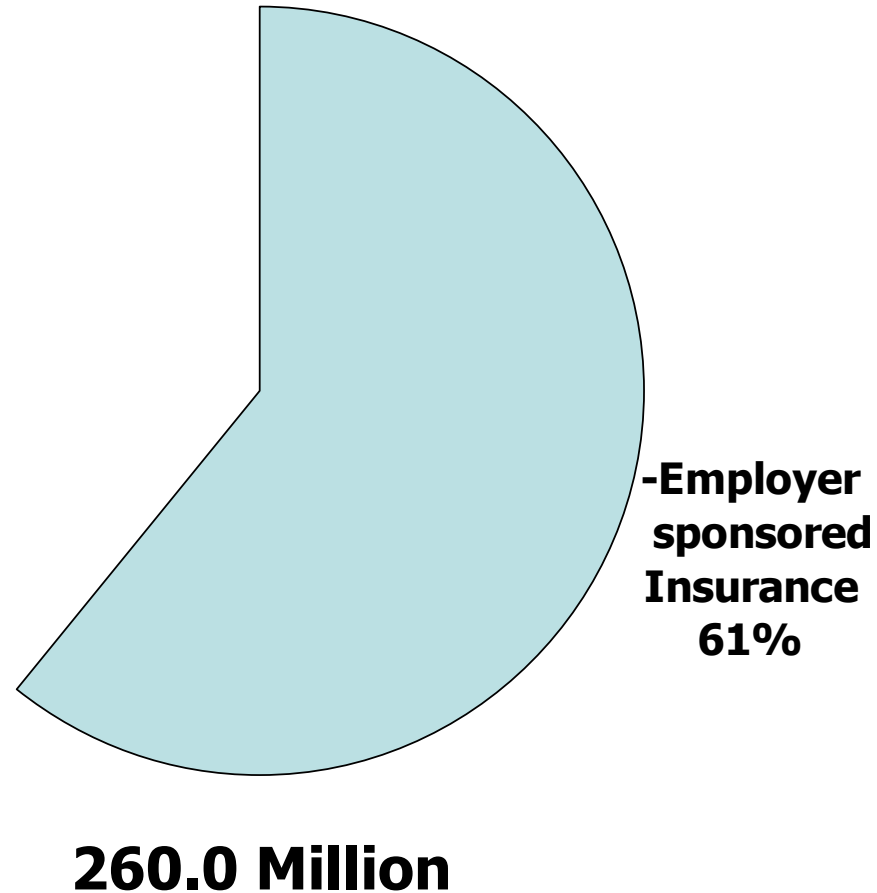


THE MAIN EVENT? ... HEALTH SYSTEM REFORM ...

