

Informational Hearing on Health Care Delivery Systems in California and Other Countries

Public Programs: Medicare,
Medicaid and CHIP

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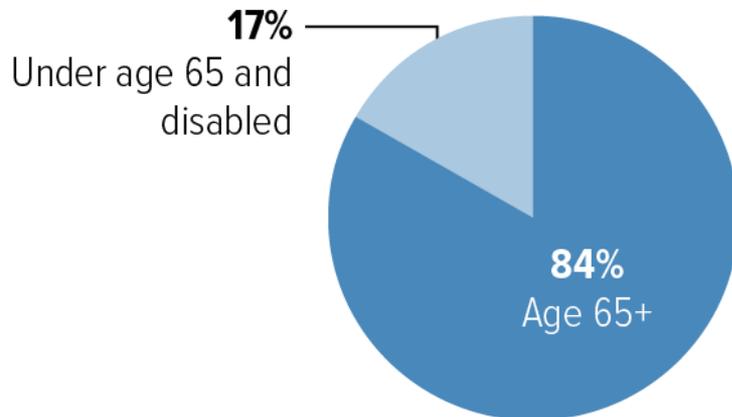


A. Medicare

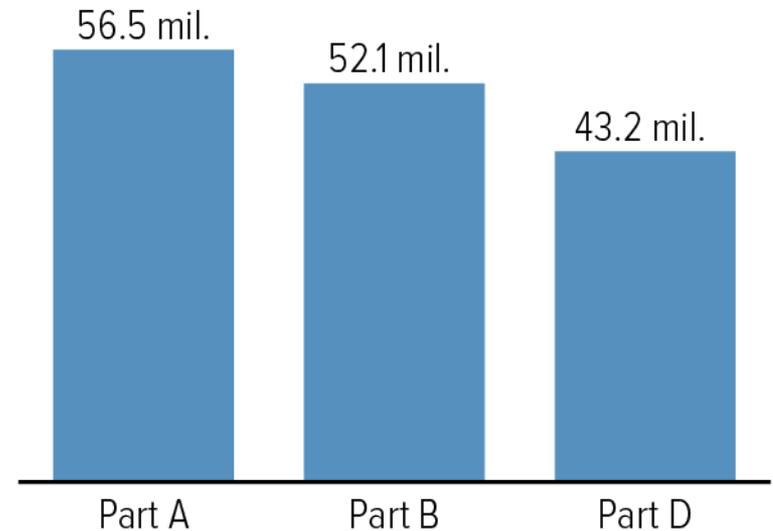
Medicare Enrollment and Eligibility

- In 2016, Medicare covered 56.8 million (47.8 million seniors and 9.0 million people with disabilities).
- In California, Medicare covered 5.8 million.

