The Facts
Medicaid Access in Northeast Ohio

Answers to Frequently Asked Questions

The Center for Health Affairs

2013

Introduction

The Affordable Care Act included a provision that would expand Medicaid coverage to all individuals under the age of 65 with incomes up to 138 percent of the federal poverty level beginning in 2014. However, with its July 2012 decision to make Medicaid expansion optional rather than mandatory, the Supreme Court put the decision to expand Medicaid into the hands of the states. Since that time, many states – including Ohio – have been wrestling with the decision on whether or not to expand their Medicaid programs.

For states that choose to move forward, expansion will be paid for entirely at the federal level from 2014 through 2016, at which point federal funding will gradually decline. Beginning in 2020 and through subsequent years the expansion will be paid for at 90 percent by the federal government, with the states picking up the remaining 10 percent of the cost.

In Ohio, Governor Kasich has indicated his desire to move forward with Medicaid expansion by including it in the state budget. The decision now rests in the hands of the Ohio General Assembly, who has the authority to leave the Medicaid provision in the budget as is, change it or remove it all together. As such, this publication includes a number of questions that have been regularly raised by legislators as they have evaluated their support for this measure.

For more information or to check for updates to this publication, please visit our website at www.chanet.org, or contact Deanna Moore at 216.255.3614 or deanna.moore@chanet.org.

The Facts

Q. Who is eligible for Medicaid now?

A.

Children, pregnant women, parents, disabled people, and people over the age of 65 falling under certain income guidelines are eligible. Adults without dependent children, working or nonworking, are not eligible.

Covered Populations	Income Guidelines
Children (up to 19)	≤ 200% FPL*
Pregnant Women	≤ 200% FPL
Parents	≤ 90% FPL
Disabled Persons	≤ 64% FPL**
Persons 65 & over	≤ 64% FPL**

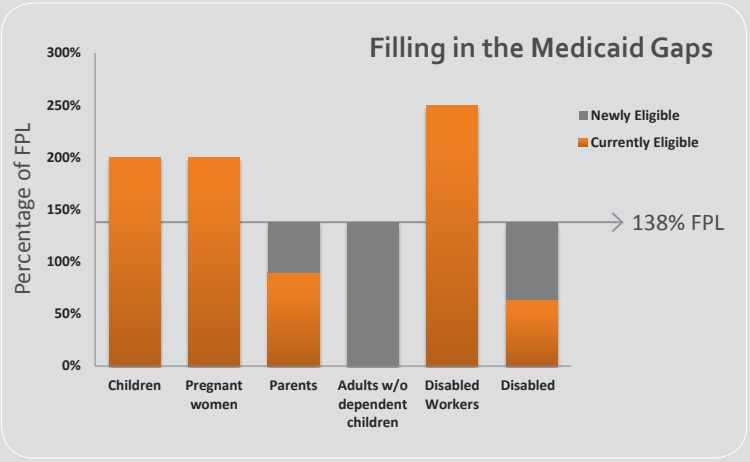
** In 2012, the federal poverty level (FPL) was $19,090 for a family of three*
*** Approximate; deductions & exceptions apply.*

Q.

What populations would benefit from closing the gaps in Medicaid coverage?

A.

Those who stand to benefit the most are those who are currently ineligible for Medicaid and cannot afford insurance otherwise. Adults without dependent children, who currently have no access to Medicaid, clearly stand to benefit but so do parents and disabled adults.



Q. Are there other characteristics that distinguish the newly eligible population?

A.

There is no one "type" of person this policy change would benefit. Many people would benefit including working families, veterans, homeless people, empty nesters, ex-offenders, and the recently unemployed. Nationally, more than half of the newly eligible – 52 percent – are employed.

