

Session 9PD, Medicaid 101: A Brief History of Time

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2018 SOA Health Meeting

MODERATOR:

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EXPERT PANEL:

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Stephanie Williams, FSA, MAAA

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Medicaid 101: A Brief History of Time

June 25, 2018



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- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
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- **Do** alert SOA staff and/or legal counsel to any concerning discussions
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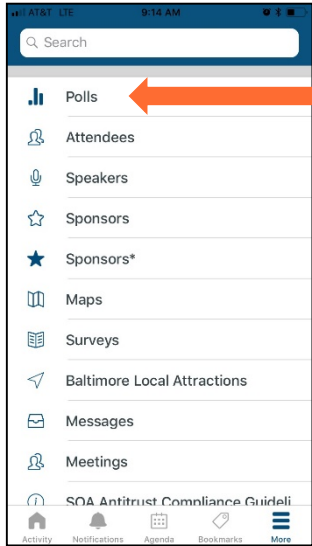
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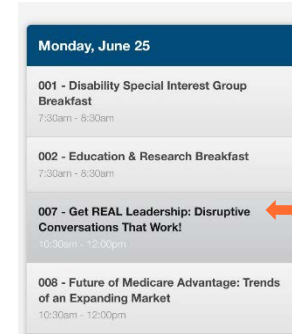
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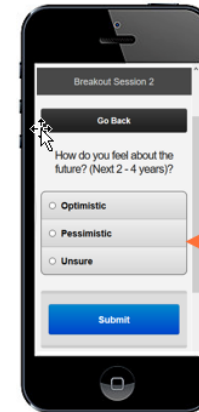
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Agenda

Introductions

High level background

Panel Q & A

Audience polls and participation throughout

Getting to Know Us



Nick
Bauman

- FSA, MAAA
- Milliman
- Consulting Actuary



Julia Lerche

- FSA, MAAA, MSPH
- NC Medicaid
- Chief Actuary



Stephanie
Williams

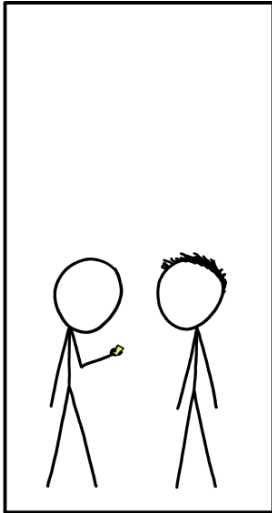
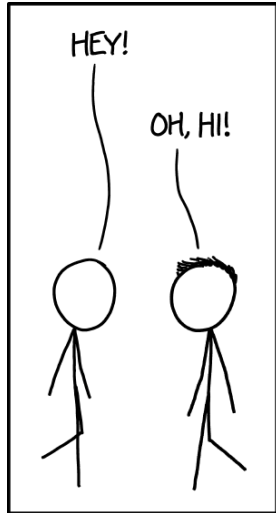
- FSA, MAAA
- WellCare
- VP Actuary



Taylor
Praisner

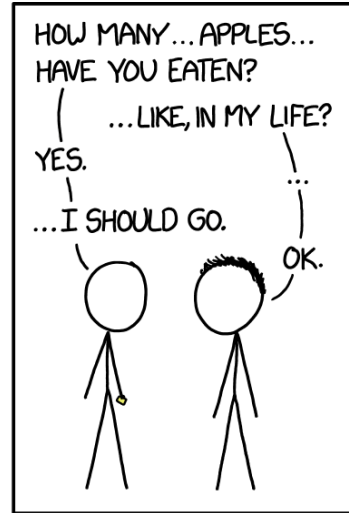
- FSA, MAAA
- Wakely
- Sr Consulting Actuary

