



UNDERSTANDING MEDICAID IN PENNSYLVANIA

What is Medicaid?

Medicaid is a jointly funded, federal–state health insurance program for low-income and needy people. Of the roughly \$350 billion spent on Medicaid nationally, about 60 percent is paid by the federal government. A state government’s share can vary. In Pennsylvania, it is 55 percent.

Medicaid covers children, pregnant women, the aged, blind, and/or disabled and other adults who are eligible to receive federally assisted income maintenance payments.

Medicaid Eligibility

All states must meet federal minimum requirements, but they have options for setting eligibility standards beyond the minimum federal guidelines.

The Affordable Care Act (ACA) extended Medicaid eligibility to non-elderly adults with incomes at or below 138 percent of the federal poverty limit (FPL) which, during 2016, was \$33,534 for a family of four. States are provided an enhanced federal matching payment to support the expansion. Pennsylvania expanded Medicaid during 2015.

Medicaid Services

Federal law requires state Medicaid programs to cover basic services, but states also can choose to cover up to 30 optional benefits.

Pennsylvania covers 24 optional benefits, including prescription drugs, vision, dental, physical therapy, home health, and hospice care.

The state’s Medicaid expansion coverage includes the ACA’s ten essential health benefits, such as preventive services, and expanded mental health and substance use treatment services.

Medicaid Myths

Myth 1: Pennsylvania Medicaid is not cost effective.

FACT: Per capita spending in Medicaid is lower compared to private insurers.

FACT: Medicaid managed care rate increases have been consistently below the medical trend.

FACT: Nationally, between 2006 and 2013, per enrollee cost growth in Medicaid (1.9%) was lower than the per enrollee cost growth in comparable coverage under Medicare (2.6%), or private health insurance (4.4%).



While they make up only 29 percent of the total Medicaid population, elderly and people with disabilities account for **62 percent of Medicaid expenditures.**



Currently, **45 percent** of Pennsylvania’s 141,000 births are funded by Medicaid.



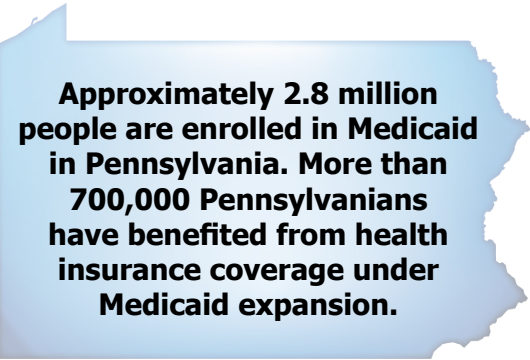
Two-thirds of all nursing home residents are covered by Medicaid.

Myth 2: The expansion population consists of able-bodied adults who could get private insurance.

FACT: Forty-three percent (43%) of the state's Medicaid expansion population works full or part time, but makes less than the Medicaid eligibility threshold of 138 percent of the FPL.

FACT: Many newly-eligible adults suffer from significant chronic conditions. During 2015:

- Thirty-one percent (31%) were diagnosed with and/or treated for substance use disorder and/or mental health conditions
- Seventeen percent (17%) had a cardiovascular condition



Approximately 2.8 million people are enrolled in Medicaid in Pennsylvania. More than 700,000 Pennsylvanians have benefited from health insurance coverage under Medicaid expansion.

Myth 3: Medicaid is a poor-quality program that has little impact on people's health and financial security.

FACT: National studies show that having health insurance coverage under Medicaid has positive impacts on infant, child, HIV, adult, and disease-related mortality, and mental health status/rates of depression.

FACT: State Medicaid expansions are associated with improved access to preventive care, self-reported improved health (for example, blood pressure screening, flu shots, and annual check-ups), and reduced mortality among adults.

FACT: Medicaid expansion has led to major improvements in the financial security of eligible low-income adults. For example:

- An estimated 11,700 Pennsylvanians were saved from catastrophic out-of-pocket medical costs because of Medicaid expansion
- An estimated 37,100 Pennsylvanians did not have to borrow to pay bills or skip payments thanks to Medicaid expansion

Myth 4: Pennsylvania Medicaid does not provide access to care to recipients.

FACT: Contractual safeguards require Managed Care Organizations (MCO) to have an adequate network of providers in place to serve their enrollees.

FACT: Medicaid surveys and program measures validate that consumers have access to care—84.5 percent of adults and nearly 89 percent of children report getting an appointment for routine care "usually or always." Nearly, 80 percent of consumer's report getting an appointment with specialists "usually or always."

Myth 5: Fraud is rampant in Pennsylvania's Medicaid Program.

FACT: Pennsylvania Medicaid's error rates in fee-for-service and managed care are well below the national average.

FACT: Pennsylvania's managed care program includes significant controls to detect and deter fraud, abuse, and waste.

Sources:

Health & Human Services, Assistant Secretary for Planning and Evaluation, "Compilation of State Data on the Affordable Care Act, December 2016"

Health & Human Services, Payment Error Rate Measurement Findings

Kaiser Family Foundation

Medicaid and CHIP Payment and Access Commission, Trends in Medicaid Spending

Pennsylvania Department of Human Services, Medicaid Expansion Report, January 2017

Health Choices CAPHS Rate Chart, 2016 Data