

# Medicare, Medicaid, & Children's Healthcare Insurance Program

Funding and Eligibility

# Federal Oversight – Three Health Insurance Programs

## Center for Medicare & Medicaid (CMS)

Medicare

Medicaid

Children's Health Insurance Program

Federal \$

State \$

Federal \$

State \$

Federal \$

# Federally Managed Program (minimal state involvement) Medicare

1. President Johnson signed into law in 1965 **for citizens 65 and older** or who meet certain federal disability criteria;
2. Funded entirely by the federal government; and
3. Accessible regardless of income

- **Federal Management**
- **Federal Funds**
- **By 2022, 64.5 million people received health coverage through Medicare.<sup>1</sup>**

<sup>1</sup> <https://www.medicareresources.org/basic-medicare-information/brief-history-of-medicare/>

# State-Managed Insurance Programs

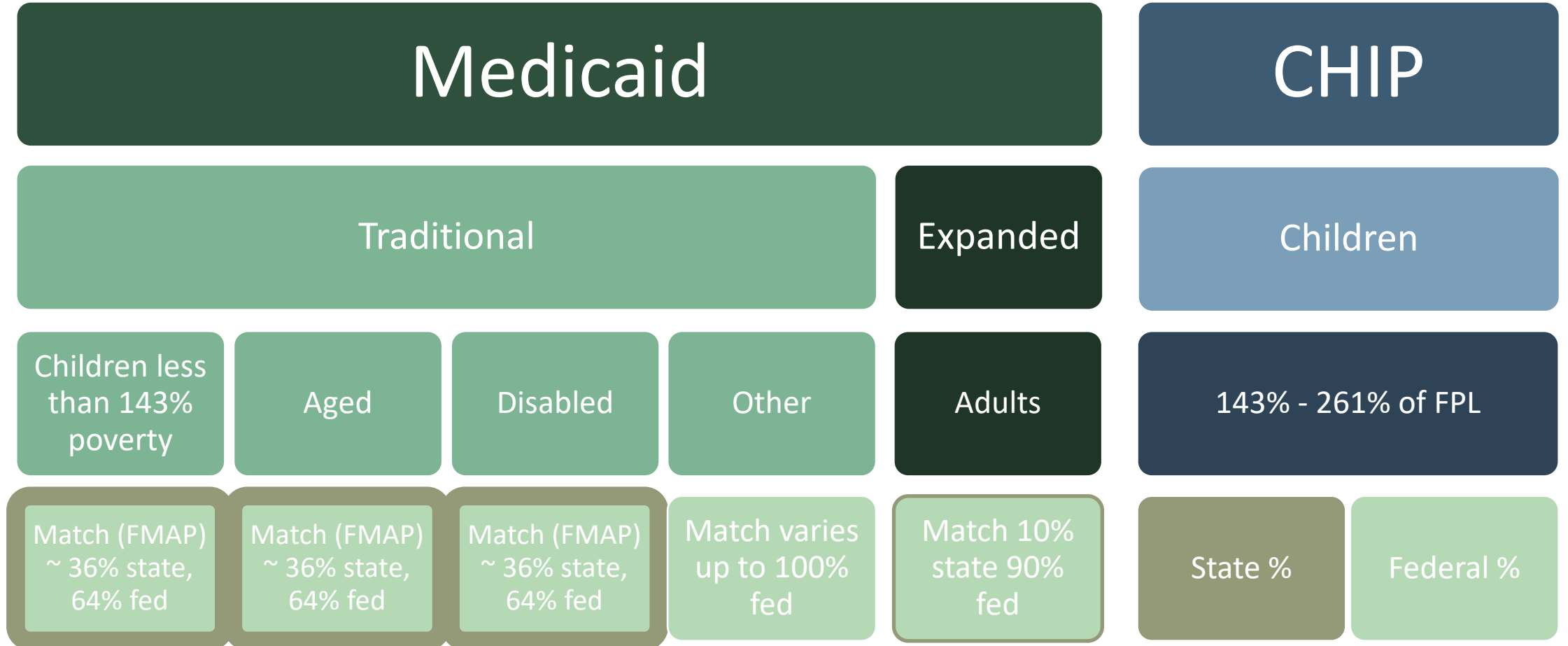
## Medicaid

- For **persons with low incomes only**
- Federal program started in 1965
- Funded by both the state and federal governments
- Traditional population includes aged, disabled, and children
- Expansion population includes all others with low incomes from ages 18-64