Health Insurance Coverage of the Nonelderly Population, 2006

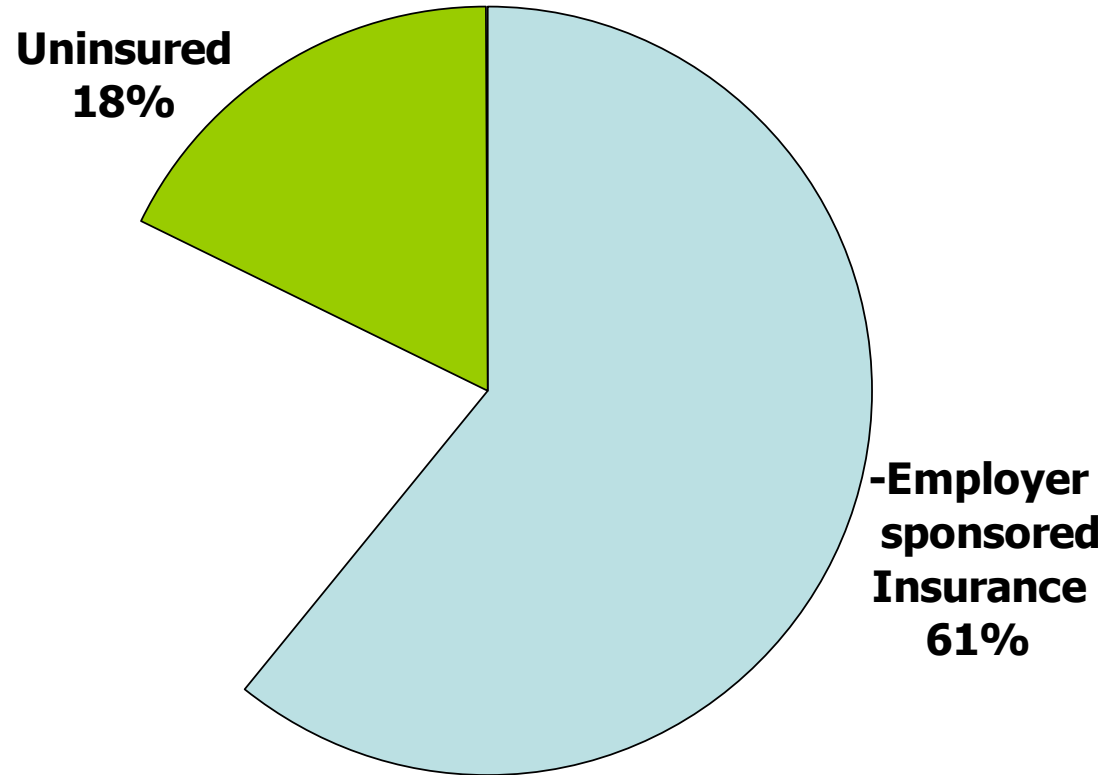
260.0 Million

Health Insurance Coverage of the Nonelderly Population, 2006



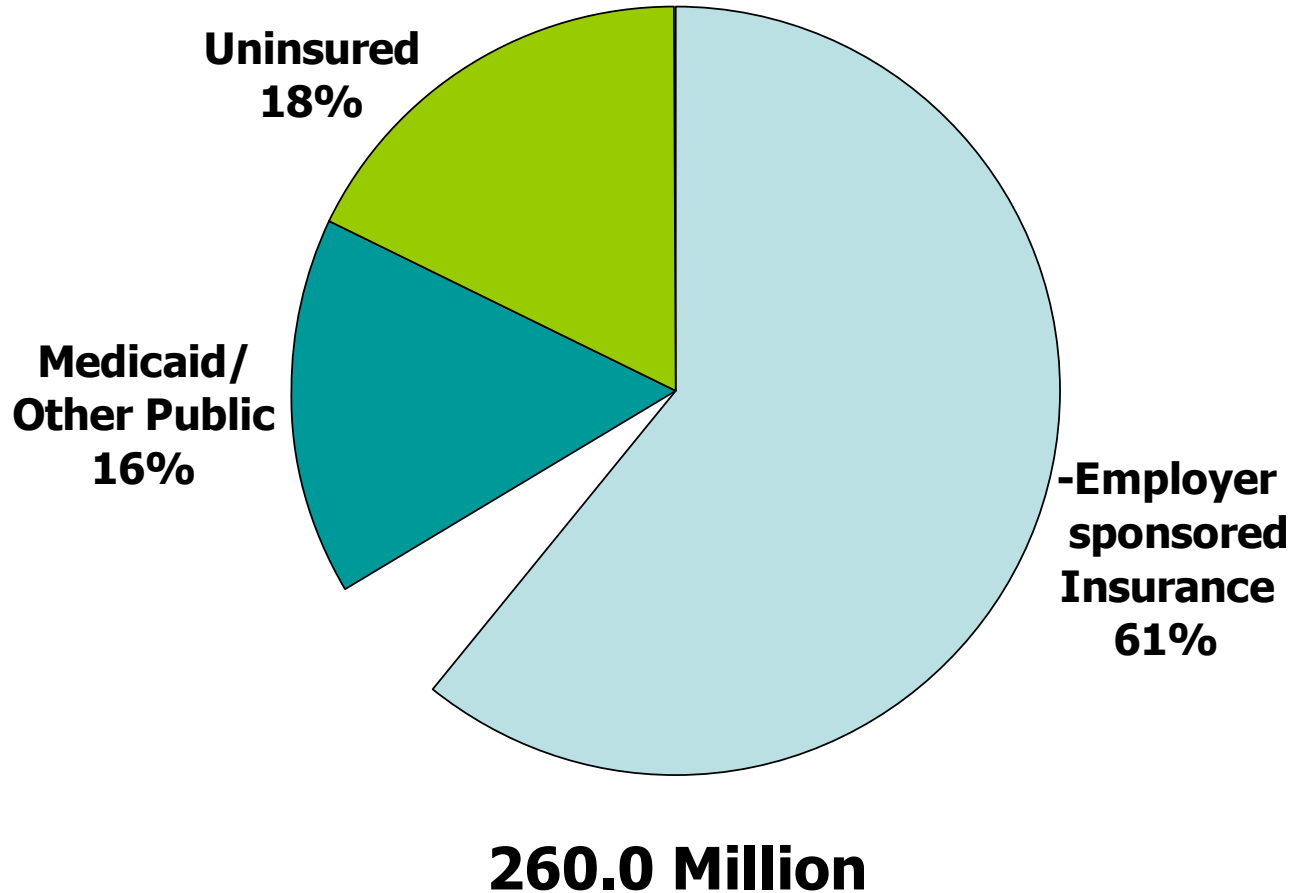
SOURCE: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of March 2007 CPS.

