Medicaid Health Plan Enrollment and Participation Trends

ISSUE BRIEF

May 2016

KEY TAKEAWAYS

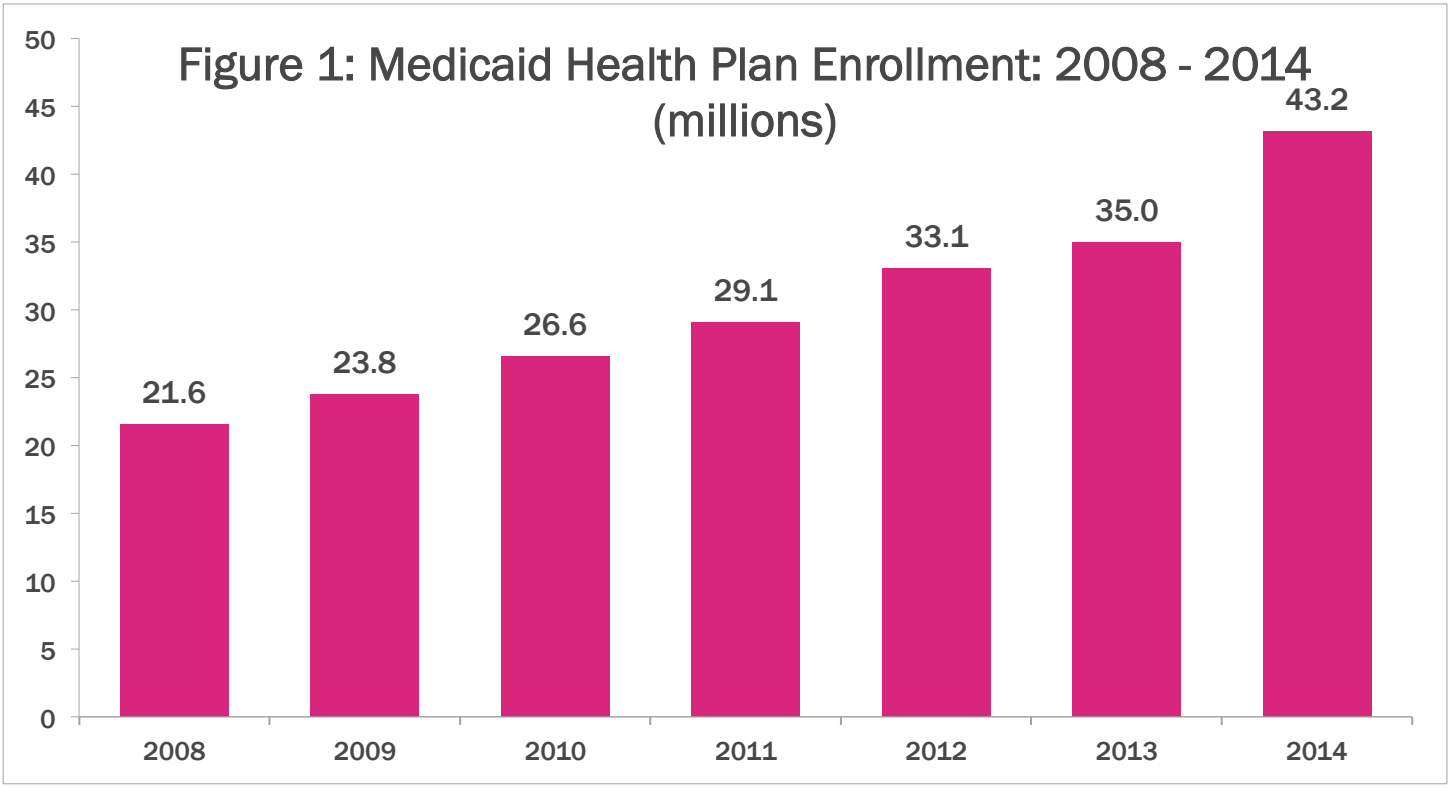
Enrollment in Medicaid health plans continue to grow, with approximately 42 million beneficiaries (60% of all Medicaid beneficiaries) enrolled in these plans as of July 2014.