Family Work Status Among Medicaid Enrollees 2010-2011[1]				
	OH	OH %	US	US %
At least 1 Full Time Worker	767,800	47%	23,582	50%
Part Time Workers	317,300	19%	6,931,300	15%
Non Workers	565,700	34%	16,457,200	35%

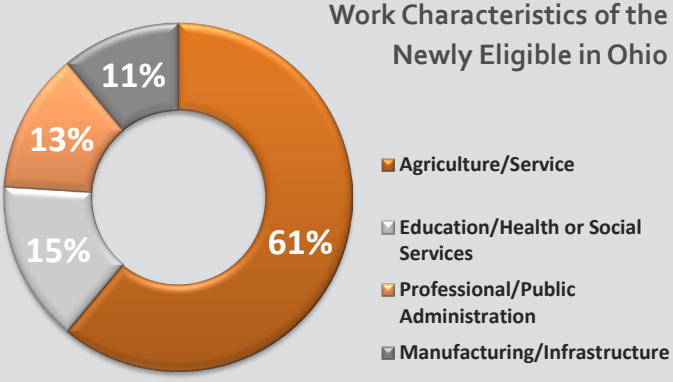
Family Work Status Among the Uninsured 2010-2011[2]				
	OH	OH %	US	US %
At least 1 Full Time Worker	892,800	12%	29,825,600	15%
Part Time Workers	254,500	26%	7,455,900	31%
Non Workers	380,200	27%	10,640,100	27%

Q.

Do the newly eligible typically represent certain employment sectors?

A.

The newly eligible represent every employment sector; however, many are employed in industries with traditionally low insurance rates. More than half – 61 percent – are employed in the service or agricultural sectors.[3]



Q. Will expanding access to Medicaid improve health outcomes?

A. Several states have extended their Medicaid programs to a larger population and have seen positive health indicators result.[4]

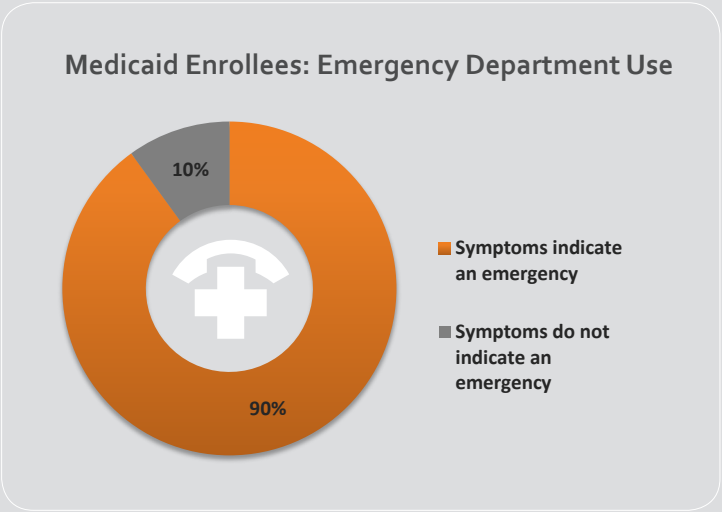
Outcomes by the Numbers		State(s)
25%	Percentage increase among the newly insured who said their health was “good” or “excellent”	OR
40%	Percentage of newly eligible who were less likely to say their health had worsened over the past year	OR
6%	Percentage decrease in death rate among newly insured population	AZ, ME, NY
60%	Percentage of newly insured women who were more likely to have a mammogram	OR
20%	Percentage of newly insured people who were more likely to have their cholesterol checked	OR
70%	Percentage of newly insured who were more likely to use a particular clinic or office for medical care	OR
55%	Percentage of newly insured who were more likely to have a doctor they regularly saw	OR

Do Medicaid enrollees rely on the emergency department (ED) for routine care? Will the situation worsen with new enrollees?

Q.

A.

