

Medicaid 101

Presented by the Joint Medicaid Oversight Committee

July 2017

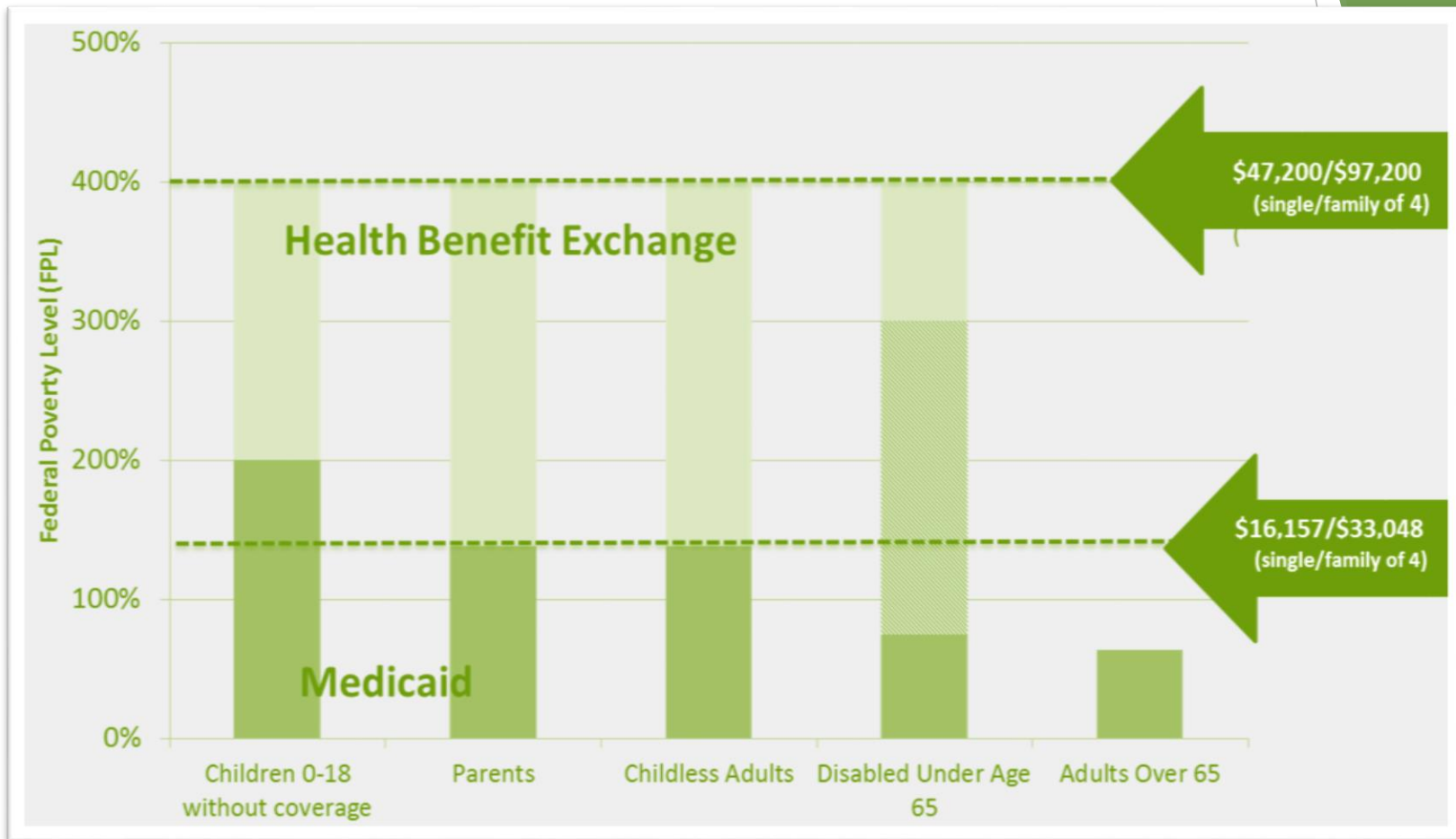
What is Medicaid?

- ▶ Medicaid - along with Medicare - was created in 1965 when President Johnson signed the Social Security Amendments into law
- ▶ Medicaid is a federal-state program which pays for healthcare services for certain low-income people
- ▶ Medicaid is the largest payer for long-term care services and supports, behavioral health - including alcohol and other drug treatment services and maternity services