Getting to Know You

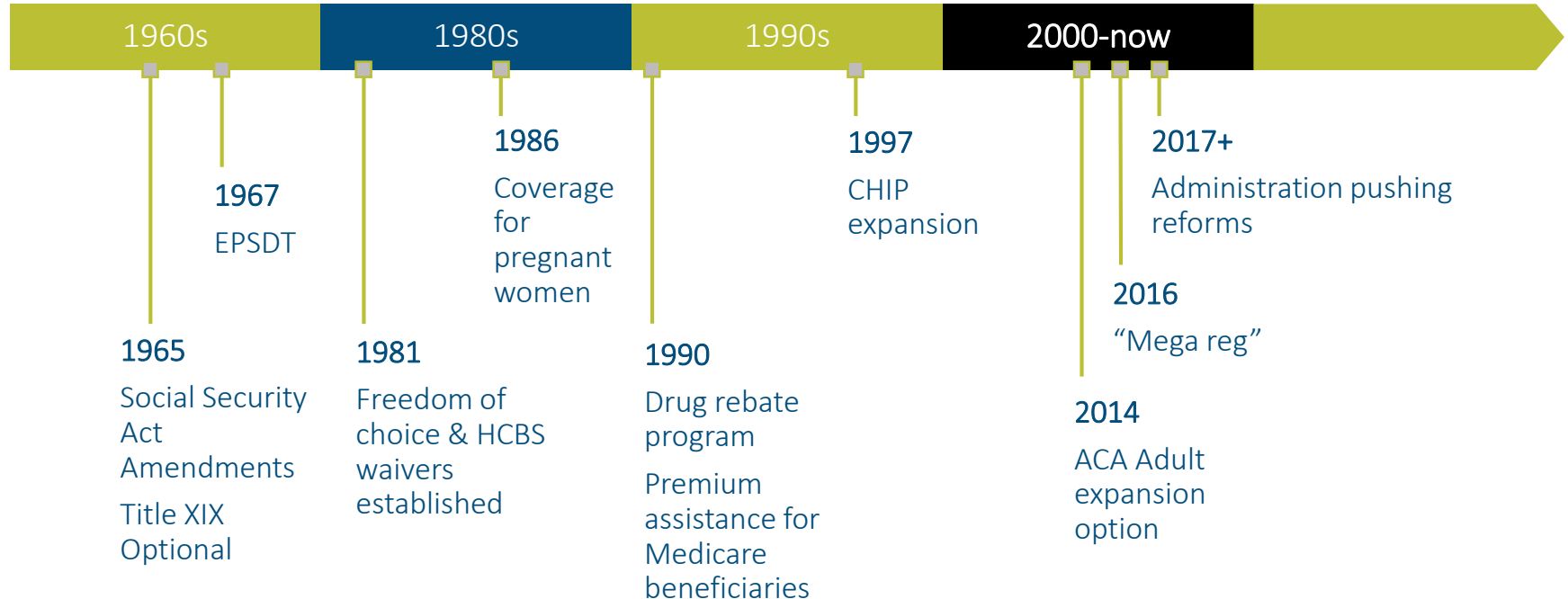


Normal human
Conversation

1. Ask them
about
themselves

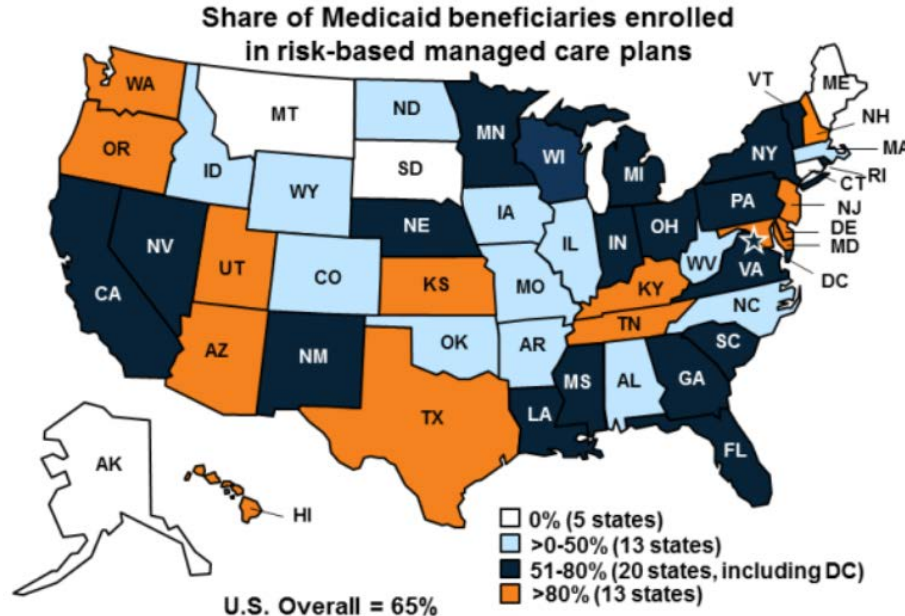


Medicaid: A Brief History



Medicaid Managed Care

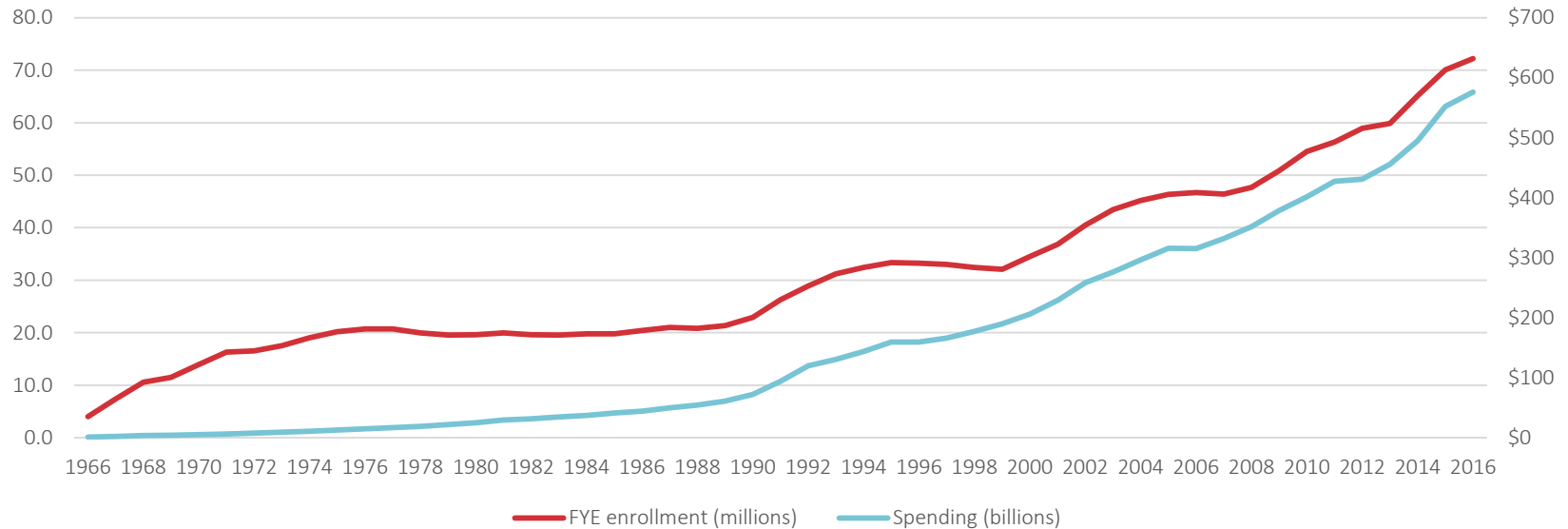
Two-thirds of all Medicaid beneficiaries receive their care in comprehensive risk-based MCOs.



SOURCE: Medicaid Managed Care Enrollment Report, Summary Statistics as of July 1, 2015, CMS, 2017.

