

Medicaid 101

MEDICAID TO SCHOOLS CONSULT HOURS

Presented by:
Institute for Health Policy & Practice
University of New Hampshire
August 11, 2023

Learning Objectives

01

Build awareness of the populations and services that Medicaid can cover

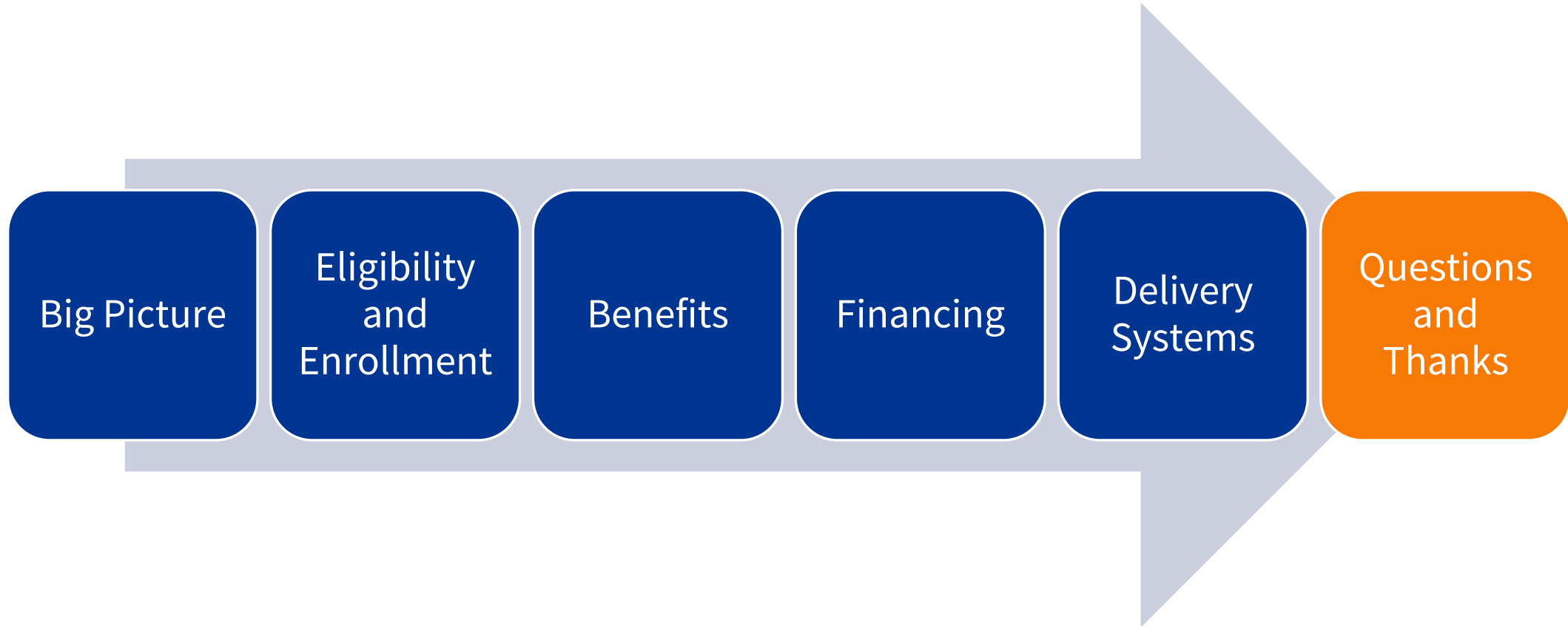
02

Build awareness of the general financial structure of Medicaid

03

Identify the 4 factors that must be present generally for Medicaid to pay for a given service

Our Time Together



Big Picture

Big Picture

Medicaid is a 58-year old, jointly-funded health insurance program for low-income people.

It is elective to have a Medicaid program. Currently every state in the Union has elected to have one.

Participating states must cover select groups of people and cover select groups of services that are known as mandatory.

Participating states can elect coverage for additional services and populations that are known as optional.

In return for following the federal requirements, the federal government always pays a fixed percentage of the cost.

This is referred to as FMAP (Federal Medical Assistance Percentage) or FFP (Federal Financial Participation).

The FMAP is never less than 50%.

Big Picture - What does a Medicaid Agency Do?

Runs the Insurance Program

- Policy
- Eligibility & Enrollment of Members
- Multiple service delivery arrangements – Services and Providers
- Payment system – MMIS
- Finance – State and Federal
- Consumer Affairs/Legal and Appeals

