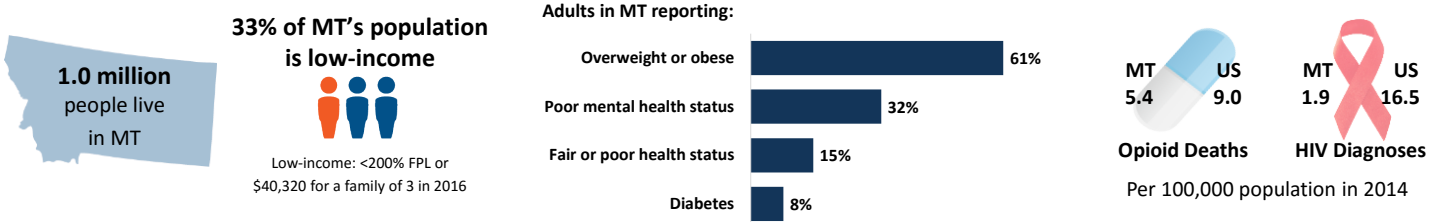Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to more than 241,000 low-income children, pregnant women, adults, seniors, and people with disabilities in Montana. Medicaid is a major source of funding for safety-net hospitals and nursing homes. Federal policy proposals could fundamentally change the scope and financing of the program.

Snapshot of Montana's population

1.0 million people live in MT

33% of MT's population is low-income

Low-income: <200% FPL or $40,320 for a family of 3 in 2016

Adults in MT reporting:
- Overweight or obese: 61%
- Poor mental health status: 32%
- Fair or poor health status: 15%
- Diabetes: 8%

Opioid Deaths — MT 5.4 | US 9.0

HIV Diagnoses — MT 1.9 | US 16.5

Per 100,000 population in 2014

How has Medicaid affected coverage and access?

In 2015, 16% of people in MT were covered by Medicaid/CHIP.

- Employer 46%
- Non-Group 6%
- Medicaid/CHIP 16%
- Medicare 17%
- Other Public 4%
- Uninsured 10%
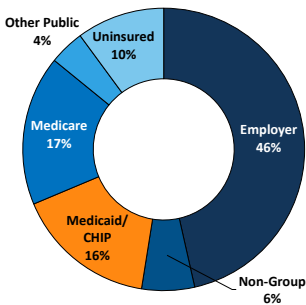
Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in MT.

Monthly Medicaid/CHIP enrollment (in thousands)
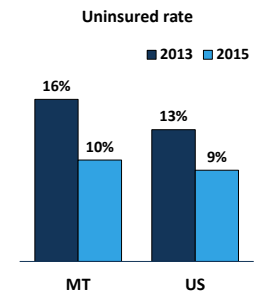- Pre-ACA (2013): 149.0
- November 2016: 241.1
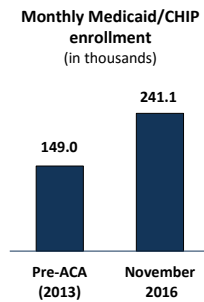
Did MT expand Medicaid through the ACA?

✓ Yes ☐ No

46,700 adults in the expansion group in Q1 of 2016
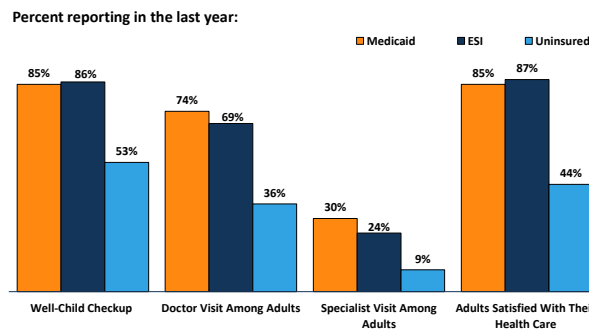
The uninsured rate in MT has decreased.

Uninsured rate (■ 2013 ■ 2015)
- MT: 16% / 10%
- US: 13% / 9%

In MT, Medicaid/CHIP covers:
- 1 in 9 adults <65
- 2 in 5 low-income individuals
- 2 in 5 children
- 3 in 5 nursing home residents
- 2 in 5 people with disabilities
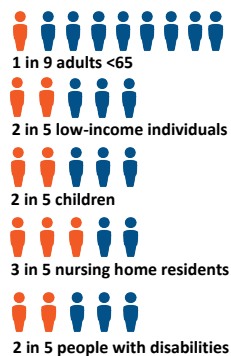
80% of adult and child Medicaid enrollees in MT are in families with a worker.

Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.

Percent reporting in the last year: (■ Medicaid ■ ESI ■ Uninsured)
- Well-Child Checkup: 85% / 86% / 53%
- Doctor Visit Among Adults: 74% / 69% / 36%
- Specialist Visit Among Adults: 30% / 24% / 9%
- Adults Satisfied With Their Health Care: 85% / 87% / 44%

Medicaid coverage contributes to positive outcomes:
- Declines in infant and child mortality rates
- Long-term health and educational gains for children
- Improvements in health and financial security

And…

>85% of the public would enroll themselves or a child in Medicaid if uninsured.