Growth in Medicaid

Medicaid Enrollment and Spending by Federal Fiscal Year



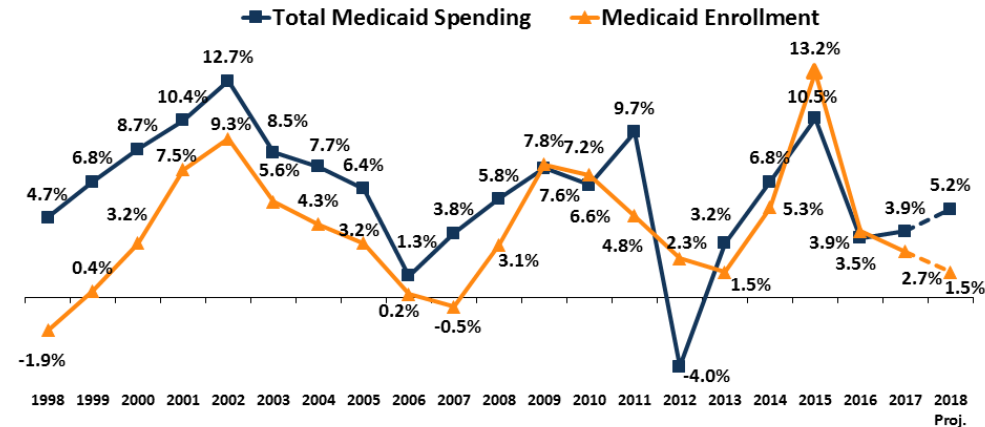
Source: <https://www.macpac.gov/publication/medicaid-enrollment-and-total-spending-levels-and-annual-growth/>

Historical Growth of Medicaid Spending

Figure 1

Medicaid enrollment growth continues to slow in FY 2017 and FY 2018; however, states project an uptick in spending in FY 2018.

Annual Percentage Changes, FY 1998 – FY 2018

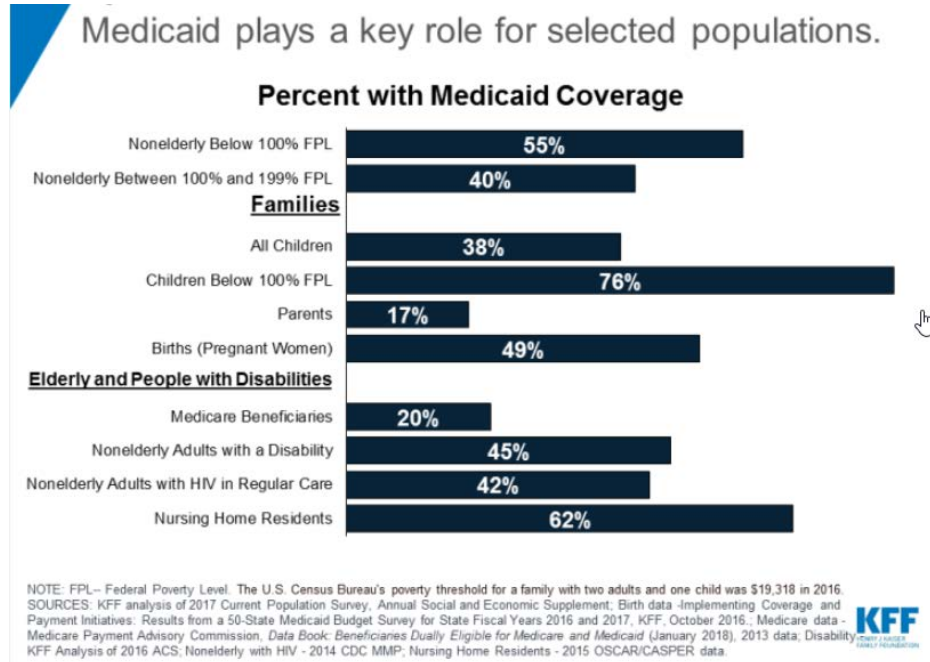


NOTE: For FY 1998-2013, enrollment percentage changes are from June to June of each year. FY 2014-2017 reflects growth in average monthly enrollment. Spending growth percentages refer to state fiscal year. FY 2018 data are projections based on enacted budgets.

SOURCE: Enrollment growth rates for FY 1998-2013 are as reported in *Medicaid Enrollment June 2013 Data Snapshot*, KCMU, January 2014. FY 2014-2017 are based on KFF analysis of CMS, Medicaid & CHIP Monthly Applications, Eligibility Determinations, and Enrollment Reports, accessed September 2017. Historic Medicaid spending growth rates are derived from KCMU Analysis of CMS Form 64 Data. FY 2017-2018 data are derived from the KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2017.

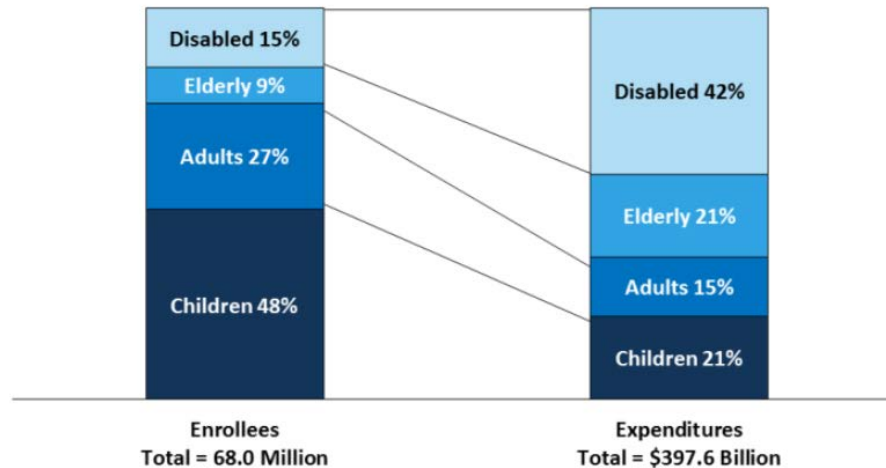


Chart of Percentage of Select Populations with Medicaid Coverage



Populations Covered – Enrollment vs. Spending Levels

Medicaid spending is mostly for the elderly and people with disabilities, FY 2011.



SOURCE: KCMU/Urban Institute estimates based on data from FY 2011 MSIS and CMS-64. MSIS FY 2010 data were used for FL, KS, ME, MD, MT, NM, NJ, OK, TX, and UT, but adjusted to 2011 CMS-64.