Thirty-nine states, the District of Columbia, and Puerto Rico had Medicaid health plan programs in place in 2014 and states are increasingly partnering with Medicaid health plans to address the needs of vulnerable populations.

Medicaid health plans have demonstrated success in improving care for Medicaid beneficiaries in a cost-effective manner and are uniquely positioned to help the program and the beneficiaries it serves meet future challenges.

Background

Of the 71.7 million Medicaid beneficiaries nationwide, 60 percent were enrolled in a risk-based Medicaid health plan that has broad benefit coverage as of July-August, 2014[1]. This Brief summarizes trends in enrollment and Medicaid health plan participation in state Medicaid programs and describes how these plans are working with states to improve care for the beneficiaries they serve.



Enrollment Continues to Increase as States Boost Reliance on Medicaid Health Plans

According to the most recently available data from the Centers for Medicare & Medicaid Services (CMS), 43.2 million Medicaid beneficiaries were enrolled in Medicaid health plans in 2014 in thirty-nine states, the District of Columbia, and Puerto Rico -- an increase of more than 8 million since 2013 (see map below) while total Medicaid enrollment grew by just over 9 million over the same time period. These data indicate states increased reliance on Medicaid health plans to address the needs of low-income populations.

A more recent study[2] estimates Medicaid health plan enrollment has grown to over 51 million, or 70 percent of all individuals in the program. There are several reasons for this growth. Additional states have adopted new Medicaid health plan programs, expanded existing health plan programs to new regions, or enrolled more Medicaid populations into health plans, such as individuals with disabilities and the elderly. Many states electing to participate in the Affordable Care Act's (ACA) Medicaid Expansion are commonly enrolling these beneficiaries in health plans. Also, an increasing number of states are relying on Medicaid health plans to serve beneficiaries with complex needs, including individuals with disabilities and those requiring an institutional level of care in managed long-term services and supports (MLTSS) programs.

Enrollment By State

As of July-August, 2014:

