



west virginia
Center on
Budget & Policy

“Medicaid Made Simple” in West Virginia

House Government Organization Committee
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“Medicaid Made Simple” helps us understand:

Who Benefits from the Medicaid Program;

Serves a Dual Purpose as Health AND Long-Term Care Program;

Identifies How Much Medicaid Costs and Who Pays;

Understand Medicaid’s Impact on Jobs and the State Economy;

Recognizes Future Role of Medicaid in Health Care Reform

KIDS: The Basics

50% of all WV Children Are Covered by Medicaid Program (205,000)

Eligibility Guidelines are based on both Age and Income as a Percent of the Federal Poverty Level (FPL)

Source: WV Bureau of Medical Services, June 2011

AGE	INCOME (% of FPL)
Newborns to 1 year old	150%
1 year old to 6 years old	133%
6 years old to 21 years old	100%
Children's Health Insurance Program (CHIP)	300%



MEDICAID PROVIDES BASIC CARE

EPSDT/Health Check

- Physical
- Social
- Emotional
- Cognitive
- Oral Health
- Access



MEDICAID PROVIDES BASIC CARE TO PREGNANT WOMEN

More than half of 20,000 births are paid by Medicaid annually.

Source: WV Bureau for Medical Services, 2011



SENIORS RECEIVE CRITICAL SERVICES

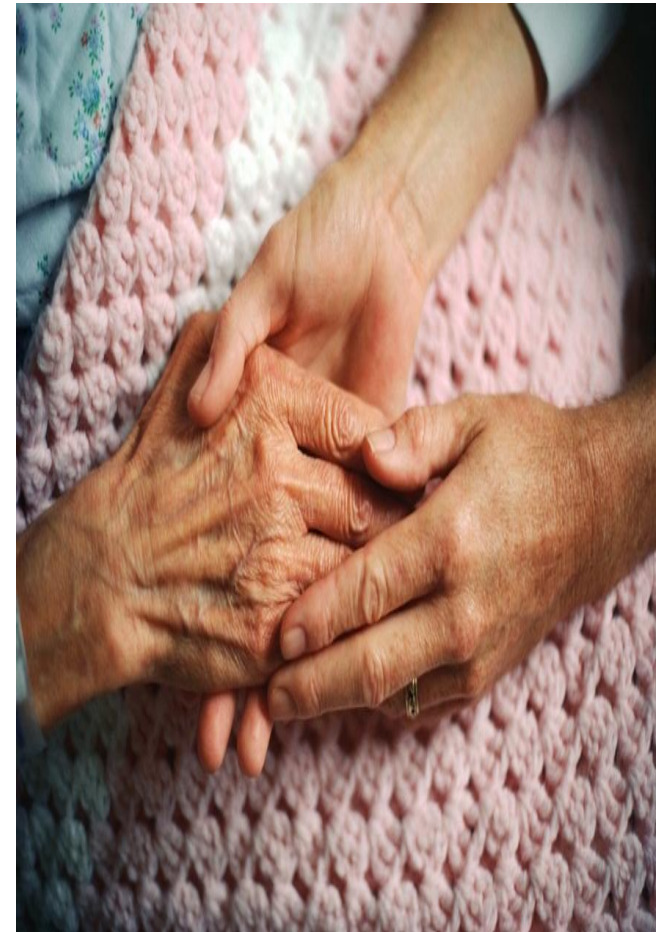
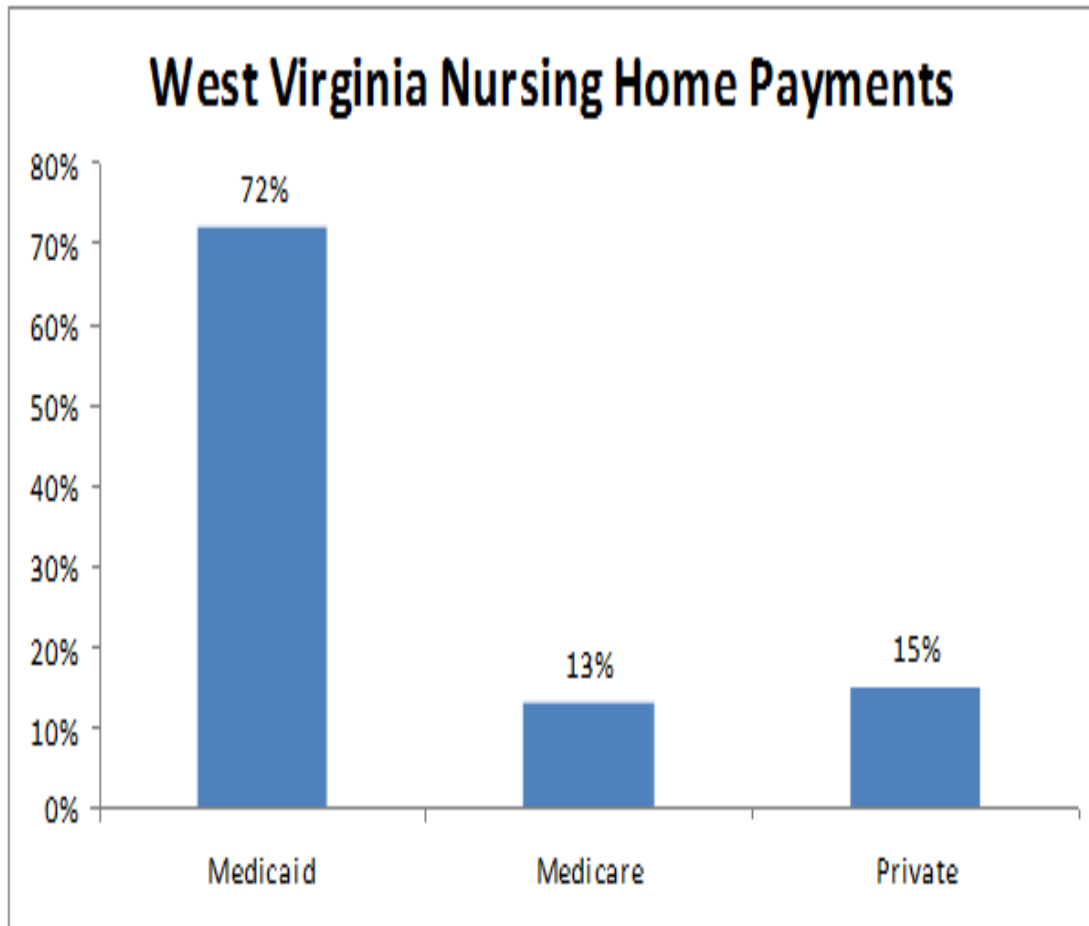
80,000 Seniors Over Age 65 Receive Some Benefit

- 50,000 West Virginia Seniors Receive Full Benefits
- 30,000 West Virginia Seniors Receive Low Income Assistance on Medicare Premiums

