



LEGISLATIVE **HEALTH POLICY** ORIENTATION

Session One

- ◆ Medicaid and CHIP 101
- ◆ Controlling Health Care Costs

January 5, 2021
9:00 AM - 10:30 AM CST



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Medicaid and CHIP 101: Understanding the KanCare Program



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Kansas Health Institute

AGENDA

1. Medicaid and CHIP basics
2. KanCare: Services and populations
3. What may be ahead?
4. Discussion

1.

MEDICAID AND CHIP BASICS

POP QUIZ!

How much do you know about Medicaid?

- 1) Just starting to learn about it
- 2) Learning more all the time
- 3) Basically an expert

POP QUIZ, PART 2

Which program is older: Medicare or Medicaid?

- 1) Medicare
- 2) Medicaid
- 3) That sounds like a trick question

POP QUIZ, PART 2

Which program is older: Medicare or Medicaid?

- 1) Medicare
- 2) Medicaid
- 3) That sounds like a trick question

Correct answer: 3) On July 30, 1965, President Lyndon B. Johnson signed into law the bill that created Medicare and Medicaid.

MEDICAID IN 1965



MEDICAID OR MEDICARE?

Differences Between the Medicaid and Medicare Programs

MEDICAID

- Provides health insurance for low-income children and some parents, seniors and individuals with disabilities
- Provides medical care and long-term care coverage
- Has eligibility rules based on income
- Receives state and federal funding
- Administered on a state level, within federal guidelines

MEDICARE

- Provides health insurance for seniors age 65 and older, and for some adults with disabilities
- Provides medical care coverage, but very limited long-term care coverage
- Has no income limit
- Receives federal funding collected by payroll deduction
- Administered on a federal level

Note: Individuals can be eligible for both Medicare and Medicaid, and those who qualify for both are referred to as dual eligible beneficiaries. In FY 2018, an average of 63,424 Medicaid beneficiaries each month were also eligible for Medicare.

WHAT IS CHIP?

- Children's Health Insurance Program (CHIP) signed into law at the federal level in 1997.
- Adopted in Kansas in 1998, implemented in 1999.
- Covers children in families with incomes too high for Medicaid but who can't afford private coverage.
- Authorized by Congress through 2027.

FINANCING MEDICAID

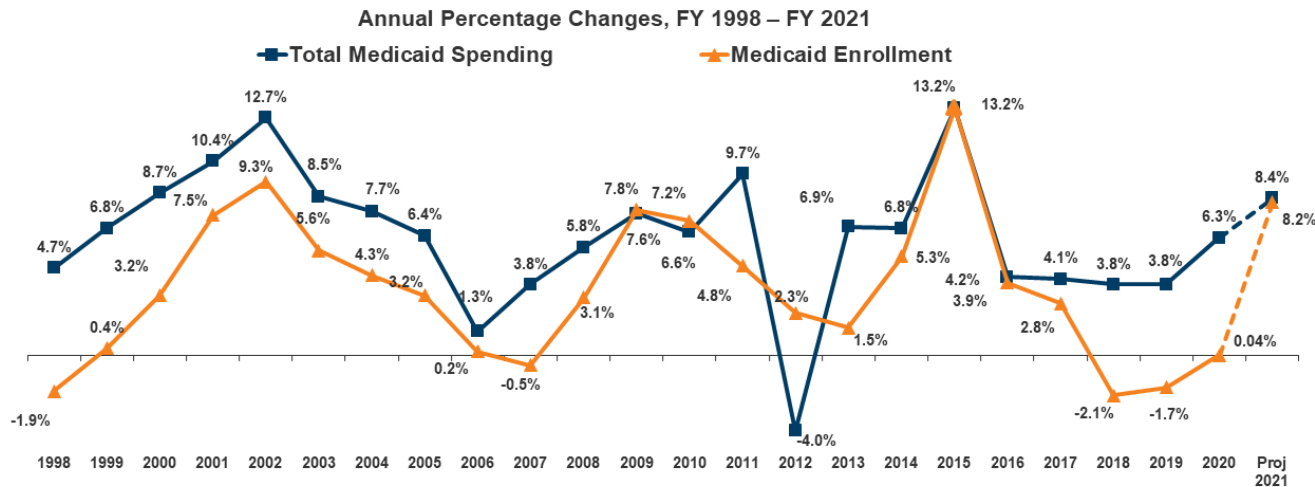
- In FFY 2019, national Medicaid spending was \$603.6 billion (CHIP was \$18.8 billion).
- Medicaid is jointly financed by federal and state dollars.
- By law, every state receives at least a 50-percent match in federal dollars.
- Federal Medical Assistance Percentages (FMAP) vary by state.