## CHIP

- Started by the federal government in Balanced Budget Act of 1997 and enacted Title XXI of the Social Security Act. CHIP is a joint state-federal partnership that provides health insurance to low-income children
- Covers children ages 0-18 above the income limitations of Medicaid and below 261% of federal poverty level

# State Managed Health Insurance Programs



Poverty level  
impacts access  
to state health  
insurance

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Percent of FPL by Family Size Based on 2024 Federal Poverty Guidelines					
Family size	Annual Household Income				
	100%	138%	143%	157%	261%
1	\$15,060	\$20,783	\$21,531	\$23,644	\$39,307
2	20,440	28,207	29,229	32,091	53,348
3	25,820	35,632	36,923	40,537	67,390
4	31,200	43,056	44,616	48,984	81,432
5	36,580	50,480	52,309	57,431	95,473
6	41,960	57,905	60,003	65,877	109,516
7	47,340	65,329	67,696	74,324	123,557
8	52,720	72,754	75,390	82,770	137,599

# Traditional Medicaid

## Medicaid

### Traditional

Children less  
than 133%  
poverty

Aged

Disabled

Other

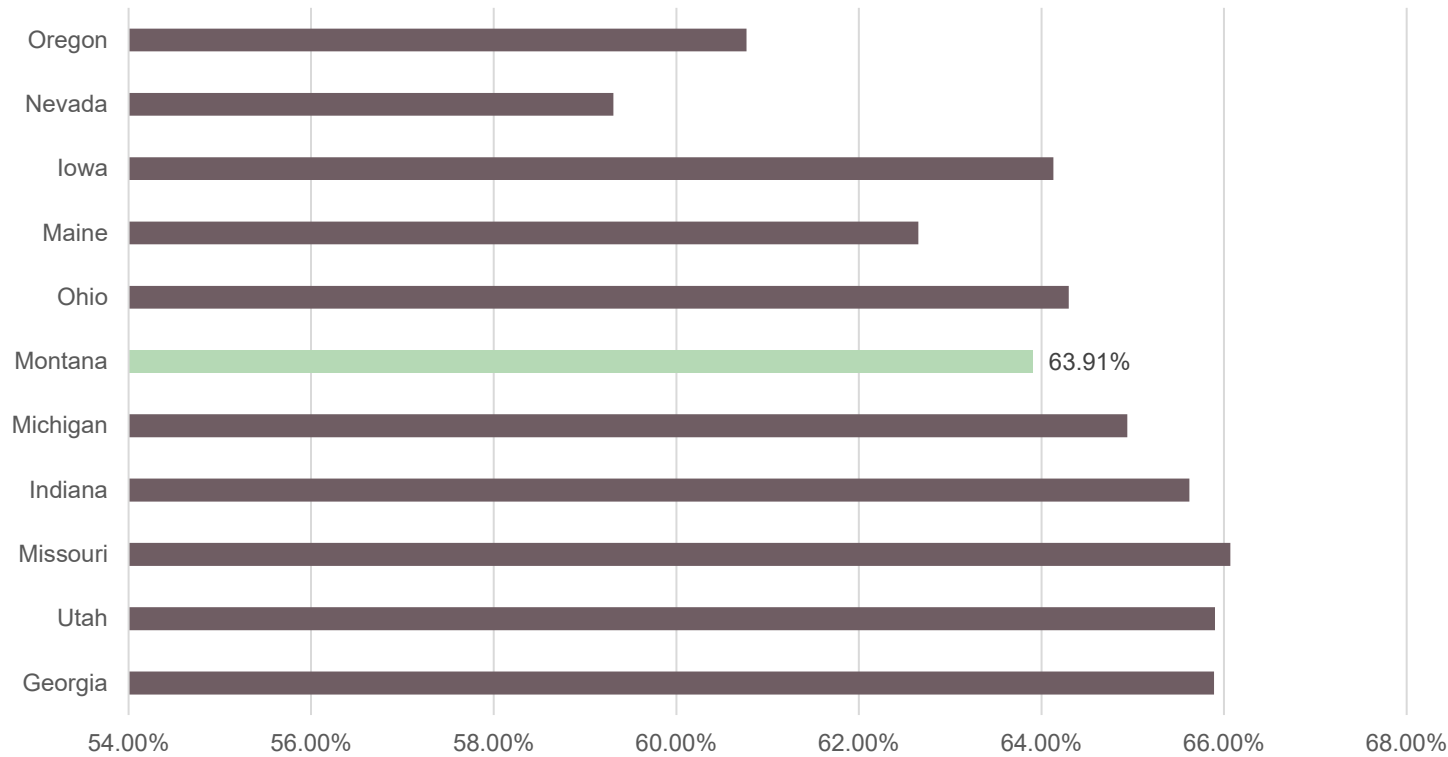
Match (FMAP)  
~ 36% state,  
64% fed

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~ 36% state,  
64% fed

Match (FMAP)  
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64% fed

Match varies  
up to 100%  
fed

2024 FMAP for Montana and Selected States