Health Insurance Coverage of the Nonelderly Population, 2006



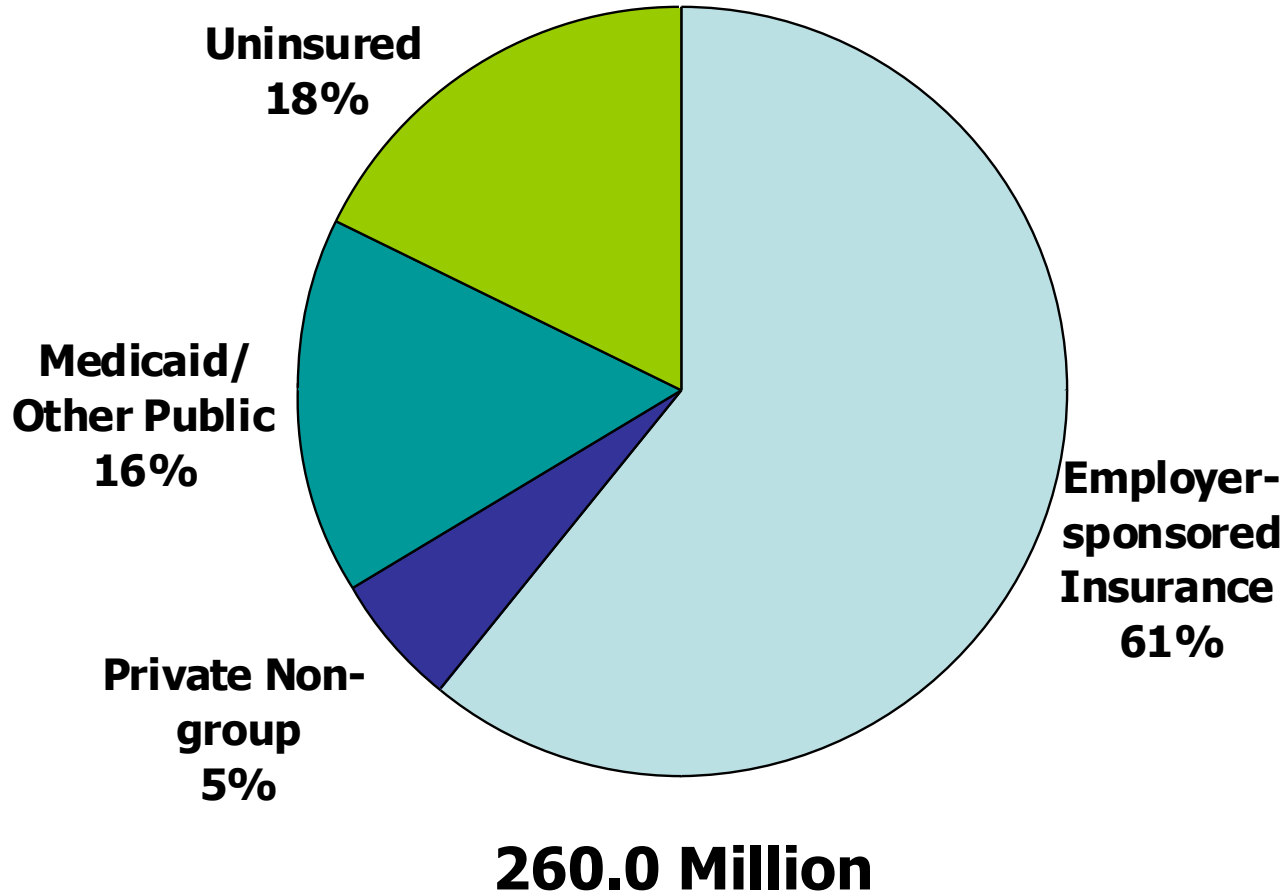
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Health Insurance Coverage of the Nonelderly Population, 2006



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Broader Health Reform: The Issues Facing Medicaid



