

Rising Health Pressures in an Economic Recession

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for

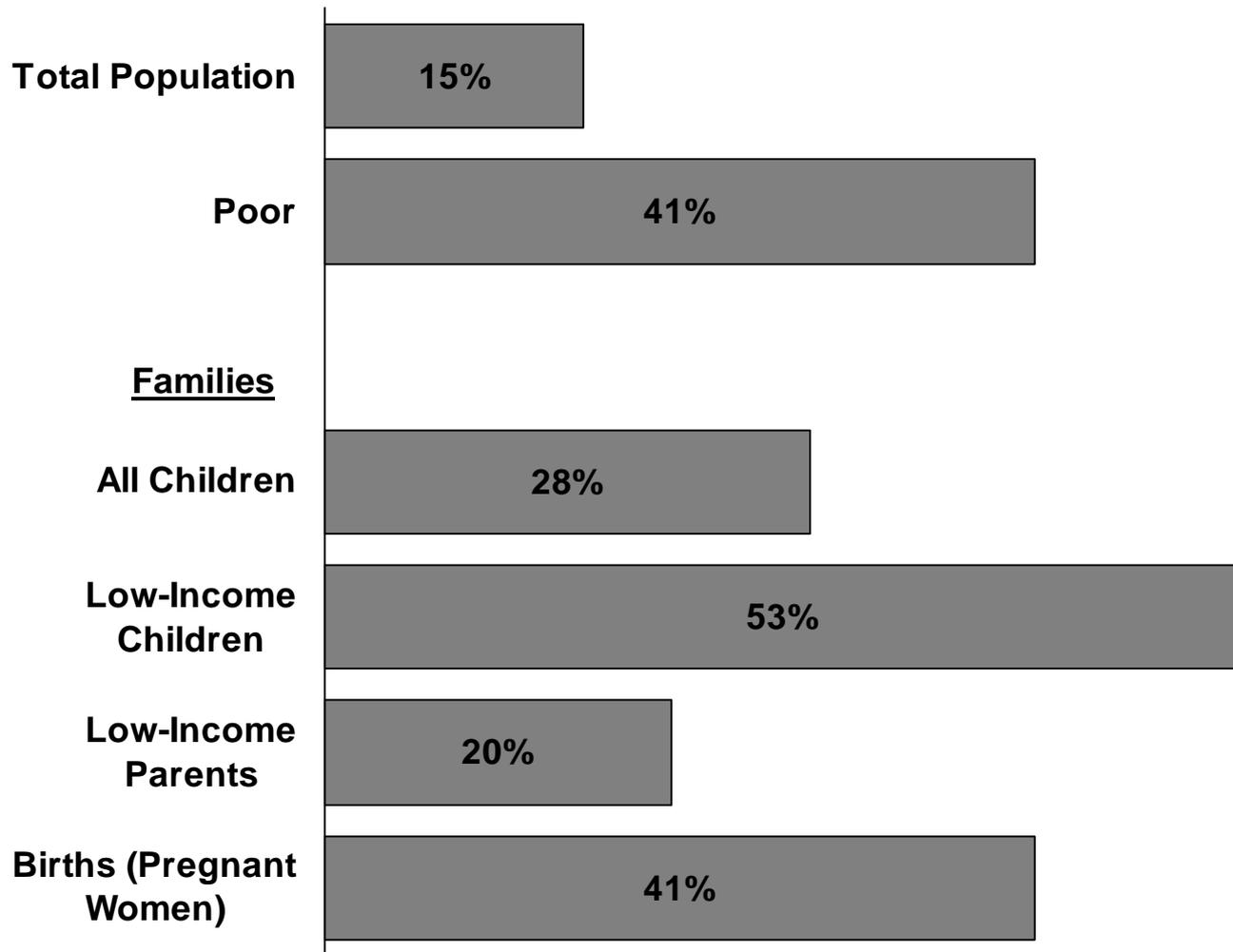
**Maternal and Child Health (MCH) Federal / State Partnership Meeting
Washington, DC
October 27, 2009**