Medicaid Benefits

States have some flexibility within federal guidance

Mandatory benefits – examples:

- Hospital inpatient and outpatient services
- Physician services
- Transportation (emergency and non-emergency)
- EPSDT (early and periodic screening, diagnosis, and treatment) for children
- Nursing home care

Optional benefits – e.g., pharmacy, PT/OT/ST, dental

Waiver services – e.g., HCBS (home & community based services)

Optional alternative benefit plan

- More similar to a commercial plan

Premiums / Cost Sharing

No premiums unless:

- SCHIP/expansion
- Long term care “spend down”

Limited cost sharing

- Limited copays
- Limited total cost sharing: 5% of income
- Exempt populations
- Exempt services

varies by state

Financing

Federal Financial Participation (FFP)

- Federal Medical Assistance Percentage (FMAP)
- Administrative match
- Enhanced match (CHIP, family planning, ACA expansion)

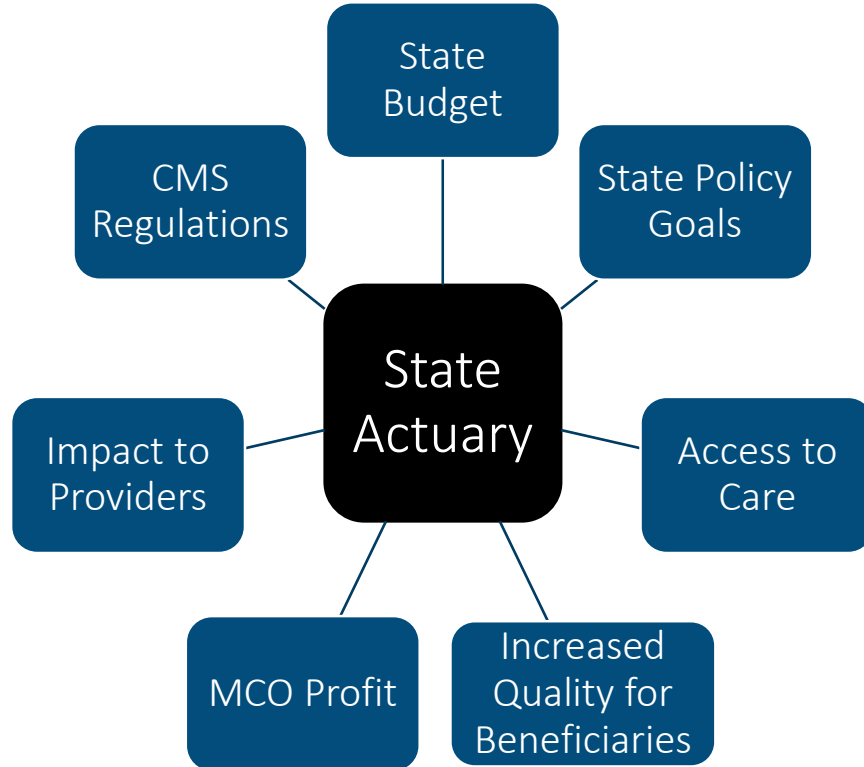
State Funding Sources

- State General Fund
- Intergovernmental Transfers or Certified Public Expenditures
- Provider-funded UPL
- Provider taxes

Panel Questions

- What unique perspectives does an actuary bring in each of your respective roles?

A State Consulting Actuary Needs to Balance Competing Priorities



Nick
Bauman

- FSA, MAAA
- Milliman
- Consulting Actuary

A State Actuary's Role



Julia Lerche

- FSA, MAAA, MSPH
- NC Medicaid
- Chief Actuary

A Health Plan Actuary's Role



Stephanie
Williams

- FSA, MAAA
- WellCare
- VP Actuary

A Health Plan Association Consulting Actuary's Role



Taylor
Praisner

- FSA, MAAA
- Wakely
- Sr Consulting Actuary

Panel Questions

- How is Medicaid different than Medicare, and how do the two programs interact?

Medicaid versus Medicare

Medicaid

- Aged, blind, disabled
- Children
- Pregnant women
- Low-income individuals
- Dual eligible individuals

Medicare

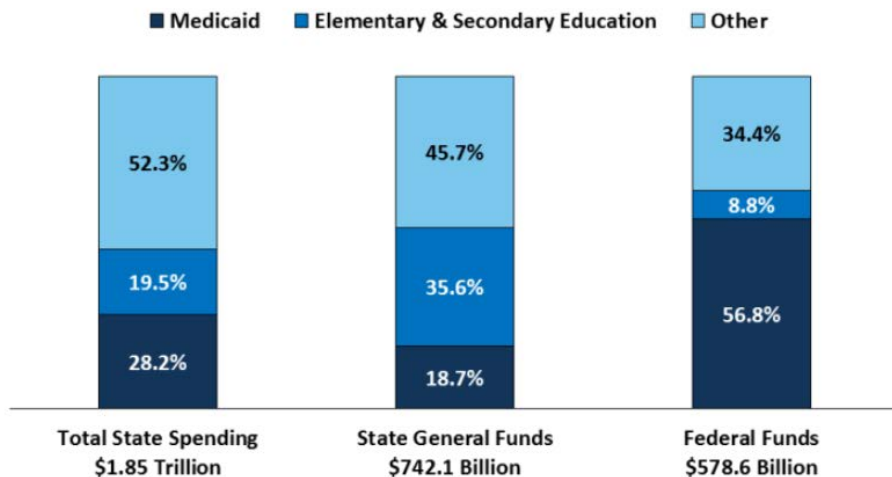
- Individuals age 65 and over
- Disabled individuals
- Dual eligible individuals

Panel Questions

- Recent data has shown that health care expenses make up almost 30% of total state budgets (see link below for reference). What kind of pressure is there for states to find savings and reduce the overall spend in the program?

Distribution of State Spending

Medicaid is a budget item and a revenue item in state budgets.



SOURCE: Kaiser Commission on Medicaid and the Uninsured estimates based on the NASBO's November 2016 State Expenditure Report (data for Actual FY 2015.)



Panel Questions

- How is rate setting different in Medicaid compared to other markets?