Manages the Stakeholders

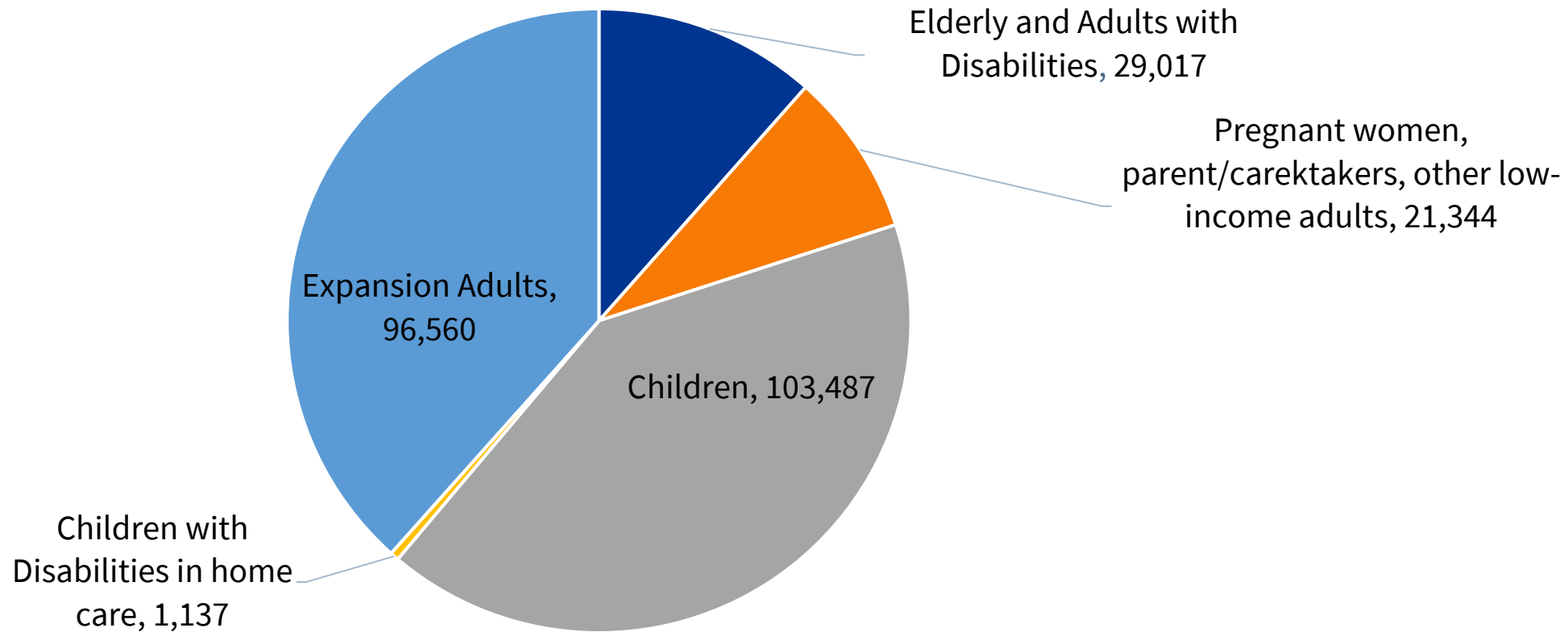
- State House
- Administration – corner office and other departments/divisions
- CMS regional
- CMS federal
- Special Populations
- Providers

Big Picture - What Medicaid Is Not

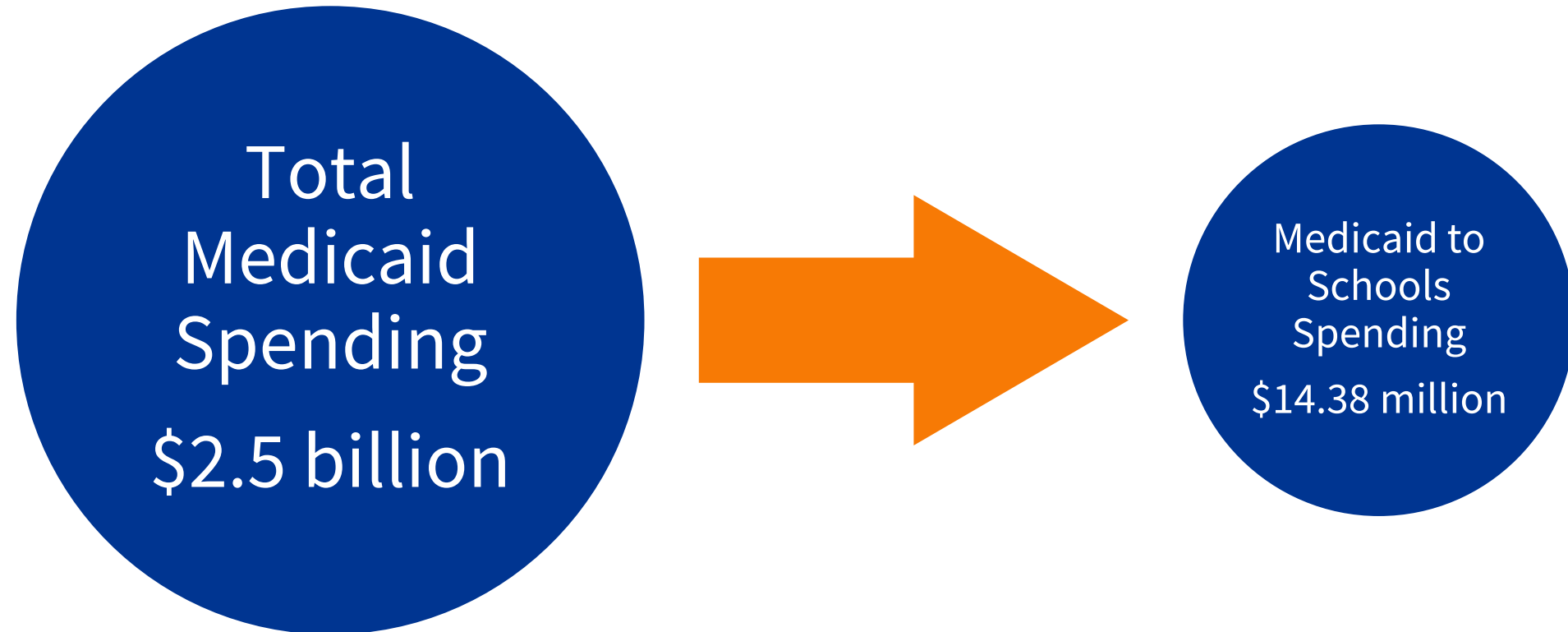


Big Picture:

At Its High-Water Mark, Medicaid Insured 18% of New Hampshire's Population
Children are the Single Largest Eligibility Category