# Traditional Medicaid Federal Match Rate

The Federal Medical Assistance Percentage (FMAP) calculation compares the per capita income (PCI) for each state to the U.S. PCI, while factoring in some statutory limitations. The formula is designed to ensure that a state with a PCI equal to the U.S. PCI receives an FMAP of 50%, or a federal share of 50% and a state share of 50%.

The U.S. Dept. of Health and Human Services publishes FMAPs for the upcoming fiscal year in November. The 2024 FFY FMAP was published in November of 2022.

More information is available in the [Legislative Fiscal Division FMAP guide](#).



# Traditional Medicaid

## Mandatory & Optional Medicaid Services

### Examples of Mandatory Services

- Physician & Nurse Practitioner
- Nurse Midwife
- Medical & Surgical Service of a Dentist
- Laboratory and X-ray
- Inpatient Hospital (excluding inpatient services in institutions for mental disease)
- Outpatient Hospital
- Federally Qualified Health Centers (FQHCs)
- Rural Health Clinics (RHCs)
- Family Planning
- Early and Periodic Screening, Diagnosis and Treatment (EPSDT)
- Nursing Facility
- Home Health
- Durable Medical Equipment
- Transportation

### Examples of Optional Services

- Outpatient Drugs
- Dental and Denturist Services
- Comprehensive Mental Health Services
- Ambulance
- Physical & Occupational Therapies and Speech Language Pathology
- Home & Community Based Services
- Eyeglasses & Optometry
- Personal Assistance Services
- Targeted Case Management
- Podiatry
- Community First Choice

