

Medicaid

FY 2005 and FY 2006

Health and Human Services Subcommittee
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Jennifer Vermeer
Fiscal Services Division
Legislative Services Agency

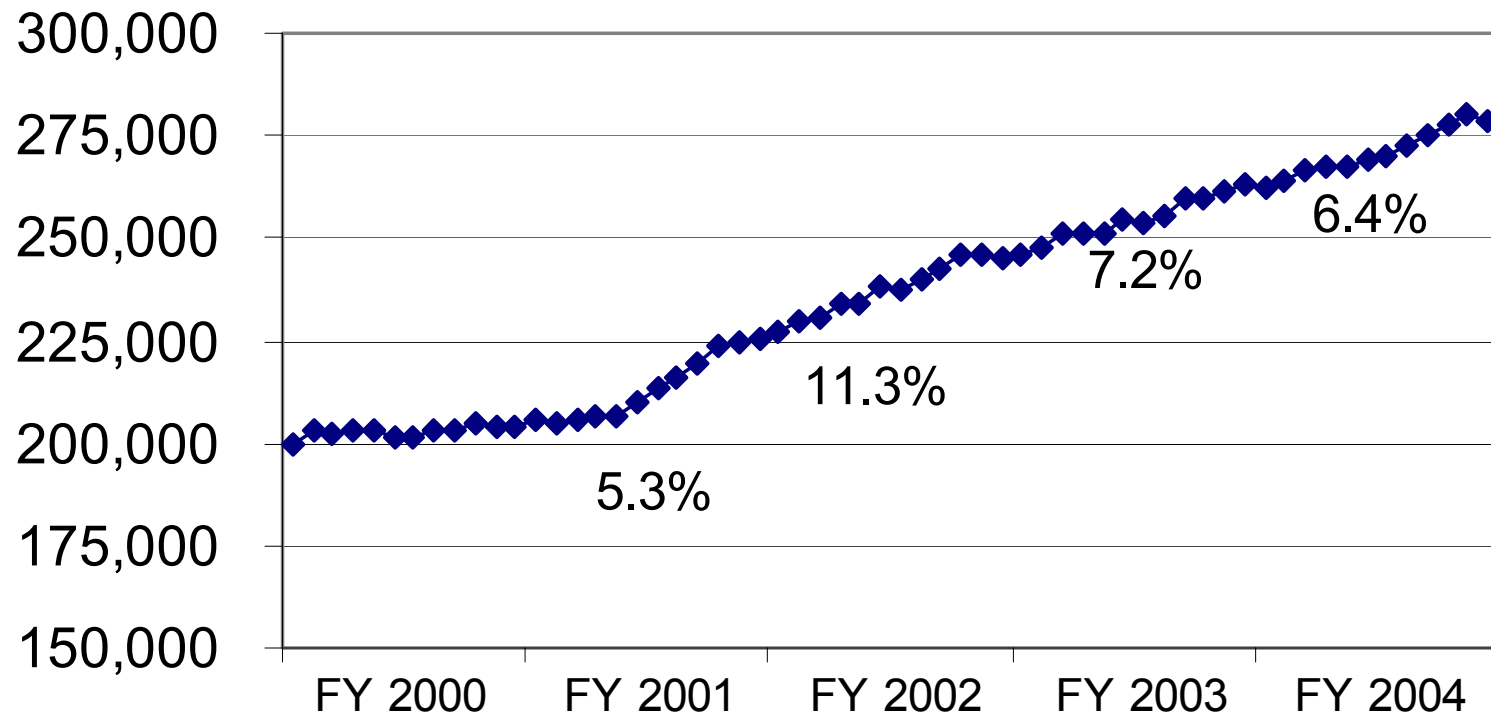
What is Medicaid?

- Medical Assistance Program for low-income people.
- Long-term Care Program for low-income elderly and disabled.
- Funded by a combination of State and federal funds.
 - FY 2005 Federal match rate is 63.55%
- Medicaid is an “entitlement” program – everyone who meets the eligibility criteria must be served.

Who is eligible?

- Enrollees must meet income limits and other criteria – not just low income.
- In general, Medicaid covers four main groups:
 - Pregnant women and children.
 - Members of families with dependent children.
 - Age 65 and over.
 - Blind and Disabled.

