Medicaid: Overview and Innovations
Main points

- Overview – Unpacking Medicaid data
- Medicaid efficiencies – low overhead
- Distribution of costs by population type
- High-cost populations
  - Aging and disabilities
- Assessing cost per beneficiary
- Importance of Medicaid data for cost containment
- Federal spending on Medicaid vs. the exchanges
Medicaid: Why Should You Care?

- 25.8% of total state expenditures
  - (FY 2014, both federal and state funds)
  - 15.3% of state-only funds
- Total cost in FY14 was $476 Billion
- Pays for >60% of nursing home residents
- Funds about 46% of U.S. births
- Covers 37% of children 0-18
- Subsidizes care for the uninsured
- Subsidizes graduate medical education
Cumulative Growth in Per Capita Public and Private Health Spending

Source: Kaiser Family Foundation analysis of data from the Office of the Actuary, CMS
Medicaid spending by population

Source: Kaiser Family Foundation - FY 2011
Medicaid Expenditures by Enrollment Group.

FY 2011

Source: Kaiser Family Foundation
Assessing cost per Medicaid Beneficiary

Average per capita Medicaid spending varies widely across states, FY 2011

- **Aged**
  - $18,439 (HI)
  - $10,518 (NC)

- **Individuals with Disabilities**
  - $17,709 (TX)
  - $10,142 (AL)

- **Adults**
  - $6,928 (NM)
  - $4,225 (OH)
  - $2,056 (IA)

- **Children**
  - $5,214 (VT)
  - $2,470 (TN)
  - $1,656 (WI)

Source: Kaiser Family Foundation
Medicaid and Long-Term Services and Supports

$310 Billion- Total National LTSS Spending

Source: Kaiser Family Foundation, 2013
Importance of Medicaid Data for Cost Containment

- Medicaid claims data: fee-for-service
- Medicaid encounter data: managed care

- Identify high cost/high needs enrollees
- Measure health outcome: value-based payments
- All Payer Claims Database (APCD) for comparing costs across payers
Medicaid Data

Source: National Association of Medicaid Directors (NAMD), Data Analytics for Effective Reform, 2014
Medicaid Expansion
Medicaid Expansion

FY 2015 enrollment and total spending growth in expansion states far exceeded non-expansion states; state spending growth was lower.

NOTE: Data show the year over year change in enrollment FY 2014 to FY 2015. Expansion States for FY 2015 include 29 states. Total Medicaid spending includes federal, state and local spending. SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2015.
Use of a Third Party Administrator for Medicaid Expansion: Montana

- Montana HELP program expands coverage to approx. 70,000 parents and childless adults, aged 19-64 earning up to 138% of poverty, through State Plan Amendments.

- HELP Program uses a third-party administrator – MT is the first state in the country to expand Medicaid using a private TPA arrangement. The state chose an insurer that offers a qualified health plan on the Marketplace.

- **State reports $5.3 million was saved** by shifting 8,500 people from traditional Medicaid into the expansion.

- Uninsured rate: 2013 = 20%
  - 2013=20%
  - 2015=15%
  - 2016= 7.4%

*KFF: Medicaid in a Larger Budget Context: A Look at Four States
Montana: Senator Llew Jones presenting*
Opioid Addiction: Vermont’s Hub & Spoke Initiative

- **Hub and Spoke** statewide initiative started in 2012 to expand Medication Assisted Treatment (MAT) capacity
  - **Hubs** - Clinic-based treatment; currently 7 clinics with one more scheduled; funding from Medicaid, Federal Grants and GF increased since FY12 from $4.4m to $18.2m
  - **Spokes** - Primary care providers trained in MAT; currently 80 practices/187 physicians supported by 50 RNs, MH/addictions specialists and VT Blueprint Community Health Teams; Federal change allowing trained RNs and PAs to prescribe MAT will expand capacity in primary care settings. Medicaid funds: Office visits, lab work and medication (Buprenorphine or Vivitrol); $4m for support staff.

- MAT Medicaid access has increased over 150% since 2012 from 2,300 served to just under 6,000.
- Savings to Medicaid program estimated at $3,100 per person/per year; avoided costs in child welfare and criminal justice programs expected.
- Treatment supported by statewide network of Recovery Centers, also receiving Medicaid funding.

ASTHO Case Study: Medication Assisted Treatment Program for Opioid Addiction
Vermont: Senator Jane Kitchel
Workforce Innovations: Minnesota

- Addressing workforce shortages through midlevel providers:
  - Expansion of training programs
  - Opportunities for expanding culturally diverse workforce in ethnically diverse settings
  - Medicaid payment for community health workers and community paramedics
- Reductions in the cost of care at community clinics and primary care practices
- Reductions in ER visits, inpatient visit with significant annual cost savings
- Documented reduction in costs close to $10 million, for six healthcare systems

*ASTHO Case Study: Workforce Innovation
Minnesota: Katherine Schill, Fiscal Analyst presenting
All Payer Systems (APCDs): New Hampshire

- All-Payer Claims Database - combines the medical claims data from public and private payers within a state
  - Medicaid Directors: The ability to aggregate data on their beneficiaries, and to combine and compare those data with data on commercial insurance enrollees, will be crucial in improving the management of state Medicaid programs
  - APCDs make it possible to compare cost and quality:
    - Assess Medicaid reimbursement rates with private sector
    - Evaluate ambulance transport costs
    - Evaluate impact of patient cost sharing on use of services
  - Potential for significant cost savings and cost containment strategies

*ASTHO Case Study: All-Payer Claims Database
New Hampshire: Senator Gary Daniels presenting
Care Coordination and Transitional Care Programs: Oklahoma

- SoonerHealth+ a care coordination program to improve health outcomes for Aged, Blind and Disabled population: with bundled payment model
- State selected for Comprehensive Primary Care Plus (CPC+) grant beginning in 2017 to build on previous success
- This is a statewide partnership that links Medicaid recipients to primary care patient-centered medical homes for patients with complex needs
- Evaluations found cost savings and improvement in utilization and quality measures – exact cost savings to be determined

*KFF: Medicaid in a Larger Budget Context: A Look at Four States
Oklahoma: Quintan Dilbeck, Fiscal Analyst presenting