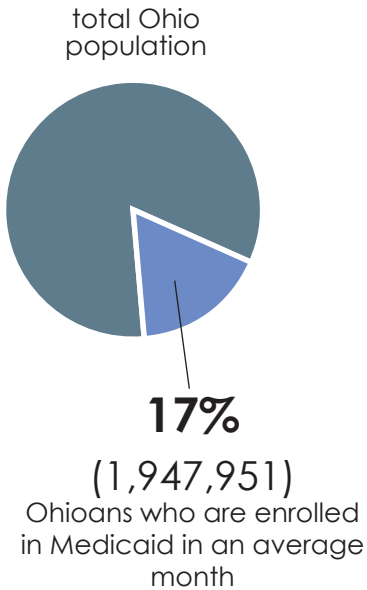


# ohio medicaid basics 2011

## at a glance

### Medicaid...

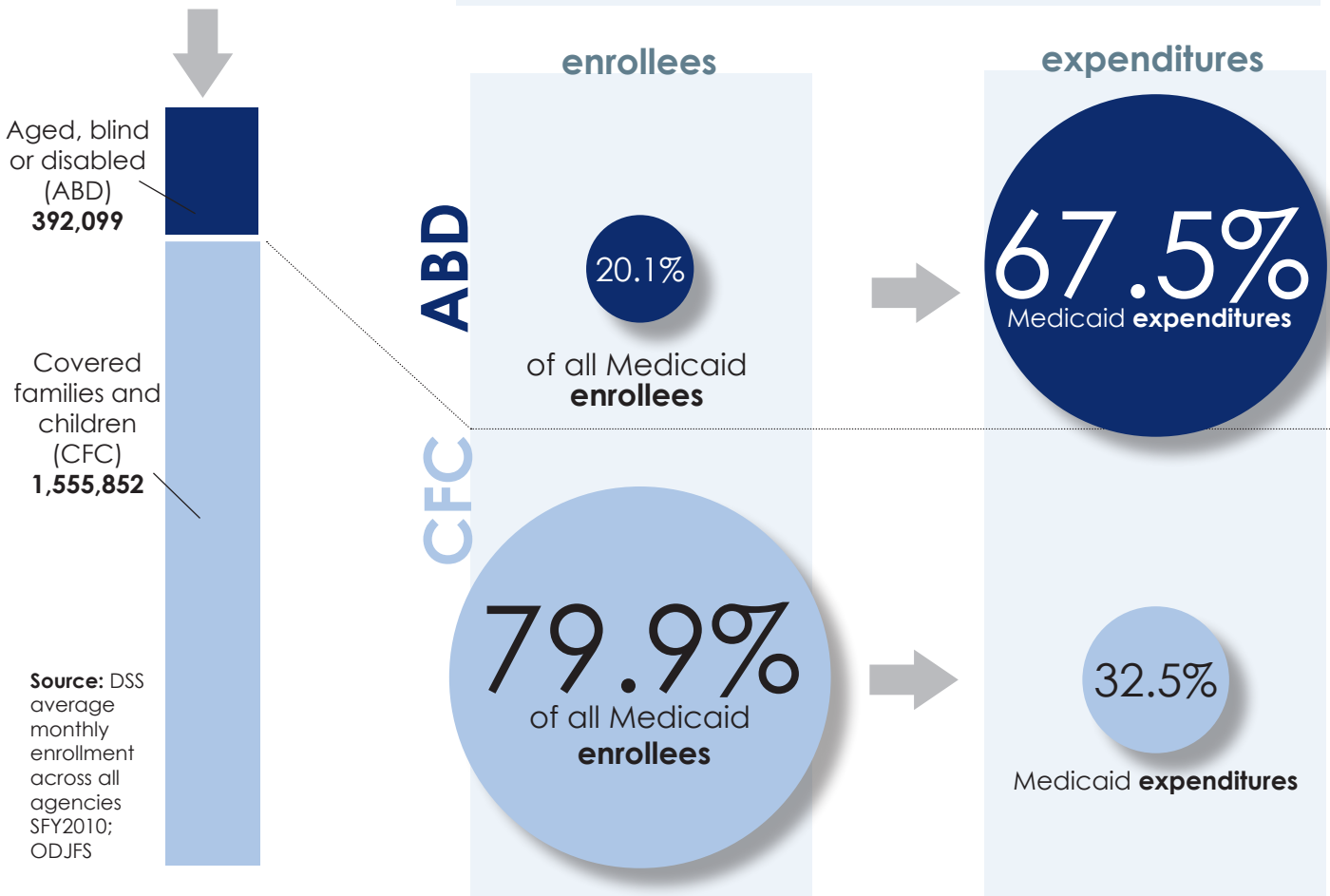
- Is Ohio's single largest payer of health care services
- Is the largest payer of long-term care in the state
- Paid for a range of health services to more than 2.3 million low-income families, children, seniors, and certain people with disabilities in 2010
- Covered 38% of Ohio children, including nearly 38,000 children with disabilities in 2010
- Combines state and federal funds to cover vulnerable populations
- Supplements Medicare for certain low-income seniors and people with disabilities
- Funds hospital care for Ohio's uninsured
- Is administered in Ohio by the Ohio Department of Job and Family Services/Office of Ohio Health Plans



