

EXECUTIVE SUMMARY

Cross-Sector Service Use and Costs among Medicaid Expansion Enrollees in Minnesota's Hennepin County

Improving cross-sector collaboration at local and state levels requires a deeper understanding of the total public sector involvement among individuals who utilize services, and a fuller picture of the costs associated with this utilization. In this study, the **Hennepin County Center of Innovation and Excellence** integrated data on health care, human services, criminal justice and housing encounters between March 2011 and December 2014 among Hennepin County Medicaid expansion enrollees (i.e., low-income, non-elderly, childless adults). Findings describe involvement patterns and related costs, as well as policy recommendations to enhance cross-sector collaboration.

For the full analysis, visit www.chcs.org/resource/cross-sector-service-use-costs-among-medicaid-expansion-enrollees-minnesotas-hennepin-county/.

Key Findings

- **A diverse population enrolled in Medicaid through the expansion.** Enrollees were disproportionately African American or American Indian, young, male, English-speaking, and unmarried, and represented about 13 percent of non-elderly adults in Hennepin County.
- **Substance use disorder and mental illness diagnoses were much more common than the national average.**
- **A small group of enrollees (eight percent) had encounters with each of the analyzed sectors** — health care, human services, criminal justice and housing (Exhibit 1).
- **Medicaid expansion was a common source of health insurance for Hennepin County shelter and criminal-justice-involved clients.** Low-income adults in the study cohort accounted for about half of all shelter, jail and adult corrections facility bed-days in Hennepin County.
- **The public sector spent over \$600 million annually on Medicaid expansion enrollees with over half spent on health care programs (\$344 million).** The rest was split among human services (\$113 million), criminal justice (\$105 million), and housing (\$49 million) (Exhibit 2).
 - » Federal and state government spent most on health care; county government spent most on criminal justice (Exhibit 3).
 - » Enrollees with substance use disorder and mental health diagnoses made up just 21 percent of Medicaid expansion enrollees, but incurred 53 percent of all public costs (Exhibit 4).
 - » Costs were concentrated among a minority of enrollees. Most Medicaid expansion enrollees incurred relatively low public costs (Exhibit 4).

Recommendations

- **Integrated service delivery**, especially around housing and behavioral health. Public sector involvement patterns among Medicaid expansion enrollees suggest that housing and behavioral health are important social determinants of involvement across sectors. Similarly, there is strong overlap between individuals with housing needs and criminal justice involvement. Cross-sector collaboration to promote policies such as housing stability and behavioral health treatment, or enhanced linkages to health care services for those with criminal justice involvement could improve outcomes across multiple sectors, resulting in greater return on public investments.
- **Integrated data systems.** Data integration is a basic requirement for designing and evaluating cross-sector approaches. Timely access to reliable cross-sector data and a unified, cross-sector approach to data management

could improve how each sector understands the broader impact of their interventions, deepen knowledge of shared social determinants, and lead to more thoughtful, collaborative service delivery.

- **A unified vision.** Data and service integration would be best implemented under a unified vision for public services. Health care, human services, criminal justice, and housing operate with separate assessments and outcome metrics despite shared social determinants and many shared clients with cross-cutting needs. A unified vision would create a shared framework for success, including shared assessments, analytics and outcome metrics. The vision must be measurable and operationalized with funding aligned across sectors and levels of government to promote collaboration.

The Medicaid expansion provided a new opportunity to broadly address the needs of low-income, non-elderly adults across multiple public sectors. Service collaboration, data integration, and a unified vision shared among the health sector and other sectors may improve design, implementation and evaluation of interventions for low-income adults and better support overall well-being.

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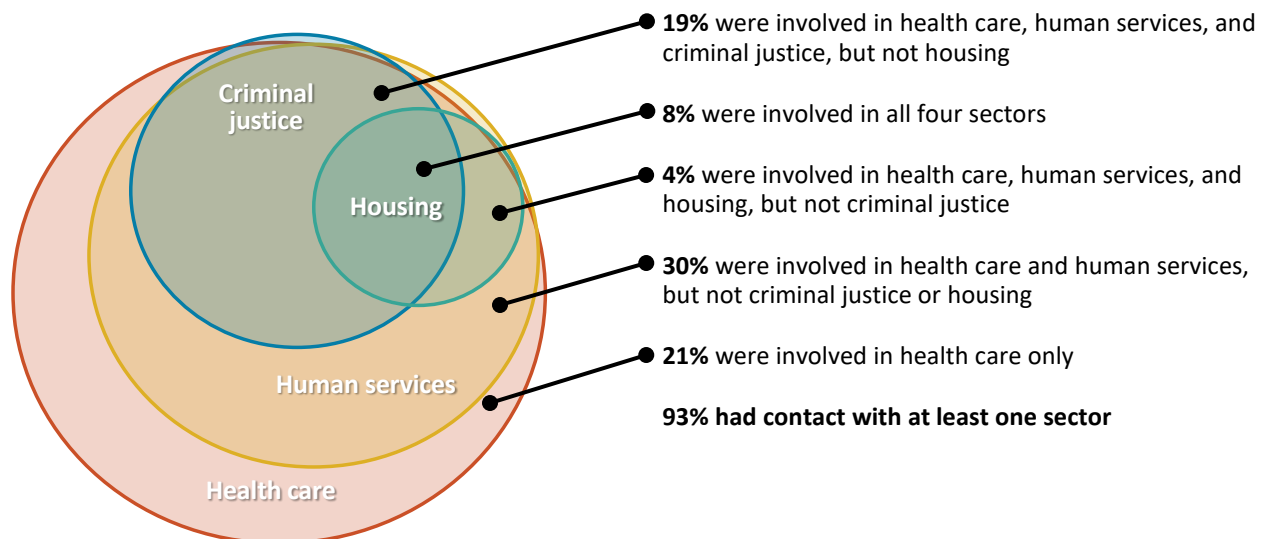
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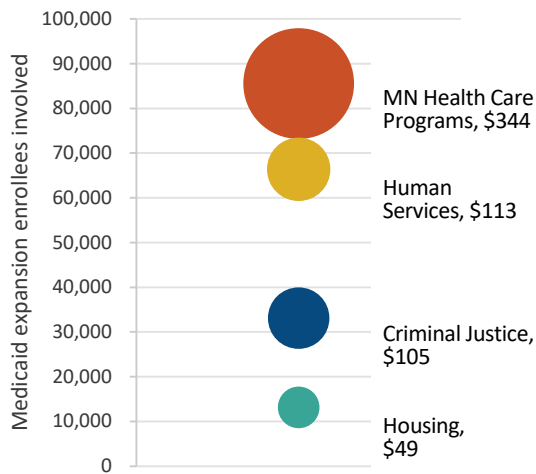
Exhibits