Common Data Sources for Rate Setting

Managed care plan encounter data	+ Managed care plan financial data	+ FFS data for services added to managed care program	= Total cost for historical managed care plan population
FFS data for populations moving into managed care			= Total cost for historical FFS population

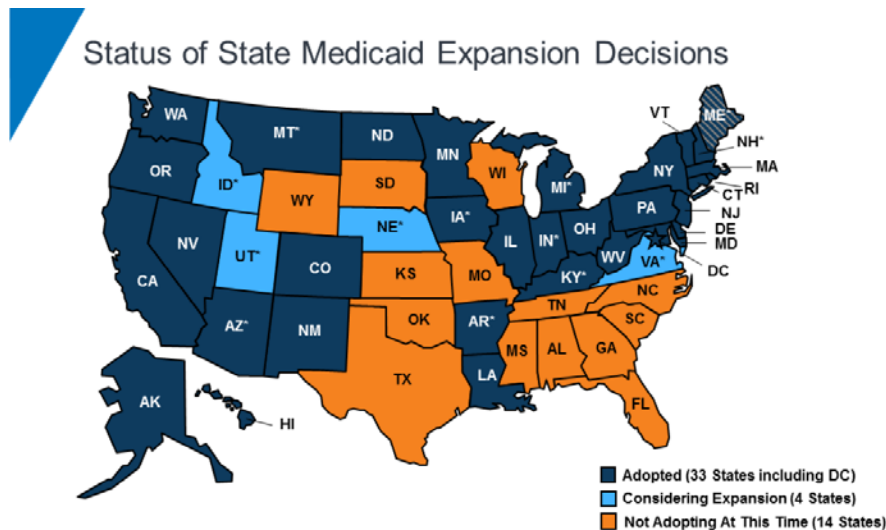
Panel Questions

- Several states have recently proposed or even enacted work requirements in order for members to receive Medicaid benefits. What impact do you think this will have on the Medicaid population as well as the financials of the program?

Panel Questions – The Big Finish

- Health care, especially Medicaid, is always a hot topic on the legislative front. What major changes and challenges do you see ahead for the program?

Status of State Action on ACA Expansion



NOTES: Current status for each state is based on KFF tracking and analysis of state activity. *AR, AZ, IA, IN, KY, MI, MT, and NH have approved Section 1115 expansion waivers. CMS approved the Kentucky HEALTH expansion waiver on January 12, 2018; implementation of some provisions was scheduled to begin in April 2018. VA is considering adopting expansion in their FY 2019 state budget, UT passed a law directing the state to seek CMS approval to partially expand Medicaid to 100% FPL using the ACA enhanced match, and UT also has a measure on the ballot in November to fully expand to 138% FPL. Expansion proponents in ID and NE are collecting signatures to place expansion on their November ballots. ME adopted the Medicaid expansion through a ballot initiative in November 2017, but the Governor failed to meet the SPA submission deadline (April 3). (See the link below for more detailed state-specific notes.)

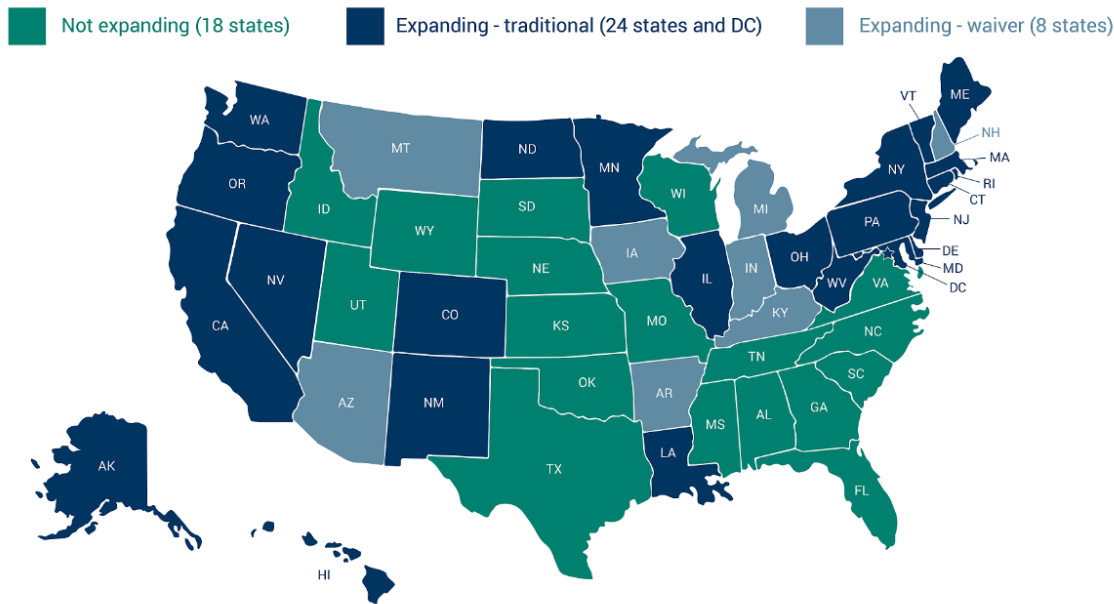
SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated April 27, 2018.

