

Medicare, Medicaid, & Children's Healthcare Insurance Program

Funding and Eligibility

Federal Oversight – Three Health Programs

Centers for Medicare & Medicaid Services (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.¹**

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

State Managed Programs

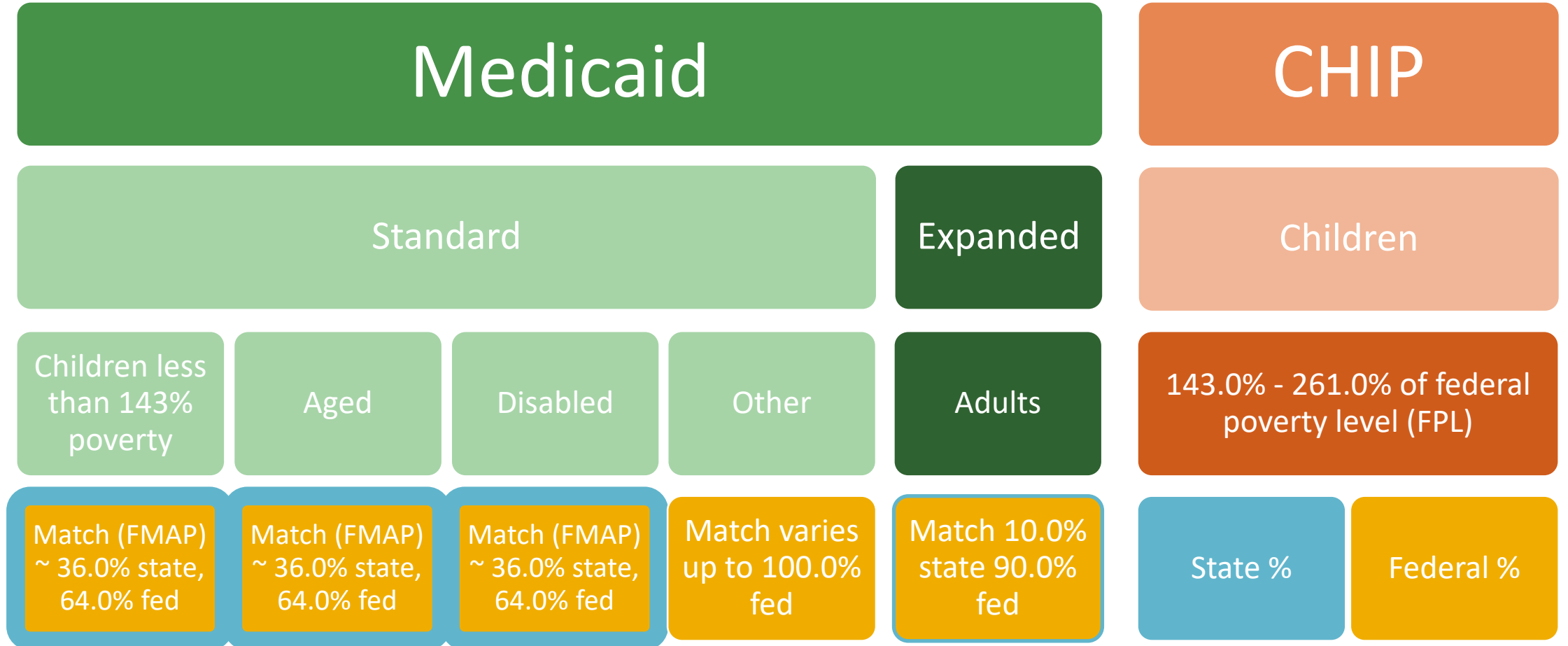
Medicaid

- For **persons with low incomes only**
- Enacted by the Federal Government 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 regardless of age

Children's Health Insurance Program (CHIP)

- Started by the federal government in Balanced Budget Act of 1997 and enacted in 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 261.0% of poverty

State Managed Health Care



Poverty level
impacts access
to state
managed
health care

Percent of FPL by Family Size Based on 2022 Federal Poverty Guidelines				
Family size	Annual Household Income			
	100.0%	138.0%	143.0%	261.0%
1	\$13,590	\$18,754	\$19,434	\$35,470
2	18,310	25,268	26,183	47,789
3	23,030	31,781	32,933	60,108
4	27,750	38,295	39,683	72,428
5	32,470	44,809	46,432	84,747
6	37,190	51,322	53,182	97,066
7	41,910	57,836	59,931	109,385
8	46,630	64,349	66,681	121,704