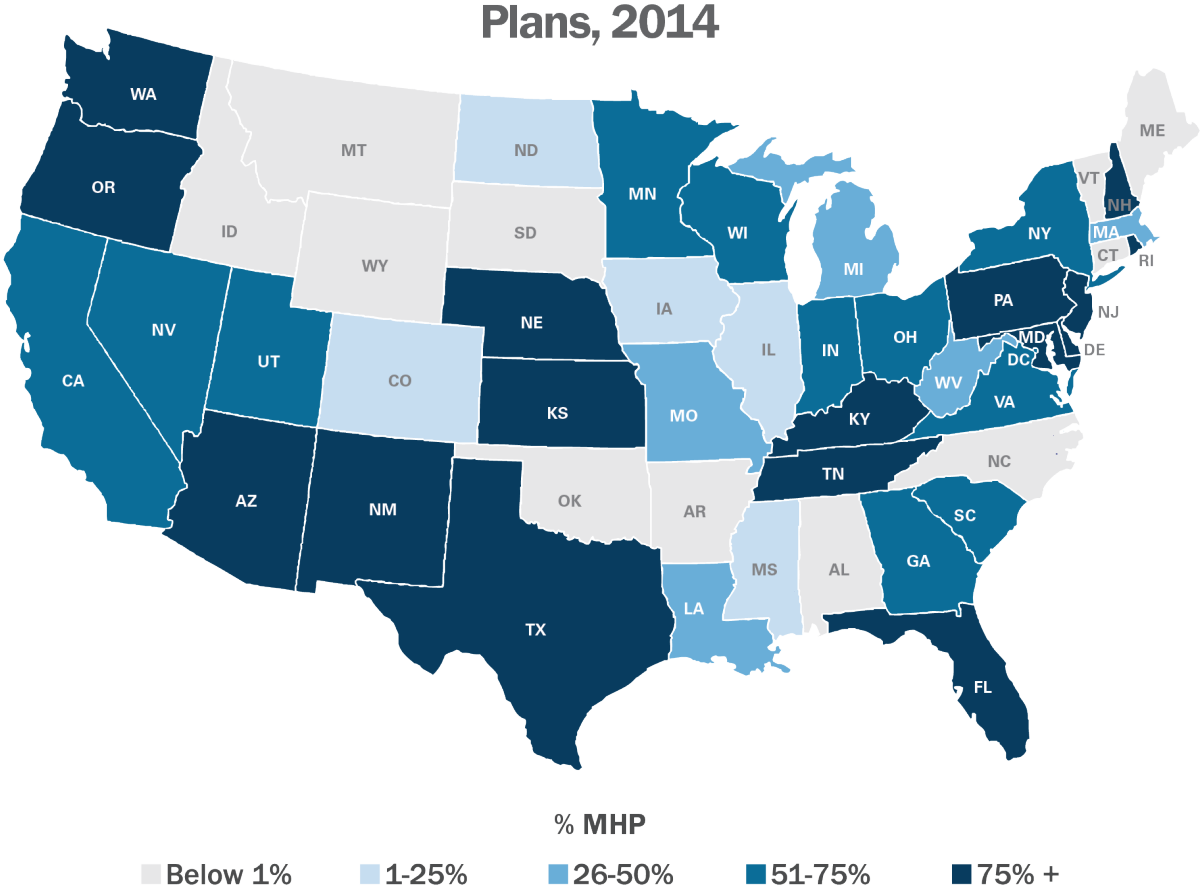
- 17 states plus Puerto Rico had 75 percent or more of their recipients in Medicaid health plans: AZ, DE, FL, HI, KS, KY, MD, NE, NH, NJ, NM, OR, PA, PR, RI, TN, TX, WA.
- 11 states plus DC had 51-75 percent of their recipients enrolled in Medicaid health plans: CA, DC, GA, IN, MN, NV, NY, OH, SC, UT, VA, and WI.
- 5 states had 26-50 percent of their enrollment in Medicaid health plans: LA, MA, MI, MO, and WV.
- 5 states had between 1-25 percent enrolled: CO, IA, IL, MS, and ND.
- 12 states had less than 1 percent Medicaid health plan enrollment[3]: AL, AK, AR, CT, ID, ME, MT, NC, OK, SD, VT, and WY.

Since 2014, two of these states, North Carolina and Oklahoma have initiated a process to enroll beneficiaries into Medicaid health plans.

Medicaid Health Plans Are Meeting the Challenges of the Changing Medicaid Program

Medicaid is a program with numerous challenges, both for its beneficiaries and state and federal governments. During its first decades the program was based on a fee-for-service payment system that resulted in fragmented care,

Percentage of Medicaid Beneficiaries Enrolled in Medicaid Health Plans, 2014



inconsistent access to services, a lack of accountability, and little emphasis on improving quality and controlling costs. This system proved to be inadequate to meet the needs of the Medicaid beneficiaries, that when compared to the general population, have much higher rates of poor health, fewer resources, and lower rates of health literacy. State governments are also facing the challenges of limited resources to maintain enrollment under their current Medicaid program and to finance future expansions under the ACA.

As a result of more than 20 years of participating in the Medicaid program, Medicaid health plans understand these challenges and are well-situated to meet them. Most importantly, Medicaid health plans understand what Medicaid beneficiaries need to take advantage of the health care coverage available to them:

- Medicaid beneficiaries – including individuals with disabilities and others with complex needs -- need integrated systems of care that promote access to necessary services and improve health outcomes.

- Medicaid beneficiaries benefit from health plan outreach efforts – including those that take advantage of wireless technologies such as texting -- that assist them in making and attending medical appointments and obtaining needed care on an ongoing basis.