According to a 2012 Center for Studying Health System Change Study, 90 percent of visits to the ED by Medicaid enrollees are for symptoms that indicate an emergency. This rate is similar to privately insured individuals whose visits to the ED are true emergencies in 93 percent of cases. Additional education may help reduce these numbers even further.[5]

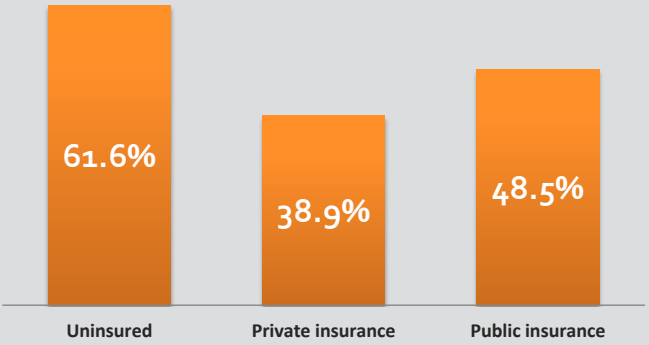


Q. Do people without insurance use the emergency department (ED) as a primary source of routine care?

A.

Yes, in fact a recent survey by the National Center for Health Statistics found that almost 62 percent of patients without insurance receiving care in the emergency department said they were there because they had no other place to go, reflecting lack of access to a primary source of routine care. This is higher than the percent of individuals with private insurance or with public insurance who said they were at the emergency department because they had no other place to go.[6]

Adults Ages 18-64 Selecting "No Other Place to Go" as Reason for Visiting Emergency Department



Note: Data was collected from January 2011 - June 2011 and represents information on the respondent's last hospital visit in the past 12 months that did not result in hospital admission.

Q. What happens when people use the emergency department (ED) as a primary source of routine care?

A.

Simply put, healthcare costs rise and patients arrive sicker. A study by the Government Accountability Office found that the average cost for a nonemergency visit to an emergency department was $792, more than **seven times higher** than the cost of a visit to a community health center. Emergency department costs are higher than healthcare costs in other settings because emergency departments need to be equipped with expert staff and resources 24 hours a day, seven days a week to stabilize and treat a vast array of urgent and often life-threatening conditions. Moreover, aside from the clear cost savings, care of a non-emergent nature is more appropriately handled in a primary care setting where patients and their healthcare provider can more effectively handle routine care and ensure better care coordination for complex conditions.

$108 vs. $792

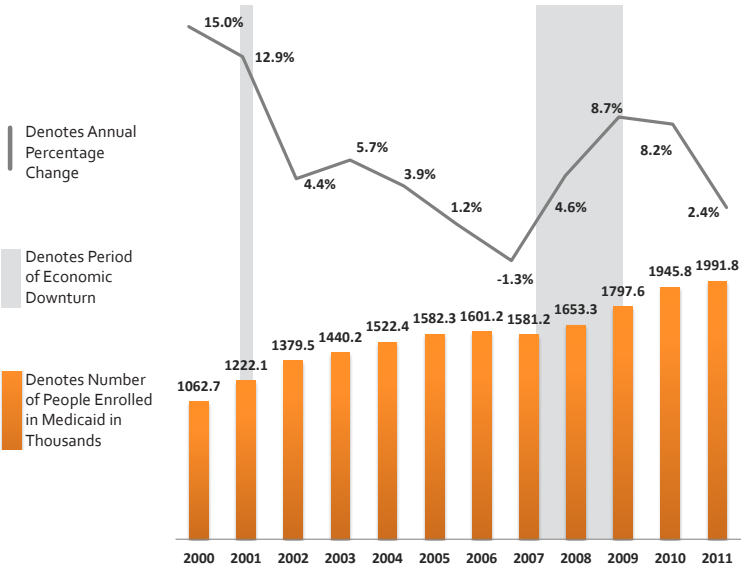
average cost of non-emergent community health center visit vs. average cost of non-emergent ED visit.

What's more, when patients present in the emergency room for conditions that have escalated because of a lack of access to primary care, they often arrive sicker. After an exhaustive review of research spanning 25 years, The Kaiser Commission on Medicaid and the Uninsured concluded that the uninsured - who are at higher risk of lacking access to a regular source of primary care - are diagnosed at more advanced disease stages.[7]

Would broadening coverage create a culture of dependency? Q.