MATCHING RATES

- FFY 2021 federal matching share in Kansas is 59.68 percent.
- Equates to \$1.48 in federal contribution for every \$1 of regular state Medicaid spending.
- Most administrative costs are split equally between federal and state governments.
- Kansas CHIP federal match is 71.78 percent.
- COVID-19 relief includes additional 6.2 percentage points for regular Medicaid match and 4.34 percentage points for CHIP.

NATIONAL TRENDS

Percent change in Medicaid spending and enrollment, state fiscal years 1998-2021



NOTE: Spending growth percentages refer to state fiscal year (FY).

SOURCE: FY 2020-2021 spending data and FY 2021 enrollment data are derived from the KFF survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2020. 43 states submitted survey responses by mid-August 2020; state response rates varied across questions. Historic data reflects growth across all 50 states and DC and comes from various sources. See Methods of "Medicaid Enrollment & Spending Growth: FY 2020 & 2021" for more information.

KFF

POP QUIZ, PART 3

What was total KanCare spending – in All Funds
– in State Fiscal Year 2020?

- 1) \$900 million
- 2) \$2.5 billion
- 3) More than \$4 billion

POP QUIZ, PART 3

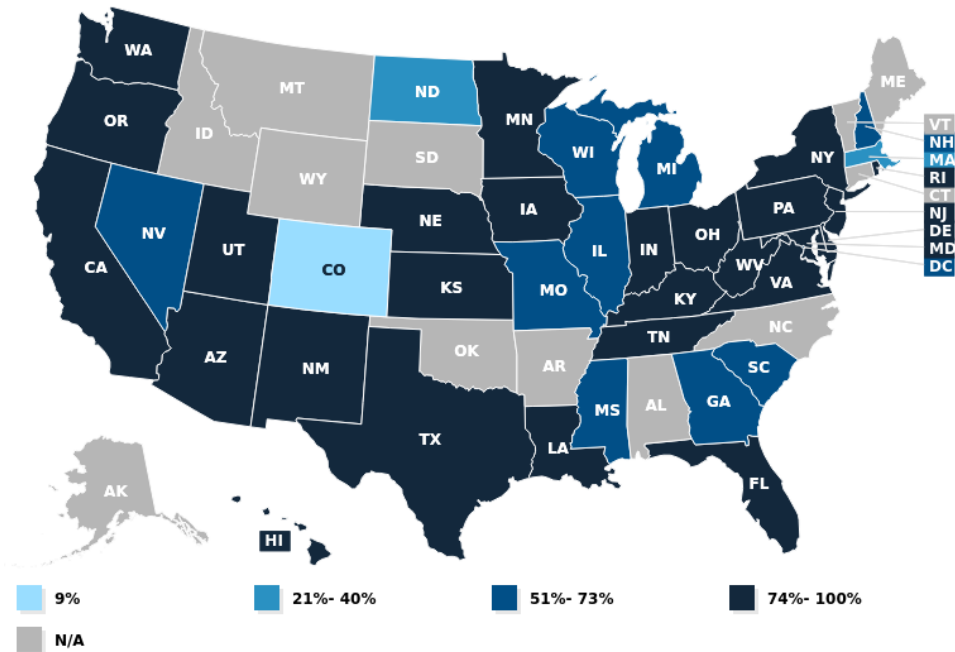
What was total KanCare spending – in All Funds
– in State Fiscal Year 2020?

- 1) \$900 million
- 2) \$2.5 billion
- 3) More than \$4 billion

Correct answer: 3) More than \$4 billion

MEDICAID MANAGED CARE

Total Medicaid MCO Enrollment: Percent of State Medicaid Enrollment, 2018



2.