- Medicaid beneficiaries with chronic conditions require focused programs that provide tailored clinical and care management strategies and improve quality of life.
- Medicaid beneficiaries often benefit from assistance with non-medical related needs that can improve their health and well-being.

Medicaid health plans have been at the forefront of implementing systems and programs in all of these areas. These same fundamental Medicaid health plan attributes not only provide positive results for beneficiaries but also aid states in controlling Medicaid costs and achieving the highest value for their Medicaid investment:

- By offering **integrated health care delivery systems**, Medicaid health plans promote access to coordinated, quality care and prevent overutilization of services that are both unnecessarily costly and potentially harmful for their enrollees, including dual eligibles.

- By conducting **outreach and health education efforts** that encourage Medicaid beneficiaries to receive necessary preventive care, Medicaid health plans can reduce unnecessary and costly hospital stays.

- By helping to **manage chronic conditions** through patient-centric disease management programs, Medicaid health plans are improving care while also reducing the costs of providing health care to beneficiaries with complex health care needs.

- By **facilitating access to non-medical services**, Medicaid health plans enhance the effectiveness of health care service delivery and enables beneficiaries to live in the community while at the same time reducing costs for states, for example by promoting access to social services or to services that help reduce or avoid nursing home stays for beneficiaries with long-term health care needs.

- By **being held accountable** through extensive state and federal regulations and detailed contractual agreements for ensuring access to services, and reporting on beneficiary satisfaction and quality measures, Medicaid health plans are improving the access to and quality of care provided to the vulnerable beneficiaries they serve.

Research is demonstrating the effectiveness of these programs. For example:

- **Quality of Care:** One study examined the results of 23 HEDIS® measures and found

that Massachusetts Medicaid health plans exceeded the national benchmark 83 percent of the time compared to only 43 percent for a program that paid providers on a fee-for-service basis.[4] Another report[5] found Medicaid health plans in Minnesota outperformed fee-for-service on 19 HEDIS measures, concluding "it would appear that managed care is able to deliver stronger health outcomes, and therefore stronger potential value, than what can be expected from the FFS system."

- **Beneficiary Outreach:** Medicaid health plans are increasingly using wireless technology such as texting to promote adherence to treatment and medication regimens, encourage healthy activities such as smoking cessation and improved nutrition, and increase attendance at medical appointments. Studies published in national journals are documenting the success of these Medicaid health plan programs. For example, a 2014 environmental scan of studies on the effectiveness and acceptance of health text messaging interventions concludes that research shows the value of health text messaging programs in a variety of areas including disease management, medication adherence, immunization rates, and clinical outcomes.[6] Specific examples find these texting programs significantly increased influenza immunization rates among pregnant woman using the service[7], reduced rates of alcohol consumption and smoking among pregnant women[8], improved levels of glycemic control among pregnant women with diabetes using this technology[9], and reduced costs by improving compliance with diabetes management programs.[10]

- **Access to Care:** One study found children enrolled in Medicaid health plans in Georgia are more than twice as likely to experience six or more well child visits during the first 15 months of life that beneficiaries in the FFS program and Medicaid health plan enrolled children age 12 - 19 were more likely to visit primary care providers.[11]

- **Chronic Disease Management:** Medicaid health plans develop disease management programs to address many different conditions, including diabetes, prenatal/postnatal health, asthma, congestive heart failure, children with special needs, and people with multiple chronic conditions. Studies have found these programs lead to better care for beneficiaries, such as children with asthma enrolled in Medicaid health plans.[12]

- **Cost Effectiveness:** Research commissioned by AHIP synthesized 24 studies on savings achieved when states implemented programs using Medicaid health plans.[13] Another AHIP-supported study highlighted the cost-effectiveness achieved when pharmacy benefits are carved into Medicaid health plan benefits, finding prescription drug costs in "carve in" states were 14.6% lower than states which maintained fee-for-service coverage for medications by carving them out of Medicaid health plan benefits.[14] These studies provide compelling evidence that Medicaid health plans can reduce state Medicaid expenditures by providing high quality health care.