Standard Medicaid

Medicaid

Standard

Children less
than 133%
poverty

Aged

Disabled

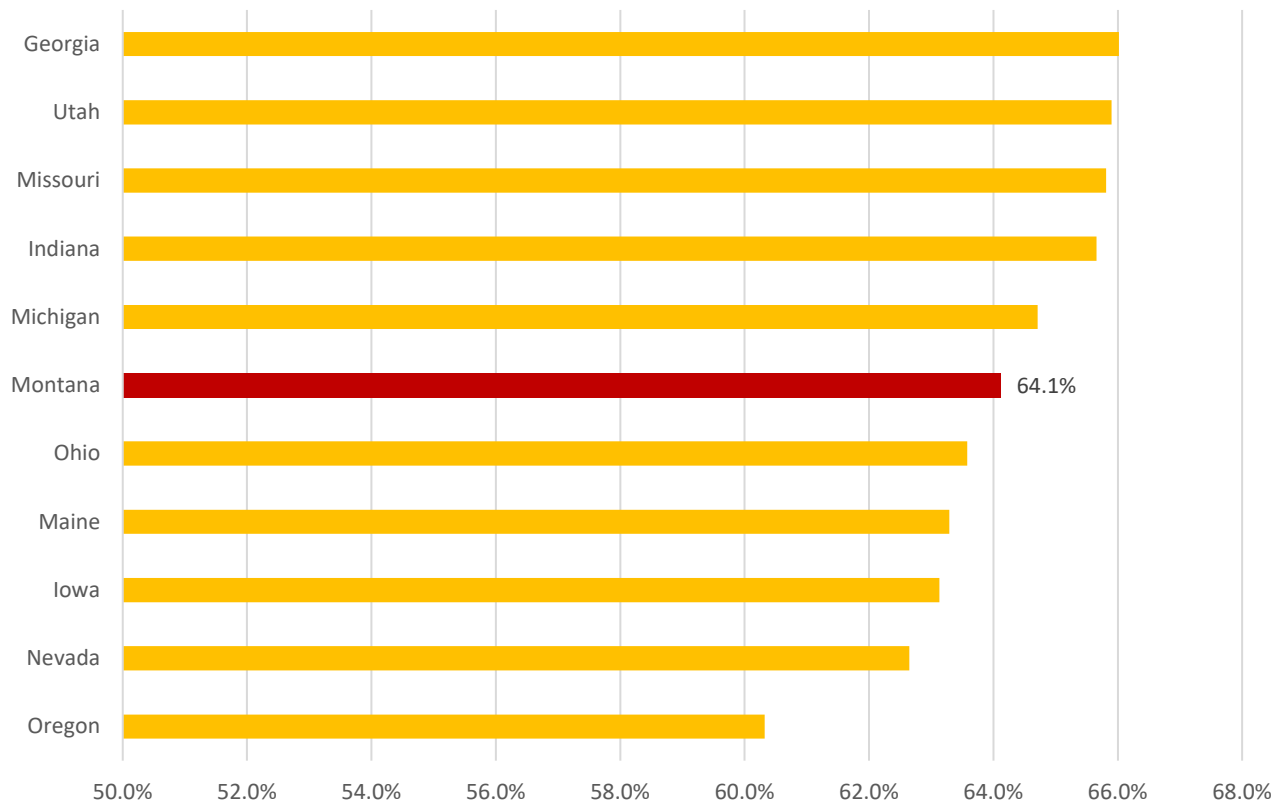
Other

Match (FMAP)
~ 36.0% state,
64.0% fed

Match (FMAP)
~ 36.0% state,
64.0% fed

Match (FMAP)
~ 36.0% state,
64.0% fed

Match varies
up to 100.0%
fed



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 55.0%, or a federal share of 55.0% and a state share of 45.0%.