# Traditional Medicaid Waivers in Montana

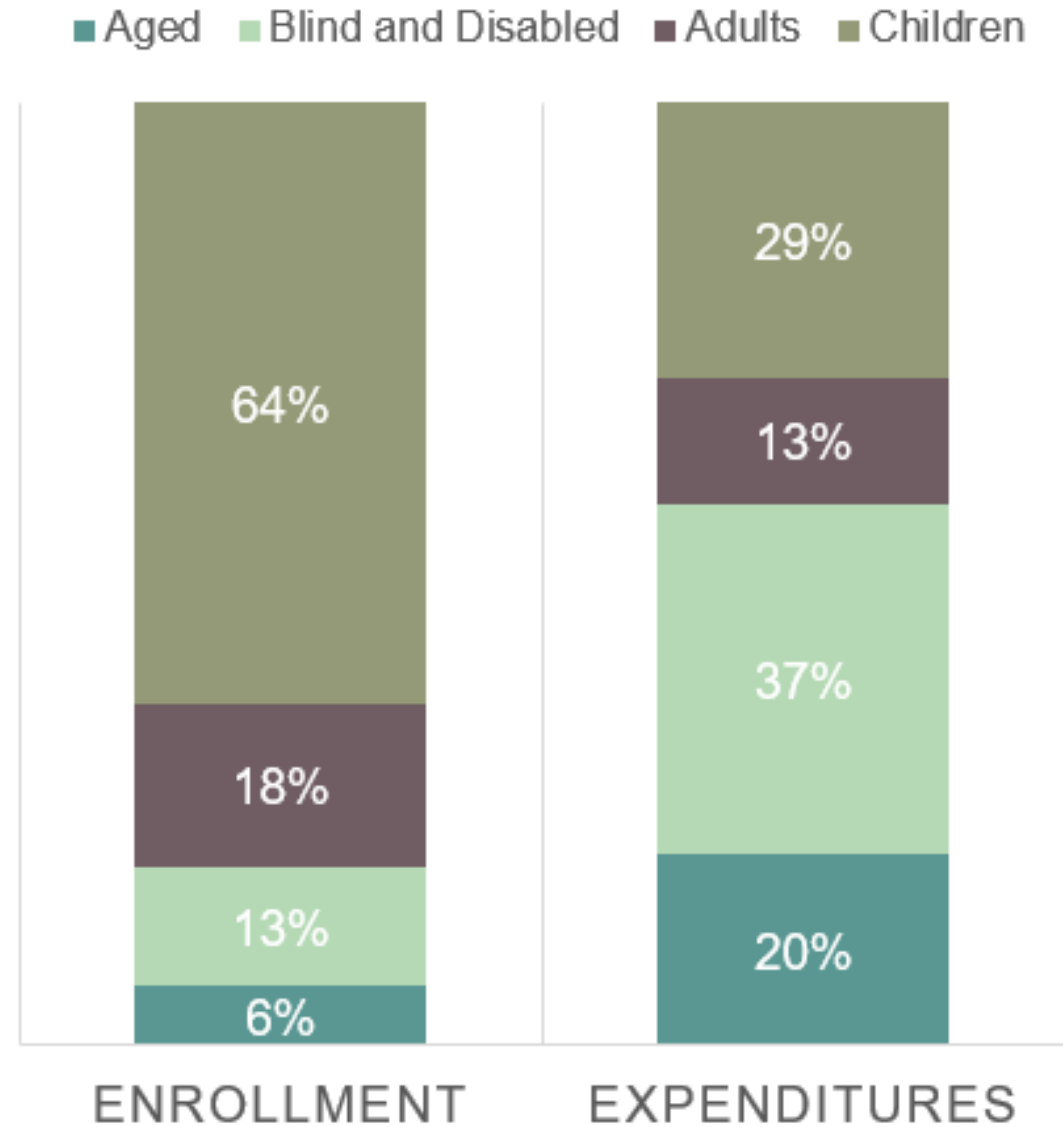
Center for Medicare & Medicaid (CMS)

State Medicaid programs may request a waiver of certain federal Medicaid requirements from CMS

Montana operates several different waivers to customize services for key populations.

For additional information on waivers in Montana, please review the [Legislative Fiscal Division waiver brochure](#).