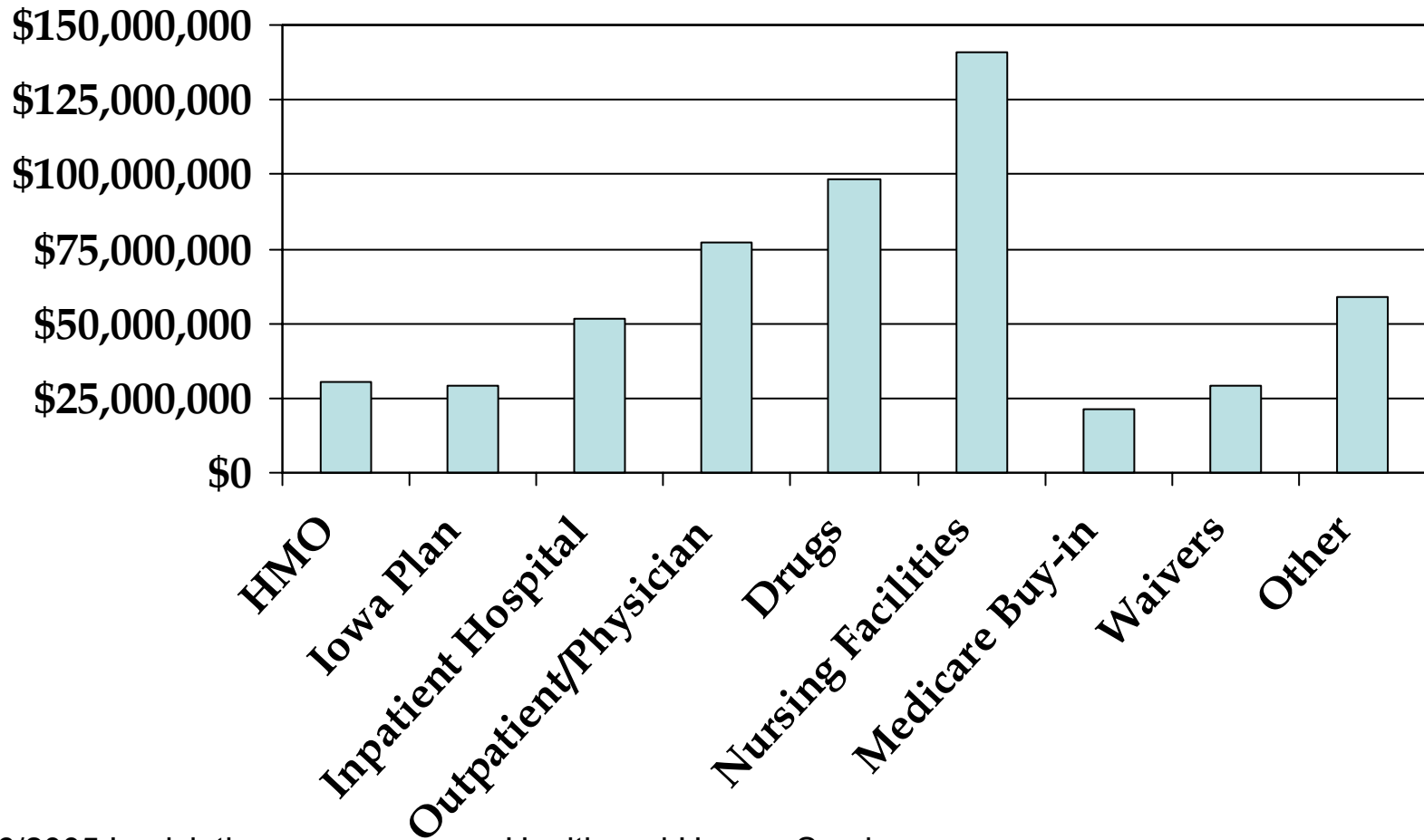
Medicaid Enrollment



Mandatory vs. Optional

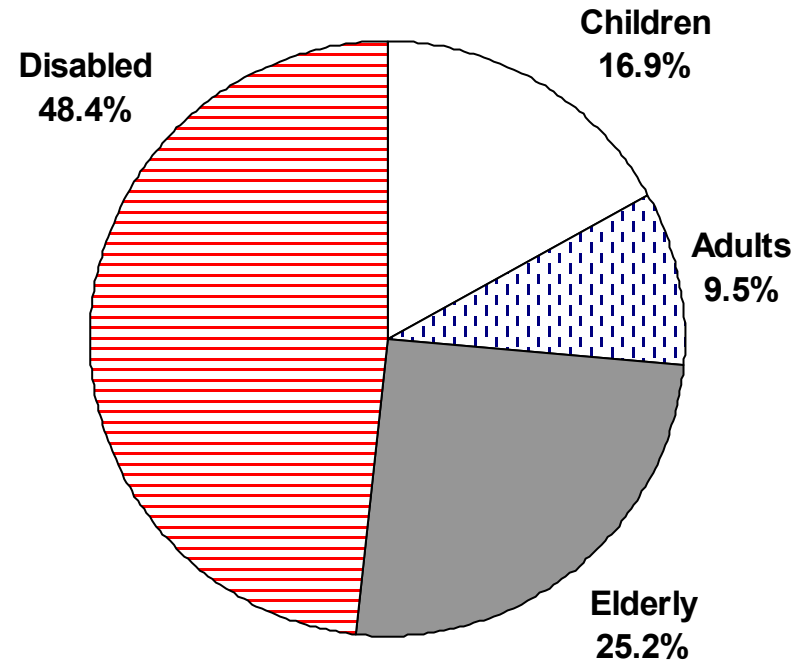
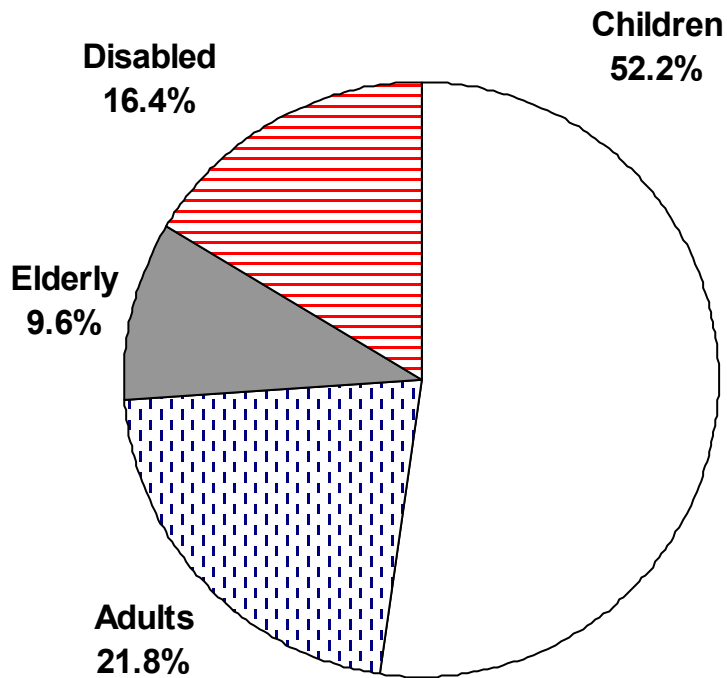
- Under Federal law, some eligibility categories and services are mandatory and some are optional.
 - Mandatory examples – Children, pregnant women, disabled, hospital, physician, nursing home, early screening and treatment services for children.
 - Optional examples – Eligibility at higher income levels than required (Medicaid expansion, people in institutions), working disabled, prescription drugs, chiropractor, podiatrist, durable medical equipment.
- Does not mean the services are optional in terms of appropriate medical care. It is the federal distinction of what states have discretion to add or delete under the Medicaid Program.