Source: MACPAC Report to the Congress on Medicaid and CHIP, March 2011



NURSING HOMES DEPENDENT ON MEDICAID SPENDING



MEDICAID HELPS PEOPLE WITH PHYSICAL AND MENTAL DISABILITIES

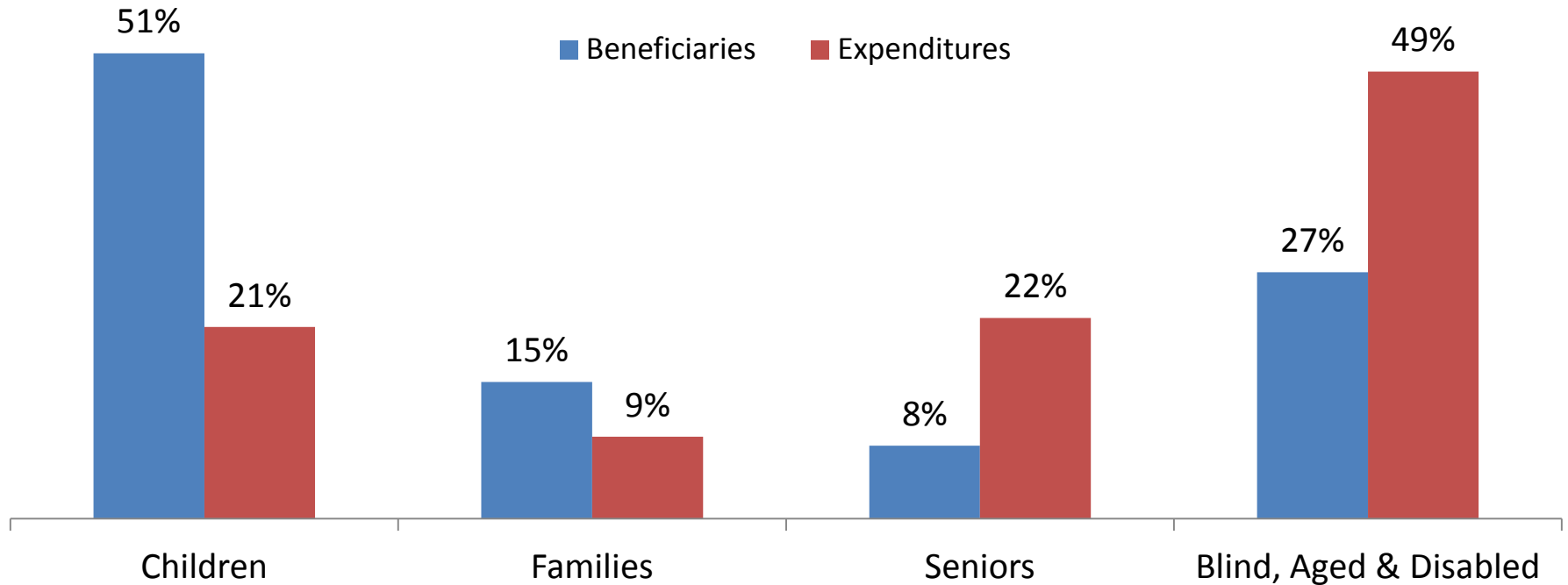
110,000 Blind, Aged & Disabled West Virginians Receive Benefits