Percent of Medicare enrollees, 2016

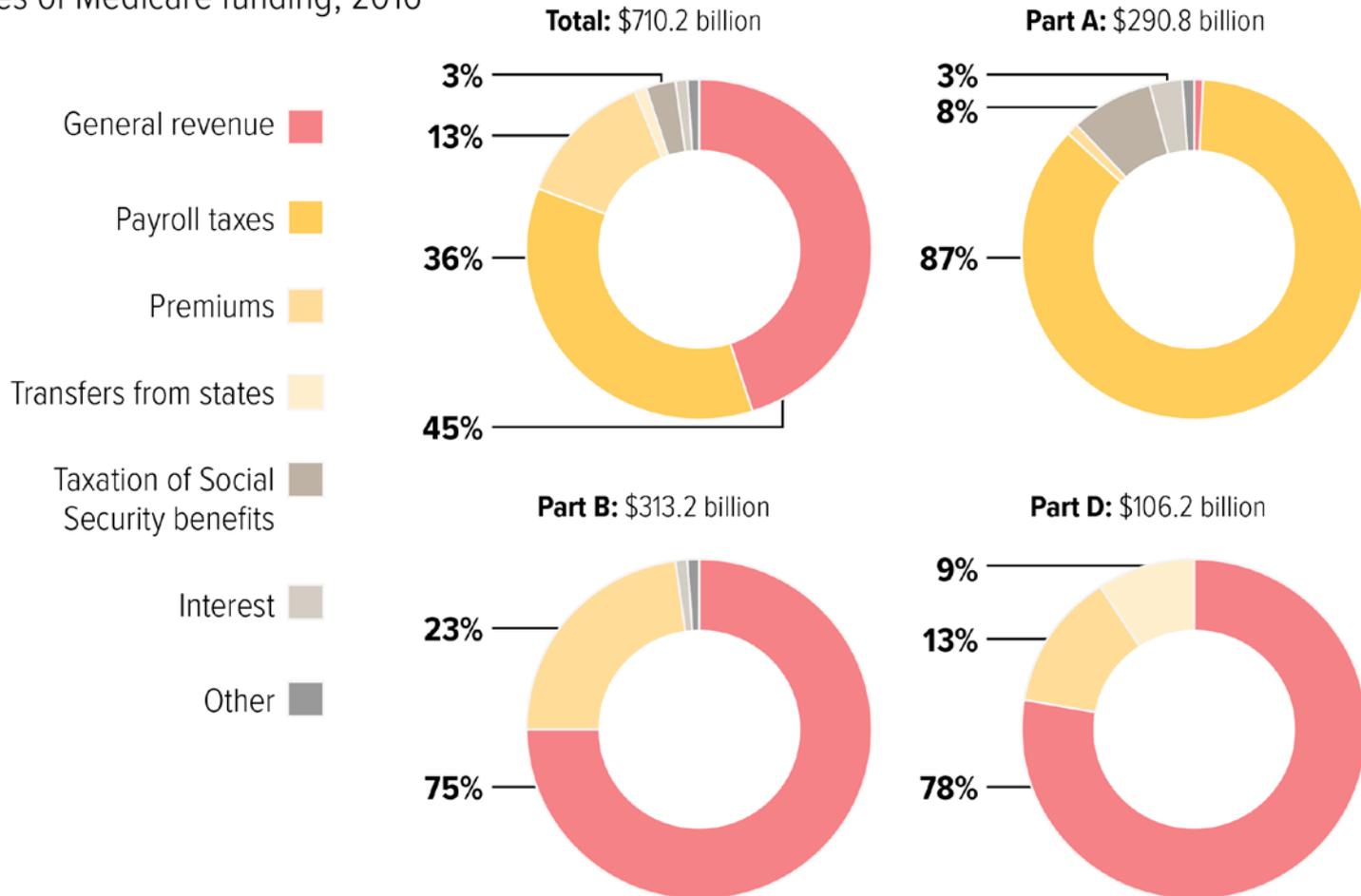


Number enrolled in Medicare Parts A, B, and D



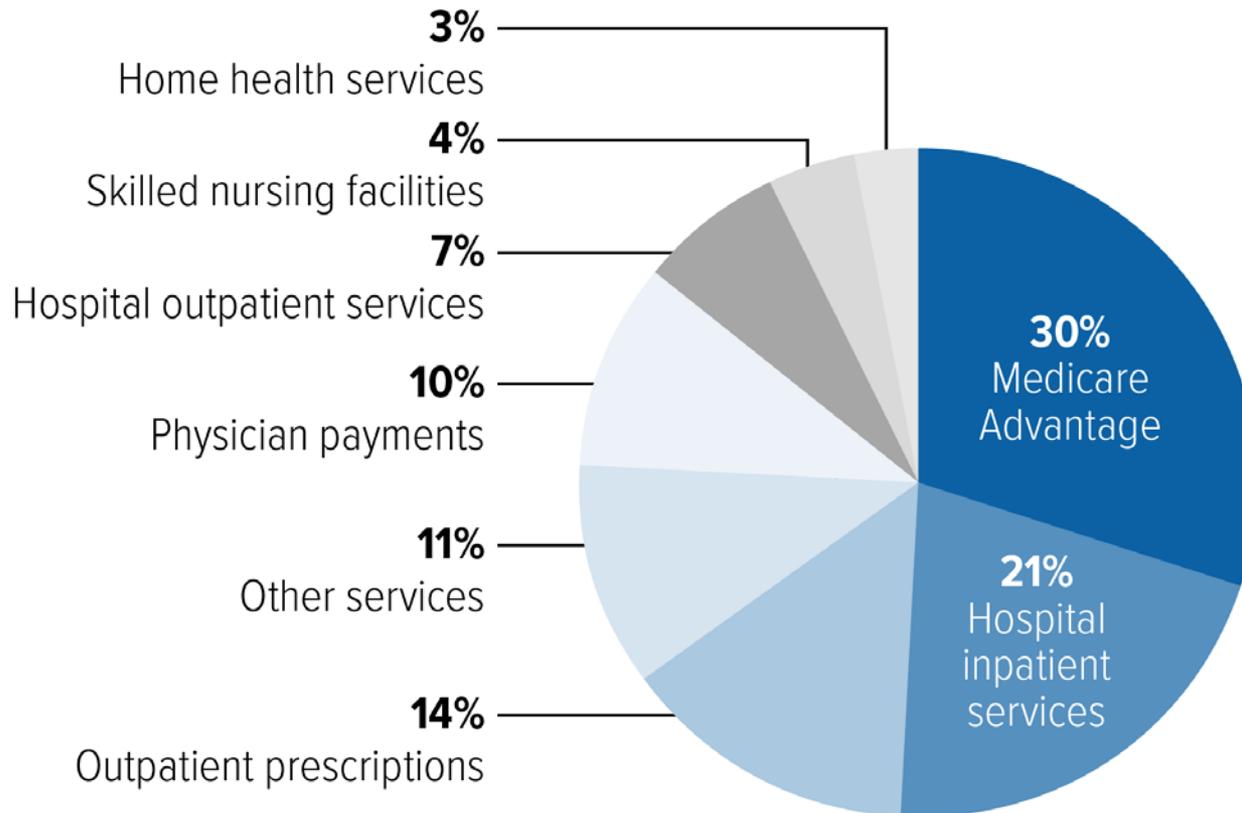
Medicare Financing

Sources of Medicare funding, 2016



Medicare Benefits

Medicare benefit payments by type of service, 2016



Medicare Cost-Sharing

2017 Medicare Out-of-Pocket Costs

	Part A	Part B	Part D
Premiums	None (for most people)	\$109/month (for most)	\$42/month (PDP avg.)