<https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



Status of State Medicaid Expansion Decisions

State Medicaid Expansion Decisions, February 2018



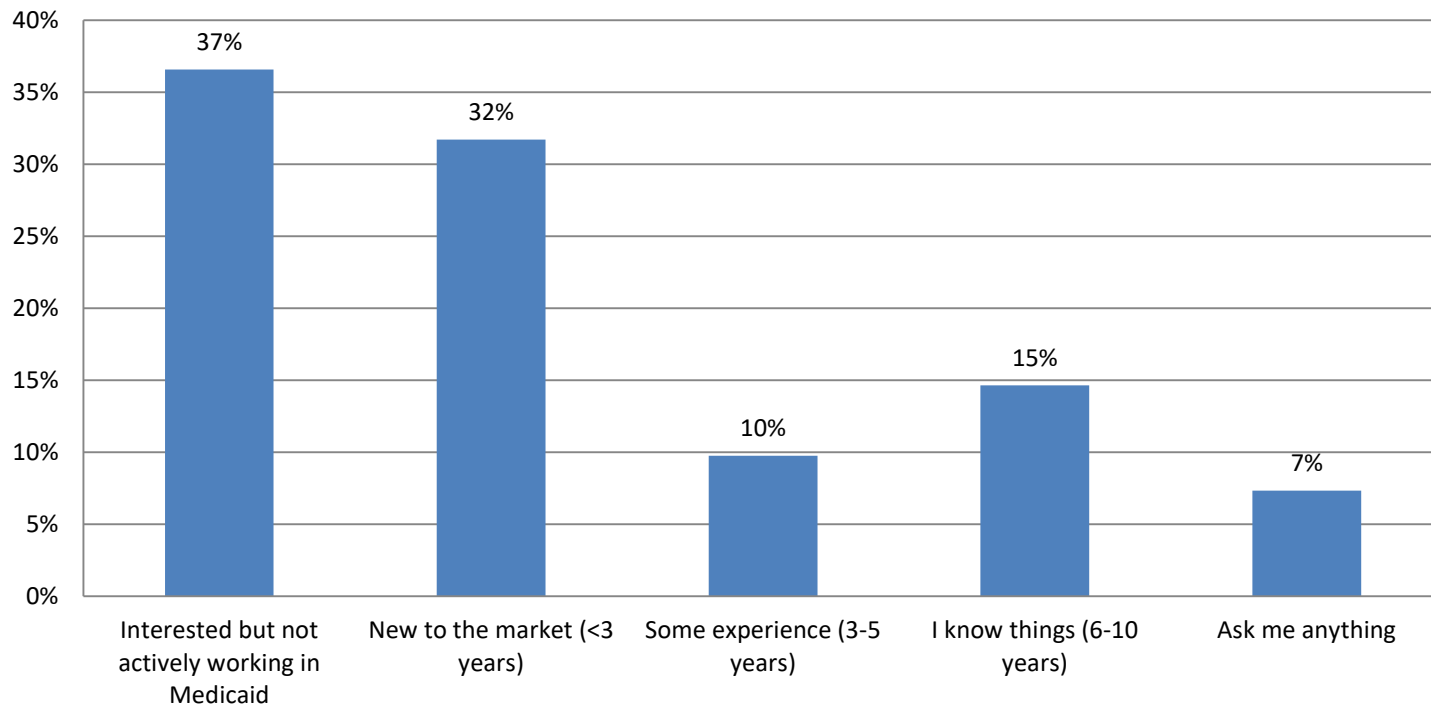
Source: <https://www.macpac.gov/wp-content/uploads/2016/02/ExpansionMap-February-2018.png>



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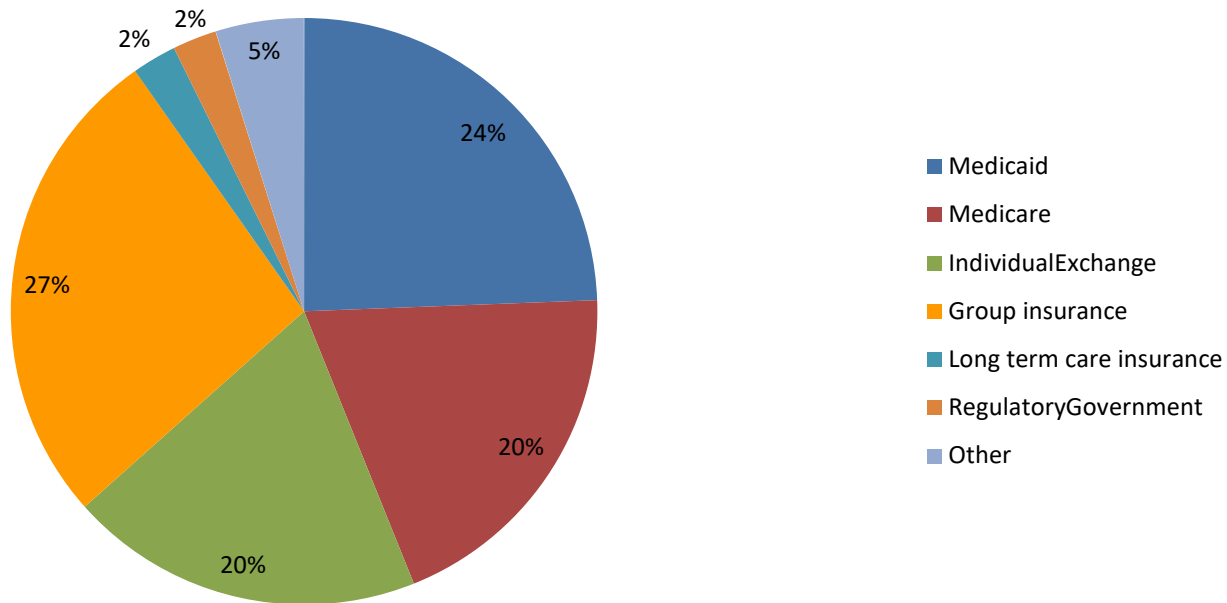
Polling Questions

How familiar are you with Medicaid?