60,000 age 19-64 on SSI unable to work

50,000 over age 65 on Social Security

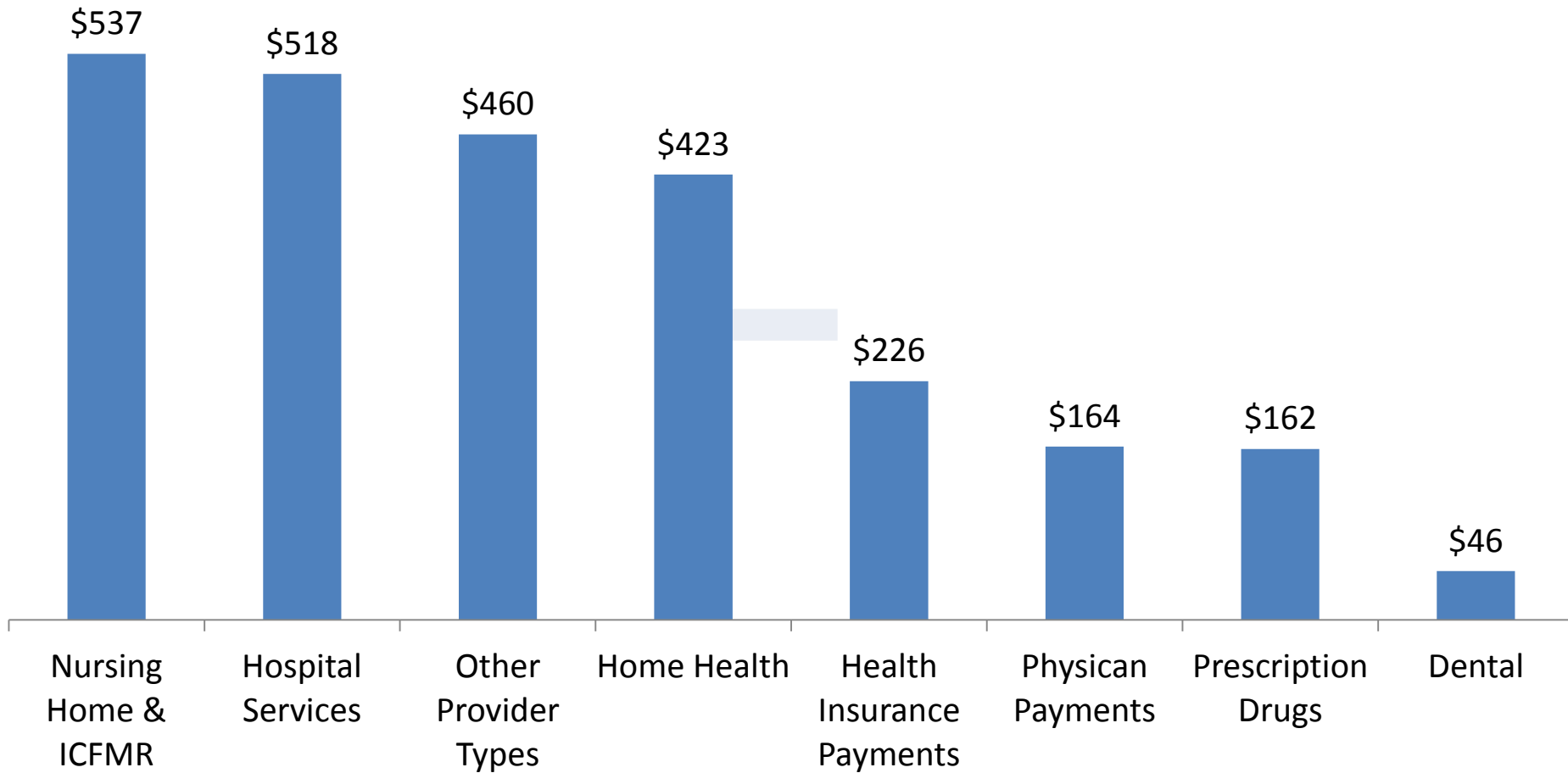


MEDICAID BENEFICIARIES AND EXPENDITURES



- 51% of All Medicaid Beneficiaries are Children, But Account for 21% of Cost, conversely;
- 27% of All Medicaid Beneficiaries are Blind and Disabled, But Account for 49% of Cost

MEDICAID SPENDS \$2.5 BILLION IN STATE AND LOCAL ECONOMY



MEDICAID SPENDING IN LINE WITH OTHER HEALTH SPENDING

Average Costs	West Virginia	United States
Per Capita	\$7,667	\$6,815
Medicare	\$9,333	\$10,365
Medicaid	\$6,886	\$6,826