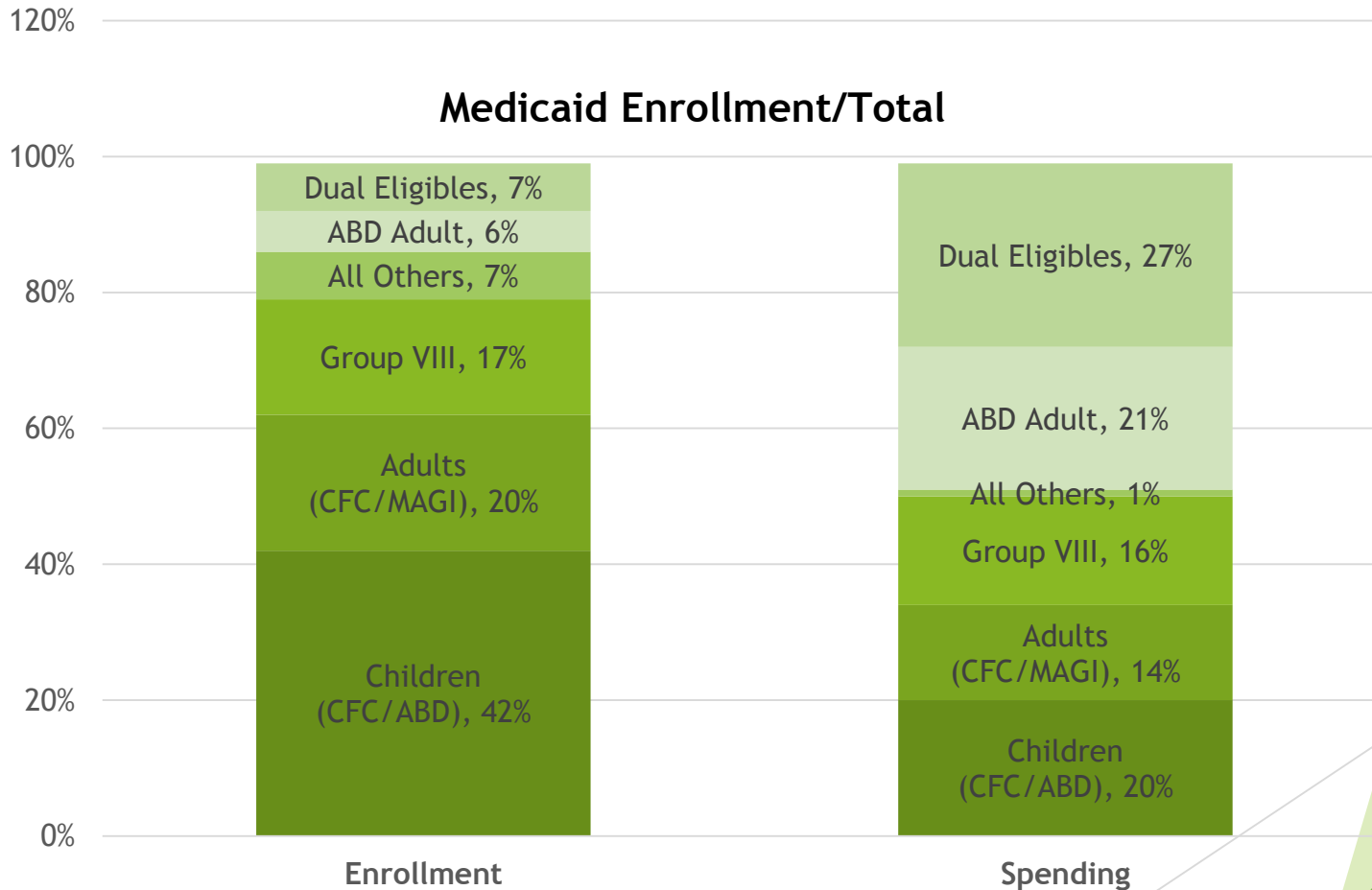
Who is eligible?

- ▶ Medicaid covers certain low income individuals, including:
 - ▶ adults ages 19 to 64
 - ▶ children
 - ▶ individuals who are aged, blind, or disabled
- ▶ Ohio's Medicaid program provides healthcare coverage to approximately 3 million Ohioans - about 26% of the state's population

Who Is Eligible?