Deductible	\$1,316 per benefit period	\$183 per year	\$400 (for standard benefit)
Cost Sharing	\$0 first 60 days for inpatient hospitalization (more after 60 days)	20% coinsurance	Varies by plan & spending tier

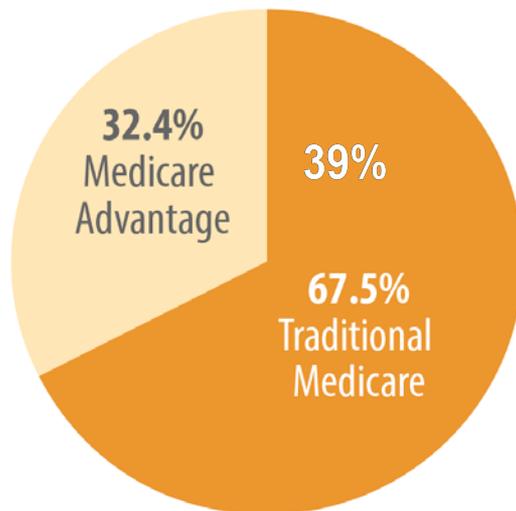
Source: Medicare.gov and Kaiser Family Foundation

Medicare Care Delivery

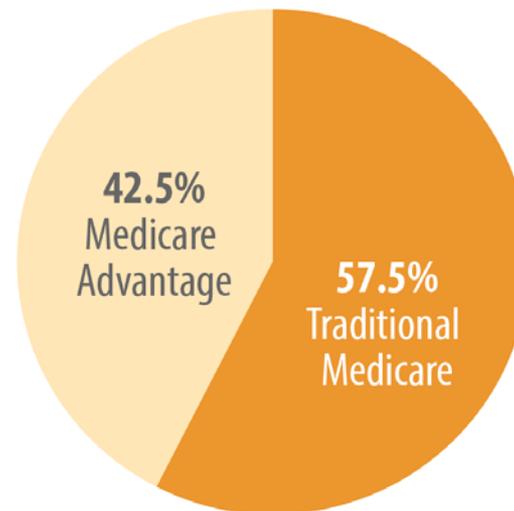
- In 2016, 3.4 million Californians were enrolled in traditional Medicare and 2.5 million were enrolled in Medicare Advantage plans.