Conclusion

Medicaid health plans have demonstrated a track record of improving health care for Medicaid beneficiaries while ensuring that the federal government and state Medicaid programs receive the highest value for the dollars they spend on health care. Recognizing the challenges associated with the growing Medicaid population and the long-term care needs of people with disabilities and the elderly, Medicaid

health plans are uniquely positioned to assist in strengthening the Medicaid program for all of the populations it serves. AHIP will be working with state and federal leaders to promote policies supporting and expanding Medicaid health plan efforts to maintain and improve the health of the low-income individuals served by the program.

Appendix A: Trends in Medicaid Health Plans (MHP) Enrollment, 2011-2014

State	MHP Enrollees 7/11	MHP Enrollees 7/12	MHP Enrollees 7/13	MHP Enrollees 7/14	MHP Enrollment as % of Total Medicaid Enrollment, 2014
Alabama	0	0	0	0	0.0%
Alaska	0	0	0	0	0.0%
Arizona	1,198,818	1,106,948	1,072,628	1,317,463	85.1%
Arkansas	0	0	0	0	0.0%
California	4,523,838	4,850,801	5,686,453	7,811,712	67.8%
Colorado	46,962	49,195	76,331	63,473	5.9%
Connecticut	396,425	0	0	0	0.0%
Delaware	154,904	170,357	182,430	195,974	86.1%
D.C.	137,424	138,179	157,821	172,308	66.9%
Florida	1,249,264	1,507,500	1,516,233	2,631,697	74.5%
Georgia	951,408	1,136,518	1,148,809	1,345,813	68.6%
Hawaii	266,819	280,541	288,539	316,354	98.5%
Idaho	0	0	0	697	0.3%
Illinois	213,417	251,000	282,183	439,899	13.5%
Indiana	705,708	714,198	731,112	737,122	62.7%
Iowa	0	1,274	30,404	58,285	9.8%
Kansas	181,540	192,593	328,600	356,271	89.2%
Kentucky	171,142	896,374	716,715	1,081,673	89.4%
Louisiana	0	464,693	427,713	418,174	32.0%
Maine	0	0	0	0	0.0%
Maryland	735,856	776,825	864,988	1,084,437	82.8%
Massachusetts	510,355	512,289	442,953	799,768	42.6%
Michigan	1,211,393	1,237,774	1,290,847	1,831,208	47.3%
Minnesota	556,665	607,686	633,494	791,004	71.1%
Mississippi	51,626	48,388	155,124	155,124	22.2%
Missouri	406,796	422,541	415,637	388,857	47.1%
Montana	0	0	0	0	0.0%
Nebraska	100,972	167,350	185,083	183,497	75.6%
Nevada	168,851	172,553	180,321	360,195	67.5%
New	0	0	0	121,161	85.1%
New Jersey	853,645	1,033,139	1,055,246	1,314,180	85.2%
New Mexico	401,318	389,784	412,486	579,530	79.7%
New York	3,725,644	3,952,129	3,932,826	4,285,165	73.3%
North Carolina	0	0	0	0	0.0%
North Dakota	0	0	0	11,713	14.8%
Ohio	1,605,042	1,736,739	1,667,307	2,027,590	72.5%
Oklahoma	0	0	0	0	0.0%
Oregon	496,987	523,804	546,347	827,939	78.7%
Pennsylvania	1,152,069	1,256,280	1,621,687	1,668,071	77.5%
Puerto Rico	1,040,493	1,323,523	1,520,960	1,459,263	100.0%