FY 2004 Expenditures - State Funds



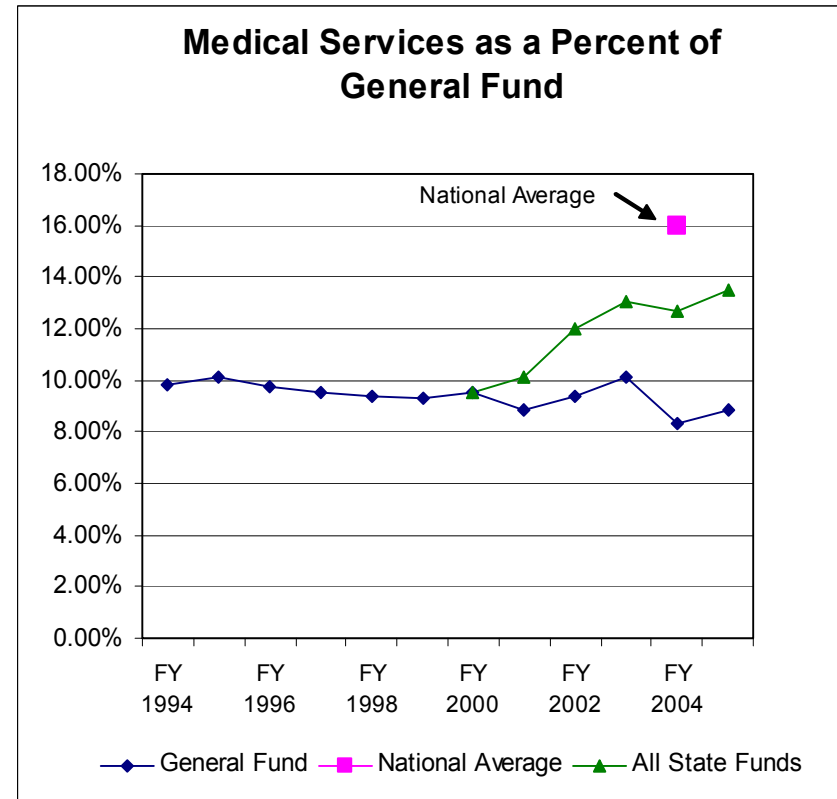
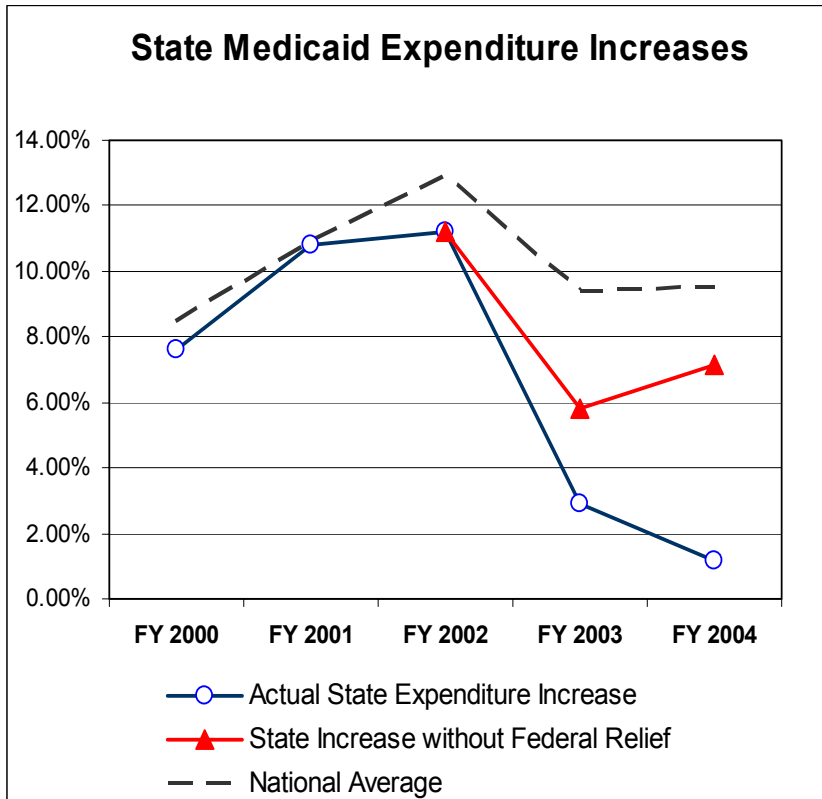
FY 2004 Enrollment