KANCARE: SERVICES AND POPULATIONS

POP QUIZ, PART 4

How many Kansans were enrolled in Medicaid and CHIP combined in October 2020?

- 1) Nearly 350,000
- 2) About 450,000
- 3) Almost 550,000

POP QUIZ, PART 4

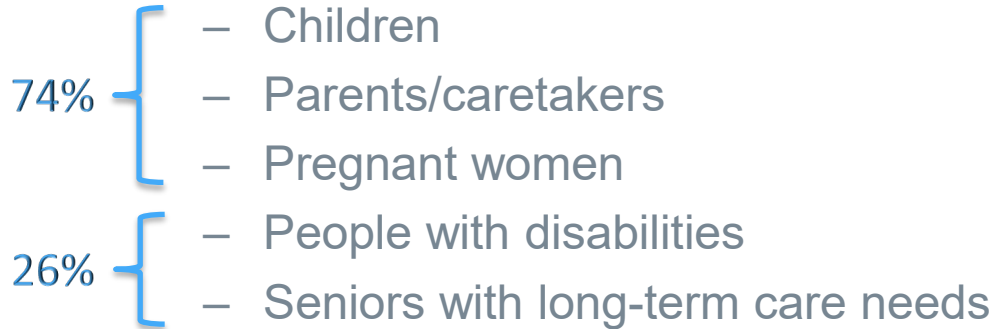
How many Kansans were enrolled in Medicaid and CHIP combined in October 2020?

- 1) Nearly 350,000
- 2) About 450,000
- 3) Almost 550,000

Correct answer: 2) More precisely, 453,296 beneficiaries

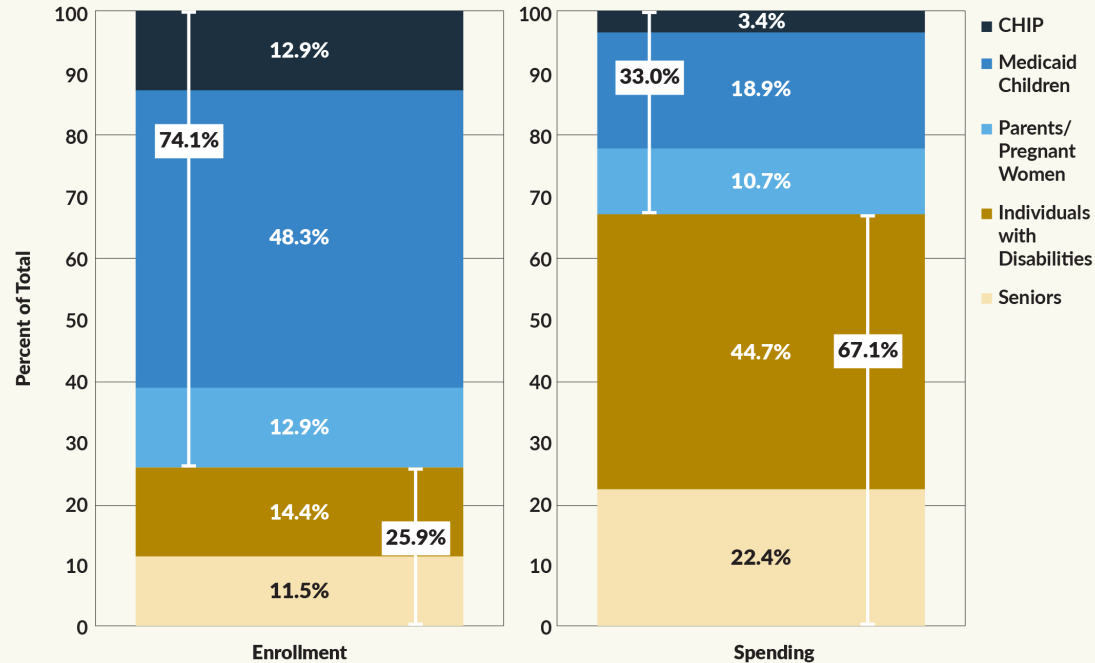
KANCARE

- In Kansas, Medicaid and CHIP are known as KanCare.
- KDHE is the Medicaid agency; KDADS partners.
- KanCare serves mostly low-income:



WHO'S ENROLLED

Medicaid and CHIP Population Groups and Spending, Kansas Fiscal Year 2018



Note: Enrollment and spending do not include the following populations: foster care/adoption, the Sixth Omnibus Budget Reconciliation Act (SOBRA) program, tuberculosis, breast and cervical cancer, and the AIDS Drug Assistance Program (ADAP). Figures may not sum to 100 percent because of rounding.

Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2018, and additional data from the Division of Health Care Finance, Kansas Department of Health and Environment.

COSTS BY POPULATION

Per Capita Annual Cost by KanCare Population, Kansas Fiscal Year 2018

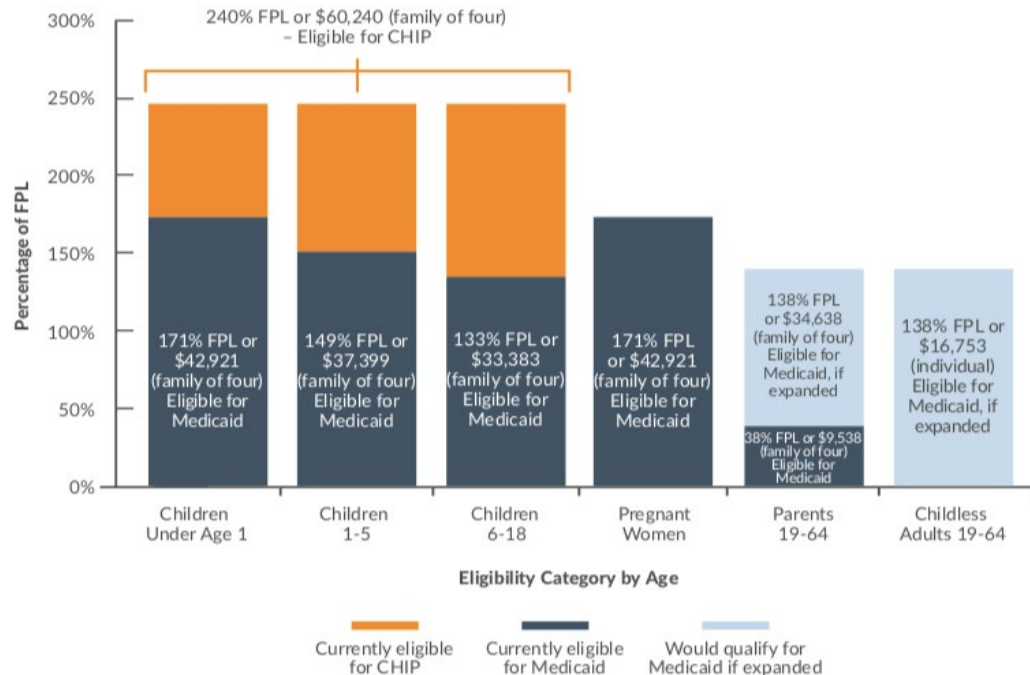
Population Enrolled in Medicaid or CHIP	Per Capita Cost
Individuals with Disabilities	\$25,814
Seniors	\$16,202
Parents/Pregnant Women	\$6,901
Medicaid Children	\$3,247
CHIP	\$2,206
<i>CHIP/Medicaid Children and Families Combined</i>	<i>\$3,701</i>
All Enrollees	\$8,326

Note: Costs as incurred by the state. Enrollment and costs do not include the following populations: foster care/adoption, the Sixth Omnibus Budget Reconciliation Act (SOBRA) program, tuberculosis, breast and cervical cancer, and the AIDS Drug Assistance Program (ADAP).

Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2018, and additional data from the Division of Health Care Finance, Kansas Department of Health and Environment.

CHILDREN AND FAMILIES

Figure D.2 Income Eligibility Levels for Kansas Medicaid and CHIP, 2018



Note: Income levels shown are applicable to children and nonelderly adults without disabilities or other health needs that could make them eligible at a different income level. Eligibility levels reflect Modified Adjusted Gross Income (MAGI) rules, including a 5 percent income disregard that might be applied on an individual basis.