Share of total Medicare enrollment, 2016

Enrollees Nationwide



Enrollees in California

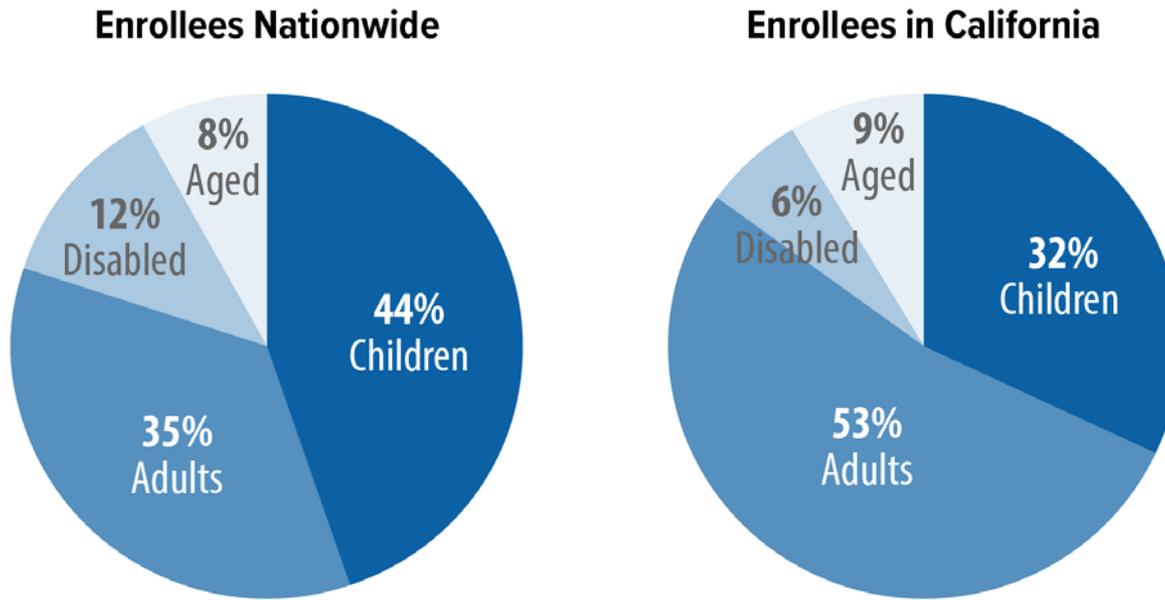


B. Medicaid

Medicaid Enrollment

- In 2017, Medicaid covers 74 million people.
- In California, Medi-Cal covers 13.4 million people.

Share of total Medicaid enrollment, 2017



Medicaid Eligibility

Medicaid Eligibility Group Examples

“Mandatory” Populations	“Optional” Populations
<ul style="list-style-type: none">• Children (all age groups) $\leq 138\%$ FPL• Pregnant women $\leq 138\%$ FPL• Parents <state’s AFDC limit as of July 1996 (median = 64% FPL)• Seniors and people with disabilities receiving Supplemental Security Income (SSI) (<75% FPL)• Certain working disabled• Medicare Savings Programs (QMB, SLB, QI)	<ul style="list-style-type: none">• Low income children above federal core minimum income thresholds• Low-income parents > 1996 AFDC limits• Pregnant women >138% FPL• ACA Medicaid expansion adults <138% FPL• Seniors and people with disabilities, above SSI levels but <100% FPL• Nursing home residents above SSI level, but below 300% of SSI• Individuals at risk of needing nursing facility or ICF-MR care (HCBS waiver enrollees)• Certain working disabled above SSI levels• Section 1115 waiver enrollees (including family planning waiver enrollees)• Medically needy