FY 2004 Expenditures

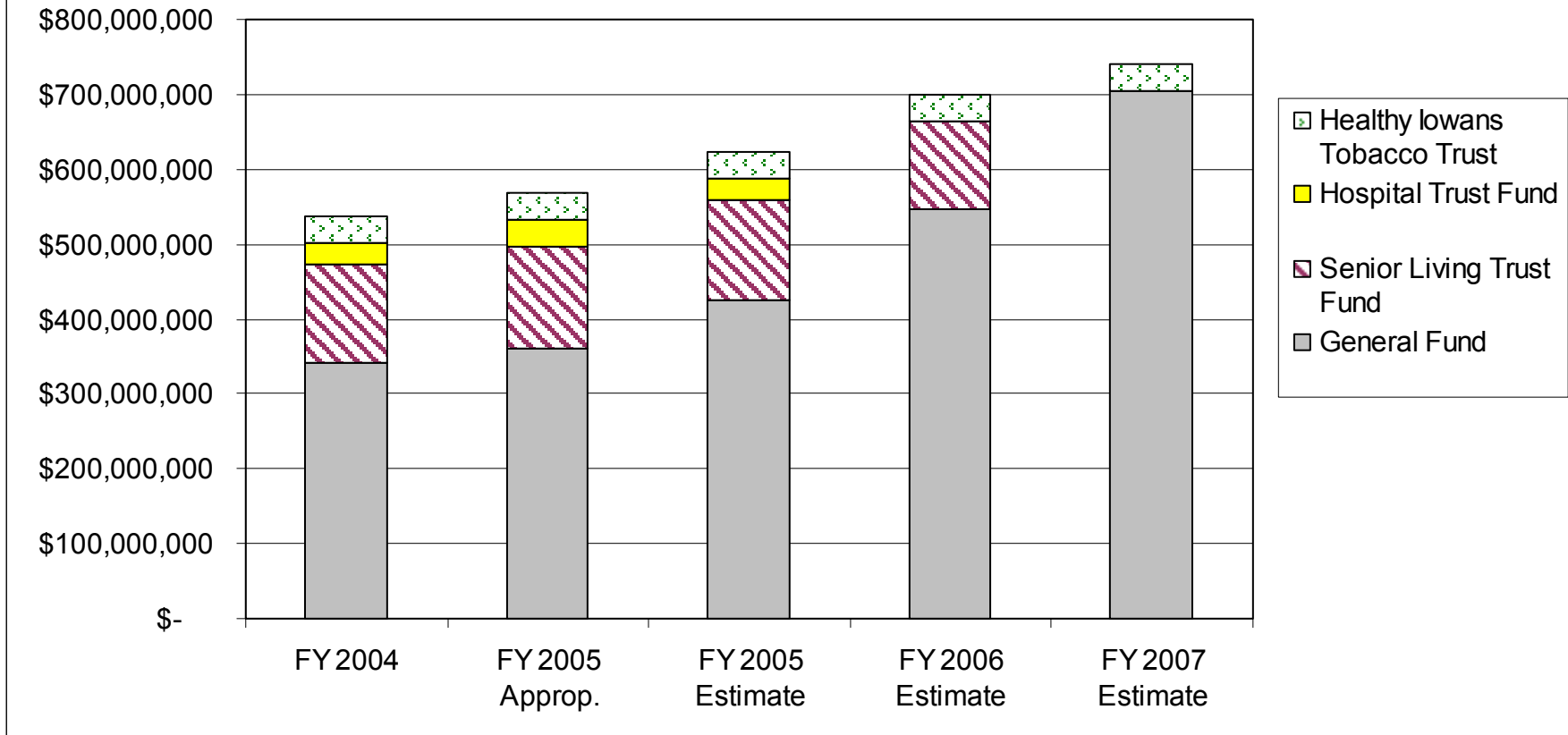


*May not total to 100.0% due to rounding.