Many Important Issues

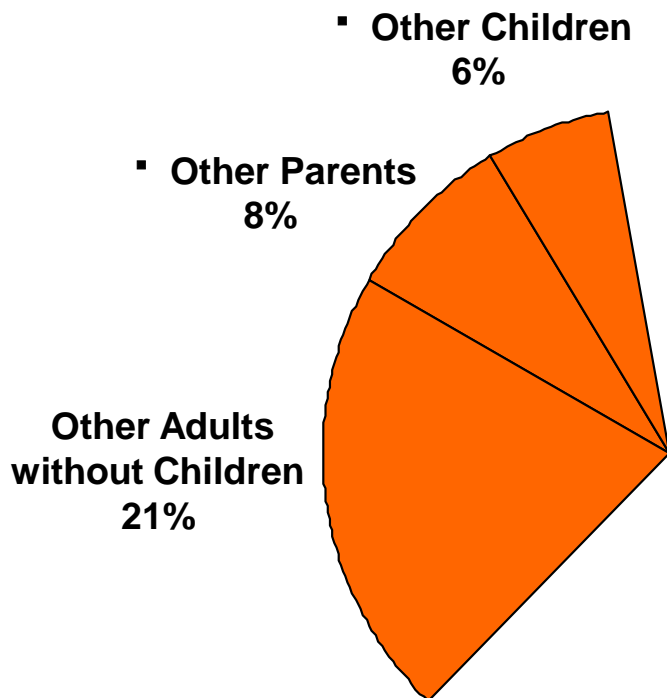
- Coverage requirements and options



Potential Role for Medicaid

The Nonelderly Uninsured, by Age and Income Groups, 2006

Total = 46.5 million uninsured

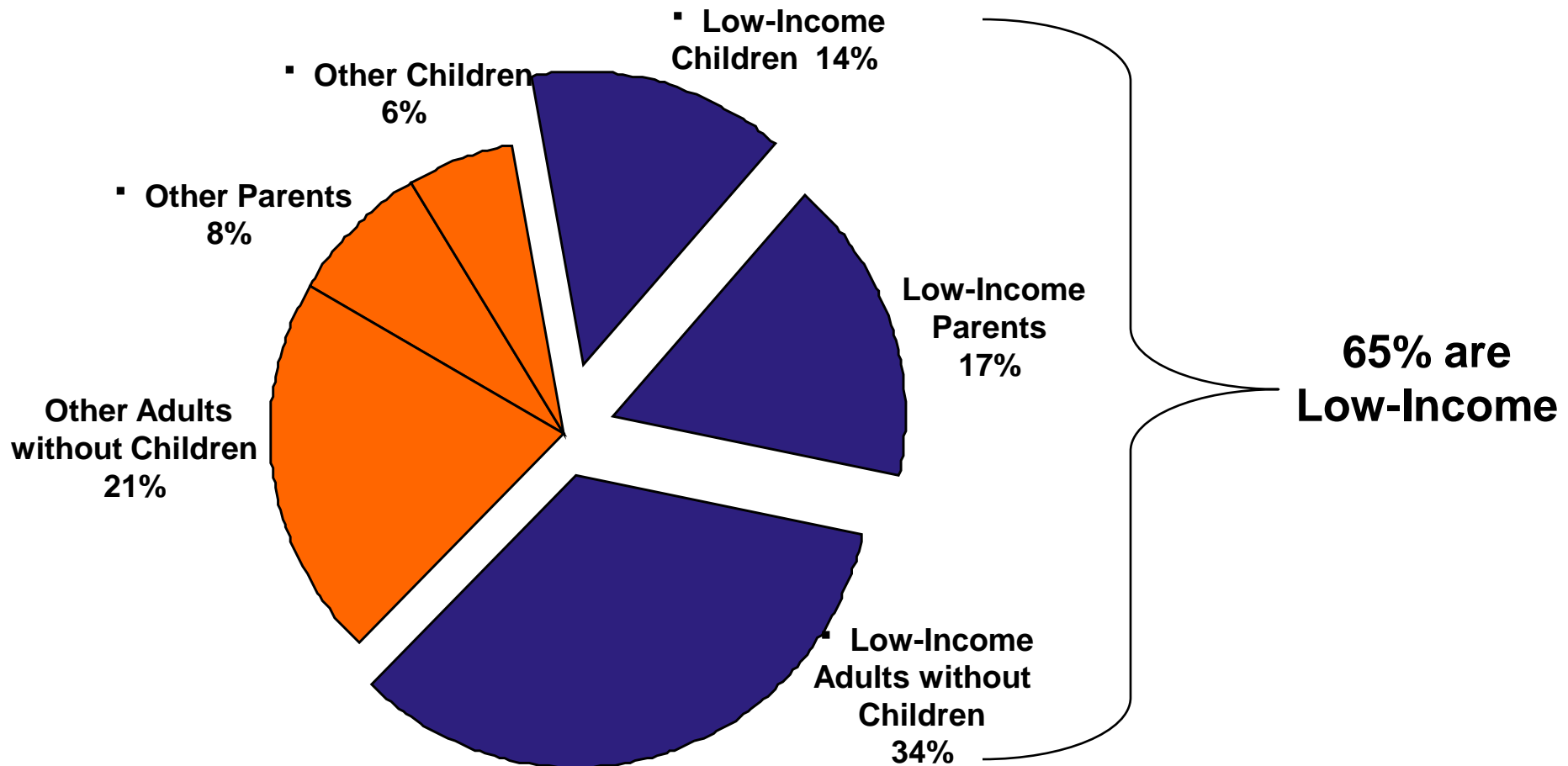