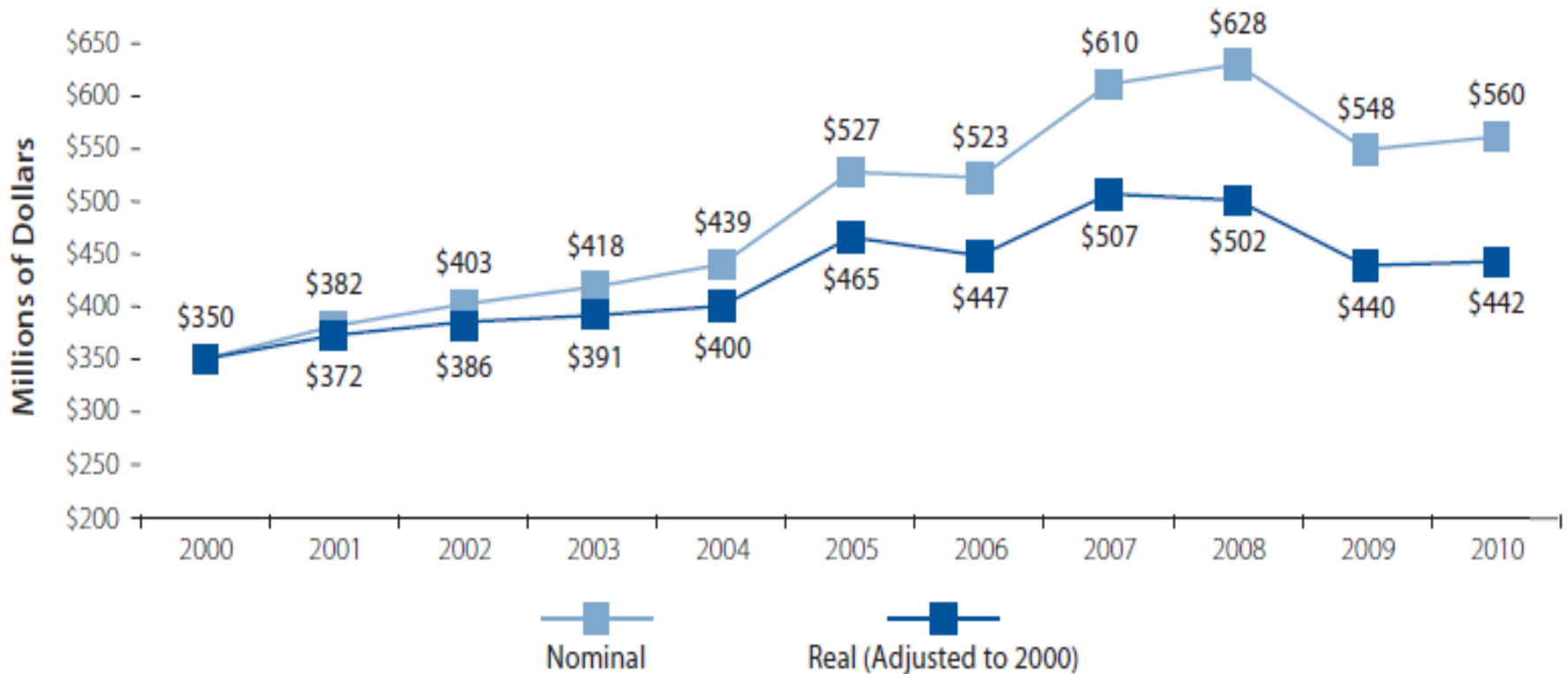
Source: Office of the Actuary, Centers for Medicaid and Medicare, December, 2011

MEDICAID PAID FOR MOSTLY BY FEDERAL GOVERNMENT

- Federal/State Partnership
- Match varies from year to year
- Most years average 75/25%
- Match increased in 2010/11
- Expected to decrease to 72-73%
- 1% = \$29 million

MEDICAID SPENDING IN 2010 IS LOWER THAN IN 2005 (ADJUSTED)