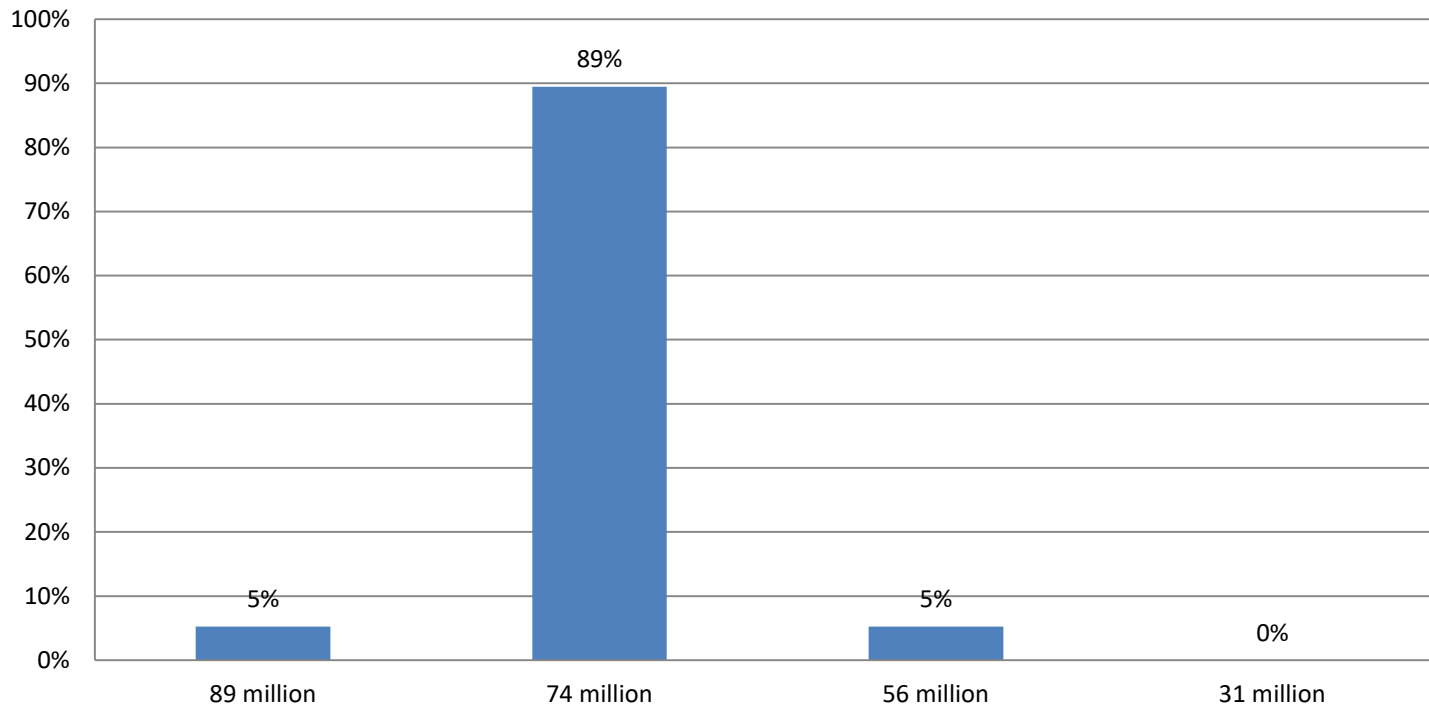
Polling Questions

My primary actuarial experience is with...



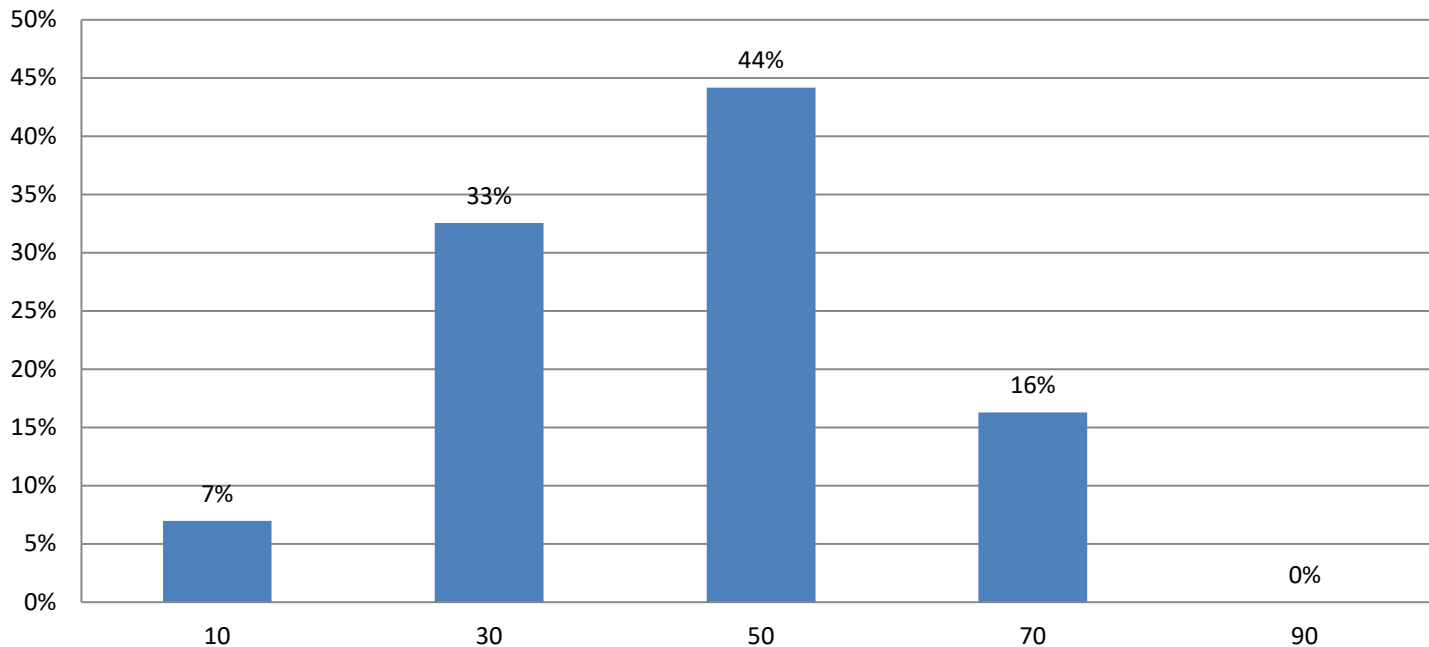
Polling Questions

How many people are covered by Medicaid nationally?