Figure 1

Medicaid is Important for MCH Populations

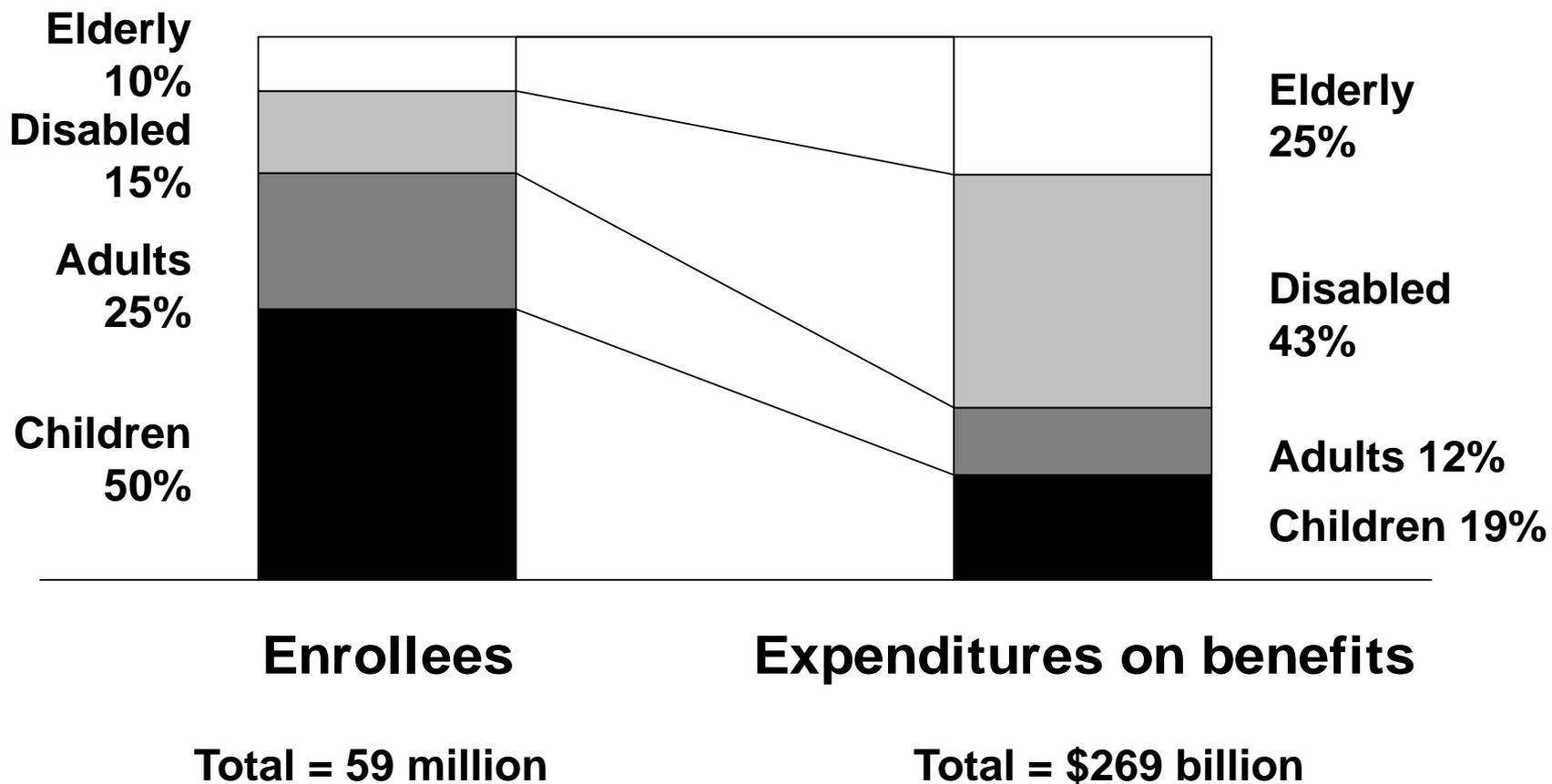
Percent with Medicaid Coverage:



Note: "Poor" is defined as living below the federal poverty level, which was \$17,600 for a family of 3 in 2008. SOURCE: KCMU, KFF, and Urban Institute estimates; Birth data: NGA, MCH Update.