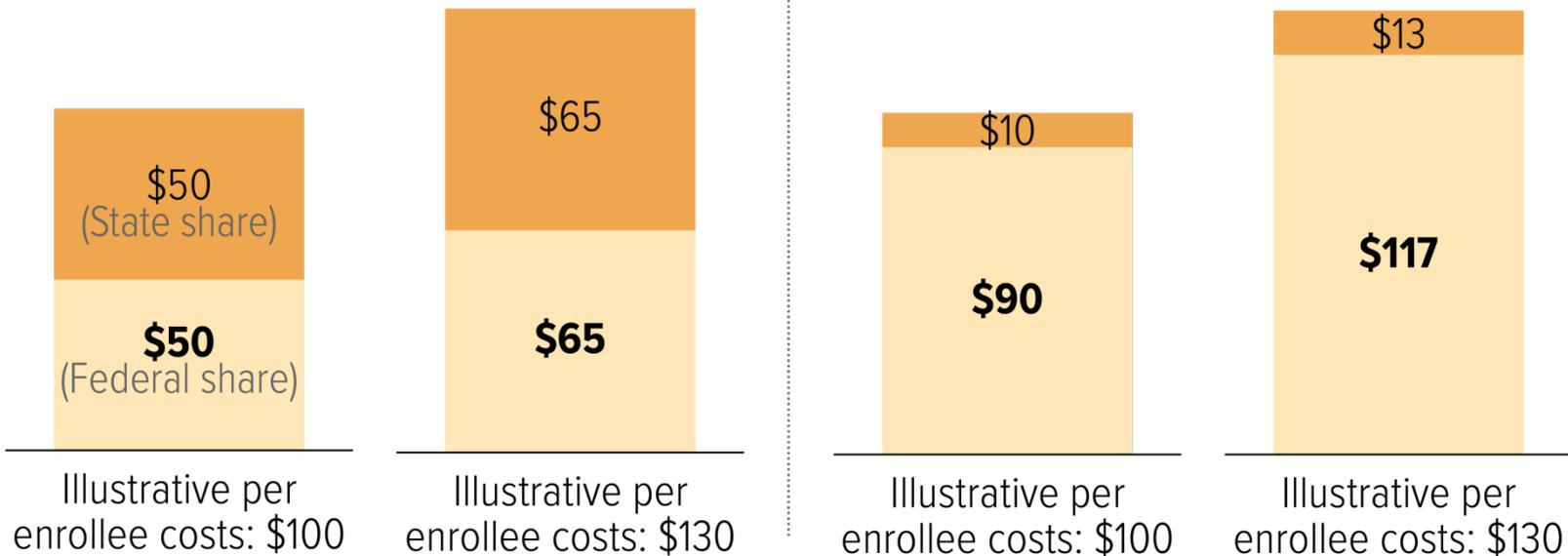
Source: Kaiser Family Foundation

Medicaid Financing

Federal funding rises when state costs rise

Most groups and services
50% match rate (in CA)

Medicaid expansion group
90% match rate



Medicaid Benefits

Medicaid Benefit Examples

“Mandatory” Benefits	“Optional” Benefits
<ul style="list-style-type: none">• Physician services• Laboratory and x-ray services• Inpatient hospital services• Outpatient hospital services• Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services for individuals <age 21• Family planning services• Rural and federally-qualified health center (FQHC) services• Nurse midwife services• Nursing facility services for individuals >age 21• Home health care services for individuals entitled to nursing facility care• Smoking cessation services for pregnant women• Free-standing birth center services	<ul style="list-style-type: none">• Prescription drugs• Clinic services• Dental services, dentures• Physical therapy and rehab services• Prosthetic devices, eyeglasses• Primary care case management• Intermediate care facilities for the mentally retarded (ICF/MR) services• Inpatient psychiatric care for individuals <age 21• Home health care and other services provided under home and community-based waivers• Personal care services• Hospice services• Health home’ services for individuals with chronic conditions• Home and community-based attendant services and supports