## Cost differences between types of enrollees

Although nearly 8 in 10 Medicaid enrollees is a child or parent, their care accounts for less than a third of all Medicaid expenditures.

**2,371,701** total yearly Medicaid enrollment



### Note on enrollment figures

In general, average monthly enrollment is preferable because it is a better reflection of what the Medicaid population looks like at any given time. Over the course of the year, there are some people enrolled in Medicaid for short periods of time; these additional beneficiaries are reflected in the yearly enrollment figure. In this publication, HPIO will typically refer to average monthly enrollment.

# Overview

## History

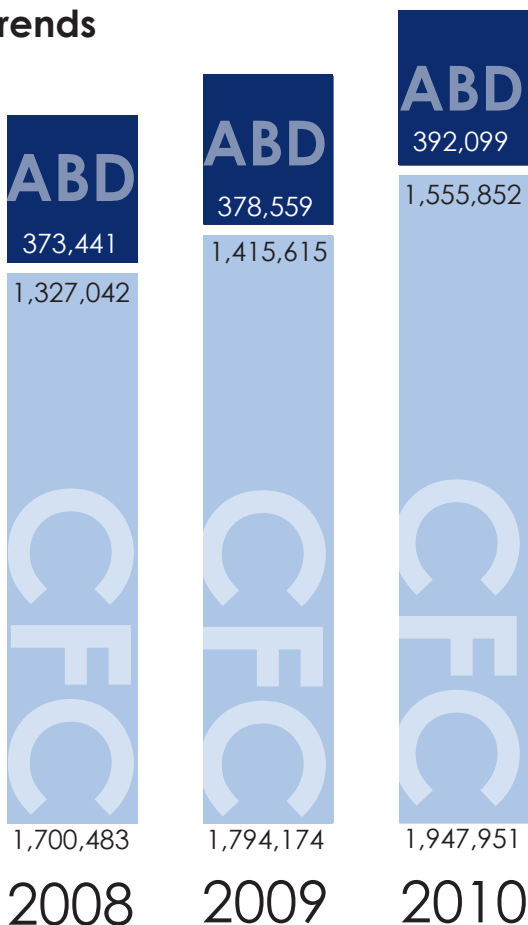
Congress created Medicaid in 1965 as Title XIX of the Social Security Act. The federal Centers for Medicare & Medicaid Services (CMS) monitor state-run programs and establish requirements for service delivery, quality, funding, and eligibility standards.

Medicaid is voluntary for states, but every state participates and administers its own program. Ohio Medicaid began in 1968.

In state fiscal year 2010, Ohio's state share of Medicaid was \$4.3 billion<sup>1</sup>. Including federal matching funds, Medicaid accounted for 3.2% of Ohio's economy<sup>2</sup> and a greater proportion of state expenditures than any other single program (more than 30% of all state government spending).

- 1 CMS-64 Spending across all agencies, SFY2010; ODJFS
- 2 Economy as represented by the Gross State Product. US Bureau of Economic Analysis, 2010.

## Ohio Medicaid enrollment trends

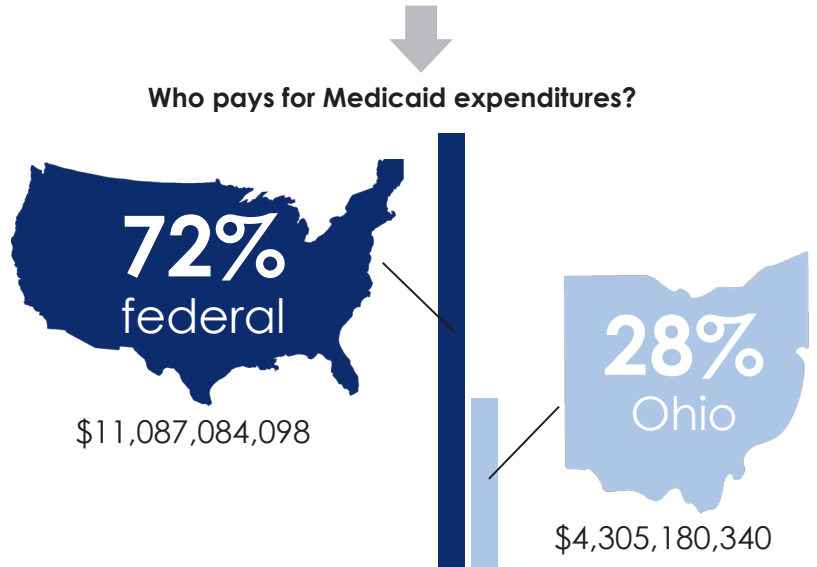


Source: DSS average monthly enrollment across all agencies, SFY2010; ODJFS.