Note: Low-income includes those with family incomes less than 200% of the federal poverty level.
Source: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of March 2007 CPS.

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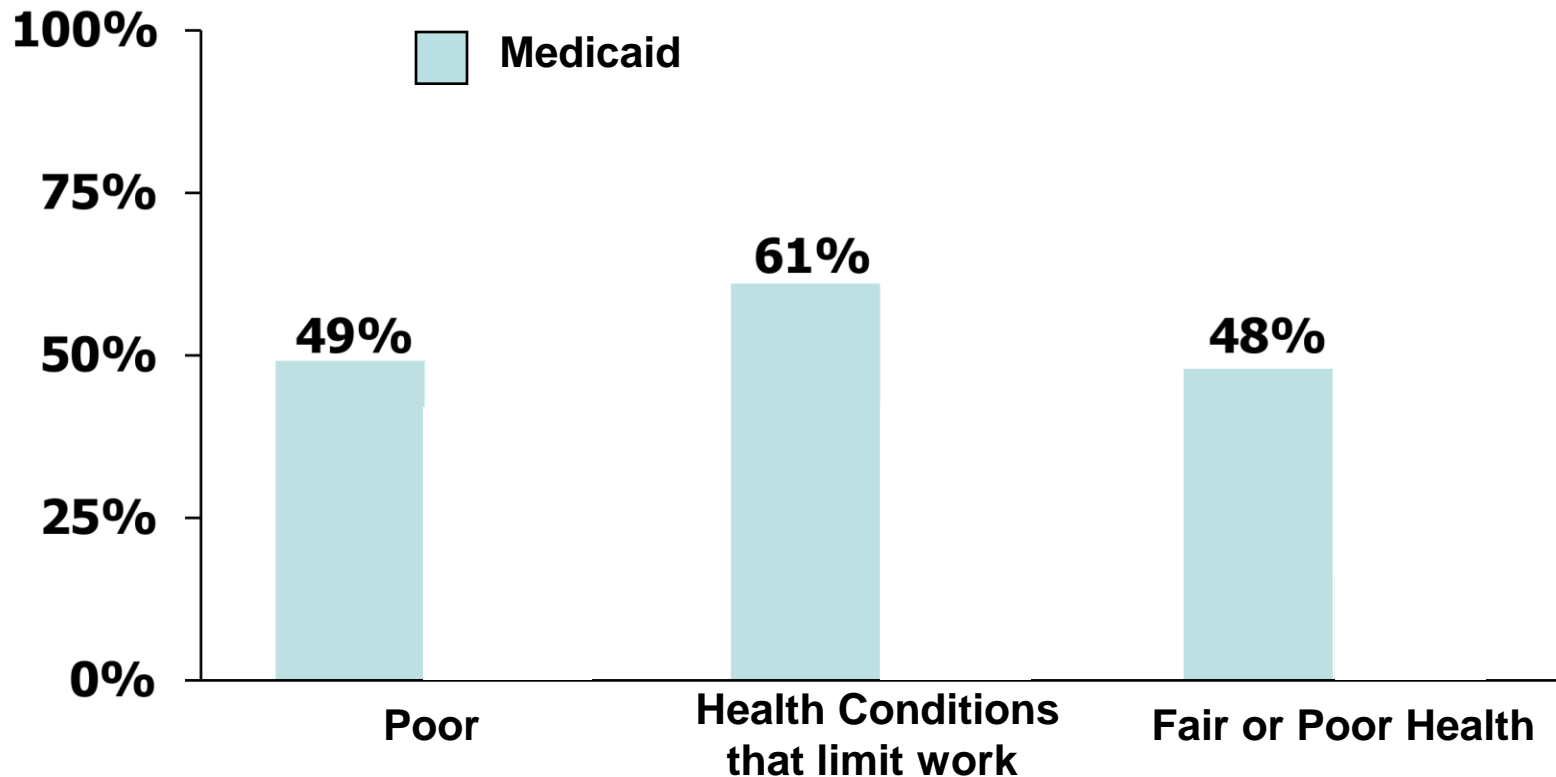
Many Important Issues