Medicaid Cost Sharing

Maximum Allowable Cost Sharing Amounts in Medicaid by Income, 2014

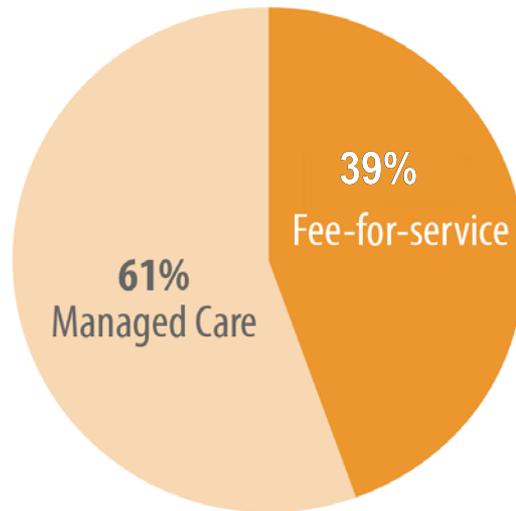
	<100% FPL	100% - 150% FPL	>150% FPL
Outpatient Services	\$4	10% of state cost	20% of state cost
Non-Emergency Use of ER	\$8	\$8	No limit <i>(subject to overall 5% of household income limit)</i>
Prescription Drugs			
<i>Preferred</i>	\$4	\$4	\$4
<i>Non-Preferred</i>	\$8	\$8	20% of state cost
Inpatient Services	\$75 per stay	10% of state cost	20% of state cost

Notes: Premiums may not be charged to individuals with incomes below 150% FPL. Some groups and services are exempt from cost sharing, including children in Medicaid through mandatory eligibility pathways, individuals receiving institutional care, emergency services, family planning services, pregnancy-related services, and preventative services for children. Beginning October 1, 2015, maximum allowable amounts increase annually by the % increase in the medical care component of the Consumer Price Index for All Urban Consumers (CPI-U). Overall cap on out-of-pocket costs at 5 percent of family income.
Source: Kaiser Family Foundation

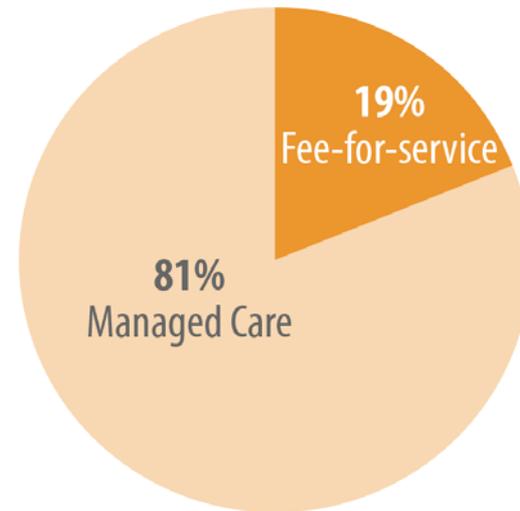
Medicaid Care Delivery

Share of total Medicaid enrollment, 2016

Enrollees Nationwide



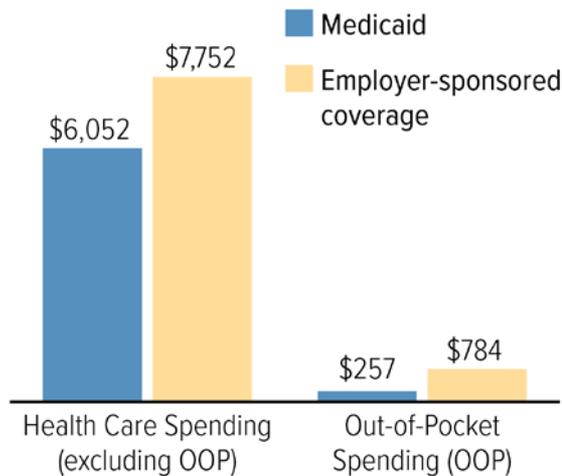
Enrollees in California



How Cost-Effective is Medicaid?