# Traditional Medicaid Enrollment and Expenditures by Major Aid Categories in 2021



# Expanded Medicaid

Medicaid

Expanded

Adults

Match 10%  
state, 90%  
fed

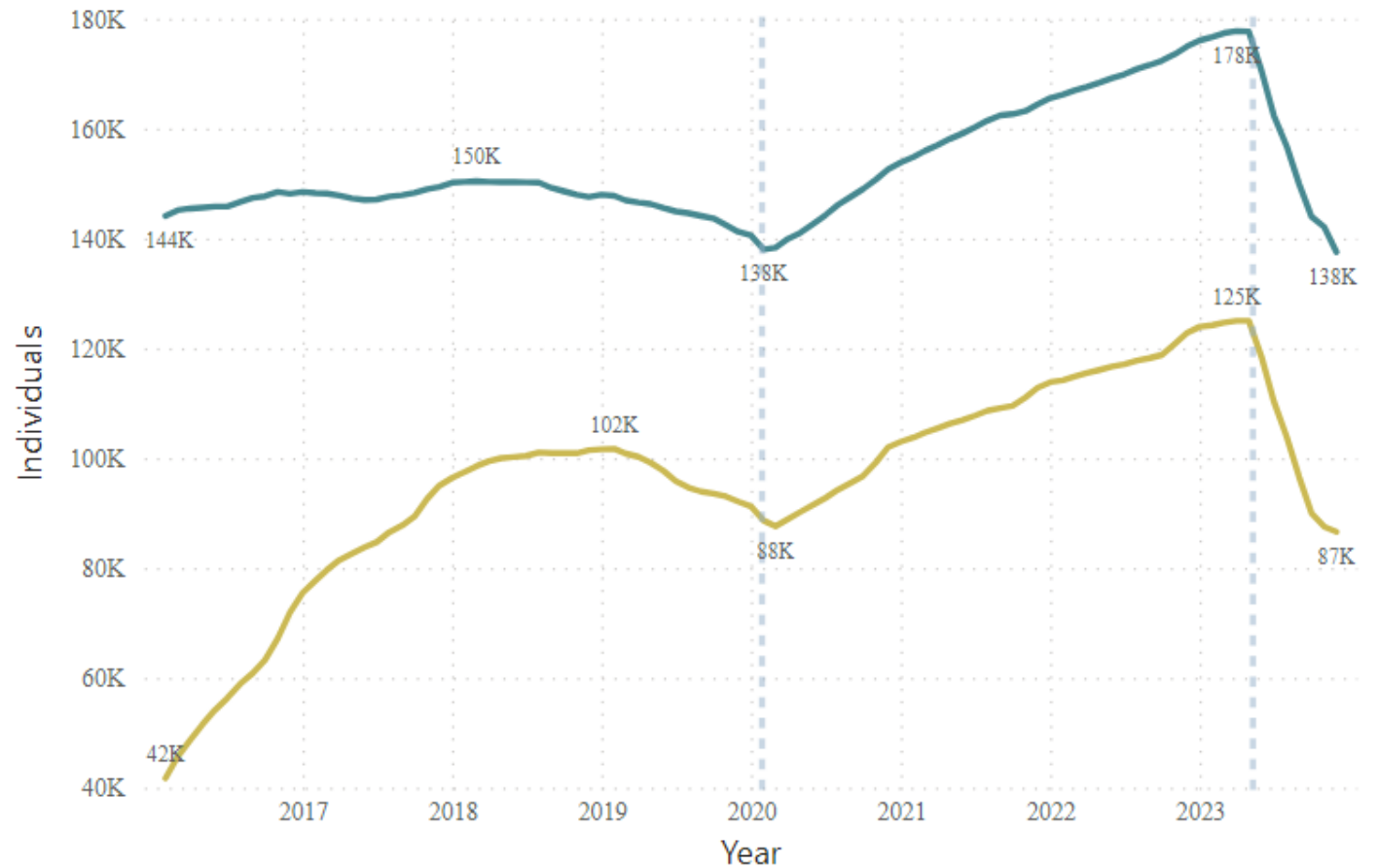
# Medicaid Expansion

The expansion of Medicaid specifically targets individuals between the ages of 19-64 earning less than 138% of the federal poverty level (FPL). In 2024, this was the equivalent of \$20,783 for an individual, or \$43,056 for a family of four.

*Expansion started at the mid-point of FY 2016; only six months of enrollment occurred in FY 2016.*