Exhibit 1. Cross-Sector Involvement of Hennepin Expansion Enrollees (n=98,282)



Eight percent of Medicaid expansion enrollees had encounters with all four sectors. Most enrollees with housing or criminal justice involvement also had encounters in other sectors.

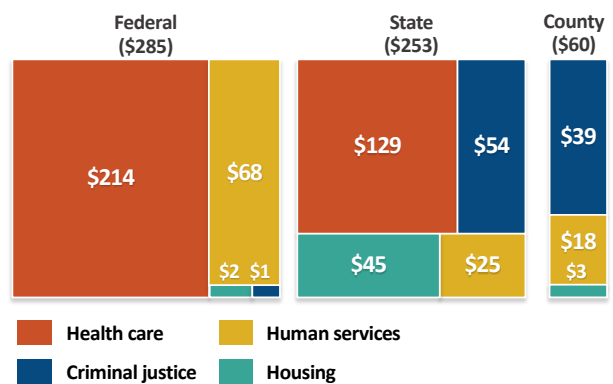
Exhibit 2. Total Annualized Cost (2014, in millions) for Expansion Enrollees*



*Note: Size of circle is relative to total expenditures in each sector

Health care accounted for the largest share of public spending on Medicaid expansion enrollees. Far more enrollees had contact with human services than criminal justice, though total expenditures in these sectors were about equal. Housing spending was the least.

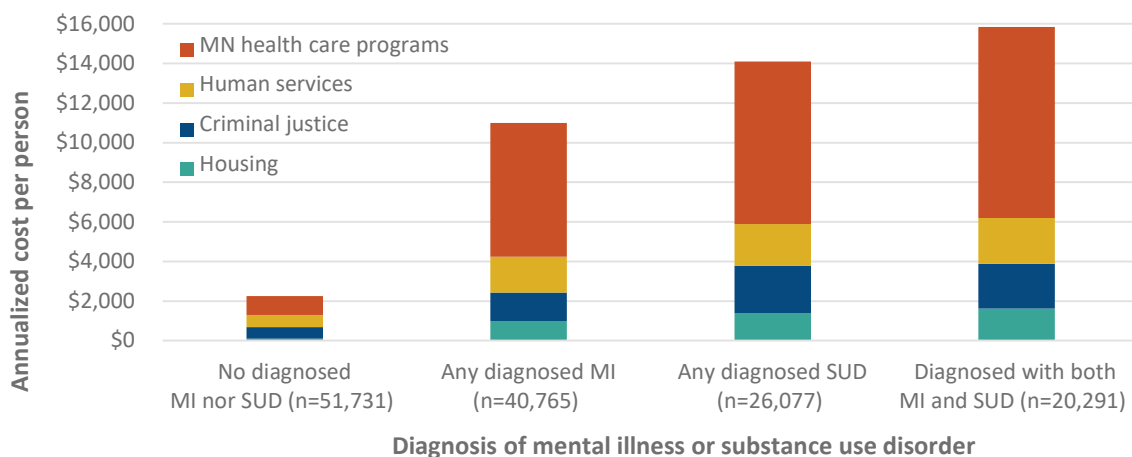
Exhibit 3. Total Annualized Costs for Hennepin Expansion Enrollees by Sector and Level of Government (2014, in millions)**



**Based on pre-expansion allocation. Per the Affordable Care Act, the federal government paid 100 percent of reimbursements for individuals eligible for Medicaid under the expansion between 2014 and 2016, phasing down to 90 percent by 2020.

Federal government spent most on health care and human services. State government spent most on health care, but also had substantial costs in other sectors. County government spent most on criminal justice.

Exhibit 4. Annualized Per Person Costs for Hennepin Expansion Enrollees with SUD or MI Diagnoses



Enrollees with behavioral health diagnoses incurred much higher costs per person across all sectors than those with no diagnosed conditions. Costs for those with both substance use disorder (SUD) and mental health diagnoses were highest, making up 53 percent of all public costs from just 21 percent of enrollees.