SFY22 New Hampshire Medicaid Spending

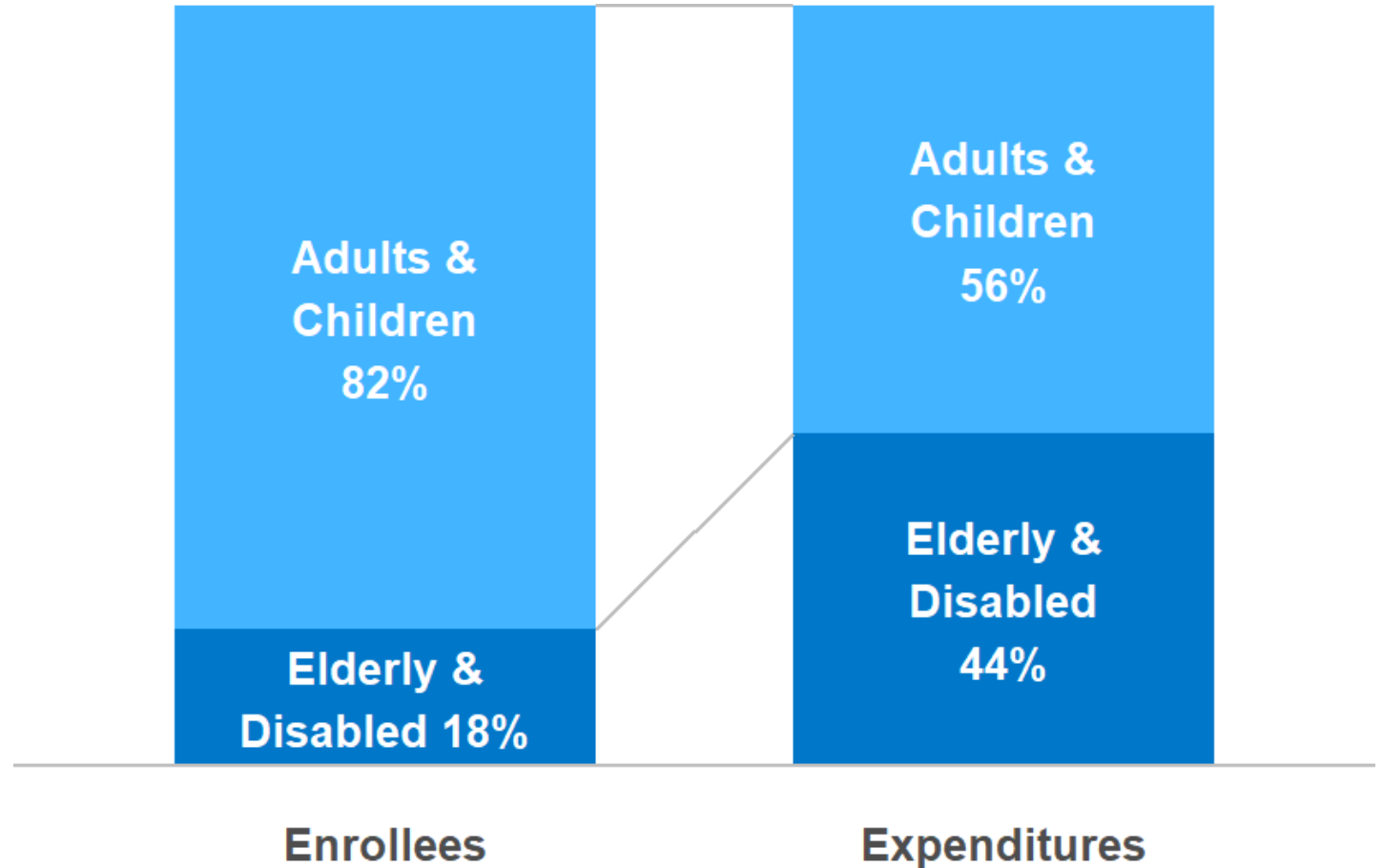


8/11/23 Source: Page 111 of the March 2023 NH Bond Report <https://www.nh.gov/treasury/documents/general-obligation-bonds-2023-series-a-b.pdf#page=111>
Source: Page 937 of GOV's recommendations of 24-25 operating budget https://www.gencourt.state.nh.us/lba/budget/operating_budgets/2024-2025/House_Finance/GovernorsRec_24-25.pdf#page=937

Big Picture:

Concentration of Total Costs are Disproportionate to Enrollment Trends for the Elderly, Disabled and Children

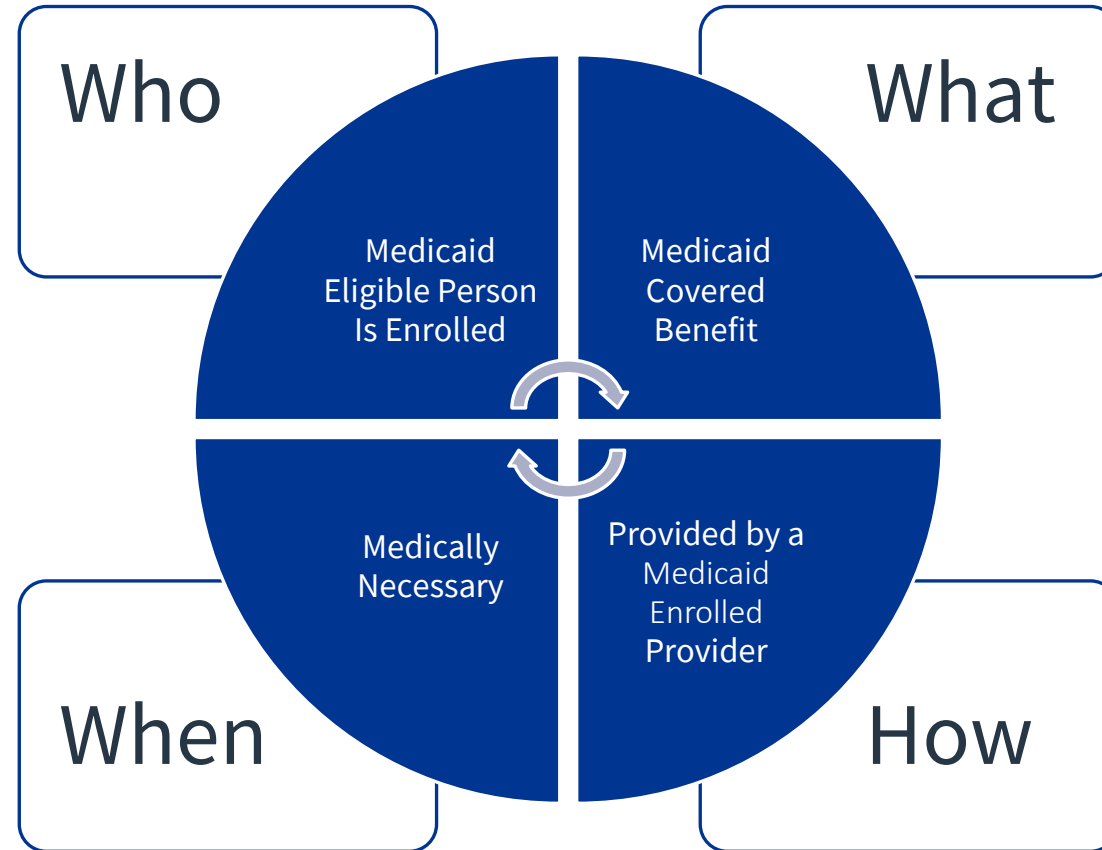
New Hampshire Medicaid Enrollees vs. Expenditures