- Coverage requirements and options
- Scope of coverage & affordability



Income and Health Status of Medicaid and the Low-Income Privately Insured, 2002

Percent of Enrolled Adults



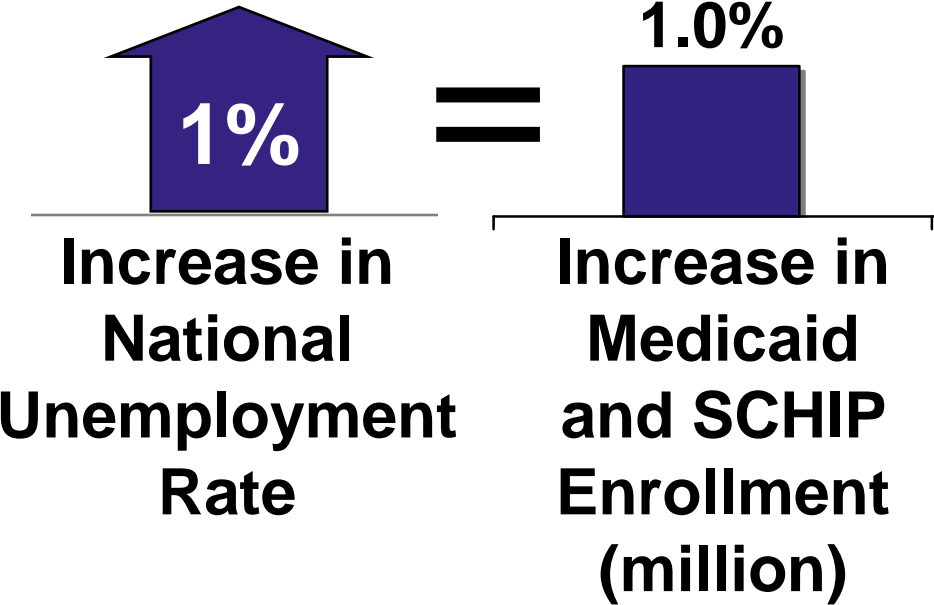
SOURCE: Coughlin et. al, "Assessing Access to Care Under Medicaid: Evidence for the National and Thirteen States," *Health Affairs* 24(4):1073-1083. Based on a 2002 NSAF analysis for Kaiser Commission on Medicaid and the Uninsured.

Many Important Issues

- Coverage requirements and options
- Scope of coverage & affordability
- Financing