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State	MHP Enrollees 7/11	MHP Enrollees 7/12	MHP Enrollees 7/13	MHP Enrollees 7/14	MHP Enrollment as % of Total Medicaid Enrollment, 2014
Rhode Island	135,049	133,843	140,346	217,540	82.5%
South Carolina	428,765	611,983	460,065	720,327	66.1%
South Dakota	0	0	0	0	0.0%
Tennessee	1,174,007	1,156,197	1,215,336	1,288,348	100.0%
Texas	1,872,383	3,006,433	2,997,946	3,231,250	78.1%
Utah	51,486	62,104	186,419	201,356	70.0%
Vermont	103,529	0	0	0	0.0%
Virginia	532,292	621,749	634,435	644,720	67.0%
Washington	730,592	740,922	789,496	1,242,217	99.8%
West Virginia	166,555	166,488	169,487	203,288	41.8%
Wisconsin	711,043	710,107	702,299	660,442	55.0%
Wyoming	0	0	0	0	0.0%
TOTAL	29,121,082	33,130,801	34,969,922	43,245,105	60.3%

Related Topic

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1 Florida reported data as of August 1, 2014. All other states reported data as of July 1, 2014.

2 Gottlieb, Ari. "The Still Expanding State of Medicaid in the United States: The trend towards private Medicaid Health Plans continues, but how much more growth remains." PwC (November 2015).

3 Note: All states listed but Idaho (0.3 percent) do not enroll Medicaid beneficiaries in health plans.

4 Jeremy D. Palmer, FSA, MAA and Sheamus K. Parkes, FSA, MAAA, Comparison of HEDIS® Results: MassHealth PCC Program and Managed Care, Milliman, February 11, 2013.

5 Public Consulting Group, Report on the Value of Minnesota Health Care Programs (MHCP) Managed Care as Compared to Fee-for-Service, September 24, 2013.

6 U.S. Department of Health and Human Services. Health Resources and Services Administration. Using Health Text Messages to Improve Consumer Health Knowledge, Behaviors, and Outcomes: An Environmental Scan. Rockville, Maryland: U.S. Department of Health and Human Services, 2014, available at: http://www.hrsa.gov/healthit/txt4tots/environmentalscan.pdf

7 Jordan, E.T., Bushar, J., Kendrick, J., Johnson, P., Wang, J. (2015). Encouraging Influenza Vaccination among Text4baby Pregnant Women and Mothers. American Journal of Preventive Medicine. Published online July 29, 2015. DOI: http://dx.doi.org/10.1016/j.amepre.2015.04.029. Available at: http://www.ajpmonline.org/article/S0749-3797(15)00213-5/abstract

8 Evans, W. D., Wallace, J. L., & Snider, J. (2012). Pilot Evaluation of the Text4baby Mobile Health Program. BMC public health, 12(1), 1031. Available: http://www.biomedcentral.com/1471-2458/12/1031

9 Grabosch, S., Gavard, J. A., & Mostello, D. (2014). 151: Text4baby Improves Glycemic Control In Pregnant Women with Diabetes. American Journal of Obstetrics and Gynecology, (210)1:88. Available at: http://www.ajog.org/article/S0002-9378(13)01249-0/pdf

10 Nundy, S. Dick, J., Chia-Hung, C., Nocon, R., Chin, M., Peek, M. Mobile Phone Diabetes Project Led To Improved Glycemic Control And Net Savings For Chicago Plan Participants. Health Affairs. February 2014 33:2265-272; doi:10.1377/hlthaff.2013.0589. Found at http://content.healthaffairs.org/content/33/2/265.full

11 Janice Carson, MD, Georgia Department of Community Health, PQO Update: Performance Measurement, Presentation to the Georgia Department of Community Health Board, October 11, 2012.

12 For example, see Rhode Island Department of Human Services, Monitoring Quality and Access in RIte Care, October 2009 finding 96 percent of such children age 5-9 and 94 percent of children age 10-17 in Rhode Island Medicaid health plans had experienced the appropriate use of medications for the control of their asthma.

13 The Lewin Group. Medicaid Managed Care Cost Savings: A Synthesis of 24 Studies. (March 2009)

14 The Menges Group, "Comparison of Medicaid Pharmacy Costs and Usage in Carve-In Versus Carve-Out States", April 2015.