Source: Kaiser Family Foundation, October 2022*

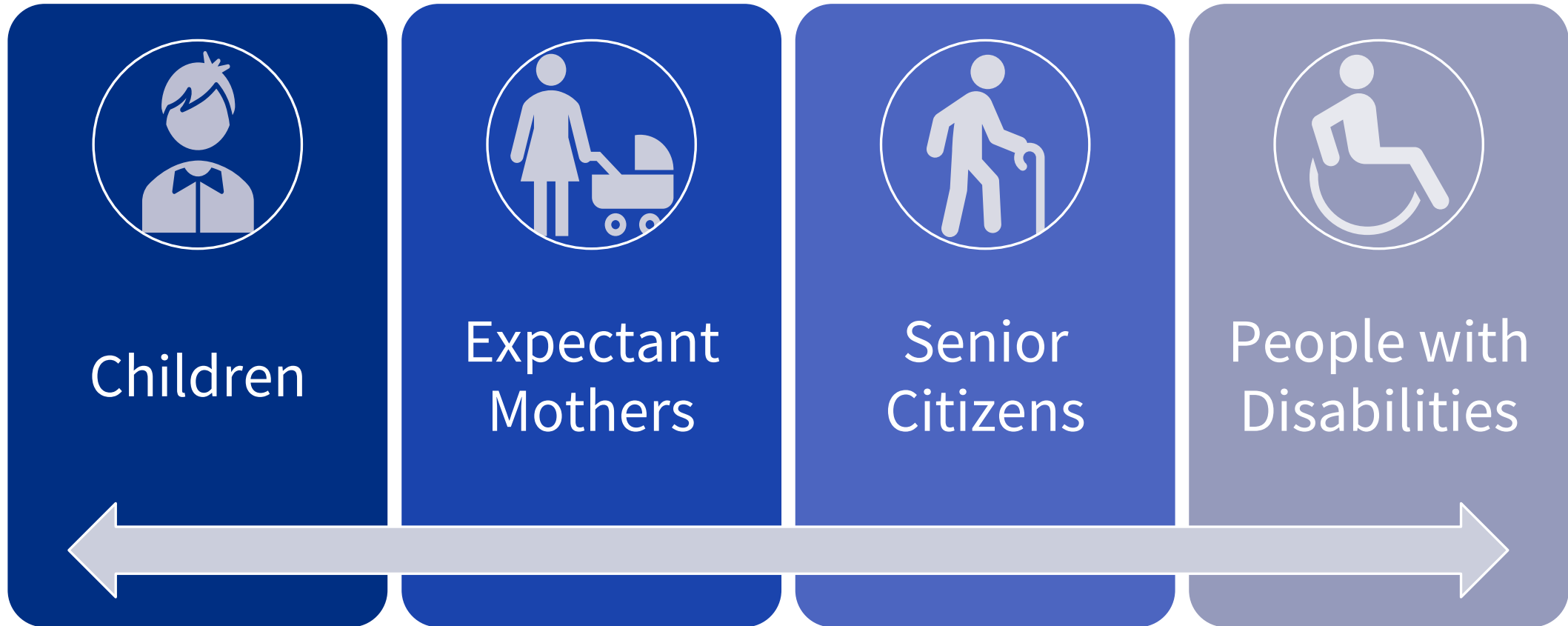
*Previous slide with data directly from state shows elderly and disabled were 12% of the NH Medicaid population.

Big Picture: Medicaid Pays When All Four Quadrants Are Lit Up



Eligibility & Enrollment

Eligibility: Medicaid Historically Has Provided Health Insurance Coverage For Low-Income People In These Groups



General Income Eligibility for Select Medicaid Categories and Financial Help on the Marketplace

| Federal Poverty Level 2023 (annual income family of 1) | | | | | | | | | | |
|--|---------------------------|-----------------------|---|-----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|--|
| | <50% FPL \$7,290 | <100% FPL \$14,579 | 100% FPL \$14,580 | 138% FPL* \$20,120 | 150% FPL 21,870 | 200% FPL \$29,160 | 250% FPL \$36,450 | 300% FPL \$43,740 | 350% FPL \$51,030 | |
| NH Medicaid | | | Premium Tax Credits ACA Marketplace Plans | | | | | | | |
| | Disabled and working | | | | | | | | | |
| | Senior citizens | | | | | | | | | |
| | Babies and children | | | | | | | | | |
| | Expectant moms | | | | | | | | | |
| | Low-income parent | | | | | | | | | |
| | Certain disabled children | | | | | | | | | |
| | Low -Income Adults 19-64 | | | | | | | | | |
| Breast and cervical cancer patients | | | | | | | | | | |

* A required 5 percent income disregard in ACA effectively makes the income eligibility for expansion 138% FPL.