## Financing

total annual Medicaid spending:

**\$15,392,264,438**  
(across all Ohio agencies)



Source: CMS-64 Spending across all agencies, SFY2010; ODJFS

## FMAP and eFMAP

State Medicaid programs receive matching funds from the federal government to help pay for Medicaid services and administration. The Secretary of the Department of Health and Human Services (HHS) calculates these matching funds each year using the Federal Medical Assistance Percentage (FMAP). The standard FMAP for Ohio for fiscal year 2010 would have been 63.42%, meaning that for every dollar of state expenditure, the federal government would contribute \$1.73.

However, in 2009, the American Recovery and Reinvestment Act authorized an enhanced FMAP (eFMAP) for use in the State Children's Health Insurance Program and state Medicaid. The eFMAP for Ohio in fiscal year 2010 was 74.39%, meaning that for every dollar of state expenditure, the federal government contributed \$2.91. Overall, the federal share of Ohio Medicaid spending in 2010 came out to 72.03%.

The eFMAP rate was set to expire at the end of 2010, but was extended by Congress through June 30, 2011. After that date, the standard 2011 FMAP rate of 63.69% will go into effect through the end of the federal fiscal year (Sept. 30, 2011).

## Eligibility criteria and trends

Covered Population	Income Guidelines
Children up to age 19	200% FPL or less
Parents	90% FPL or less
Pregnant Women	200% FPL or less
Workers with Disabilities	250% FPL or less
Non-workers with Disabilities	64% FPL or less
Seniors 65 and older	64% FPL or less
Institutional Level of Care	Income less than the cost of care

**NOTE:** Some eligibility categories consider resources other than income. For seniors and people with disabilities, deductions and exceptions may apply. At the time of publication, income eligibility is slated to change with implementation in 2014 of the Affordable Care Act; ODJFS

Medicaid covers several categories of low-income Americans, including children, parents, pregnant women, seniors, and certain people with disabilities. In general, to qualify for Ohio Medicaid a person must be a US citizen and Ohio resident, have or get a Social Security number, and meet certain financial requirements.

Ohio Medicaid covered more than 2.3 million Ohioans in 2010 (total annual non-duplicated enrollment for fiscal year 2010). However, because people enter and exit the program throughout the year, Medicaid covered, on average, 1.95 million Ohioans each month.

Children up to age 19, parents, and pregnant women can qualify for Medicaid based on low family income. In 2010, Medicaid covered 1,093,724 children, 435,742 parents, 191 seniors and 26,195 pregnant women on average each month. Ohio Medicaid calls this eligibility group "**covered families and children**," or CFC. More than half of all Medicaid-eligible Ohioans (56%) are non-disabled children.

Adults 65 and older and people of any age, including children, with a major disabling condition can qualify for Medicaid if they meet certain financial requirements. In 2010, Ohio Medicaid covered 112,019 seniors, 242,091 adults with disabilities, and 37,989 children with disabilities (these children are not counted in the CFC category). Ohio Medicaid calls this eligibility group "**aged, blind, or disabled**," or ABD. ABD enrollees have more complex health care needs than non-disabled children and parents – they represent 20.1% of Medicaid enrollment and consume 67.5% of total Medicaid spending.

### The difference between Medicaid and Medicare

#### Medicaid

- Aid for some poor Ohioans
- Must have low income
- Children, parents, disabled and age 65+
- Primary, acute and long-term care
- State and federal funding
- Not funded by payroll deduction

#### Medicare

- Care for nearly all Ohio seniors
- No income limit
- Age 65+ and some people with disabilities
- Primary and acute care only
- Federal funding (with some premium payments from Part B beneficiaries)
- Funded by payroll deduction

### What is FPL? How is it determined?

Federal poverty level guidelines were originally calculated in 1963 by the Social Security Administration. The formula was set as three times the cost of food using the USDA economy food plan. FPL is now updated using the change in the Consumer Price Index for the previous calendar year.