Medicaid Enrollment and spending by category - FY 2015



Medicaid budget

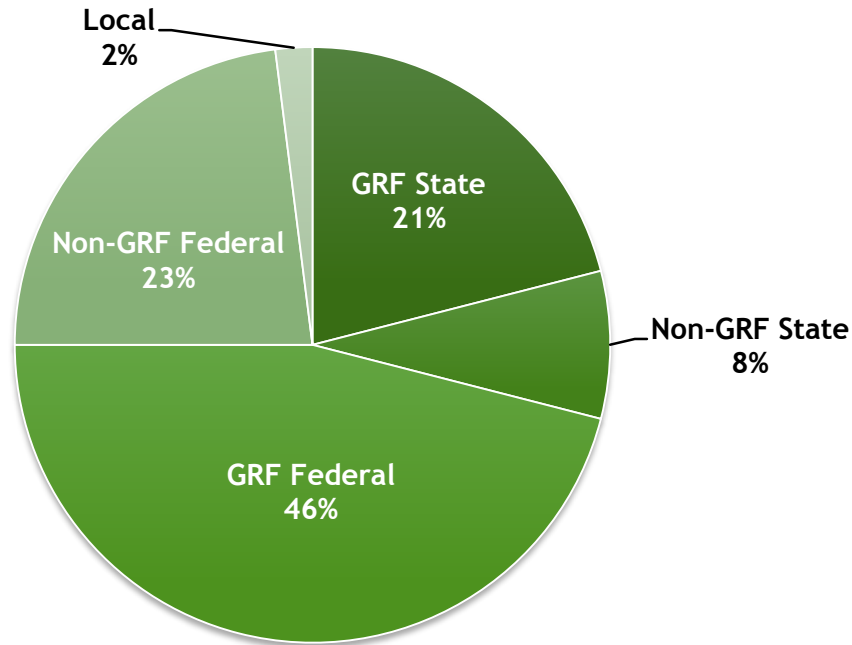
- ▶ The Medicaid program is the largest in the state budget on an all funds basis and 2nd to Education on a GRF basis
 - ▶ 24.8% of the state share GRF budget
 - ▶ 39.3% of total budget (all funds)
- ▶ The Department of Medicaid is designated as the single state agency to administer the program
- ▶ Medicaid's budget includes spending for other agencies including:
 - ▶ DODD, OMHAS, ODJFS, ODH, ODA, ODE
- ▶ Some funding in the Medicaid system is local
 - ▶ County Boards of Developmental Disabilities are the largest source

Medicaid budget

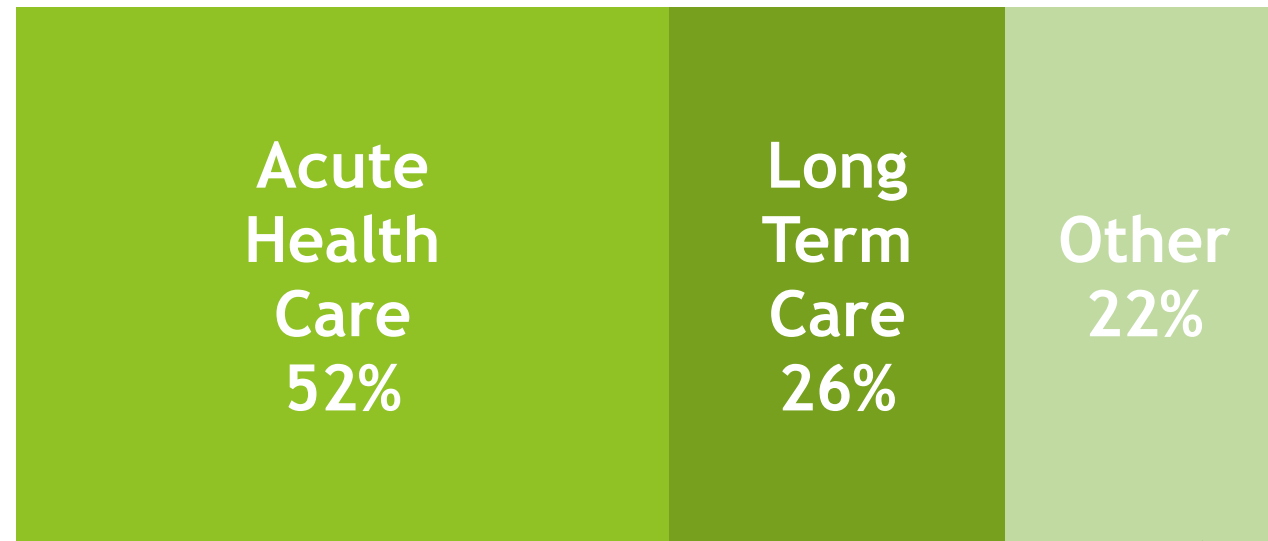
- The federal government pays roughly 60% of most program costs, while the state pays roughly 40%
 - ▶ The federal share is based on a three year average of the state's per capita income in relation to other states and is updated annually
 - ▶ Ohio's current match rate is 63.32%
 - ▶ Some populations and services have higher match rates
 - ▶ Childless adults: 95% currently, declining to 90% in 2020
 - ▶ CHIP Children: 96.62% up to an annual cap of about \$400M
 - ▶ Qualifying breast and cervical cancer enrollees: 73.62%
 - ▶ Administrative expenses: 50%

Medicaid budget

Actual Fiscal Year 2016 Spending, \$25.3 billion



What are we buying?



Roughly \$20 Billion Spent in Fee for Service or Managed Care in FY 14

Major policy initiatives

- ▶ Moving to managed care from fee for service
 - ▶ Roughly 80% of population covered under managed care
- ▶ Paying for value
 - ▶ Placing an emphasis on value and outcomes rather than volume
- ▶ Reducing reliance on institutional care by expanding home and community based services options
- ▶ Modernizing the behavioral health care delivery system
- ▶ Integrating eligibility determination for all population groups