THE HENRY J. KAISER FAMILY FOUNDATION

MEDICAID IN MARYLAND

June 2017

Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to nearly 1.3 million low-income children, pregnant women, adults, seniors, and people with disabilities in Maryland. Medicaid is a major source of funding for safety-net hospitals and nursing homes. The American Health Care Act (AHCA) would fundamentally change the scope of the program and end the guarantee of federal matching funds.

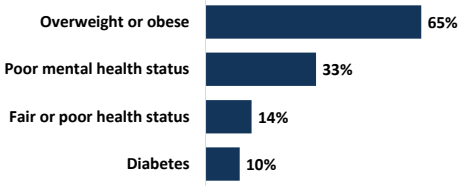
Snapshot of Maryland's population

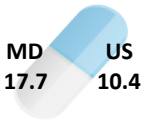
5.9 million people live in MD

23% of MD's population is low-income

Low-income: <200% FPL or $40,840 for a family of 3 in 2017

Adults in MD reporting:





MD	US
17.7	10.4

Opioid Deaths

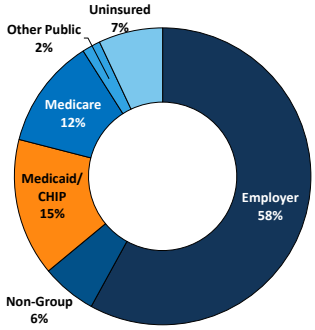
MD	US
26.7	14.7

HIV Diagnoses

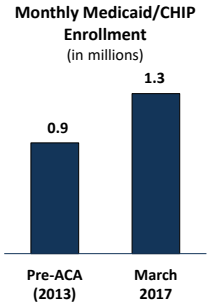
Per 100,000 population in 2015

How has Medicaid affected coverage and access?

In 2015, 15% of people in MD were covered by Medicaid/CHIP.



Since implementation of the Affordable Care Act (ACA), Medicaid/ CHIP enrollment has increased in MD.

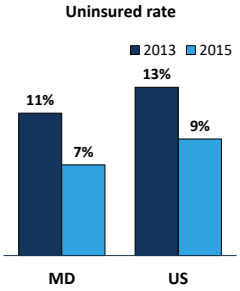


Did MD expand Medicaid through the ACA?

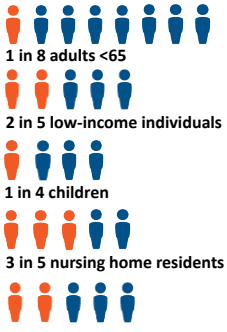
☑ Yes ☐ No

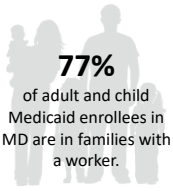
248,200 adults
in the expansion group in Q1 of 2016

The uninsured rate in MD has decreased.



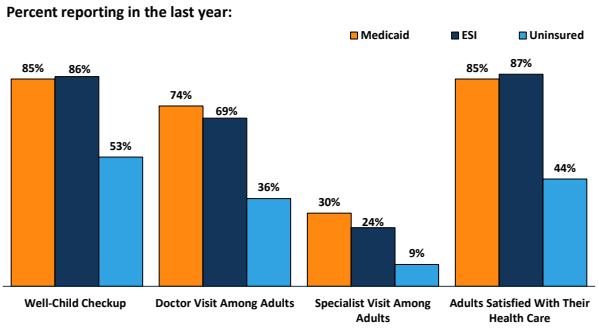
In MD, Medicaid covers:





77%
of adult and child Medicaid enrollees in MD are in families with a worker.

Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.



Medicaid coverage contributes to positive outcomes:

- Declines in infant and child mortality rates
- Long-term health and educational gains for children
- Improvements in health and financial security

And…

>85%
of the public would enroll themselves or a child in Medicaid if uninsured.

How does Medicaid work and who is eligible?

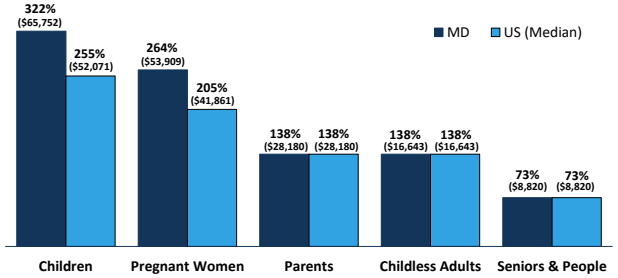
Each Medicaid program is unique:

Federal government sets core requirements, but states have flexibility regarding:

- **Eligibility** - All states have taken up options to expand coverage for children; many have opted to expand coverage for other groups.
- **Benefits** – All states offer optional benefits, including prescription drugs and long-term care in the community.
- **Delivery system & provider payment**– States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care to improve health outcomes.
- **Long-term care** – States have expanded eligibility for people who need long-term care and are increasingly shifting spending away from institutions and towards community-based care.
- **State health priorities** – States can use Medicaid to address issues such as the opioid epidemic, HIV, Zika, autism, dementia, environmental health emergencies, etc.