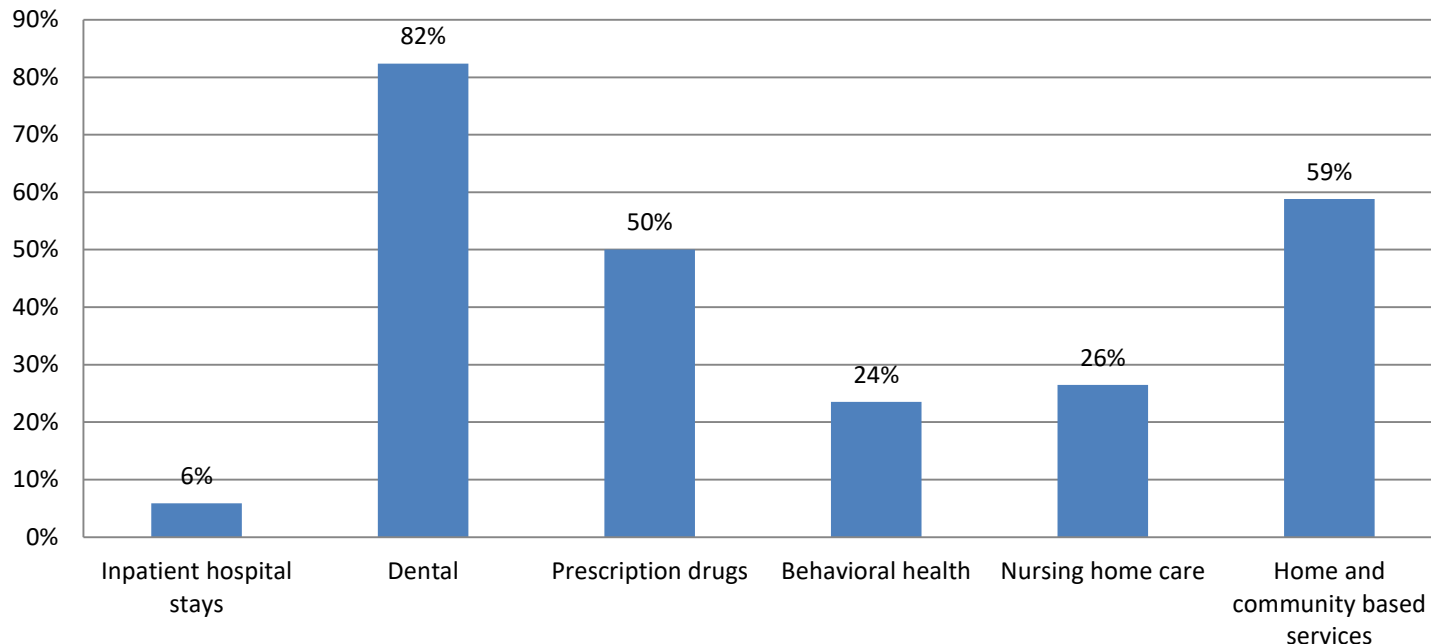
Polling Questions

Approximately what percentage of nationwide births are covered by Medicaid each year?



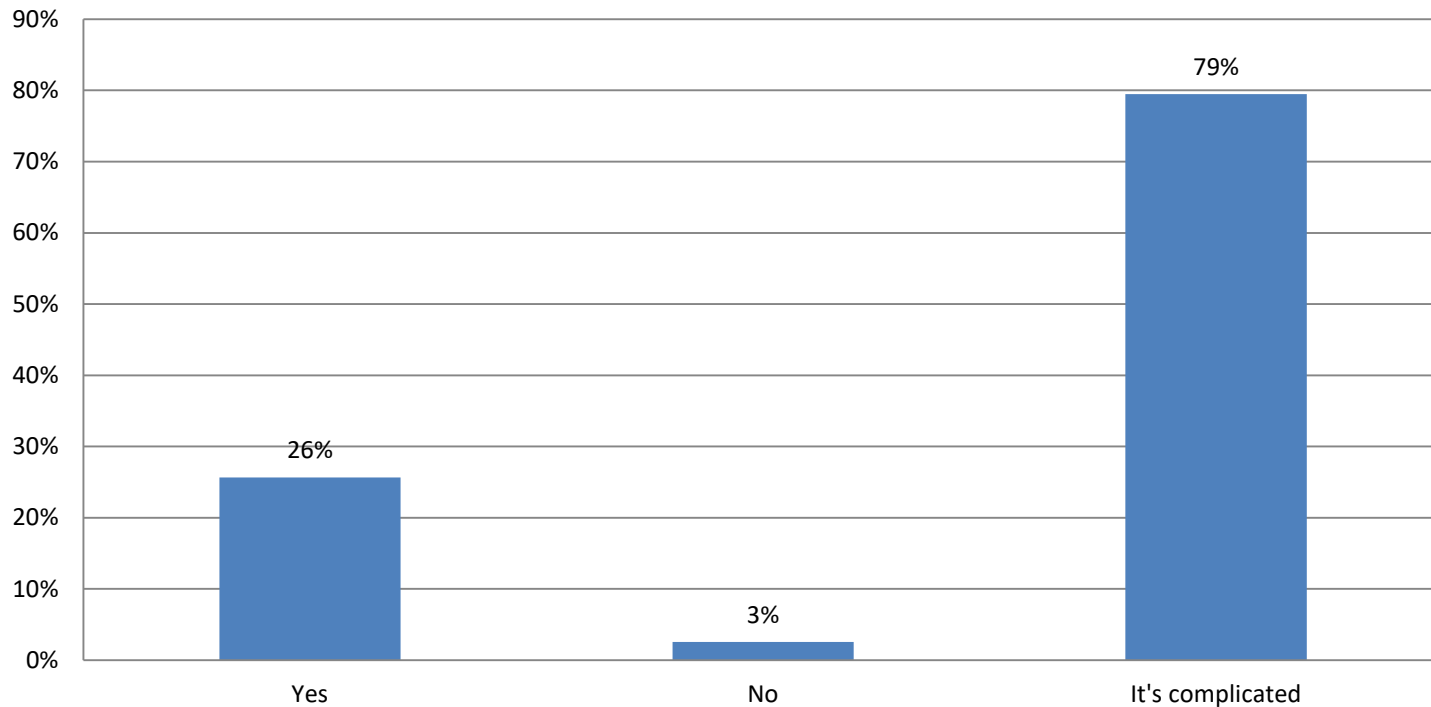
Polling Questions

which of these services are optionally covered under Medicaid? (choose all that apply)



Polling Questions

Does Medicaid charge copays?



Polling Questions

who pays for Medicaid? (choose all that apply)

