

Medicare, Medicaid, & Children's Healthcare Insurance Program

Funding and Eligibility

Federal Oversight – Three Health 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 2017, 58.5 million people received health coverage through Medicare.¹**

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

State Managed Programs

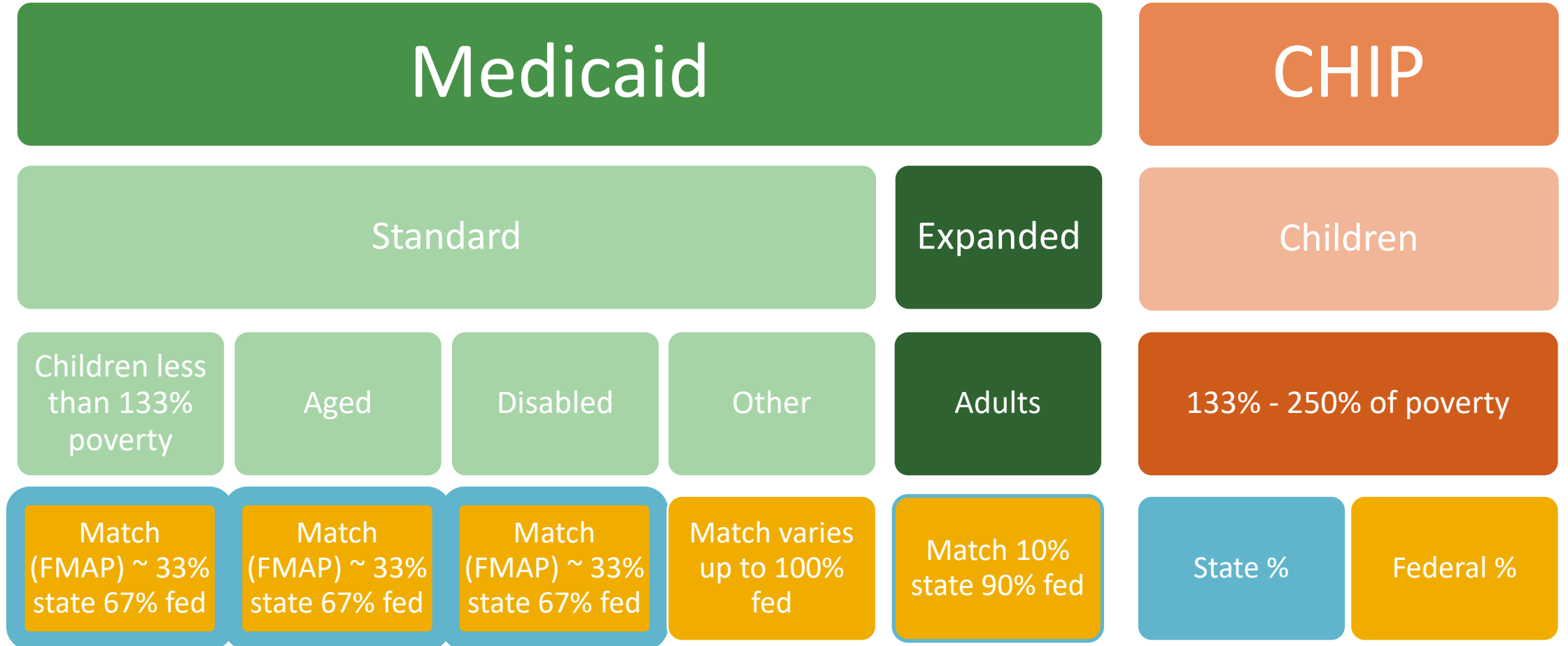
Medicaid

- For **persons with low incomes only**
- Began 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)

- Began 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 age 0-18 above the income limitations of Medicaid and below 250% of poverty

State Managed Health Care



Poverty level
impacts access
to state
managed
health care

Percent of Poverty by Family Size Based on 2018 Federal Poverty Guidelines				
Family Size	Annual Household Income			
	100%	138%	143%	157%
1	\$12,140	\$16,753	\$17,360	\$19,060
2	16,460	22,715	23,538	25,842
3	20,780	28,676	29,715	32,625
4	25,100	34,638	35,893	39,407
5	29,420	40,600	42,071	46,189
6	33,740	46,561	48,248	52,972
7	38,060	52,523	54,426	59,754
8	42,380	58,484	60,603	66,537