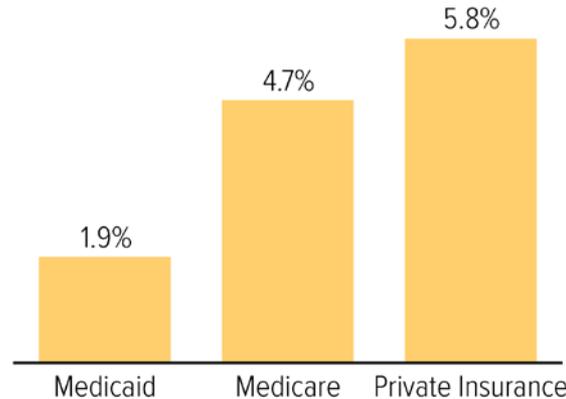
Medicaid Costs Less Than Private Insurance

Costs per enrollee, adjusted for health status, 2009



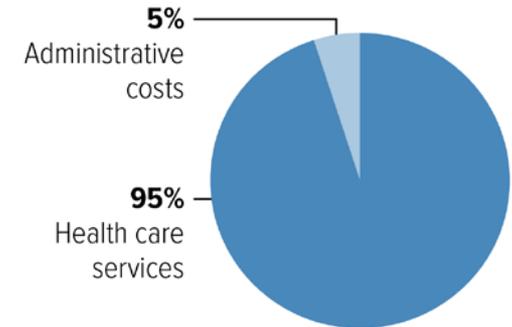
Medicaid Spending Has Grown More Slowly Than Private Insurance

Average growth in per-enrollee spending between 2000-2016



Medicaid's Administrative Costs Are Low

Share of spending in Medicaid



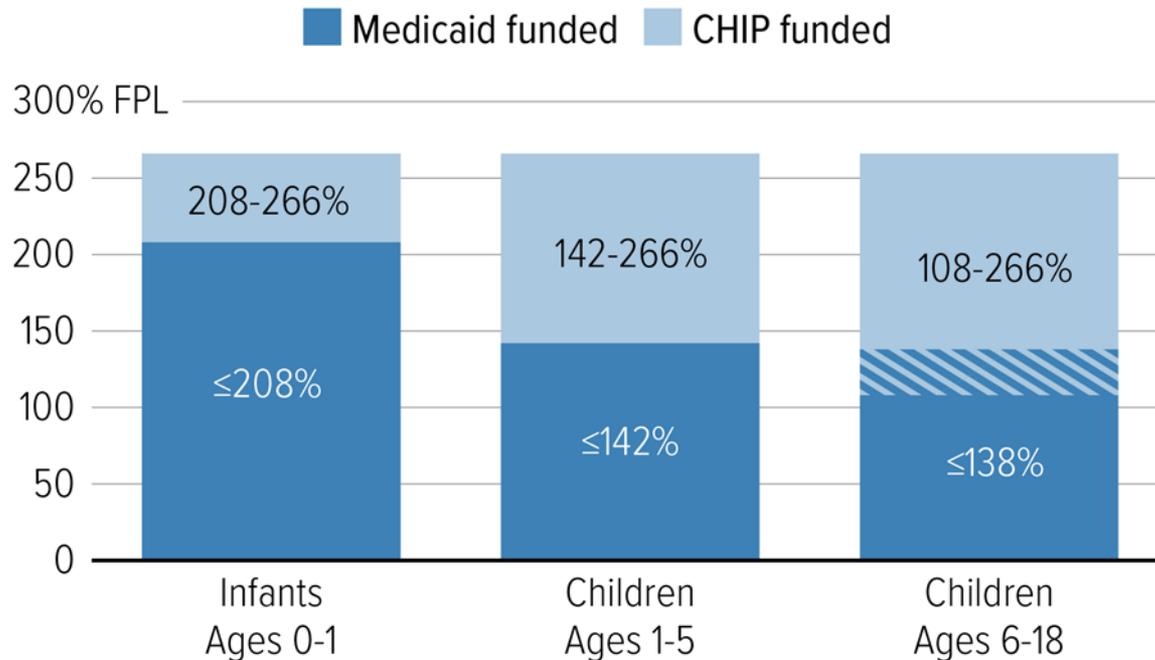
Medicaid's administrative costs are less than half those of private insurers.