### 2009 guidelines in effect until August 2011

	64%	90%	200%	250%	300%
1	\$6,656	\$9,360	\$20,800	\$26,000	\$31,200
2	\$8,960	\$12,600	\$28,000	\$35,000	\$42,000
3	\$11,264	\$15,840	\$35,200	\$44,000	\$52,800
4	\$13,568	\$19,080	\$42,400	\$53,000	\$63,600

**Note:** Add \$3,740 for each additional person beyond 4

source: Federal Registrar, Effective July 1, 2008 to July 31, 2011

# Administration

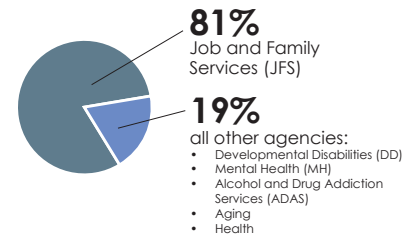
Medicaid is jointly administered by the federal government and states. States administer the program within broad federal guidelines set by the Centers for Medicare & Medicaid Services (CMS), a division of the US Department of Health and Human Services (HHS). State participation in Medicaid is voluntary, but all states participate. The federal government supports state administration by providing matching funds and establishing general programmatic guidelines.

Medicaid is administered by the Ohio Department of Job and Family Services through six state agencies, 88 county boards of mental retardation and developmental disabilities, 50 combined behavioral health boards, 12 area agencies on aging, 135 county JFS offices, and 127 local health districts, and 70,542 providers (ODJFS provider claims, SFY2010).

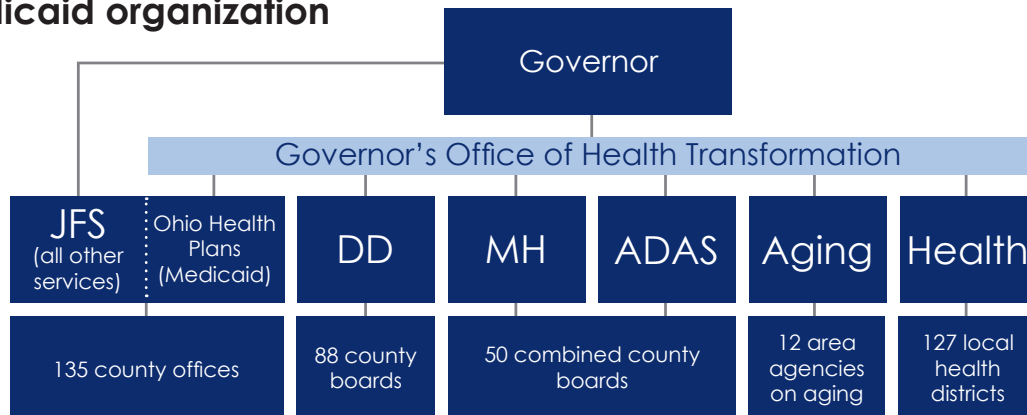
The federal government requires each state to designate a "single state agency" to administer its Medicaid program. The Ohio Department of Job and Family Services (ODJFS) is Ohio's single state agency. The Office of Ohio Health Plans (OHP) within ODJFS is responsible for the day-to-day administration of Ohio Medicaid.

ODJFS delegates authority to five state agencies to administer specialized Medicaid programs. Medicaid represents a sizable share of budgets in the Ohio Department of Health (ODH), Alcohol and Drug Addiction Services (ADAS), Mental Health (MH), Aging, and Mental Retardation and Developmental Disabilities (DD). However, the vast majority of Medicaid financing (81%) is handled through ODJFS.

State spending on Medicaid



## New Ohio Medicaid organization



## Office of Health Transformation

In January 2011, Governor Kasich issued Executive Order 2011-02K, creating the **Governor's Office of Health Transformation** (OHT). All state agencies that have a hand in administering Medicaid in Ohio now directly report to OHT.

The Office of Health Transformation identifies its top priorities as increasing administrative efficiency and financial sustainability within Ohio's Medicaid program. This includes addressing long-term care, behavioral health integration, care coordination, payment reform, and short-term spending strategies.

### Language from Executive Order 2011-02K:

*"All Cabinet Agencies, Boards and Commissions shall comply with requests or directives issued by OHT, subject to supervision of their respective directors."*

*"To plan for the long-term efficient administration of the Ohio Medicaid Program, act to improve overall health system performance, and in the next six months (by middle of 2011):*

- Advance the Administration's Medicaid modernization and cost-containment priorities in the operating budget;
- Initiate and guide insurance market exchange planning ([Ohio Department of Insurance] in the lead with OHT supporting Medicaid connections);
- Engage private sectors partners to set clear expectations for overall health system performance; and
- Recommend a permanent HHS organization structure and oversee transition to that permanent structure."