A. No. Medicaid enrollment is cyclical based on how well the economy is doing. Research shows that in times of recession, Medicaid enrollment grows as people lose jobs and income. This is especially true for families and children. Conversely, during times of economic prosperity, Medicaid enrollment slows, stays flat, or decreases. If anything, Medicaid coverage increases the likelihood that people will have access to a usual source of care and the ability to address any previously unmet health needs, causing them to miss fewer work days and making them better positioned to work productively.[8]

Annual Change in Medicaid Enrollment in Ohio: June 2000 to June 2011



Q. Does expanded coverage provide a disincentive to strive for a higher-paying job?

A.

The Affordable Care Act contains provisions that make it easier for individuals with low and modest incomes to afford insurance. For instance, let's explore what happens when an individual on Medicaid secures a higher paying job which would then make them ineligible for Medicaid coverage. If their employer does not offer health insurance, or does not provide what is deemed "affordable insurance", tax credits and cost-sharing subsidies can help make care purchased in a "market-based" health insurance exchange more affordable.

Specifically, tax credits to reduce premium costs for insurance purchased in a "market-based" health insurance exchange are available to individuals earning between 100 percent and 400 percent of the federal poverty level. In addition, people with incomes up to 250 percent of the federal poverty level are also eligible for reduced cost sharing for coverage bought in an exchange.

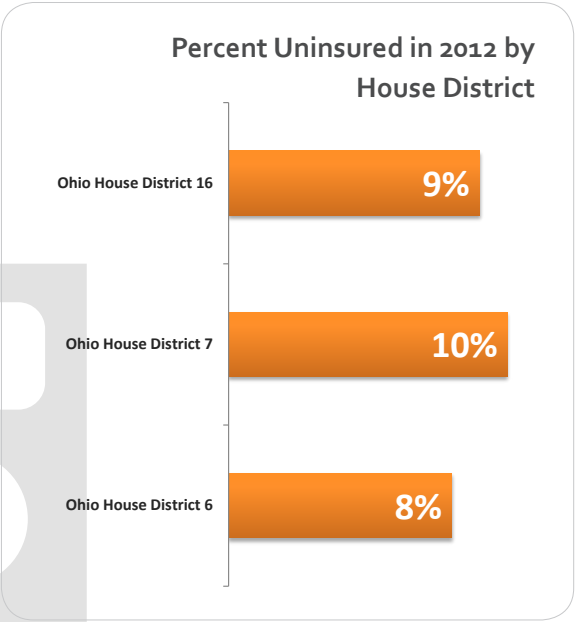
Q. How many people would benefit from expansion?

A. The nonpartisan Health Policy Institute of Ohio recently analyzed the county-level impact a Medicaid expansion would have in Ohio. The results show that each county will have more people covered through Medicaid and fewer uninsured individuals. Furthermore, each county will benefit from an increase in local revenue from the sales tax on payments to Medicaid managed care plans for people who gain Medicaid coverage and live in that county.[9]

Projected Medicaid Expansion Impact in Ohio			
Northeast Ohio County	**Total new 19-64 year-old enrollment**	**New local Medicaid managed care sales tax revenue**	**Medicaid managed care tax dollars due to Medicaid expansion per person 18-64 years old**
Ashtabula	6,582	$262,929	$4.25
Cuyahoga	72,189	$6,488,696	$8.17
Geauga	1,565	$62,517	$1.13
Lake	7,055	$352,298	$2.48
Lorain	13,887	$416,074	$2.25
Medina	4,383	$175,095	$1.67

Q. What is the percentage of people who are uninsured in Northeast Ohio?

A. Each area of Cuyahoga County will have different rates of uninsurance based on the demographics of the region. One way to look at these regions is by legislative district.[10]



Q. How many of those who would be newly eligible are working?

A.

Roughly half of the newly eligible in Ohio work, but their employer doesn't earn or can't afford coverage. Furthermore, many in the gap actually work as health care providers for others, but do not have coverage for themselves.[11]

1/2

Q. How will we know if expansion actually improves health?

A.

