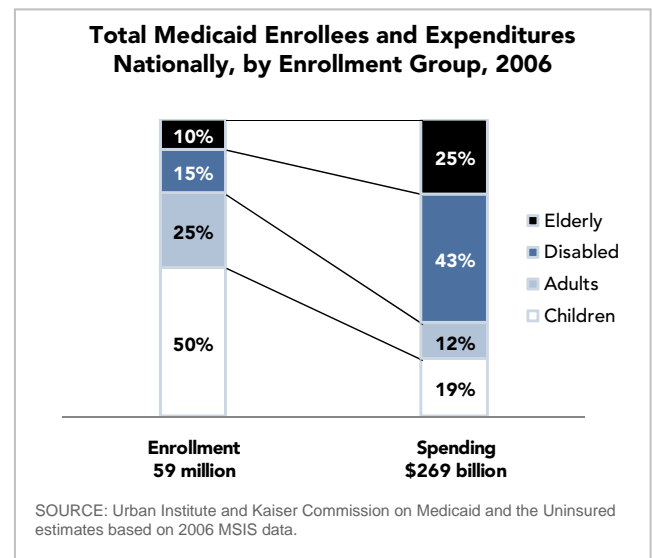


Medicaid in the United States: A Snapshot

As the largest health coverage program in the country, Medicaid serves approximately 67 million individuals¹—many with a complex and costly array of chronic illnesses and disabilities. No longer linked to welfare in many states, Medicaid provides coverage to individuals well beyond its traditional base, including working parents, childless adults and the recently unemployed. While poor health care quality confronts all Americans, the quality gap is substantially greater for Medicaid beneficiaries, who have lower measures of care for many chronic conditions compared to those with commercial coverage.² Managing the care of Medicaid enrollees more effectively could improve health outcomes for millions of Americans and reduce health care expenditures.

With Medicaid enrollment and costs continuing to rise—one million additional enrollees are expected for each 1 percent increase in unemployment³—innovations that produce better financial and clinical outcomes are increasingly essential. Such advances will become even more important if a large Medicaid expansion occurs under federal health care reform efforts. Medicaid is uniquely positioned to partner in system-wide initiatives due to its:

- High prevalence of chronic illness:** Sixty-one percent of adult Medicaid enrollees have a chronic or disabling condition, representing a significant opportunity to test and lead advances in care management.^{4,5}
- High percentage of racial/ethnic diversity:** People in racial and ethnic minority populations, who make up roughly half of Medicaid beneficiaries under age 65,⁶ experience more barriers to care, a greater incidence of chronic disease, lower quality of care and higher mortality than the general population.⁷
- High proportion of small provider practices:** About half of all Medicaid beneficiaries in select states go to practices with three or fewer providers. These practices have large gaps in chronic care performance—especially for minority populations—creating significant opportunities for improving quality and reducing disparities.⁸
- Leadership in value-based purchasing:** State Medicaid programs are increasingly using purchasing leverage to measure provider and plan performance; mine data to target improvement efforts; and realign financial incentives and reimbursement. States can maximize these efficiencies by aligning financial incentives with other public and commercial payers to reward better outcomes.
- Existing systems for managing care:** More than 60 percent of Medicaid beneficiaries are in a managed health care system (e.g., full risk, primary care case management, etc.),⁹ linking them directly to a primary care provider. Managed care can be leveraged to provide more integrated care, particularly for those with complex needs.



¹ Health Management Associates estimate for 2009 based on Congressional Budget Office, *Budget and Economic Outlook*, January 2008. Estimate is for Medicaid beneficiaries ever enrolled in 2009 (not average enrollment).
² E.A. McGlynn et al. "The Quality of Health Care Delivered to Adults in the United States." *New England Journal of Medicine* 348, no. 26 (2003); National Committee for Quality Assurance's Quality Compass 2008, available at www.ncqa.org/tabid/177/Default.aspx.

³ S. Dorn, B. Garrett, J. Holahan, and A. Williams. *Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses*. Kaiser Commission on Medicaid and the Uninsured, April 2008.

⁴ Kaiser Commission on Medicaid and the Uninsured, 2001 data; and R.G. Kronick, M. Bella, T.P. Gilmer, and S.A. Somers, *The Faces of Medicaid II: Recognizing the Care Needs of People with Multiple Chronic Conditions*. Center for Health Care Strategies, Inc., October 2007.

⁵ R.H. Kronick, M. Bella, T.P. Gilmer, and S.A. Somers. *The Faces of Medicaid II: Recognizing the Care Needs of People with Multiple Chronic Conditions*. Center for Health Care Strategies, October 2007.

⁶ Medicaid Statistical Information System State Summary FY 2004, Centers for Medicare and Medicaid Services, June 2007.