Impact of 1% Growth in Unemployment

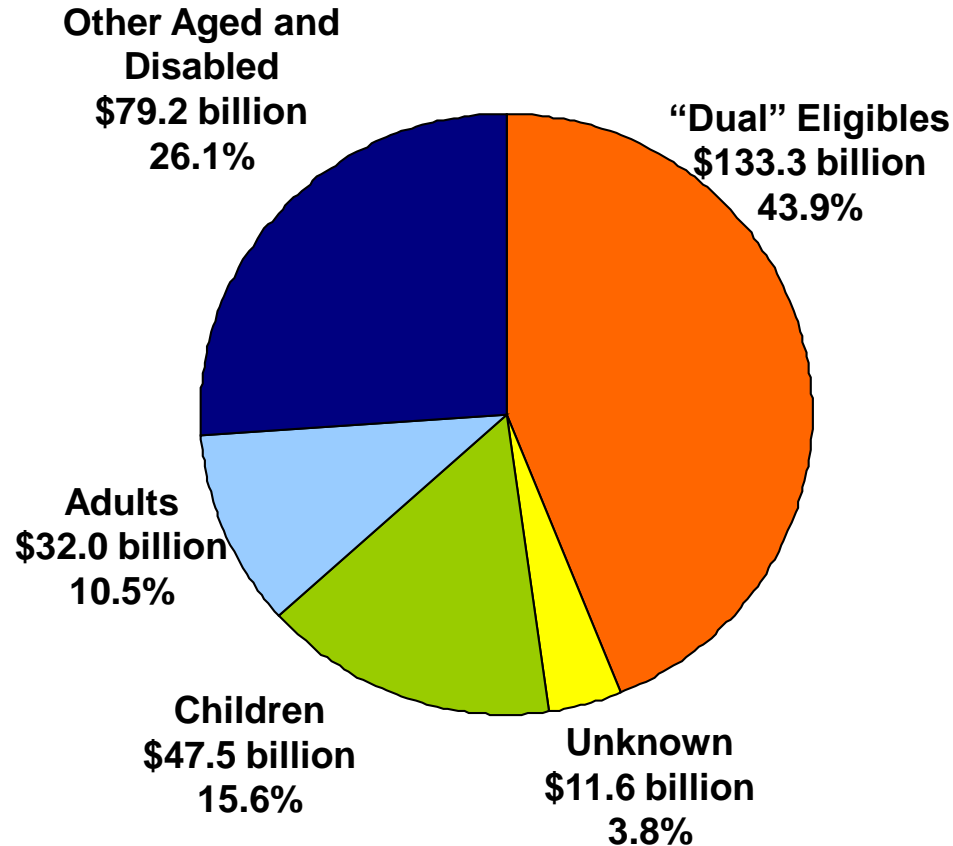


Source: S. Dorn, B. Garrett, J. Holahan, and A. Williams, "Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses," Kaiser Commission on Medicaid and the Uninsured (April 2008).

Federal vs. State Responsibility

“Duals” Account for 4 of every \$10 in Medicaid Spending

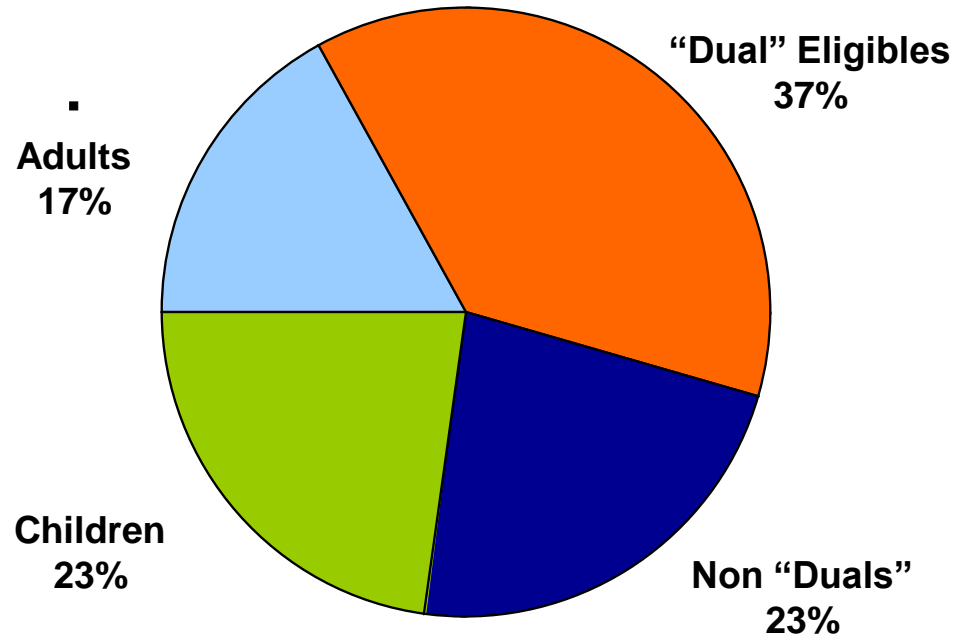
Total Medicaid Expenditures = \$303.6 billion