C. Children's Health Insurance Program

CHIP Enrollment and Eligibility

- In 2017, there were 1.3 million CHIP-financed children in California.

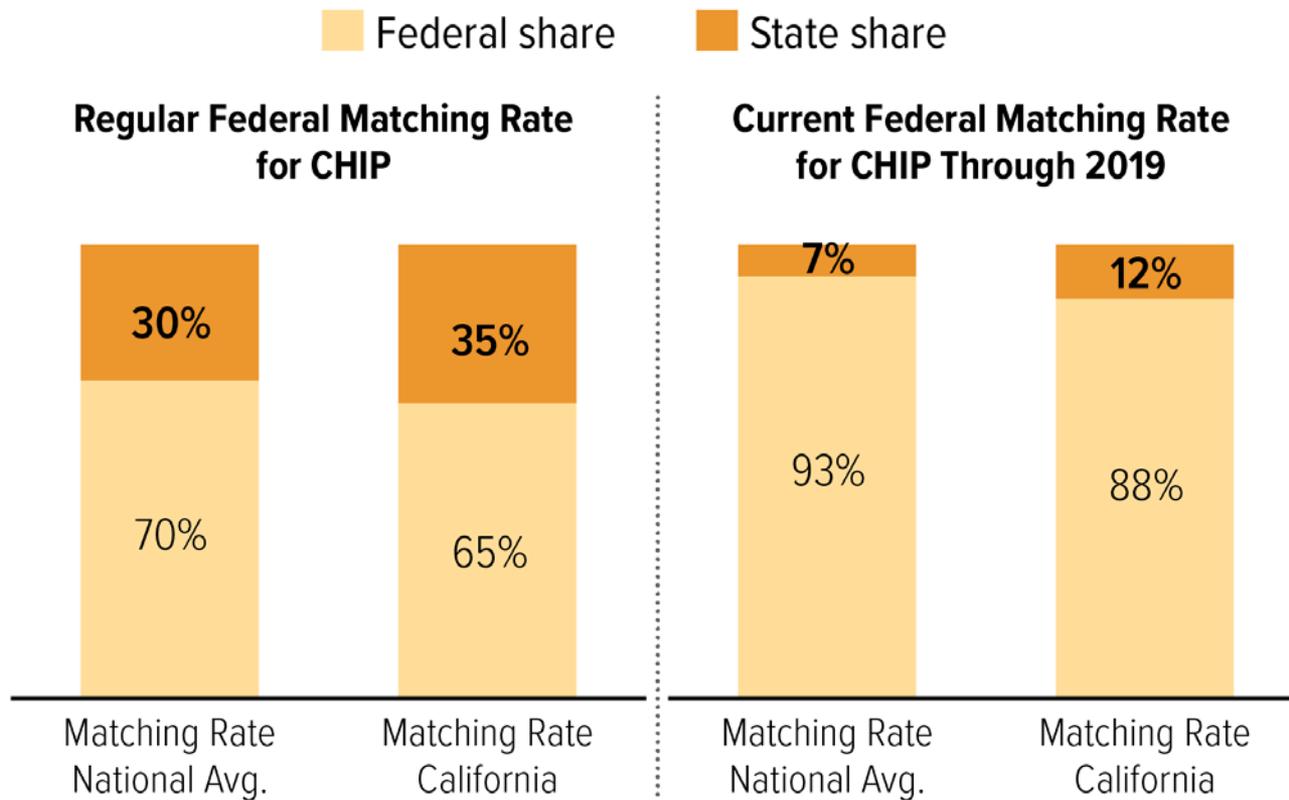
Income eligibility limits in California for children as a percent of the federal poverty line, 2017



Note: In three counties, children are covered at higher income levels through the County Children's Health Initiative Program (C-CHIP).

CHIP Financing

Share of costs for Children's Health Insurance Program (CHIP)



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