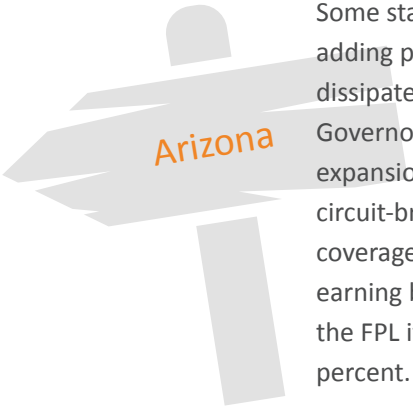
The Affordable Care Act requires that all nonprofit hospitals conduct a community health needs assessment every three years to maintain their tax-exempt status. Starting in 2012, every hospital will have baseline data (before Medicaid expansion) that can then be compared to post-expansion data.

Furthermore, the Ohio Medicaid Assessment Survey, which is administered by Ohio Medicaid with the assistance of the Ohio Colleges of Medicine Government Resource Center, already tracks a wealth of information that could be used to assess how Medicaid expansion has improved the health status of the newly eligible. Examples of information currently tracked include rates of: smoking, binge drinking, dental care, mental health distress, obesity, and high blood pressure.[12]

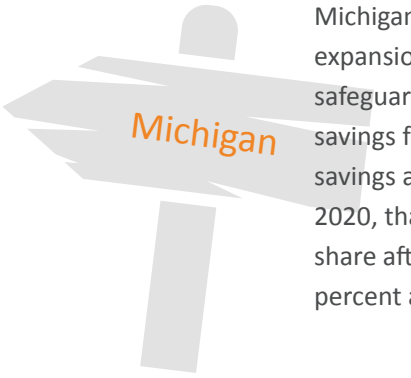
Q. How are other states that plan to implement expansion structuring their program to ensure its success?

A.

Federal rules allow states to opt out of the Medicaid expansion and revert back to their original coverage limits at any time, for any reason.



Some states, including Arizona, are also exploring adding protections in case federal funding dissipates over time. For example, Arizona Governor Jan Brewer is supporting Medicaid expansion with a budget plan that includes a circuit-breaker that would automatically freeze coverage for adults without dependent children earning between 100 percent and 133 percent of the FPL if federal matching rates drop below 80 percent.



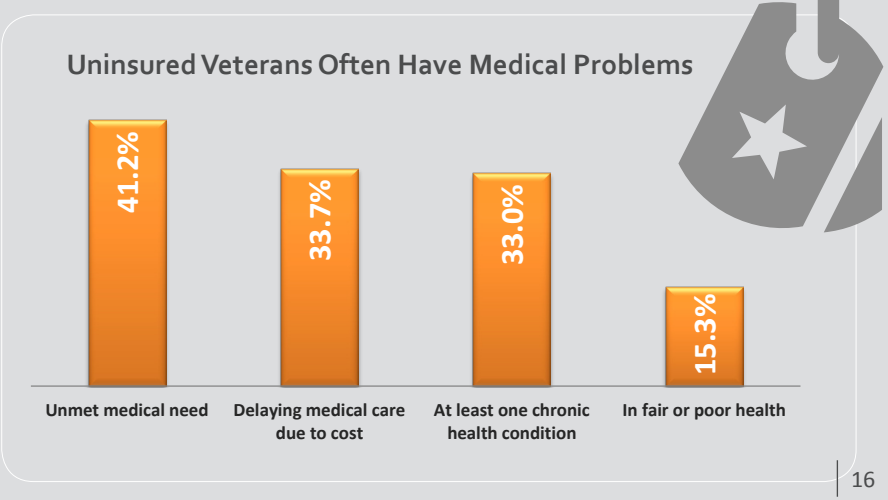
Michigan Governor Rick Snyder supports Medicaid expansion in his budget proposal which includes safeguards such as depositing 50 percent of the savings from the expansion into a special health savings account for the first seven years, through 2020, that can be used to pay for the higher state share after the federal share drops from 100 percent after the first three years.[13]

How would veterans be impacted by a Medicaid expansion? Q.

A.