Standard Medicaid

Medicaid

Standard

Children less
than 133%
poverty

Aged

Disabled

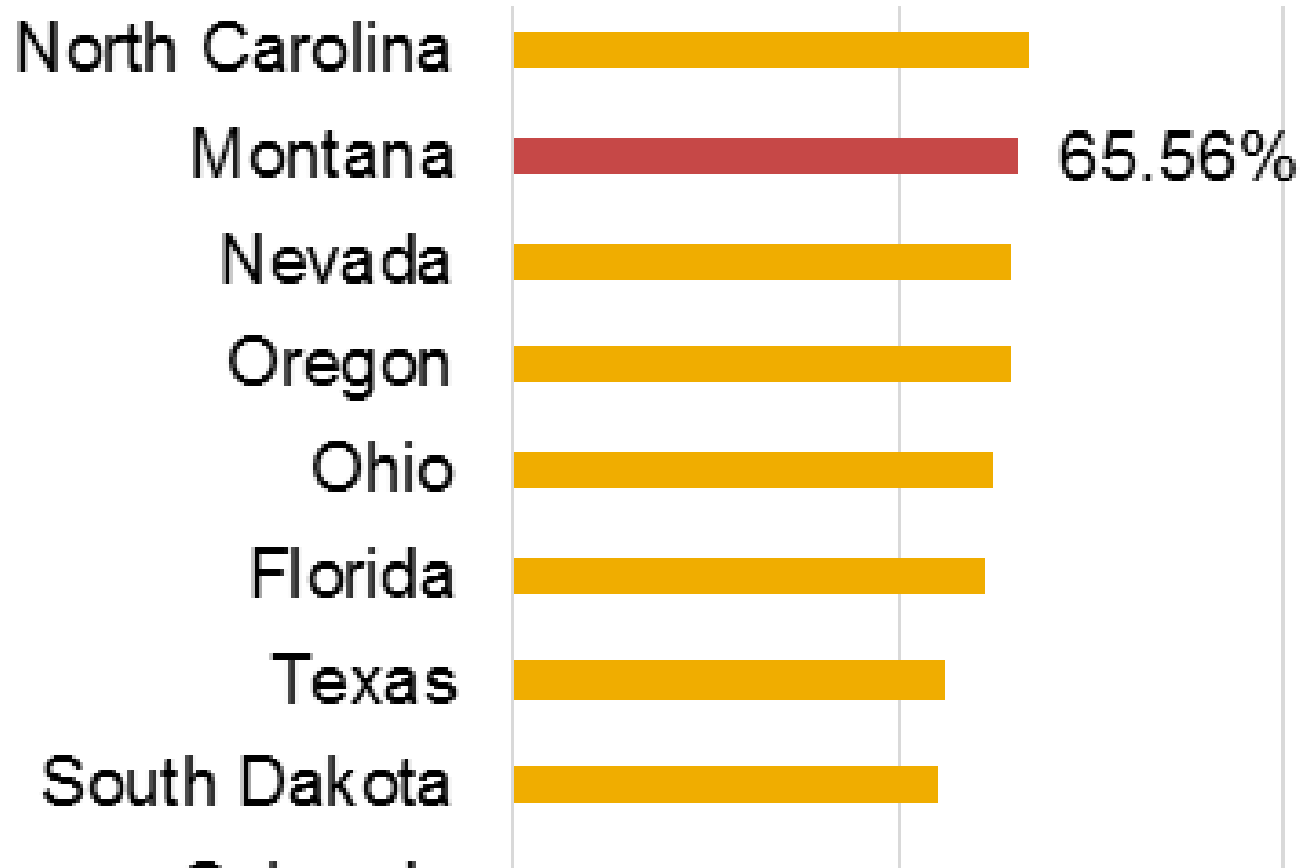
Other

Match
(FMAP) ~ 33%
state 67% fed

Match
(FMAP) ~ 33%
state 67% fed

Match
(FMAP) ~ 33%
state 67% fed

Match varies
up to 100%
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%, or a federal share of 55% and a state share of 45%.

The U.S. Dept. of Health and Human Services publishes FMAPs for the upcoming fiscal year in November. The 2018 FFY FMAP was published in November of 2016.