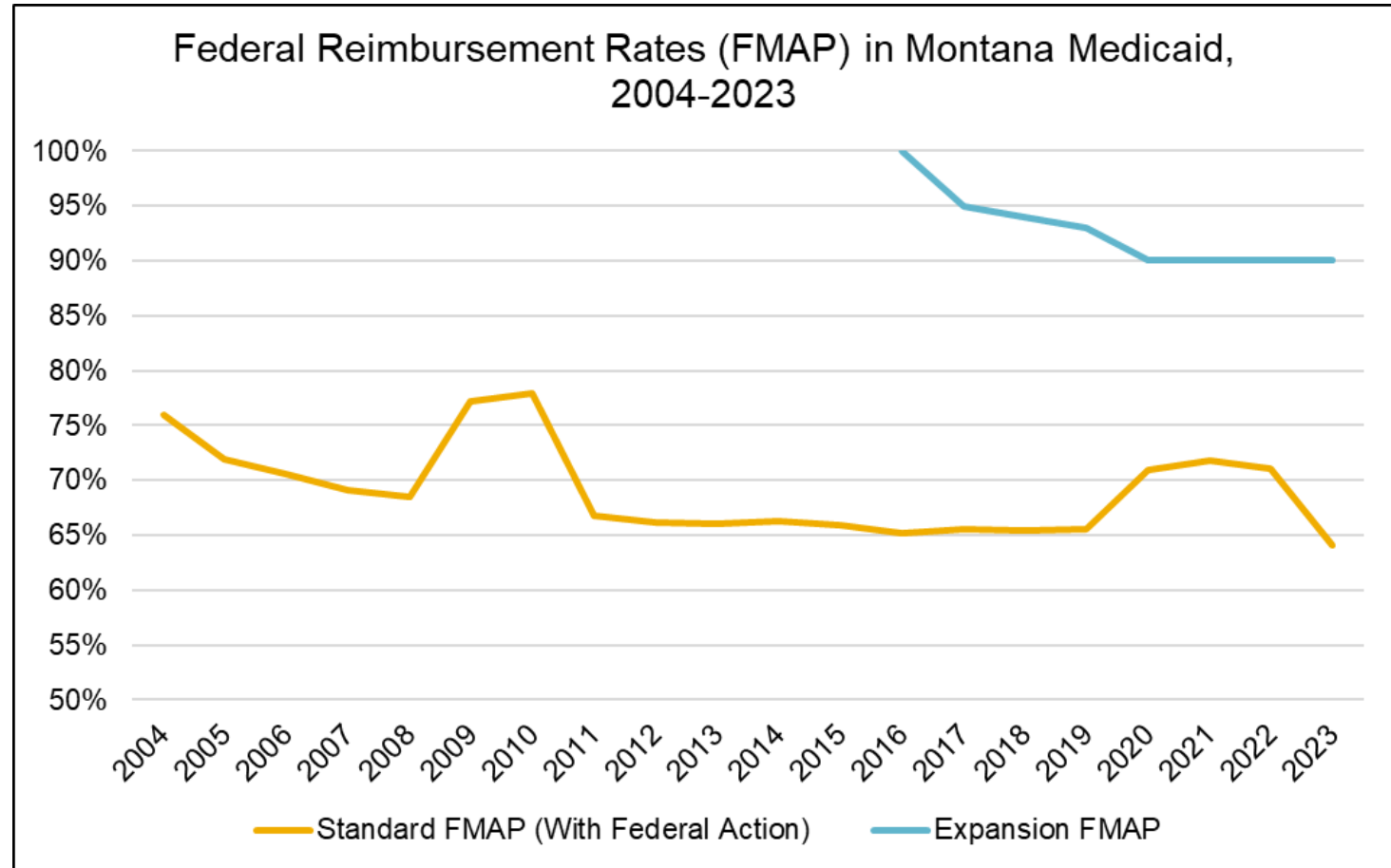
The U.S. Dept. of Health and Human Services publishes FMAPs for the upcoming fiscal year in November. The FFY 2023 FMAP was published in November of 2021.

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

Standard Medicaid Federal Match Rate

Federal Matching Rates Over Time

- Federal action impacted matching rates in traditional Medicaid during both the Great Recession and COVID-19 eras
- The matching rate for Medicaid expansion is fixed at 90.0% going forward