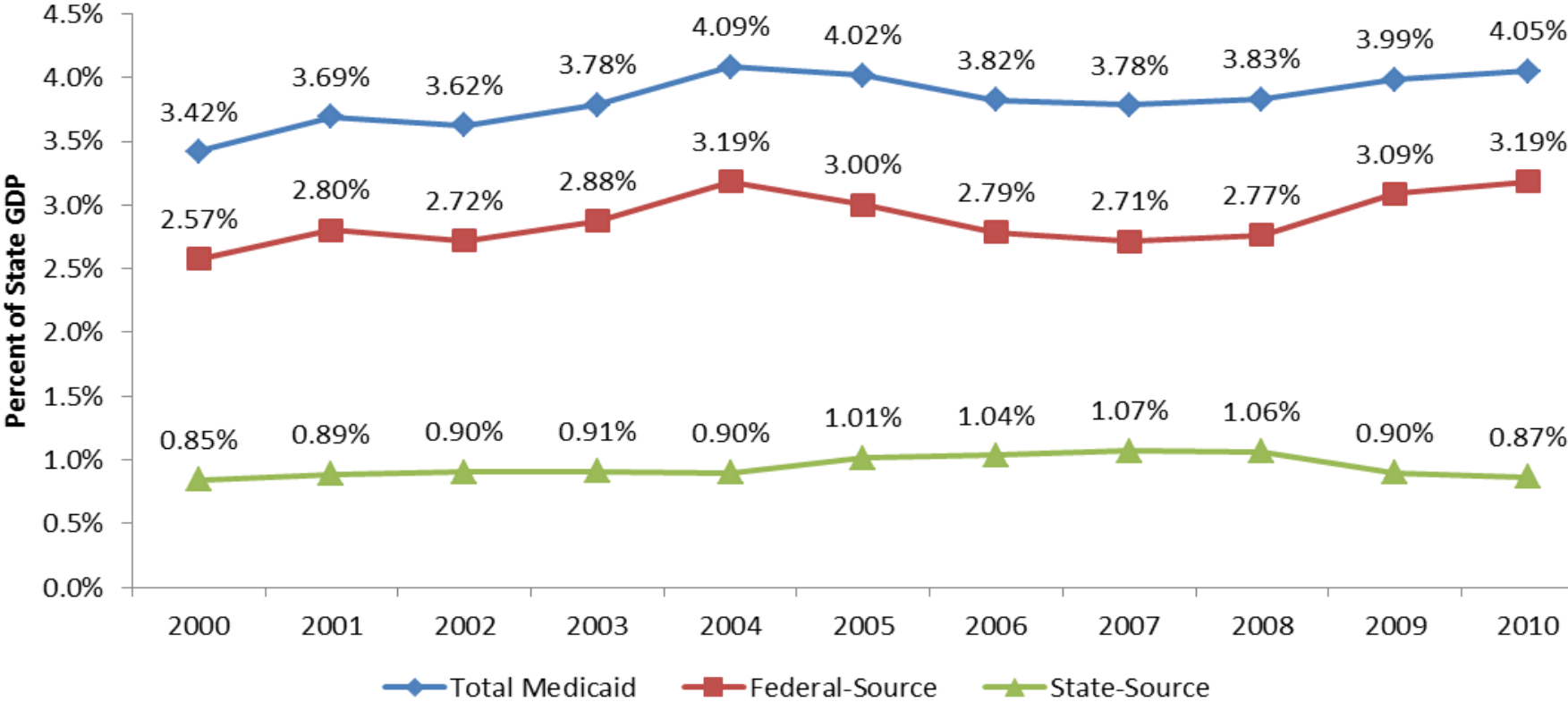
State Medicaid Spending, 2000-2010. Nominal and Adjusted for Inflation