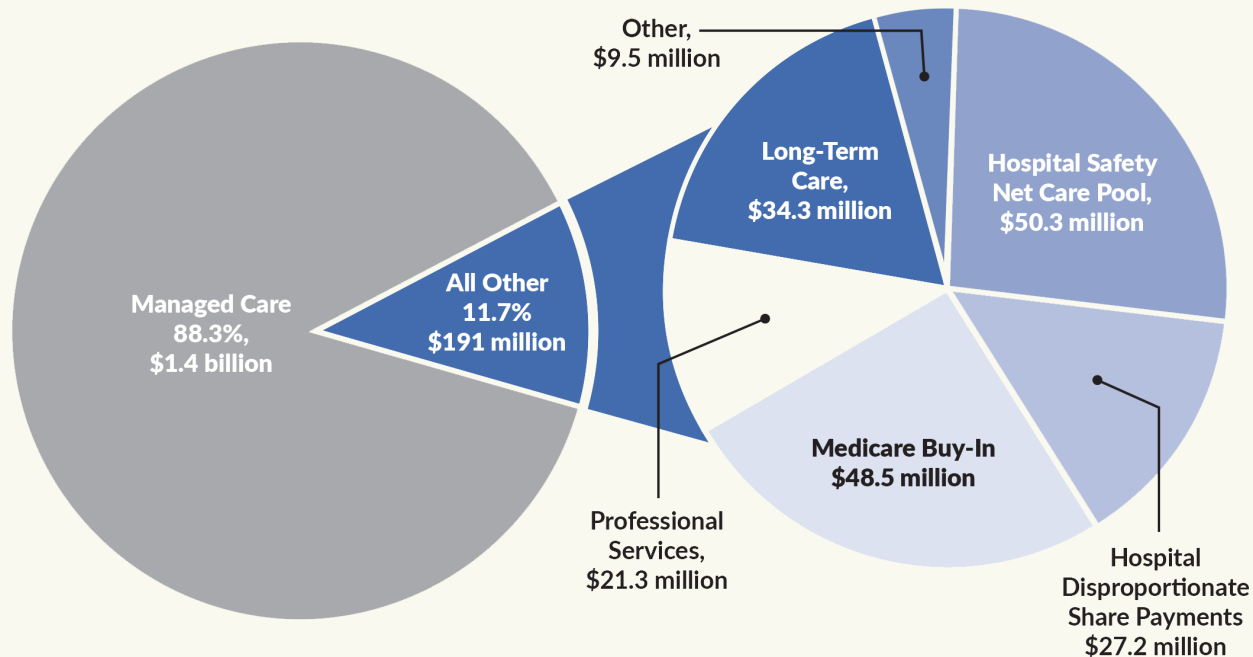
Source: Eligibility information is from the Division of Health Care Finance, Kansas Department of Health and Environment, 2018 (https://www.kancare.ks.gov/docs/default-source/policies-and-reports/kdhe-keems/appendix/financial/f-8-ks-medical-assistance-standards_1-19.pdf).

OTHER ELIGIBILITY PATHS

- Individuals who receive SSI are automatically eligible.
- Medically Needy: “Spend down” to protected income limit
- MediKan
- Working Healthy
- Dual Eligibility
- Home and community-based services waivers
- Program of All-Inclusive Care for the Elderly (PACE)
- Other populations (including youth in foster care)

MANAGED CARE OR FEE FOR SERVICE?