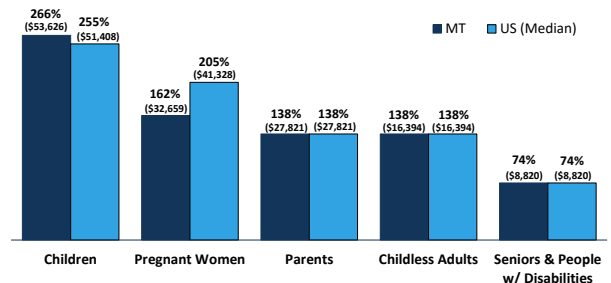## How does Medicaid work and who is eligible?

Each Medicaid program is unique:

Federal government sets core requirements, but states have flexibility regarding:

- **Eligibility** - All states have taken up options to expand coverage for children; many have opted to expand coverage for other groups.
- **Benefits** – All states offer optional benefits, including prescription drugs and long-term care in the community.
- **Delivery system & provider payment** – States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care to improve health outcomes.
- **Long-term care** – States have expanded eligibility for people who need long-term care and are increasingly shifting spending away from institutions and towards community-based care.
- **State health priorities** – States can use Medicaid to address issues such as the opioid epidemic, HIV, Zika, autism, dementia, environmental health emergencies, etc.

Medicaid/CHIP eligibility levels are highest for children and pregnant women.

Eligibility Level as a Percent of FPL, as of January 1, 2017 (■ MT ■ US (Median))

- Children: MT 266% ($53,626) / US 255% ($51,408)
- Pregnant Women: MT 162% ($32,659) / US 205% ($41,328)
- Parents: MT 138% ($27,821) / US 138% ($27,821)
- Childless Adults: MT 138% ($16,394) / US 138% ($16,394)
- Seniors & People w/ Disabilities: MT 74% ($8,820) / US 74% ($8,820)

Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & people w/ disabilities. Seniors & people w/ disabilities eligibility may include an asset limit.

How are Medicaid funds spent and how is the program financed?

Medicaid plays a key role in the U.S. health care system, accounting for:

$1 in $6 dollars spent overall in the health care system

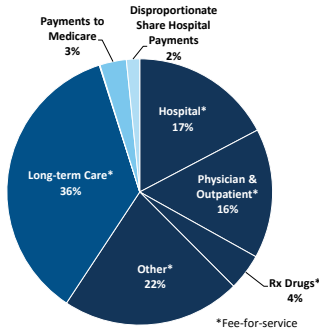More than $1 in $3 dollars provided to safety-net hospitals and health centers

$1 in $2 dollars spent on long-term care

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

Per enrollee spending growth in the US, 2007-2013

- Medicaid Acute Care: 3.1%
- Private Health Insurance: 4.6%

In FY 2015, Medicaid spending in MT was $1.1 billion.

Pie chart:
- Payments to Medicare 3%
- Disproportionate Share Hospital Payments 2%
- Hospital* 17%
- Physician & Outpatient* 16%
- Rx Drugs* 4%
- Other* 22%
- Long-term Care* 36%

*Fee-for-service

1.04
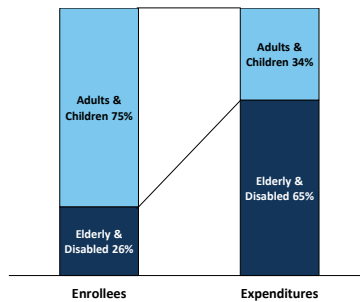is the Medicaid-to-Medicare physician fee ratio in MT.

57%
of long-term care spending in MT is for home and community-based care.

71%
of beneficiaries in MT are in primary care case management.

In 2011, most Medicaid beneficiaries in MT were children and adults, but most spending was for the elderly and people with disabilities.

Chart:
- Enrollees: Adults & Children 75%, Elderly & Disabled 26%
- Expenditures: Adults & Children 34%, Elderly & Disabled 65%

19,700
Medicare beneficiaries (12%) in MT rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

41%
of Medicaid spending in MT is for Medicare beneficiaries.

Federal funding to states is guaranteed with no cap and fluctuates depending on program needs.

In MT the federal share (FMAP) is 65.6%. For every **$1** spent by the state, the Federal government matches **$1.90**.

Expansion states received an increased FMAP for the expansion population.

13%
of state general fund spending in MT is for Medicaid.

34%
of all federal funds received by MT is for Medicaid.

What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

Congress may soon debate proposals to reduce federal Medicaid funding through ACA repeal and federal caps.

The March 2016 Budget Resolution would reduce federal Medicaid spending by **41%** nationally over the 2017-2026 period.

Total reduction in federal funds: $2.1 trillion

The impact of a block grant or per capita cap will depend on funding levels, but could include:

- Increases in the number of uninsured
- Reduced access and service utilization, decreased provider revenues (to hospitals, nursing homes, etc.), and increased uncompensated care costs
- Increased pressure on state budgets
- Decreased economic activity

A per capita cap could lock in historical state differences or redistribute federal funds across states.

Per capita spending by enrollment group

- Children: $5,214 (VT), MT, $1,656 (WI)
- Adults: $6,928 (NM), MT, $2,056 (IA)
- Individuals with Disabilities: $33,808 (NY), MT, $10,142 (AL)
- Aged: $32,199 (WY), MT, $10,518 (NC)