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

Standard Medicaid Federal Match Rate

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

Center for Medicare & Medicaid (CMS)

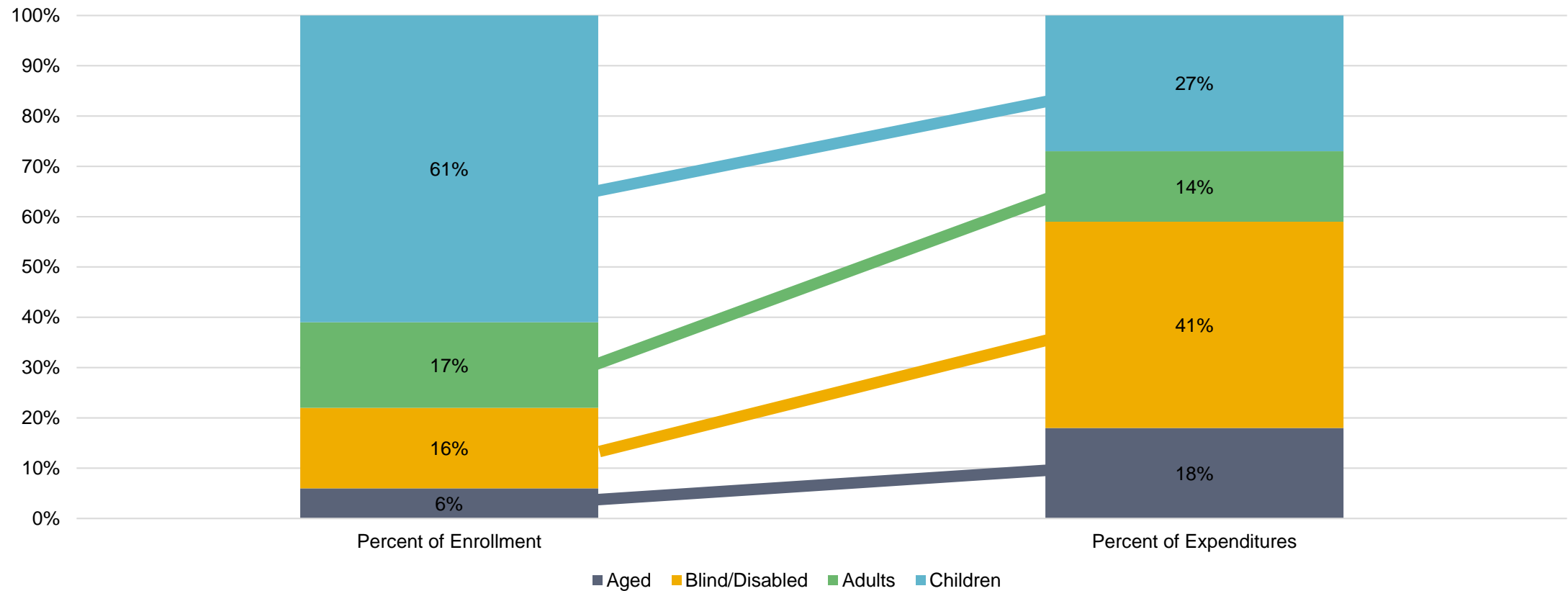
State Medicaid programs may request from CMS a waiver(s) of certain federal Medicaid requirements

Montana operates a number of 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 & Costs

Traditional Medicaid Enrollment and Expenditures by Eligibility Category - FY 2015