Benefits

Benefits: If the state chooses to provide Medicaid, it must cover mandatory services

Mandatory services include traditional services

- Hospital services
- Physician services
- Skilled nursing facility care
- X-ray and laboratory services

And SOME non-traditional services

- Non-emergency medical transportation
Early Periodic, **Early & Periodic Screening, Diagnosis & Treatment (EPSDT) Services for Persons < Age 21**
- Tobacco Cessation for Pregnant Women
- Medication Assisted Treatment
- Non-Emergency Medical Transportation

Benefits: Beyond Mandatory Services, a state can elect, but is not required to cover optional services, such as:

Prescriptions



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graph TD; A[Prescriptions] --> B[Mental Health Services]; B --> C[Substance Use Disorder Services]; C --> D[Prosthetics];
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Mental Health Services

Substance Use Disorder Services

Prosthetics

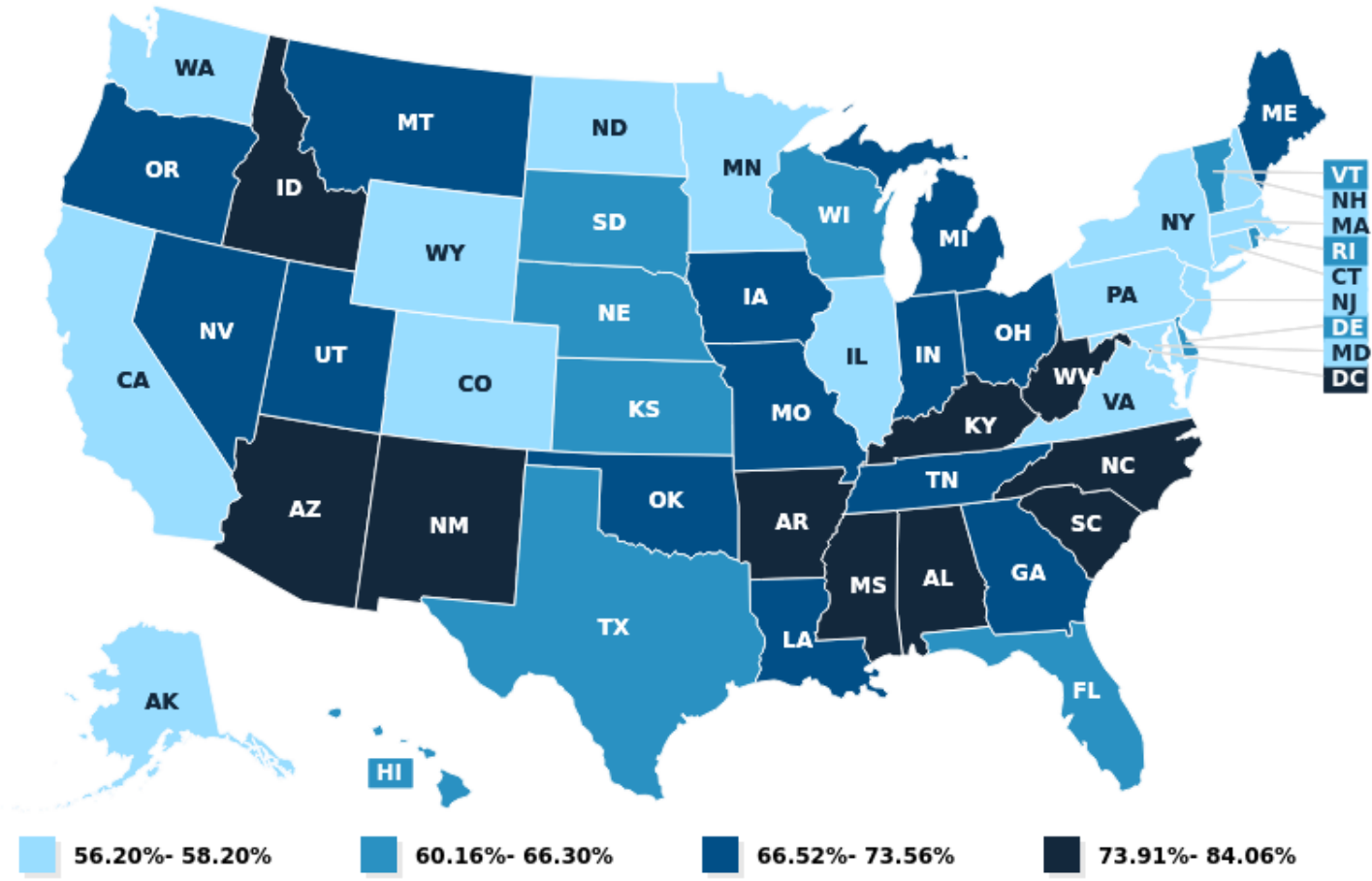
Key Medicaid Services in New Hampshire

| Mandatory Services | Optional Services |
|--|--|
| <p>Inpatient Hospital Services Outpatient Hospital Services Family Planning Services Rural Health Clinic Services Physicians Services X-Ray Services Intermediate Care Facility Nursing Home Dental Service (Children) Laboratory (Pathology) Home Health Services I/P Hospital Swing Beds, SNF Advanced RN Practitioner Skilled Nursing Facility Nursing Home I/P Hospital Swing Beds, ICF Early & Periodic Screening, Diagnosis & Treatment (EPSDT) Services for Persons < Age 21 Medication Assisted Treatment</p> | <p>Prescribed Drugs Optometric Services Eyeglasses Adult Medical Day Care Adult Dental Mental Health & SUD Services Wheelchair Van Services Day Habilitation Center Ambulance Services Crisis Intervention Services Physical Therapy Podiatrist Services Psychology Services Audiology Services Private Duty Nursing Speech Therapy Occupational Therapy Home Based Therapy Hospice Personal Care Services Outpatient Hospital, Mental Health & SUD Inpatient Psychiatric Facility Services Under Age 22 Durable medical equipment and supplies Nursing Facilities Services for Children w/Severe disabilities</p> |