Eligibility levels are highest for children and pregnant women.

Eligibility Level as a Percent of FPL, as of January 1, 2017



Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & people w/ disabilities. Seniors & people w/ disabilities eligibility may include an asset limit.

How are Medicaid funds spent and how is the program financed?

Medicaid plays a key role in the U.S. health care system, accounting for:

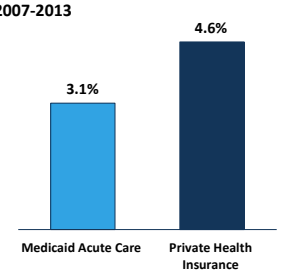
$1 in $6 dollars spent overall in the health care system

More than $1 in $3 dollars provided to safety-net hospitals and health centers

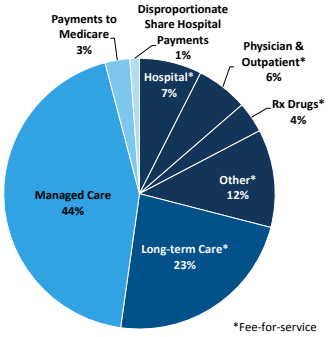
$1 in $2 dollars spent on long-term care

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

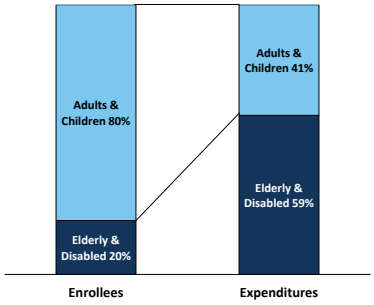
Per enrollee spending growth in the US, 2007-2013



In FY 2016, Medicaid spending in MD was $10.5 billion.



In 2014, most Medicaid beneficiaries in MD were children and adults, but most spending was for the elderly and people with disabilities.



Federal matching funding to states is guaranteed with no cap and rises depending on program needs.

In MD the federal share (FMAP) is 50%. For every **$1** spent by the state, the Federal government matches **$1**.

Expansion states receive an increased FMAP for the expansion population. MD received **$1.8 billion** in federal funds for expansion adults in FFY 2015.

0.92
is the Medicaid-to-Medicare physician fee ratio in MD.

57%
of long-term care spending in MD is for home and community-based care.

80%
of beneficiaries in MD are in managed care plans.

119,800
Medicare beneficiaries (15%) in MD **rely on Medicaid** for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

29%
of Medicaid spending in MD is for Medicare beneficiaries.

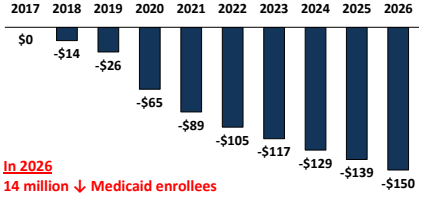
18%
of state general fund spending in MD is for Medicaid.

48%
of all federal funds received by MD is for Medicaid.

What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

The American Health Care Act (AHCA) would reduce federal Medicaid funding through ACA repeal and federal caps.

The CBO estimates that the AHCA would reduce federal Medicaid spending by **$834 billion** nationally over the 2017-2026 period.



In 2026
14 million ↓ Medicaid enrollees
24% ↓ in federal funds
23 million ↑ in uninsured → 51 million uninsured

However,
71%
of Americans think Medicaid should continue as it is today

Reducing federal funds through a per capita cap or block grant:

Shifts costs and risks to states, beneficiaries, and providers if states restrict eligibility, benefits, and provider payment.

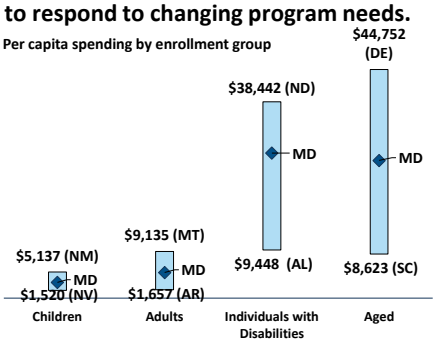
Locks in historic spending patterns and have an even greater impact on states that expanded Medicaid.

Limits states' ability to respond to rising health costs, increases in enrollment due to a recession, or a public health emergency such as the opioid epidemic, HIV, Zika, etc.

Leads to more low income uninsured Americans.

A per capita cap would lock in state spending patterns and limit states' ability to respond to changing program needs.

Per capita spending by enrollment group



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