Expanded Medicaid

Medicaid

Expanded

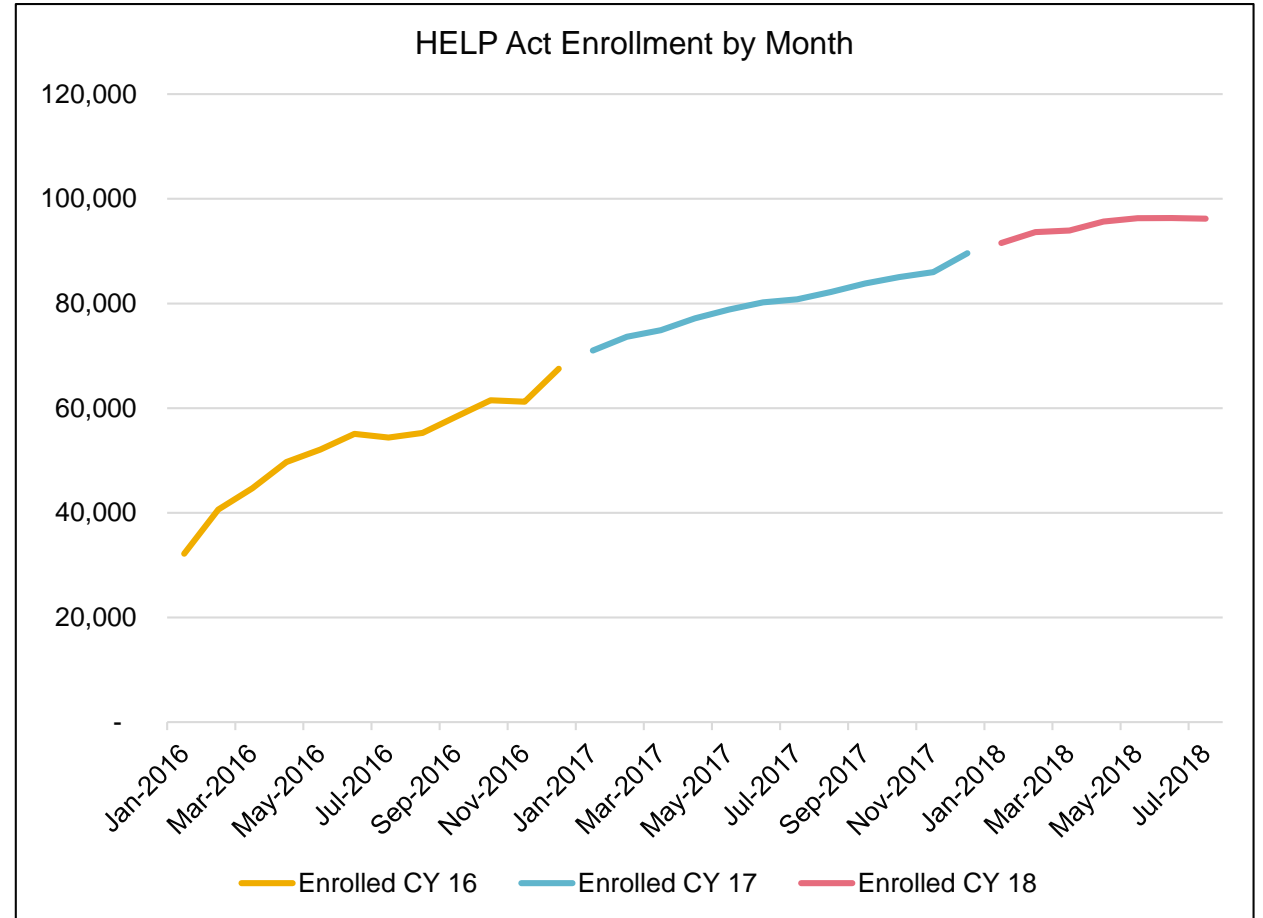
Adults

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 2018, this was the equivalent of \$16,753 for an individual, or \$34,638 for a family of four.