| Home & Community Based Care Waivers |
|--|
| <p>Acquired Brain Disorder Developmentally Disabled Choices for Independence In Home Supports</p> |

Financing

Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier: FMAP Percentage, FY 2023



SOURCE: Kaiser Family Foundation's State Health Facts.

Financing

In return for following the rules of the program, the federal government always pays a fixed percentage of the cost, **known as FMAP (Federal Medical Assistance Percentage)**.

- The FMAP **varies** by state and population/service.
- The FMAP is **never less than 50 percent**. The lower the per capita wealth, the higher the state FMAP.*

States with higher FMAP spend less to purchase covered services or pay plans/providers the same amount compared to lower FMAP states.

| Gross Spend | FMAP | State Spend | Federal Match |
|--------------------|-------------|--------------------|----------------------|
| \$200 | 50% | \$100 | \$100 |
| \$200 | 70% | \$60 | \$140 |

States with higher FMAP require deeper cuts to reduce state general fund spending than lower FMAP states.

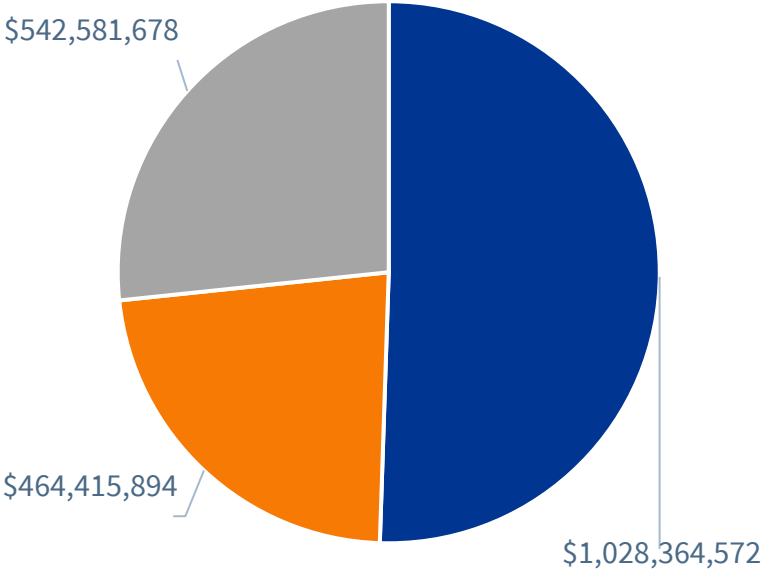
Financing – THERE IS NO FREE LUNCH

**STATE SHARE IS
WHAT CAN
BECOME
POLITICALLY
SENSITIVE**

- Must be “public” dollars
- At least 40% of state share must be from state general revenue
- Remainder can be from other government contributions including county dollars and health care related taxes