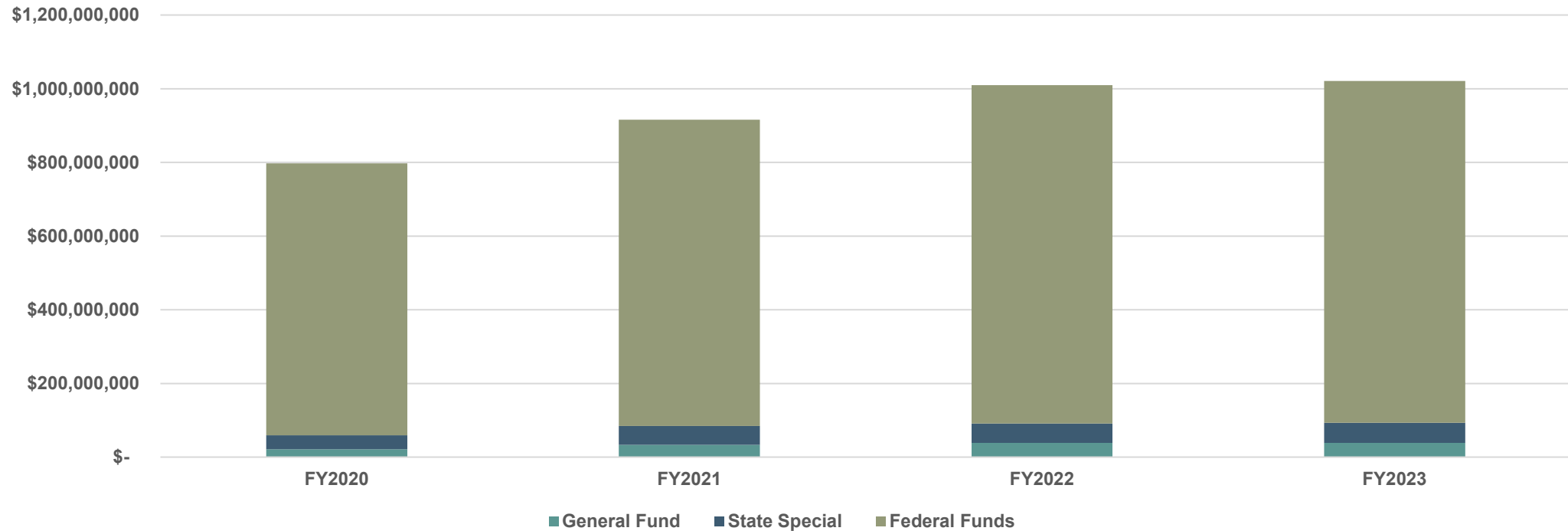
Enrollment by Program

Program Key ● Expansion ● Traditional

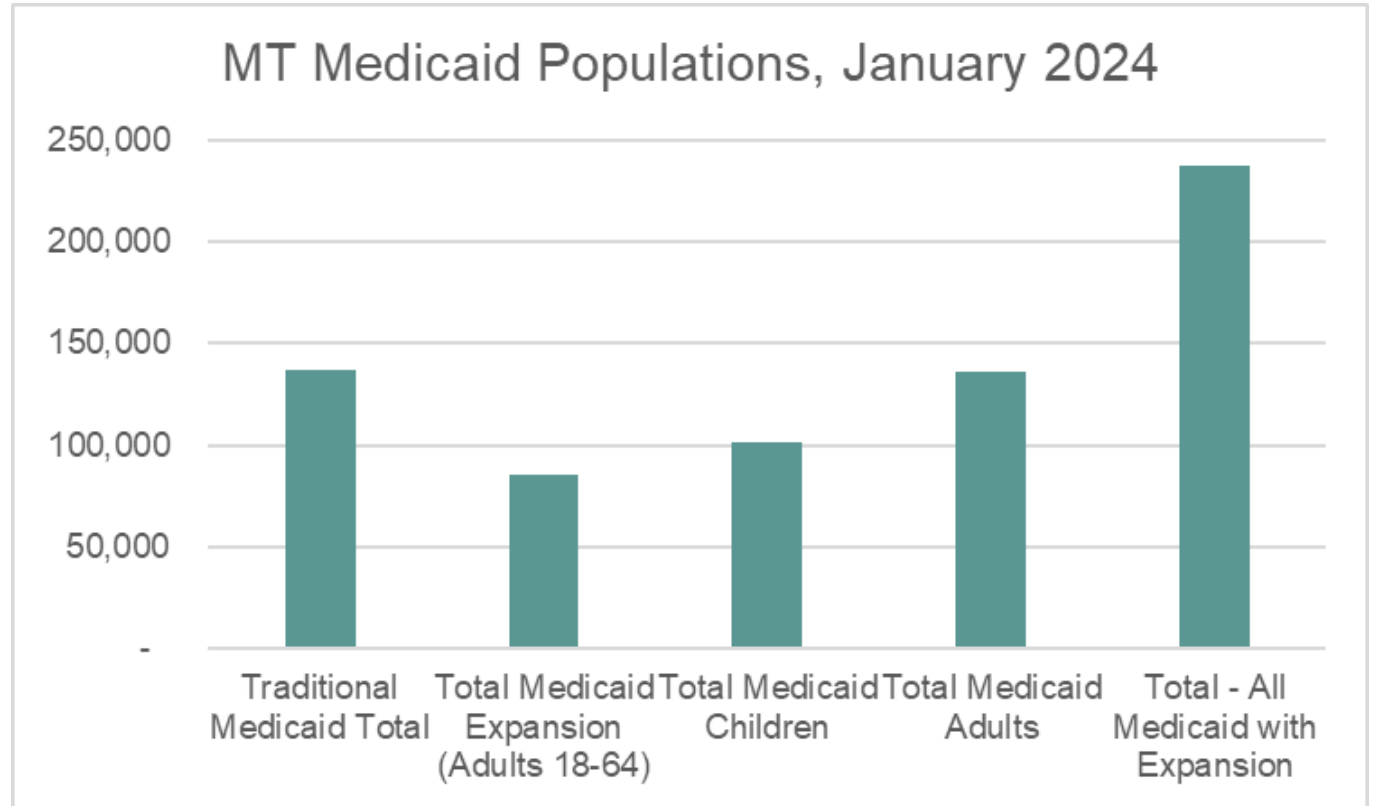


# Medicaid Expansion Expenditures

Medicaid Expansion Expenditures FY 2020 - FY 2023

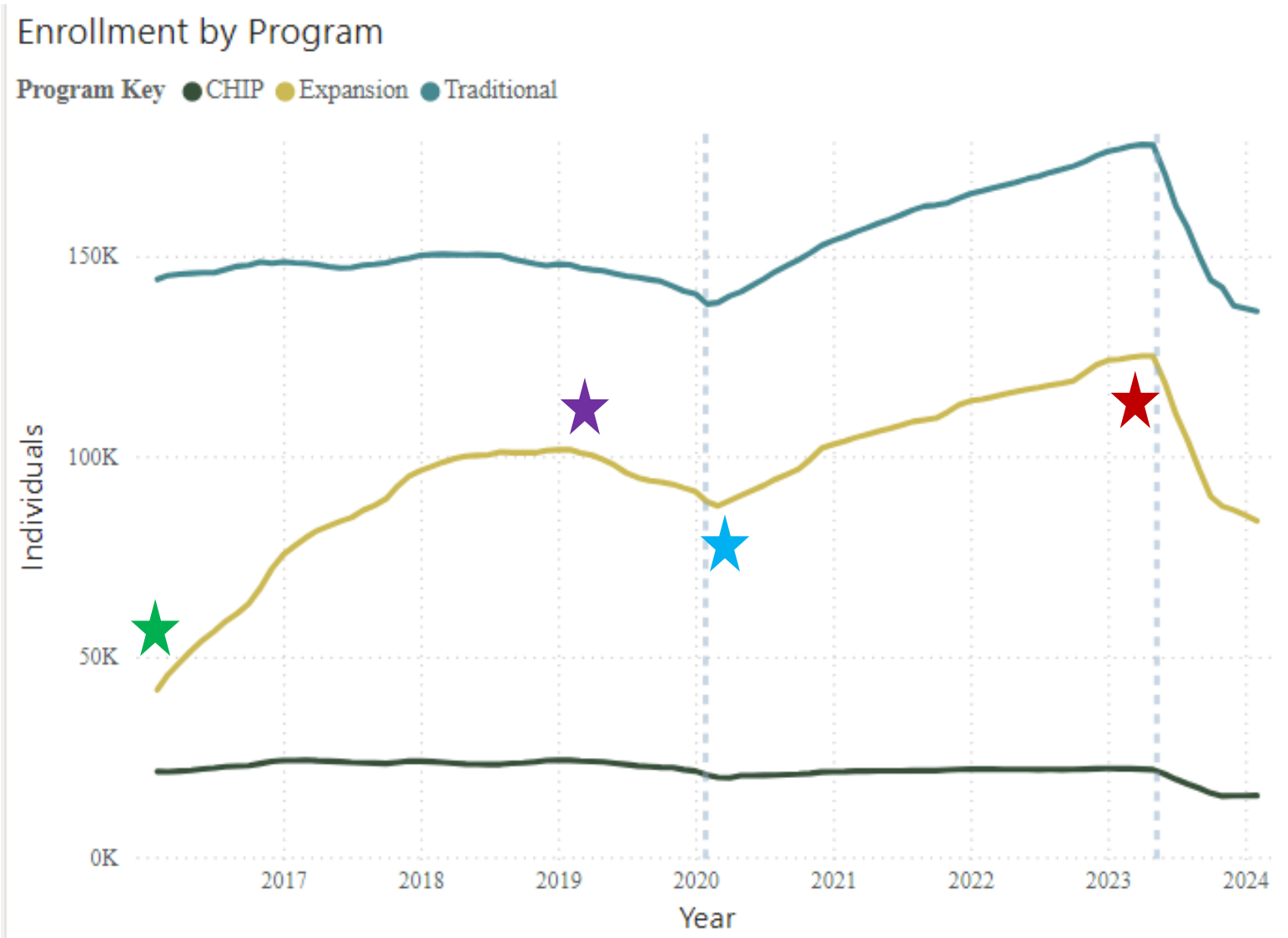


# Total Medicaid Enrollment - Traditional & Expanded



# Medicaid Enrollment Trends

- The Families First Coronavirus Response Act (2020) gave states an additional 6.2% in traditional Medicaid FMAP in exchange for a freeze on redetermination and disenrollment for the duration of the public health emergency. Redeterminations started again in April 2023.
- 2016 – Medicaid expansion begins
