



Mini-Rotation on the Health Care System

Theme: The Organization and Financing of the US Health Care System

Topic: Medicaid: Payment and Provision of Care

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Objectives:

By the end of this session, participants should be able to identify and describe:

- The populations and services covered by Medicaid.
- How Medicaid programs are financed.
- How the Affordable Care Act utilizes Medicaid to reduce the uninsured.
- Key attributes of the Medicaid population and their influence on clinical practice.

Overview of the presentation (August 2015):

Brief history of Medicaid

- Enacted in 1965
- Incremental expansion

Current program

- Enrollees, coverage, expenditures
- Percentage of federal budget

Role in financing health care

- Medicaid as percentage of national health care spending by service
- Services: total health services and supplies; hospital care; professional services; nursing facility care; prescription drugs

Insurance coverage by income level

- Percentages of total population covered by Medicaid vs. employer/private insurance vs. uninsured
- Comparing populations based on federal poverty level (FPL): <100% FPL; 100-199% FPL; 200-399% FPL; 400%+ FPL

Medicaid covered groups

- Mandatory groups (e.g., parents below 50% of FPL)
- Percentage of populations covered by Medicaid based on demographics: nonelderly; families; elderly
- Optional eligibility enacted by states (e.g., working disabled up to 250% FLP)
- Eligibility for working parents, by income, by state
- State flexibility under CMS waivers

Covered services

- Mandatory covered services (e.g., hospital inpatient and outpatient)
- Optional covered services (e.g., prescription drugs, hospice)

Medicaid financing

- Federal/state partnership
- Federal Medical Assistance Percentage (FMAP); range across states
- Percentage of federal budget
- Percentage of all federal dollars flowing to states

Medicaid as an economic engine for the states

- Percentage of state budgets
- Dollars spent on care distributed to local providers
- Contributor to jobs in state economy

Affordable Care Act and Medicaid

- Expanded coverage and eligibility
- Increased federal payments to states
- Increased payments to PCPs to improve access
- Supreme Court rulings
- State decisions on Medicaid expansion

Medicaid enrollees and expenditures

- Distribution of enrollees (children, adults, elderly, disabled) and their respective share of total expenditures
- Disabled and elderly as high cost enrollees
- Dual eligibles (Medicaid and Medicare) as percentage of Medicaid spending

Medicaid as a value-based purchaser

- Pay-for-performance contracts
- Outcome measures
- Alternative delivery systems (e.g., accountable care organizations)

Medicaid vs. commercial patients

- Demographic and ethnic characteristics
- Diagnoses
- Mental health or substance abuse diagnoses

Clinical components of the successful Medicaid health plan or practice

- Cultural competence (e.g., diverse staff, translators)
- Care programs (e.g., disease management, social care management)
- Integration of medical and behavioral health services