Despite having put their health and lives at risk while serving in the armed forces in 2010, 1.3 million U.S. veterans—including 52,000 in Ohio—lack health insurance. **Nationally, almost half of these veterans would qualify for coverage if all states expand Medicaid eligibility.** Furthermore, veterans' spouses could gain needed coverage as well.

Most people believe that veterans can receive health care through the US Department of Veterans Affairs (VA), however only about 37 percent of the country's more than 22 million veterans receive health coverage through the VA. Not all veterans can receive these benefits - eligibility is determined by active duty status, condition of discharge, length of service, income level and other factors. Only in limited circumstances are veterans' spouses and families able to access VA health care. Furthermore, uninsured veterans often have medical problems, many of which go untreated.[14]



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Endnotes

[1]Kaiser Family Foundation, State Health Facts, http://www.statehealthfacts.org/

[2]IBID

[3]Kaiser Family Foundation, Characteristics of Uninsured, Low Income Adults, August 2012. http://www.kff.org/uninsured/upload/8350.pdf

[4]Epstein and Baiker, Harvard School of Public Health, 2012 (AZ, ME, NY) National Bureau of Economic Research, 2011 (OR)

[5]Center for Studying Health System Change. "Dispelling Myths About Emergency Department Use: Majority of Medicaid Visits Are for Urgent or More Serious Symptoms." July 2012. http://www.hschange.com/CONTENT/1302/

[6]Gindi, et al. " Emergency Room Use Among Adults Aged 18–64: Early Release of Estimates From the National Health Interview Survey, January–June 2011." *Centers for Disease Control and Prevention.* May 2012. http://www.cdc.gov/nchs/data/nhis/earlyrelease/emergency_room_use_january-june_2011.pdf

[7]*U.S. Government Accountability Office.* "Hospital Emergency Departments: Health Center Strategies That May Help Reduce Their Use." May 2011. http://www.gao.gov/assets/130/126188.pdf; C. Hoffman, D.J. Gaskin, "The Costs of Preventable Hospitalizations among Uninsured and Medicaid Adults." Washington, DC: Kaiser Family Foundation, 2001 cited in: The Kaiser Commission on Medicaid and the Uninsured. "Sicker and Poorer: The Consequences of Being Uninsured." Updated February 2003. http://www.kff.org/uninsured/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=13971.

[8]*Kaiser Commission on Medicaid and the Uninsured.* "Medicaid Enrollment: June 2011 Data Snapshot." June 2011. http://www.kff.org/medicaid/upload/8050-05.pdf

[9]*Health Policy Institute of Ohio.* "Expanding Medicaid in Ohio: County-Level Analysis." March 2013. http://a5e8c023c8899218225edfa4b02e4d9734e01a28.gripelements.com/pdf/publications/medicaidexpansion_countydata.pdf

[10]The Center for Health Affairs, 2012 Cuyahoga County Health Needs Assessment, preliminary results. Data analysis courtesy of the Hospital Council of Northwest Ohio. Final report available 4/30/2013 at www.chanet.org.

[11]The Ohio Colleges of Medicine Government Resource Center. " Key Findings Concerning Ohio's Current Health Landscape and Medicaid Expansion Statewide Conference." February 21, 2013. https://ckm.osu.edu/sitetool/sites/omaspublic/documents/OMASStatewideRolloutPresentationSildes.pdf

[12]*The Ohio Colleges of Medicine Government Resource Center.* "Ohio Medicaid Assessment Survey." 2012. https://ckm.osu.edu/sitetool/sites/omaspublic/documents/2013OMASBackgroundandOverview.pdf

[13]*The Advisory Board Company.* "Where Each State Stands on Medicaid Expansion." March 4, 2013. http://www.advisory.com/Daily-Briefing/2012/11/09/MedicaidMap

[14]Haley, J. and Kenney, G.M. "Uninsured Veterans and Family Members: Who Are They and Where Do They Live?," Urban Institute, May 2012. http://www.rwjf.org/content/dam/farm/reports/reports/2012/rwjf73036 and Kizer, K.W. "Veterans and the Affordable Care Act." *Journal of the American Medical Association.* February 22,2012, pp 789-790.

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