⁷ Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care, Institute of Medicine, 2002.

⁸ Data derived from CHCS Practice Size Exploratory Project, 2008.

⁹ CMS, Medicaid Managed Care Overview, 2004.

Medicaid in Kansas City: A Snapshot¹⁰

Approximately one million Missouri residents (18%) and 360,000 Kansas residents (13%) are enrolled in Medicaid, numbers that are likely to rise during the recession. Beneficiaries in the Kansas City Metropolitan Area are served by the Medicaid agency in their respective state of residence.

■ **Medicaid Demographics:** In both Missouri and Kansas, children account for the greatest proportion (53% and 57%, respectively) of Medicaid enrollees, followed by non-disabled adults ages 19-64 (21% and 17%), the disabled (17% in each state) and the elderly (9% and 10%).

■ **Medicaid Spending:** In FY 2007, Missouri's Medicaid program—MO HealthNet—had over \$6.5 billion in expenditures, including \$2.5 billion in state spending. Kansas' Medicaid expenditures reached over \$2.1 billion, including \$849 million in state spending.

■ **Medicaid Contracting and Delivery of Care:** In 2007, approximately 42 percent of MO HealthNet beneficiaries, and 51 percent of Kansas Medicaid beneficiaries, were enrolled in managed care, compared to 64 percent nationally. Managed care organizations serving Medicaid members in Western Missouri include: Children's Mercy Family Health Partners, Blue-Advantage Plus of Kansas City, Molina Healthcare of Missouri and HealthCare USA.¹¹ Those serving members in Kansas are Children's Mercy Family Health Partners and UniCare Health Plan of Kansas.¹²

■ **Medicaid and Safety Net Providers:** Missouri has 21 federally qualified health centers (FQHCs), with a total of 121 service delivery sites, serving as safety net providers; approximately 33 percent of their revenue in 2007 came from Medicaid. In Kansas, there are 11 FQHCs, with a total of 37 service delivery sites; Medicaid provided approximately 20 percent of their 2007 revenue.

■ **Medicaid Reimbursement:** In 2008, Missouri's fee-for-service (FFS) primary care provider (PCP) rate was 65 percent of Medicare; in Kansas, it was 94 percent. PCP rates in Medicaid managed care vary, but often are based on, or greater than, Medicaid FFS rates. The closer the Medicaid rate is to the Medicare rate, the more likely providers are to serve Medicaid patients, creating a greater overlap of payers across provider networks.

■ **Pay for Performance (P4P):** MO HealthNet offers incentive payments to physicians participating in and demonstrating positive outcomes in Missouri's disease management program, Chronic Care Improvement Program (CCIP).¹³ In 2008, MO HealthNet also began implementing P4P incentive payments for providers who participate in their care management program, the Health and Wellness Program, and demonstrate favorable outcomes for participating patients.¹⁴

■ **Medicaid Leadership:** Missouri and Kansas Medicaid leaders include: Director, Missouri HealthNet Division Department of Social Services, Dr. Ian McCaslin; and Medicaid Director and Deputy Director, Kansas Health Policy Authority, Dr. Andrew Allison.

■ **Collection and Public Reporting of Quality Data:** Medicaid managed care plans must adhere to numerous reporting requirements including submission of annual HEDIS and CAHPS reports. The [Missouri HealthNet Consumer Guide](http://www.dhss.mo.gov/ManagedCare/mcaid05.pdf) is available at: www.dhss.mo.gov/ManagedCare/mcaid05.pdf. The most recent reports for Kansas can be found at www.khpa.ks.gov/quality_reports/download/HEDISComparison.pdf and www.khpa.ks.gov/quality_reports/download/CAHPSValidationCompRpt.pdf.

■ **Participation in CHCS Systems/Quality Improvement Initiatives:** MO HealthNet has participated in the following Center for Health Care Strategies (CHCS) systems/quality improvement initiatives: *Pay-for-Performance Purchasing Institute*, *Medicaid Value Program: Health Supports for Consumers with Chronic Conditions* and *Improving Asthma Care for Children*. Kansas Medicaid has participated in CHCS' *Monitoring Managed Care Performance* program. For more information, visit www.chcs.org.

¹⁰ Unless otherwise noted, data are from Kaiser State Health Facts (www.statehealthfacts.kff.org).

¹¹ The western region of MO includes nine counties, including the four in which Kansas City resides.

¹² The Kansas Health Policy Authority (www.khpa.ks.gov/healthwave/mco_transition.html).

¹³ Missouri Department of Social Services (www.dss.mo.gov/mhd/cs/ci/pages/cciprogram.htm)

¹⁴ Missouri Department of Social Services. Provider Bulletin Volume 31: Number 21 (http://dss.mo.gov/mhd/providers/pdf/bulletin31-21_2008nov19.pdf)