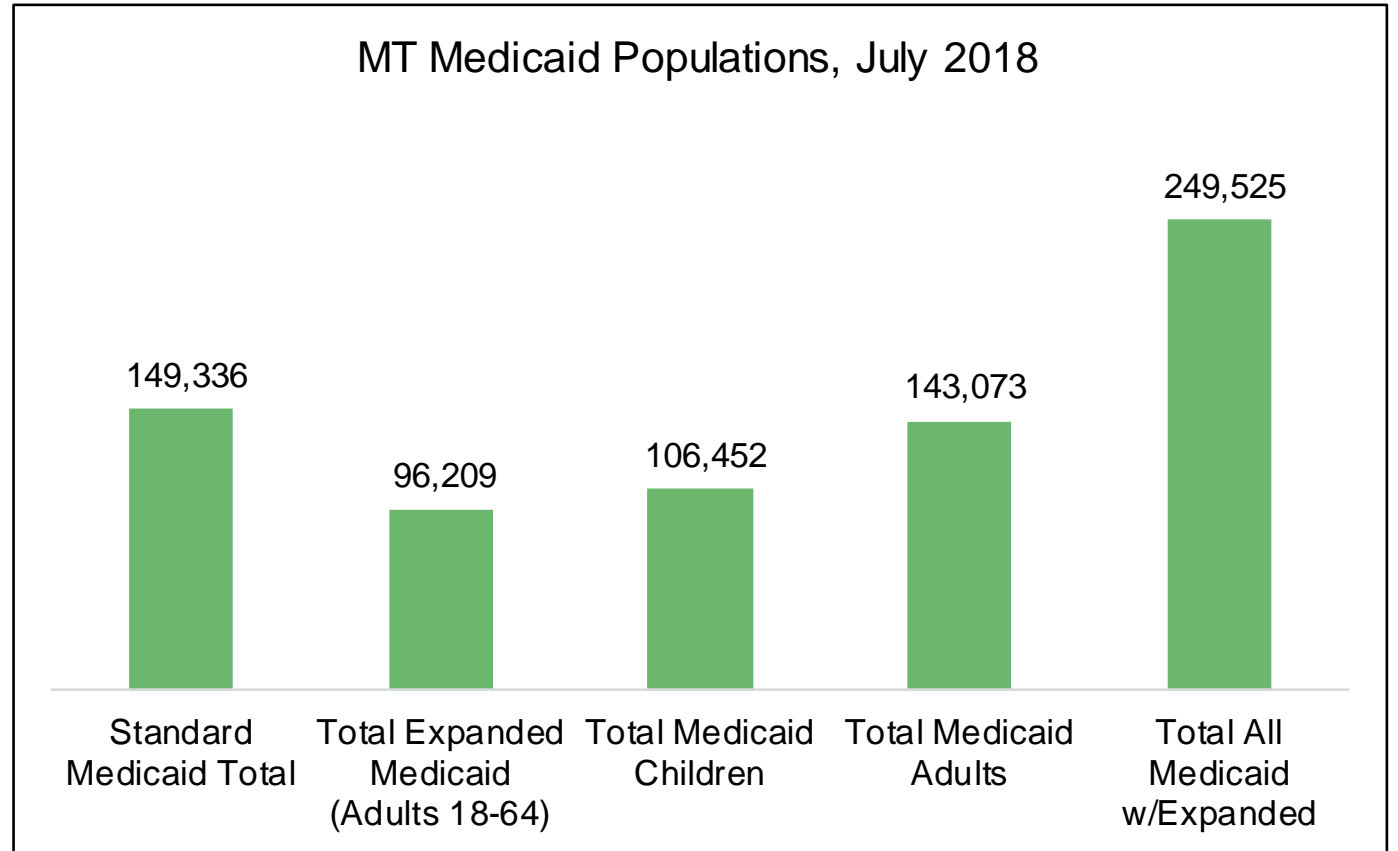
Expansion started at mid-point through FY 2016, so only six months of enrollment occurred in FY 2016.



Medicaid Expansion Costs

HELP Expenditures FY 2016 - FY 2018				
General Fund	FY 2016	FY 2017	FY 2018	Total
Admin	\$4,176,918	\$8,535,488	\$10,671,875	\$23,384,281
Benefits	<u>1,426,491</u>	<u>16,275,348</u>	<u>31,961,909</u>	<u>49,663,749</u>
Subtotal	5,603,410	24,810,836	42,633,784	73,048,030
Federal Funds				
Admin	8,004,159	7,882,367	11,652,574	27,539,100
Benefits	<u>129,057,813</u>	<u>541,639,188</u>	<u>661,335,201</u>	<u>1,332,032,202</u>
Subtotal	137,061,972	549,521,554	672,987,775	1,359,571,301
Grand Total	\$142,665,382	\$574,332,390	\$715,621,560	\$1,432,619,332