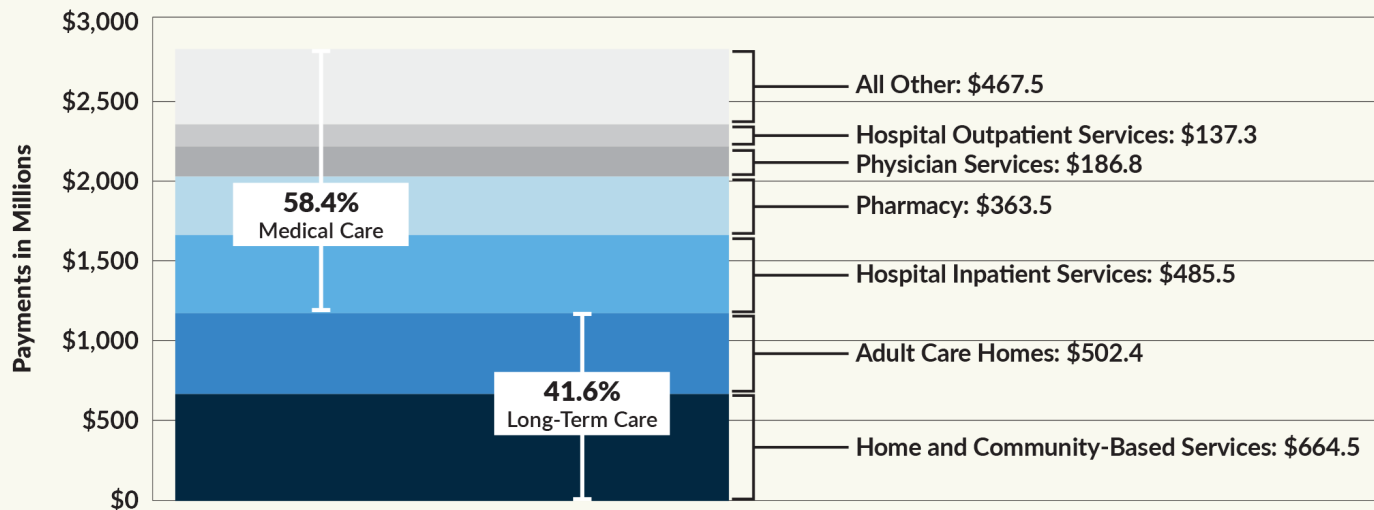
Managed Care as a Portion of Total Medicaid and CHIP Expenditures in Kansas, State Funds Only, Fiscal Year 2018



Note: Long-Term Care includes payments to nursing facilities for mental health. School-based services are included in Professional Services.
Source: KHI analysis of Medical Assistance Report (MAR), FY 2018, Kansas Department of Health and Environment.

SERVICE COMPOSITION

KanCare Managed Care Organization (MCO) Payments to Providers by Category of Service, Fiscal Year 2018, in millions



Note: Includes home and community-based services provided through waivers and the Money Follows the Person program, and independent targeted case management.

Source: Data Analytic Interface, Kansas Department of Health and Environment, FY 2018.

HCBS WAIVERS

- Autism (AU): starts services < age 6 years
- Brain Injury (BI): 0-64 years
- Frail Elderly (FE): 65+ years
- Intellectual / Developmentally Disabled (I/DD): 5+ years
- Physical Disability (PD): 16-64 years
- Serious Emotional Disturbance (SED): 4-18 years
- Technology Assisted (TA): 0-21 years

3.

WHAT MAY BE AHEAD?

COVID-19 IMPLICATIONS

- Temporary enhanced match
- Enrollment
- Access to services
- Telehealth
- Coverage gap

EXPANSION OPTION

- KHI in 2020 estimated that about 132,000 new KanCare members would enroll in KanCare if expanded under the terms of the ACA (up to 138 percent of FPL).
- Some would be uninsured and newly eligible, and others who were already eligible would be more likely to enroll because of the outreach effort that would follow.
- Still others might be currently insured but more likely to enroll in KanCare if available to them.

FEDERAL POLICY

- Change in Administration
 - Will be more encouraging of expansion
 - Likely less to welcome options such as work requirements or “partial” expansions
 - Unlikely to advance block grants or per capita caps
- Behavioral health-related waivers

4.

DISCUSSION

FINAL EXAM

What would you be most interested in learning more about?

- 1) Details on types of services covered
- 2) Medicaid expansion
- 3) Home and community-based service waivers
- 4) A deeper dive into eligibility groups, including duals
- 5) Medicaid and behavioral health



THANK YOU
Any questions?

You can connect with me at: kbruffett@khi.org



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