Standard 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

Standard Medicaid Waivers Requested by Montana

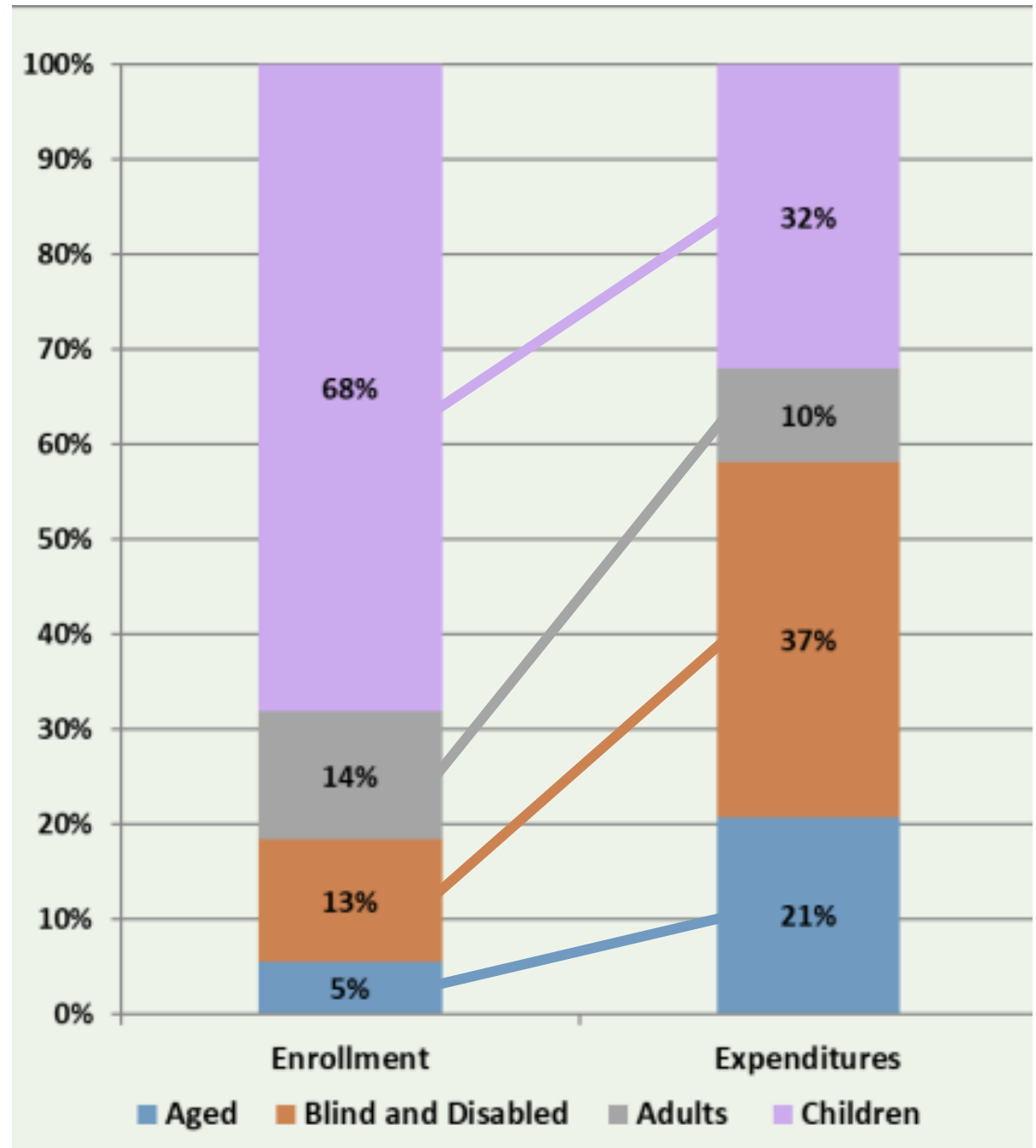
Centers for Medicare & Medicaid Services (CMS)

