

Medicaid Fact Sheet FY 2005



Government of the
District of Columbia
Anthony A. Williams, Mayor

D.C. DEPARTMENT OF HEALTH
MEDICAL ASSISTANCE ADMINISTRATION

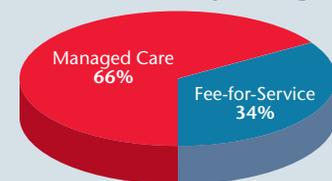
ESSENTIAL HEALTH CARE FOR D.C. RESIDENTS

This year marks the 40th anniversary of Medicaid and Medicare, two programs that have done enormous good for many millions of people who otherwise would have gone without health care coverage due to age, poverty or disability. In the District, Medicaid covers one in four residents. It is the second-largest source of health insurance, behind employment-based coverage. Medicaid is also the largest payer for long-term care, which includes nursing facility care and home and community-based services for the elderly and people with disabilities. As well, for low-income Medicare beneficiaries, Medicaid fills in the gaps in Medicare coverage.

D.C. MEDICAID ENROLLMENT IN FY 2005

- Monthly enrollment averaged 141,941 people, a 2.1% increase from FY 2004.
- Half (71,427) of Medicaid enrollees are children under age 18. Medicaid is the largest source of insurance for children, slightly exceeding employment-based coverage.
- The number of D.C. residents dually eligible for Medicaid and Medicare is 16,132.
- Total enrollment in the District's four Medicaid managed care plans averaged 94,138 people per month. Enrollment in fee-for-service Medicaid averaged 47,803 people per month.

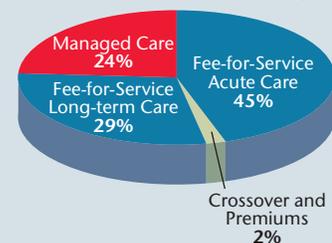
Medicaid Enrollment FY 2005
141,941 Monthly Average



D.C. MEDICAID SPENDING IN FY 2005

- Spending on care totaled \$1.26 billion (preliminary data), a 3.4% increase from FY 2004. Spending per beneficiary per month was \$741, a 1.3% increase. This figure compares very well with the nationwide 9.2% increase in the average premium for an employment-based health plan.
- The 66% of enrollees who are in managed care plans are typically children and working-age adults without disabilities. About 24% of the budget is spent purchasing care for this group.
- The 34% of enrollees who are in fee-for-service Medicaid are typically seniors and people with disabilities, who often have significant health care needs. About 45% of the budget is spent on acute care for this group and 29% for long-term care. "Acute care" includes hospital stays, physician care, prescription drugs and similar categories.
- About 2% of the budget is spent paying Medicare coinsurance and deductibles on "crossover" claims and on Medicare premiums. Medicaid spending on services that Medicare doesn't cover (e.g., most nursing facility care) is included in fee-for-service spending totals.

Medicaid Spending FY 2005
\$1.26 Billion (Preliminary)



ECONOMIC IMPACT OF MEDICAID

- Providing health care to one-quarter of the D.C. population is essential to maintaining a healthy, productive D.C. workforce.
- 92% of Medicaid spending on care is paid to D.C. providers. Of the remainder, 6% goes to Maryland providers, 1% to Virginia providers and 0.5% to other states.
- Medicaid is the single largest source of federal funding to the D.C. government, bringing in about \$900 million a year. Medicaid is cost-shared 30/70 between the two levels of government, so every D.C. Medicaid dollar is matched by \$2.33 from the federal government.

HIGHLIGHTS OF FY 2005

- **New initiatives to help HIV-positive people stay healthy.** D.C. became the first Medicaid program to cover costly anti-retroviral drugs for HIV-positive people who are not yet sick enough to qualify for Medicaid under standard eligibility rules. The District also received a federal “Ticket to Work” grant so that HIV-positive people can keep Medicaid coverage while maintaining employment.
- **More emphasis on managed care quality.** Medicaid began requiring its three managed care organizations to report results on 41 nationally accepted measures of quality. In FY 2006, all managed care organizations will be required to seek accreditation by the National Committee for Quality Assurance.
- **Improved child immunization rates.** D.C. was one of two Medicaid programs nationwide that exceeded federally set goals for child immunization.
- **Increased recoveries.** Medicaid efforts to reduce fraud and abuse, to ensure that Medicaid is the insurer of last resort, and to claim rebates from drug manufacturers all resulted in increased dollar recoveries.
- **Eligibility simplified.** The Medicaid eligibility form was streamlined from 18 pages to 6 pages.