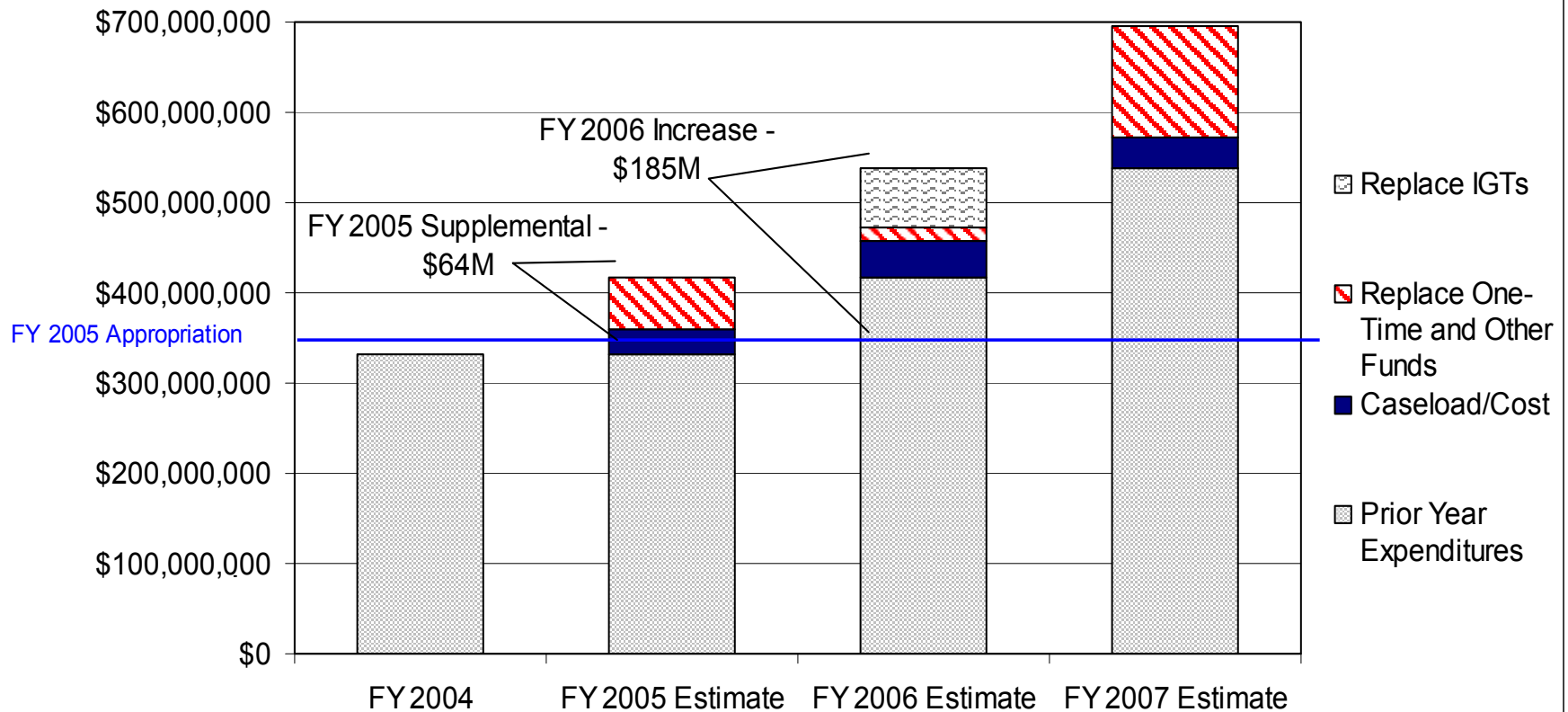
Iowa vs. National Average



Medicaid - Total State Appropriations



Medicaid - General Fund Expenditures



FY 2005 Supplemental

- \$60.0 million to \$74.0 million estimated General Fund shortfall.
 - \$48.0 million one-time increase in federal funds discontinued in FY 2005.
 - \$9.5 million Hospital Trust Fund revenue shortfall.

FY 2006 Increase

- \$166.0 million to \$214.0 million estimated General Fund increase (compared to the original FY 2005 appropriation).
- Assumes:
 - Loss of \$66.1 million Intergovernmental Transfers (IGTs) revenue
 - Senior Living Trust Fund balance of \$0 at the end of FY 2006.

FY 2006 Increase - Detail

- \$63.6 million FY 2005 supplemental.
- \$28.8 million FY 2006 caseload/cost growth.
- \$7.0 million nursing facility rate rebase.
- \$4.3 million Medicare Part D
- \$15.4 million Senior Living Trust Fund shortfall/Hospital Trust Fund shortfall.
- \$66.1 million loss of Intergovernmental Transfers.
- Senior Living Trust Fund depleted at the end of FY 2006.

Intergovernmental Transfers

- Financing mechanism that brings in additional federal revenue.
- \$66.1 million Medicaid revenue in FY 2006.
- Federal government has stated its intention that FY 2005 is the last year for IGTs for all states.
- DHS has negotiation proposal to help offset the loss – amount of offset difficult to determine.
- Amount of offset depends on State legislation and federal approval.

Other Issues

- Medicare Part D:
 - DHS responsibility for low-income subsidy applications.
 - Transition of “dual eligibles.”
 - Amount of the “clawback” payment.
- FY 2007:
 - Senior Living Trust Fund depleted.
 - Estimated General Fund needed to offset the loss of SLTF is \$123.9 million over and above the FY 2006 need.