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

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

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

Standard Medicaid Enrollment and Expenditures by Major Aid Categories in 2019



Expanded Medicaid

Medicaid

Expanded

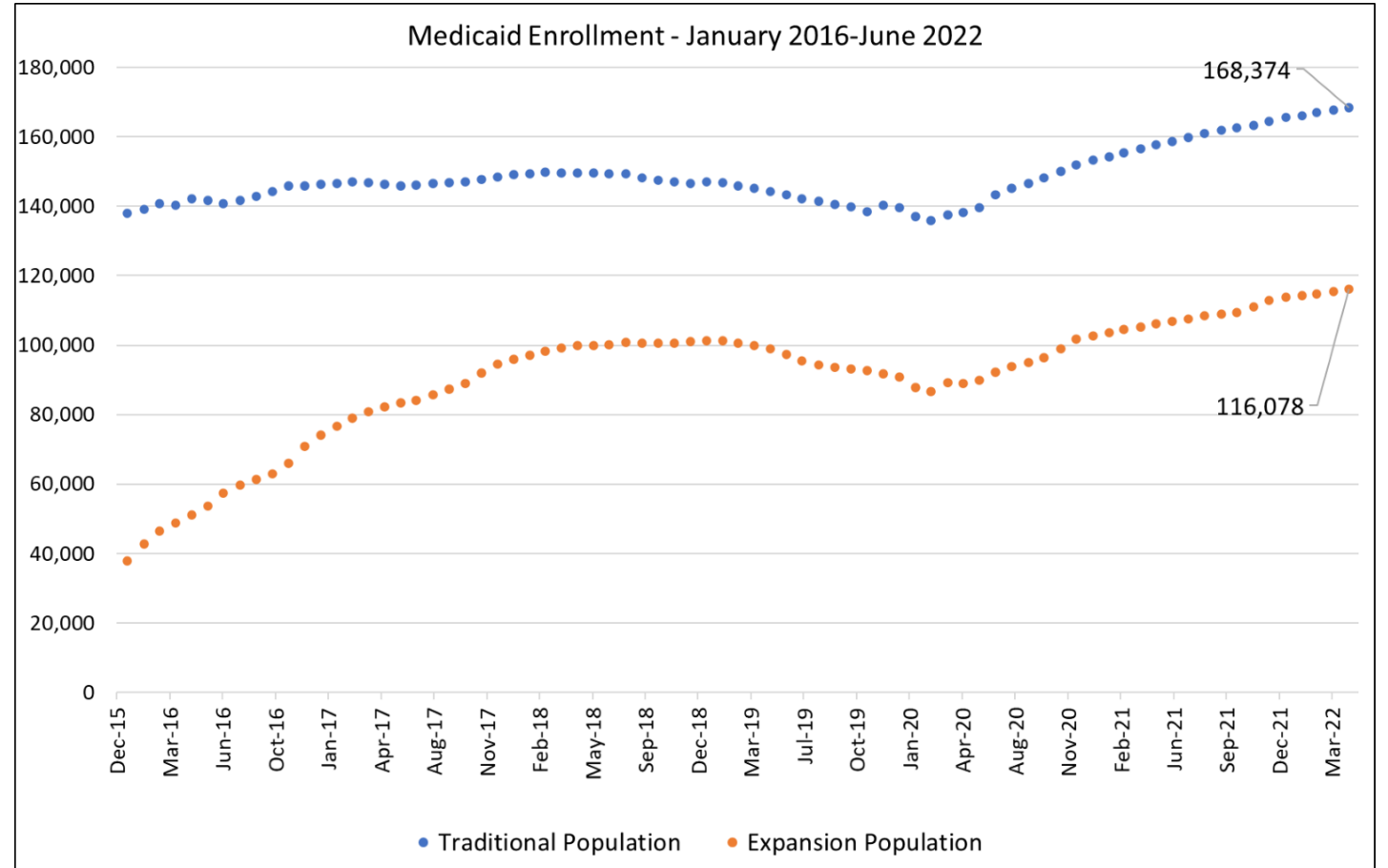
Adults

Match 10.0%
state 90.0%
fed

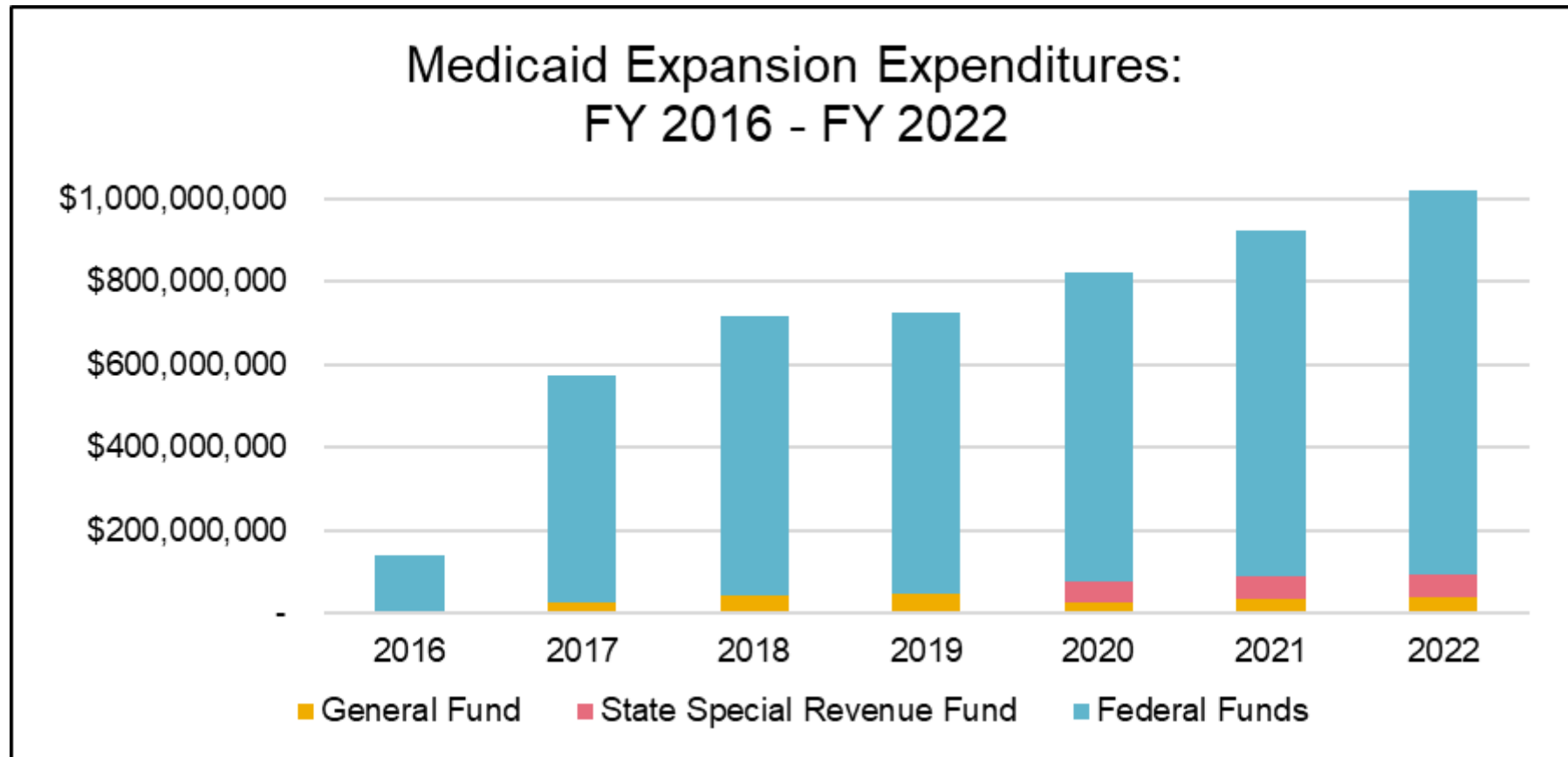
Medicaid Expansion

The expansion of Medicaid specifically targets individuals between the ages of 19-64 earning less than 138.0% of the federal poverty level (FPL). In 2022, this was the equivalent of \$18,754 for an individual, or \$38,295 for a family of four.

Expansion started at the beginning of CY 2016, so only six months of enrollment occurred in FY 2016.