- 2019 – Enrollment in Medicaid begins to fall
- 2020 – COVID PHE increases enrollment (no redetermination)
- 2023 – Redeterminations begin again, enrollment drops





# State Managed Health Insurance for Children

Medicaid

CHIP

Traditional

Children

Children less than 143% poverty

143% - 261% of FPL

Match (FMAP)  
~ 36% state,  
64% fed

State %

Federal %

# Children's Health Insurance Program Budget and Expenditures

A state's CHIP spending is reimbursed by the federal government at a higher matching rate than the Medicaid rate. CHIP's enhanced Federal Medical Assistance Percentage rate (E-FMAP) for Montana is 74.74% in FY 2024.

CHIP Budget, FY 2020 - FY 2023				
	FY 2020	FY 2021	FY2022	FY 2023
General Fund	\$ -	\$ 11,000,000	\$ 6,141,169	\$ 8,382,237
State Special Funds	10,428,411	12,467,640	16,321,668	14,077,618
Federal Funds	<u>93,825,442</u>	<u>73,607,642</u>	<u>88,413,469</u>	<u>89,799,841</u>
Grand Total	<u>\$ 104,253,853</u>	<u>\$ 97,075,282</u>	<u>\$ 110,876,306</u>	<u>\$ 112,259,696</u>
CHIP Expenditures, FY 2020 - FY 2023				
	FY 2020	FY 2021	FY2022	FY 2023
General Fund	\$ -	\$ 5,066,958	\$ 6,141,169	\$ 8,382,236
State Special Funds	9,031,459	12,130,044	15,096,153	14,071,555
Federal Funds	<u>86,320,972</u>	<u>73,502,618</u>	<u>81,198,239</u>	<u>81,157,495</u>
Grand Total	<u>\$ 95,352,431</u>	<u>\$ 90,699,620</u>	<u>\$ 102,435,561</u>	<u>\$ 103,611,286</u>