Total Medicaid Enrollment - Standard & Expanded



State Managed Health Care for Children

Medicaid

CHIP

Standard

Children

Children less
than 133%
poverty

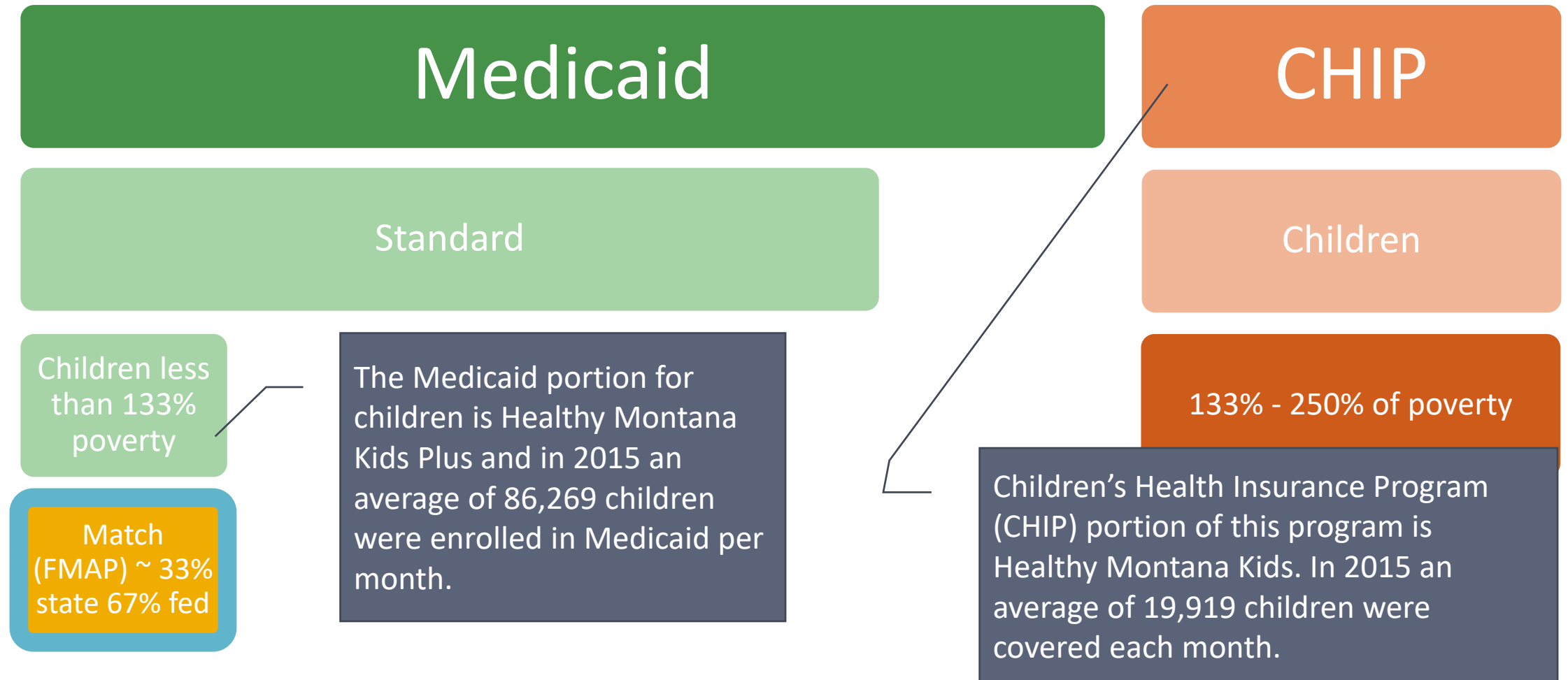
133% - 250% of poverty

Match
(FMAP) ~ 33%
state 67% fed

State %

Federal %

State Managed Health Care for Children



Children's Health Insurance Program Costs

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 will phase down to about 76%. This lower federal match rate will result in an increase share of state cost of about \$25-35 million and more going forward as the E-FMAP is expected to remain at about 76% for the foreseeable future.

CHIP Expenditures FY 2016 - FY 2018				
		FY 2016	FY 2017	FY 2018
State Special Funds	Administration	\$ 88,038	\$ 23,234	\$ 23,265
	Benefits	\$ 4,254,901	\$ 1,081,682	\$ 1,104,925
Subtotal		\$ 4,342,940	\$ 1,104,917	\$ 1,128,190
Federal Funds	Administration	1,625,626.67	1,981,939.73	\$ 1,904,775
	Benefits	\$ 87,874,819	\$ 95,684,288	\$ 91,480,552
Subtotal		\$ 89,500,445	\$ 97,666,228	\$ 93,385,326
Grand Total		\$ 93,843,385	\$ 98,771,145	\$ 94,513,516