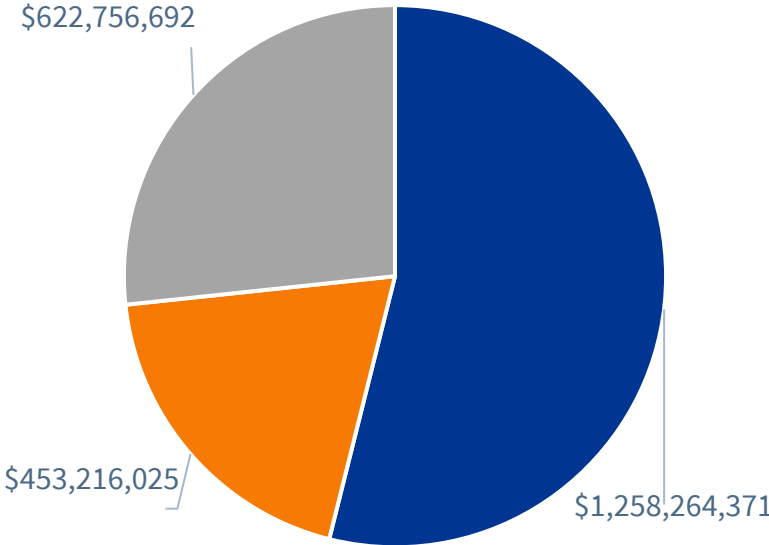
NH Medicaid Budget By Type of Funds

2018 / 2019



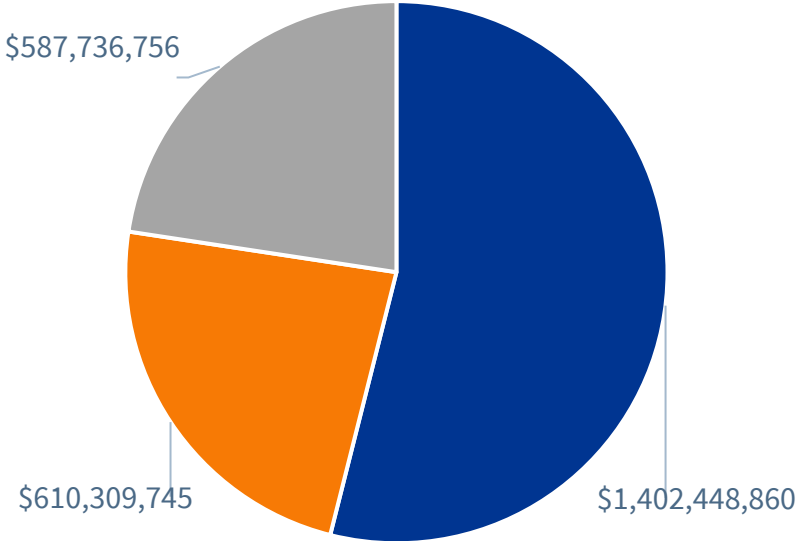
Federal General Other

2020 / 2021



Federal General Other

2022 / 2023

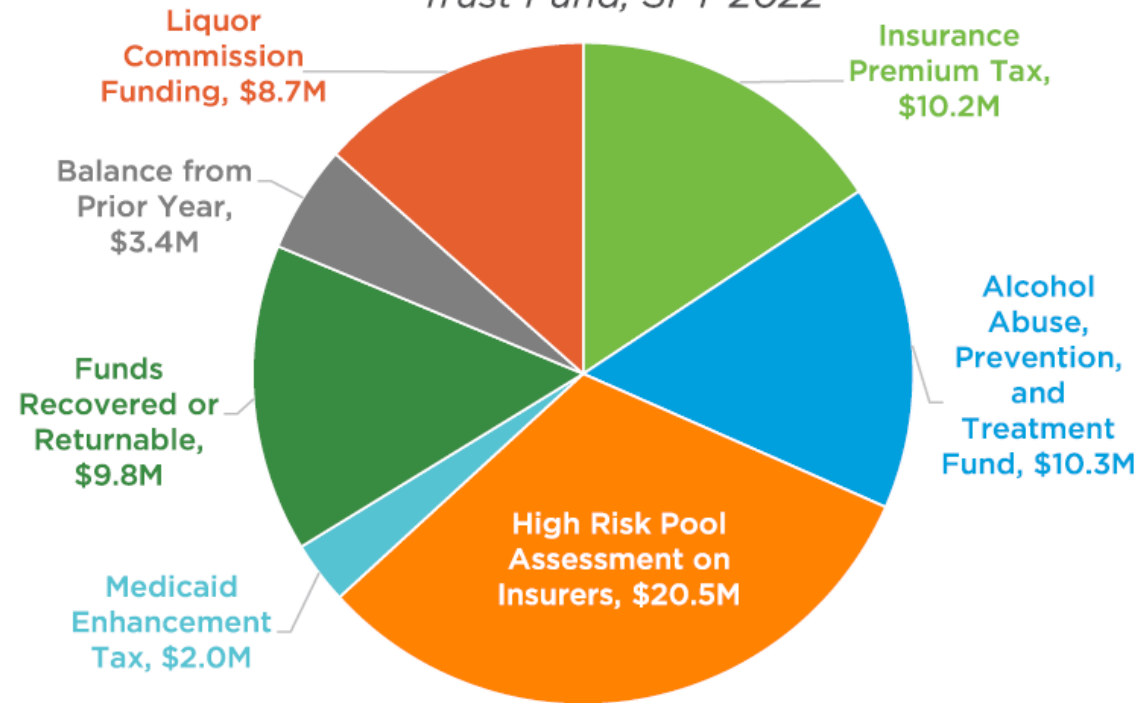


Federal General Other

Source: Division of Medicaid Services Presented to House Finance Division III March 8, 2021