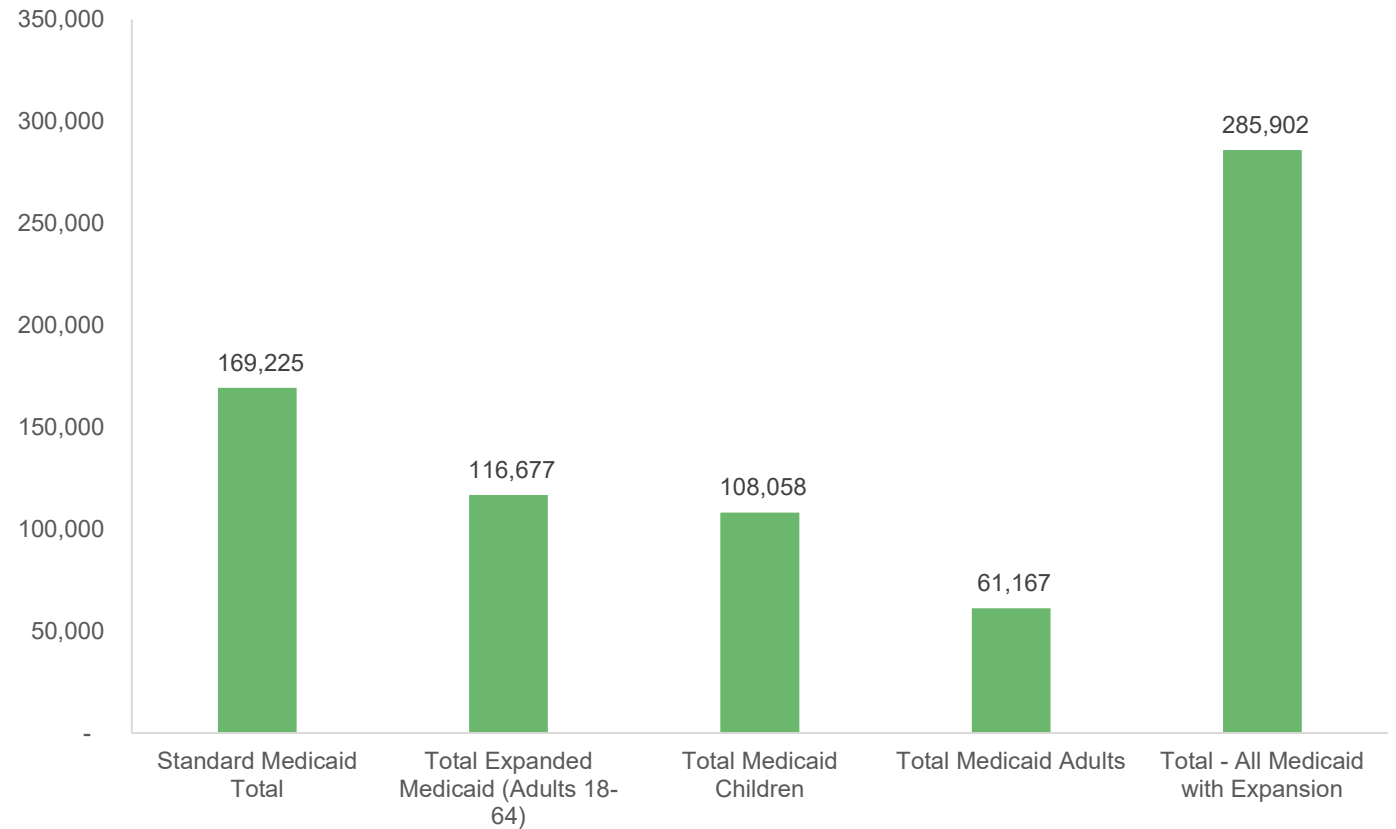


Medicaid Expansion Expenditures



Total Medicaid Enrollment - Standard & Expansion

MT Medicaid Populations, June 2022



State Managed Health Care for Children

Medicaid

CHIP

Standard

Children

Children less
than 143.0%
poverty

143.0% - 261.0% of FPL

Match (FMAP)
~ 36.0% state,
64.0% 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 has been as high as 98.9% but has now phased down to 74.9% in FY 2023.

CHIP Budget FY 2019 - FY 2022

	FY 2019	FY 2020	FY 2021	FY2022
General Funds	\$ -	\$ -	\$ 11,000,000	\$ 6,141,169
State Special Funds	1,415,196	10,428,411	12,467,640	16,321,668
Federal Funds	<u>114,073,307</u>	<u>93,825,442</u>	<u>73,607,642</u>	<u>88,413,469</u>
Grand Total	<u>\$ 115,488,502</u>	<u>\$ 104,253,853</u>	<u>\$ 97,075,282</u>	<u>\$ 110,876,306</u>

CHIP Expenditure FY 2019 - FY 2022

	FY 2019	FY 2020	FY 2021	FY2022
General Funds	\$ -	\$ -	\$ 5,066,958	\$ 6,141,169
State Special Funds	1,407,899	9,032,298	12,130,044	15,096,153
Federal Funds	<u>101,961,694</u>	<u>86,320,972</u>	<u>73,502,618</u>	<u>81,198,239</u>
Grand Total	<u>\$ 103,369,593</u>	<u>\$ 95,353,270</u>	<u>\$ 90,699,621</u>	<u>\$ 102,435,561</u>

CHIP Enrollment: Relatively Stable Over Time

- CHIP Eligibility in Montana: higher income limit than Medicaid of 261.0% FPL, or about \$69,400 for a family of 4