MAJOR ISSUES AND INITIATIVES FOR FY 2006

- **Expansion in coverage and federal funding.** D.C. has requested federal approval to expand Medicaid coverage to include 1,700 people now covered by the D.C. Health Alliance. The expansion would generate \$19 million a year in new federal funding and free up District money that could be used to fund health care for other needy groups.
- **Implementation of the Medicare drug benefit.** On January 1, 2006, Medicare will implement its new drug benefit. For 16,000 D.C. Medicaid beneficiaries, Medicare will pay for drugs now paid for by Medicaid. We are working with Medicare, beneficiary advocates and provider associations to ensure a smooth transition.
- **Increased flexibility in home and community-based services (HCBS).** A new Medicaid initiative will give people receiving home and community-based services more autonomy in selecting the services they need and in choosing their caregivers. HCBS is a cost-effective program that helps people remain at home when their health conditions otherwise would require placement in an institution.
- **Value purchasing for prescription drugs.** In FY 2006, Medicaid intends to become a more effective purchaser of prescription drugs by implementing a preferred drug list and changing drug payments to reflect maximum allowable cost benchmarks.

D.C. MEDICAID SPENDING FY 2004 TO FY 2006

Responsibility Center	Actual FY 2004	Preliminary FY 2005	Budgeted FY 2006
Insurance Premiums (managed care and Medicare)	\$ 289,754,000	\$ 305,689,000	\$ 317,917,000
Inpatient Hospital Care	\$ 249,270,000	\$ 272,788,000	\$ 280,972,000
Nursing Facilities	\$ 182,048,000	\$ 176,978,000	\$ 186,769,000
Vendor Payments (e.g., pharmacy, home health, transportation)	\$ 162,754,000	\$ 169,731,000	\$ 183,513,000
Intermediate Care Facilities for the Mentally Retarded	\$ 77,317,000	\$ 78,405,000	\$ 81,613,000
D.C. Child & Family Services (e.g., case management)	\$ 48,736,000	\$ 41,961,000	\$ 38,323,000
Disproportionate Share Hospitals (supplementary payments)	\$ 40,566,000	\$ 40,188,000	\$ 41,087,000
Waivers (innovative programs under federal waivers)	\$ 22,655,000	\$ 30,144,000	\$ 38,293,000
Day Treatment (for people with mental illness)	\$ 27,291,000	\$ 26,531,000	\$ 27,327,000
D.C. Mental Health and St. Elizabeth's Hospital	\$ 34,559,000	\$ 25,957,000	\$ 42,382,000
Cost Settlement (retroactive adjustments to certain providers)	\$ 11,300,000	\$ 22,977,000	\$ 22,977,000
D.C. Public Schools (health services for Medicaid beneficiaries)	\$ 19,636,000	\$ 19,376,000	\$ 22,259,000
Outpatient Hospital Care	\$ 25,007,000	\$ 19,277,000	\$ 20,048,000
Physician Services	\$ 17,053,000	\$ 18,389,000	\$ 19,125,000
Residential Treatment (non-hospital inpatient care)	\$ 13,089,000	\$ 14,034,000	\$ 14,595,000
Subtotal Spending for Care	\$ 1,221,035,000	\$ 1,262,424,000	\$ 1,337,198,000
MAA Administration	\$ 30,704,000	\$ 36,737,000	\$ 38,905,000
Total	\$ 1,251,739,000	\$ 1,299,162,000	\$ 1,376,103,000
Average Enrollees per Month	139,021	141,941	144,922
Average Spending per Enrollee per Month	\$ 732	\$ 741	\$ 769

Notes: 1. The fiscal year runs from October 1 through September 30. Expenses are tallied on an accrual basis. 2. FY 2005 numbers are preliminary data as of September 2005. 3. FY 2006 enrollment figure assumes a continuation of the growth rate seen between FY 2004 and FY 2005. It is not an official MAA projection. 4. “MAA administration” excludes other costs of administering Medicaid, such as the cost of eligibility determination borne by the Income Maintenance Administration. 5. Due to rounding, numbers may not sum to total.

FOR MORE INFORMATION

The D.C. Medicaid FY 2005 Annual Report has much more detail than this fact sheet. Go to www.dchealth.dc.gov, then choose “Medicaid” and “Medical Assistance Administration.” You may also call 202-442-5988.