FUNDING NON-FEDERAL SHARE OF MEDICAID EXPANSION

New Hampshire Granite Advantage Health Care Trust Fund, SFY 2022

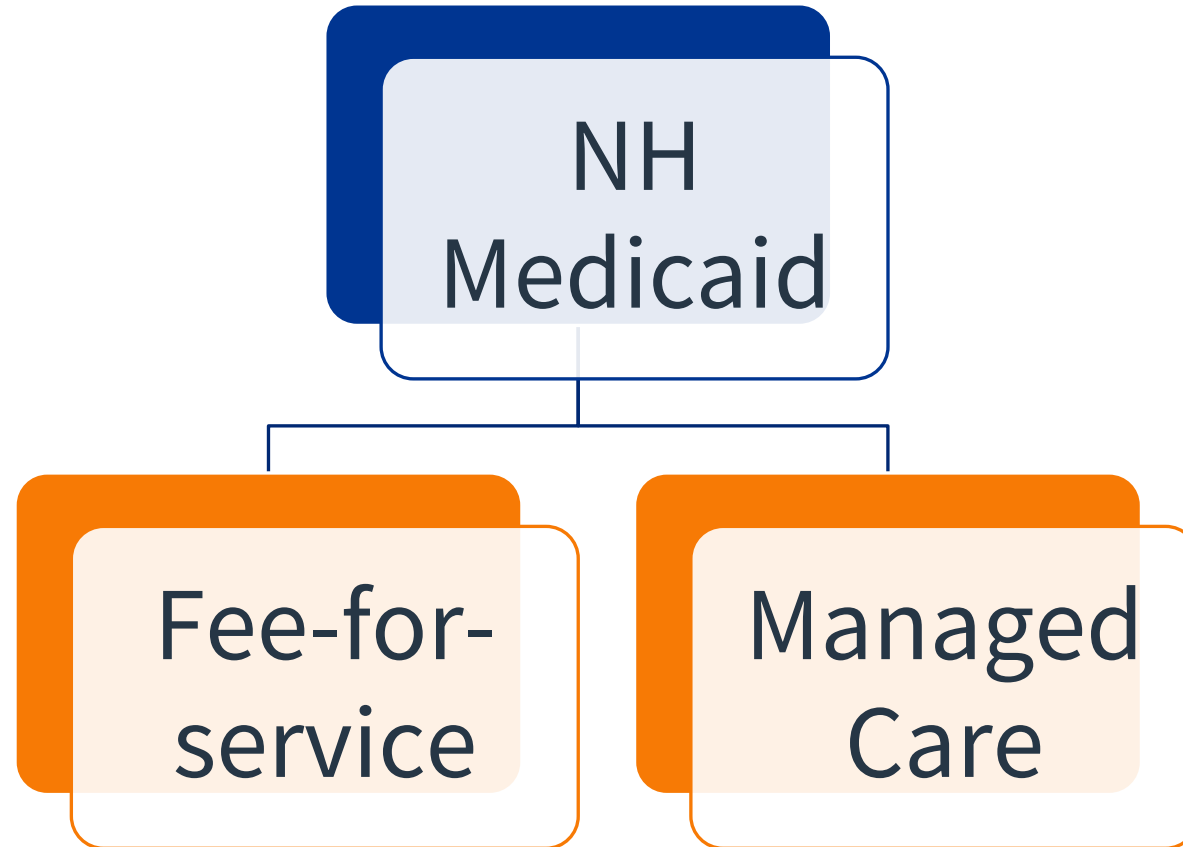


Sources: New Hampshire Treasury Department;
New Hampshire Department of Health and Human Services

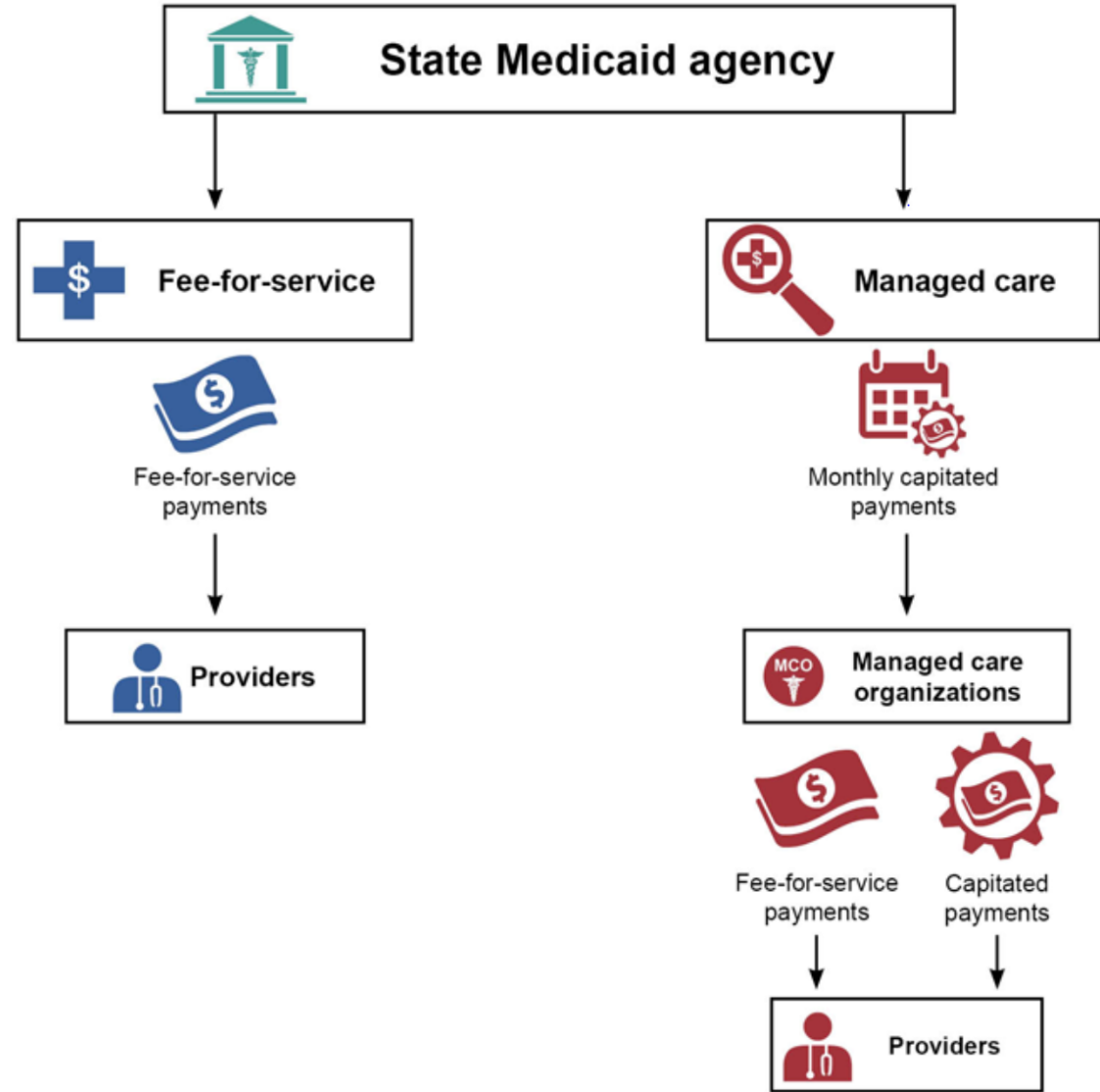
nhfpi.org

Delivery Systems

New Hampshire Medicaid: Two Delivery Systems



Payment Flow: Fee-for-service and Managed Care



Source: GAO. | GAO-18-528

Medicaid Managed Care in NH

- NH has three Managed Care Organizations (MCOs).
- The state pays a per-member, per month rate to the vendors for each enrolled participant.
- Approximately 180,000 Medicaid members receive short-term medical services through these three health plans.

AmeriHealth
Caritas

New Hampshire
Healthy
Families

Wellsense



Questions

Thank You!



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