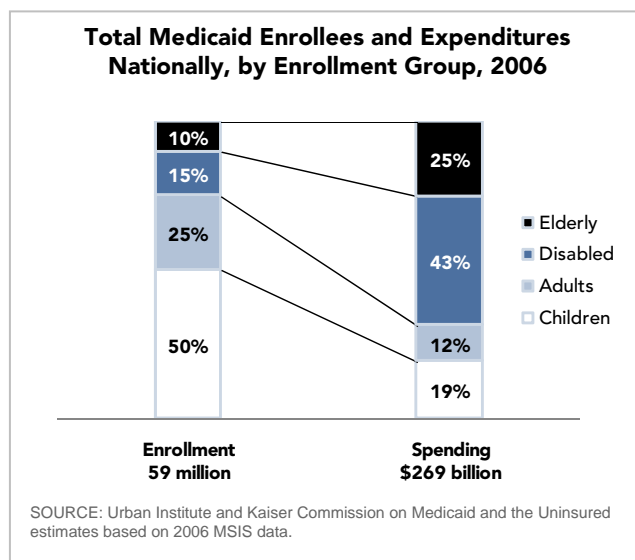


Medicaid in the United States: A Snapshot

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.

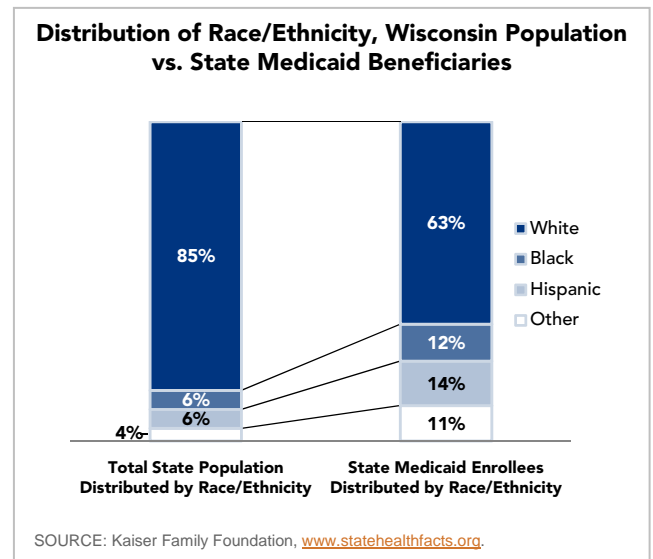
⁸ Data derived from CHCS Practice Size Exploratory Project, 2008.

⁹ CMS, Medicaid Managed Care Overview, 2004.

Medicaid in Wisconsin: A Snapshot¹⁰

Approximately 988,000 Wisconsin residents (18%) are enrolled in Medicaid, a number that is likely to rise during the current recession.

- **Medicaid Demographics:** Children account for the greatest proportion (42%) of Wisconsin's Medicaid enrollees, followed by non-disabled adults ages 19-64 (29%), the disabled (15%) and the elderly (13%).
- **Medicaid Spending:** In FY 2007, Wisconsin Medicaid expenditures reached over \$4.9 billion, including \$2.1 billion in state spending.
- **Medicaid Contracting and Delivery of Care:** In 2008, approximately 49 percent of state Medicaid beneficiaries (about 482,000 individuals) were enrolled in Medicaid managed care, compared to 64 percent nationally. They are served by 14 health plans: Abri Health Plan, Children's Community Health Plan, CompCare, Dean Health Plan, Group Health of Eau Claire, Group Health of South Central WI, Health Tradition, I-CARE, Managed Health Services, Mercy Care, Network Health Plan, Security Health Plan, UnitedHealthcare of WI and Unity Health Insurance. UnitedHealthcare of WI has the greatest concentration of enrollment. The plans serve children and families across the state; certain counties also include the SSI population.
- **Medicaid and Safety Net Providers:** Wisconsin has 16 federally qualified health centers, with a total of 62 service delivery sites, serving as safety net providers. Approximately 50 percent of their revenue in 2007 came from Medicaid.
- **Medicaid Reimbursement:** In 2008, Wisconsin's fee-for-service (FFS) primary care provider (PCP) rates were 67 percent of Medicare. 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):** Wisconsin has been operating a P4P program for its Medicaid health plans, focused primarily on EPSDT and preventive care, since 1996. In 2008, the state began revising the program to provide additional financial incentives to the plans serving Medicaid and BadgerCare (SCHIP) beneficiaries. Incentives are being considered in a number of areas, including chronic care management, prevention and MCO accreditation.
- **Collection and Public Reporting of Quality Data:** Medicaid managed care plans must adhere to numerous reporting requirements including the annual submission of HEDIS and CAHPS. Performance reports can be found at www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/managed%20care%20organization/Medicaid7/referenceAndTools.htm.spage.
- **State Medicaid Leadership:** Wisconsin Medicaid leadership includes: Medicaid Director Jason Helgerson and Policy Initiatives Advisor Denise Runde.
- **Participation in CHCS Systems/Quality Improvement Initiatives:** Wisconsin Medicaid has participated in the following Center for Health Care Strategies (CHCS) systems/quality improvement initiatives: *Managed Long-Term Supports and Services Purchasing Institute, Improving Outcomes for Children Involved in Child Welfare, Best Practices for Oral Health Access, Medicaid Value Program: Supports for Consumers with Chronic Conditions and Business Case for Quality in Medicaid Managed Care* For more information, visit www.chcs.org.



¹⁰ Unless otherwise noted, all Wisconsin data are from Kaiser State Health Facts (www.statehealthfacts.kff.org) or the Wisconsin Department of Health Services (<http://dhs.wisconsin.gov/MEDICAID/>).