Federal vs. State Responsibility

“Duals” Account for Nearly 4 out of \$10 in Spending Growth

Total growth in Medicaid Spending between 2001 and 2005:
\$101.8 billion



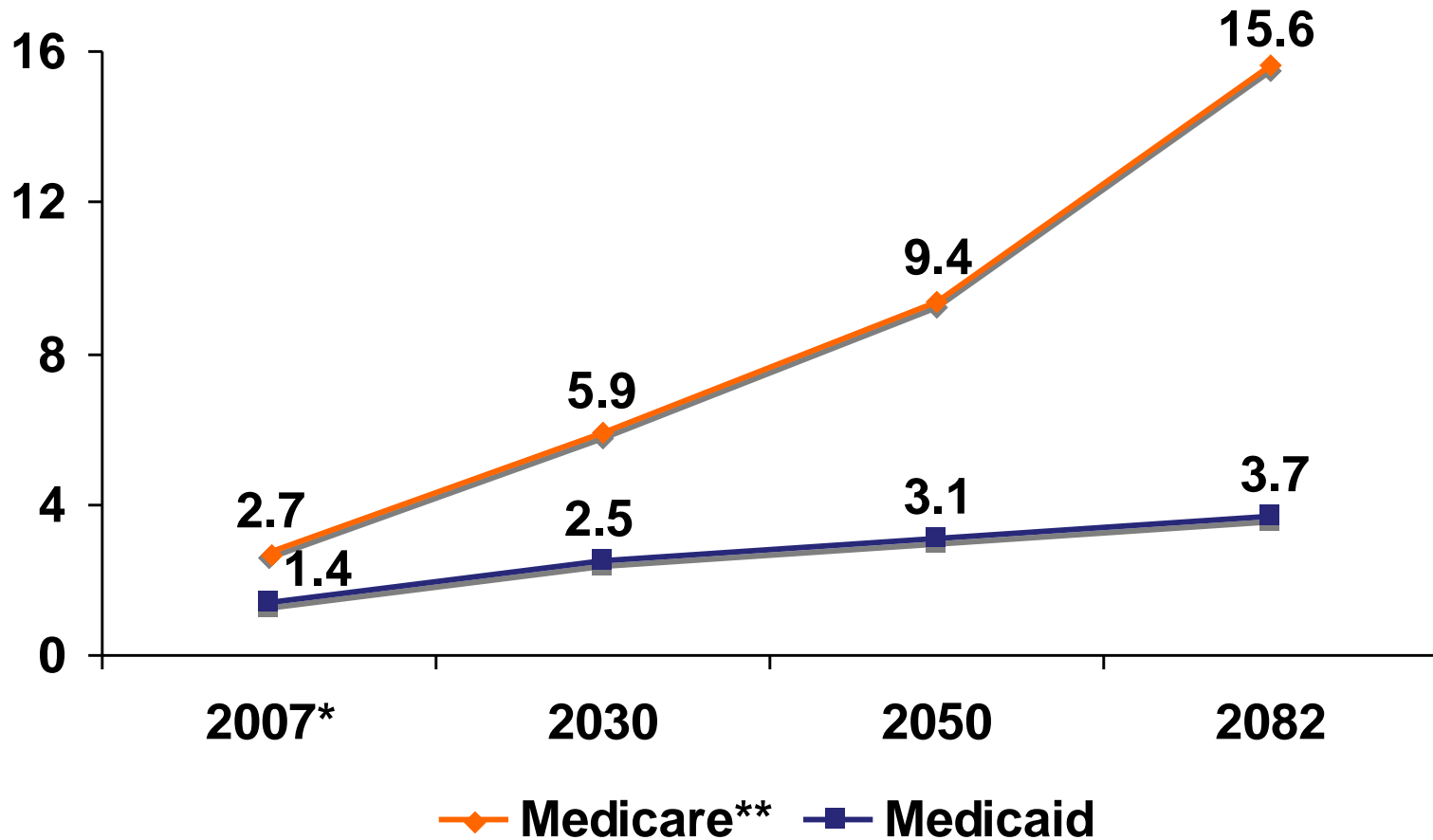
Concerns At the Federal Level

“Future growth in spending per beneficiary for Medicare and Medicaid ...will be the most important determinant of long term trends in federal spending”

- *Peter Orszag, Director of CBO*

Medicare and Medicaid Spending as a Percentage of GDP

Alternative Fiscal Scenario



Note: *For 2007, numbers are actual and on a fiscal year basis. **Spending for Medicare beneficiaries is net of premiums.

Source: Congressional Budget Office

Common Concerns: Different Solutions

- Stop spending on “autopilot” – cap federal payments
 - *“Brookings-Heritage Fiscal Seminar”*
- Reform the health care system
 - *Peter Orszag, CBO*

Many Important Issues

- Coverage requirements and options
- Scope of coverage & affordability
- Financing
- Enrollment
- Public/private interface
- Access to providers
- Quality measures
- LTC?



Public's View of Medicaid



Public's View of Medicaid

	Percentage
Very or mostly favorable	50

Source: Survey by Robert Wood Johnson Foundation, conducted by Public Opinion Strategies, August 2007.

Public's View of Medicaid

	Percentage
Very or mostly favorable	50
Half and half	22

Source: Survey by Robert Wood Johnson Foundation, conducted by Public Opinion Strategies, August 2007.

Public's View of Medicaid

	Percentage
Very or mostly favorable	50
Half and half	22
Very or mostly unfavorable	14
No opinion, never heard of, don't know/refused	14

Source: Survey by Robert Wood Johnson Foundation, conducted by Public Opinion Strategies, August 2007.

Public Opinion about Medicaid



- Voters believe that the government should play a role in helping to provide coverage for low-income, uninsured children and parents, seniors, and people with disabilities.
- Voters perceive that the nation faces a *health care* crisis, not a *Medicaid* crisis.
- 78% consider Medicaid to be *very* important

Opportunity

NEXT EXIT 