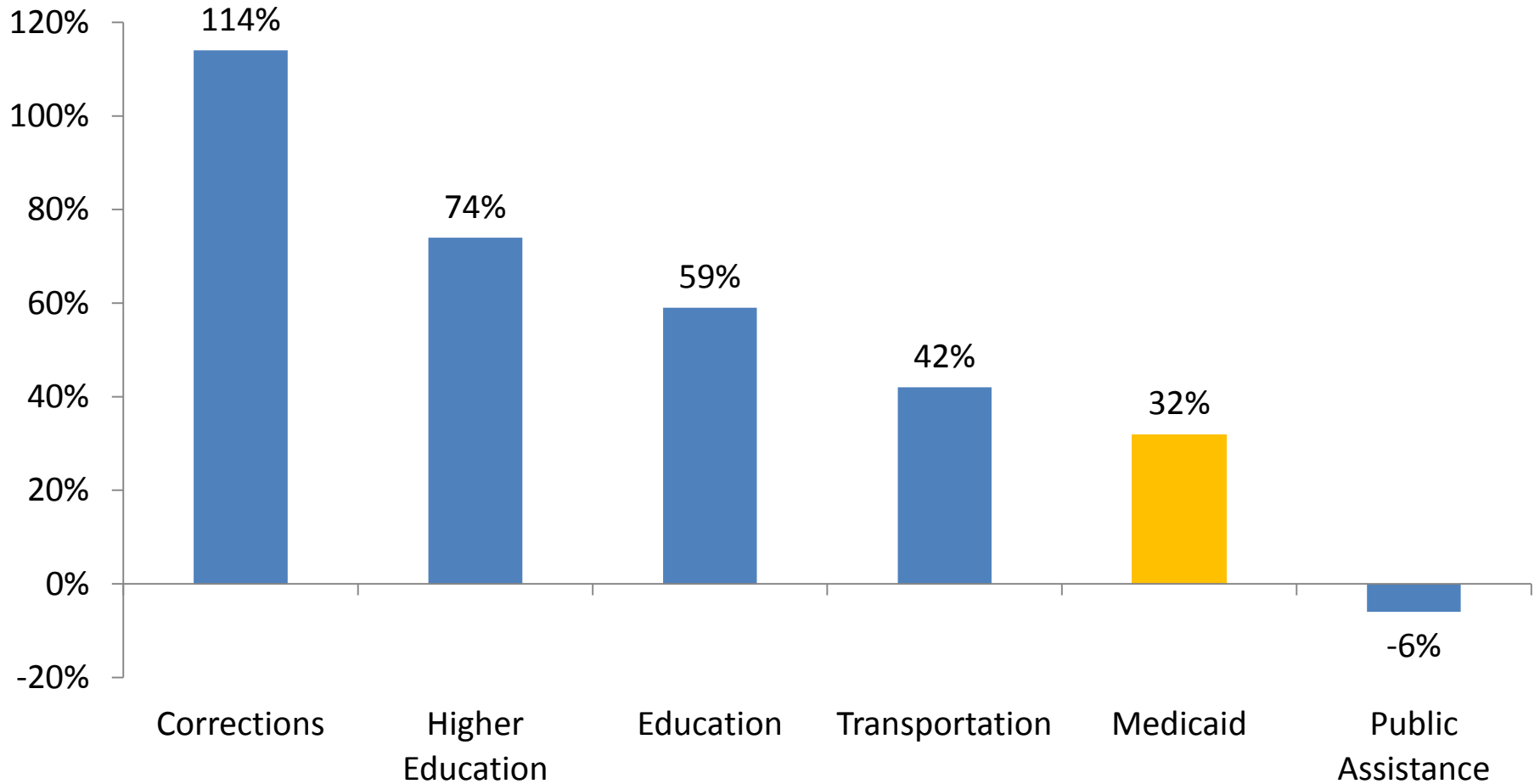
Source: The National Association of State Budget Officers, "State Expenditure Report,"
<http://www.nasbo.org/Publications/StateExpenditureReport/StateExpenditureReportArchives/tabid/107/Default.aspx>

FEDS SPENDS MORE WHILE STATE PAYS SAME AS PERCENT OF GDP

Medicaid Spending as a Share of WV's Economy



Growth Rates of Major Public Programs Between 2000 - 2010



MEDICAID SPENDING CREATES THOUSANDS OF JOBS

- 112,000 workers in Health Care Sector;
- \$100 Million in Federal Spending Creates 1,900 jobs;
- \$100 Million in Federal Spending Creates \$64 Million in Wages;
- \$100 Million in Federal spending Generates \$183 Million in Increased Business Activity



Source: WVCBP analysis using Families USA data from "A Shot in the Arm for West Virginia; Increasing Health Coverage for Working Families" January 2009

MEDICAID PLAYS CRUCIAL ROLE IN HEALTH CARE REFORM

- Expands Medicaid to West Virginians earning below 138% of FPL (\$25,000/family of 3);
- Anticipate about 120,000 West Virginians will be eligible;
- Federal Government Will Pay 100% for first 3 years;
- Federal Share Declines to 90%;
- Average Federal Share Until 2010 is 96%



WHAT HEALTH CARE REFORM WILL MEAN TO WEST VIRGINIA?

- Families Gain Economic Security and Peace of Mind;
- Reduces Charity Care;
- Reduces Cost Shift;
- New Federal Dollars will Create Jobs & increase Economic Activity.



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