Figure 2

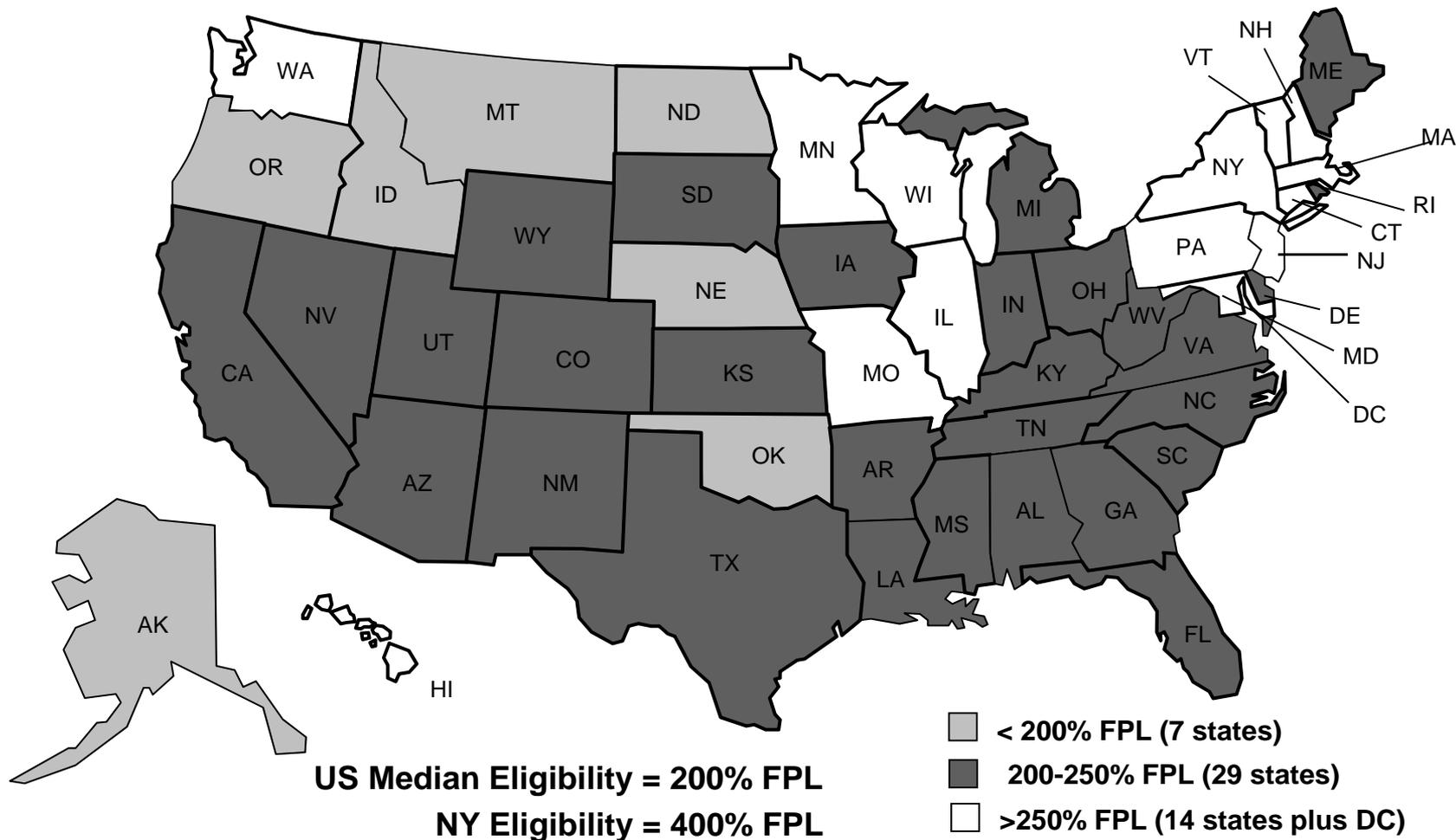
Medicaid Enrollees and Expenditures by Enrollment Group, 2006



SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on 2006 MSIS data.

Figure 3

Children's Eligibility for Medicaid/CHIP by Income, May 2009

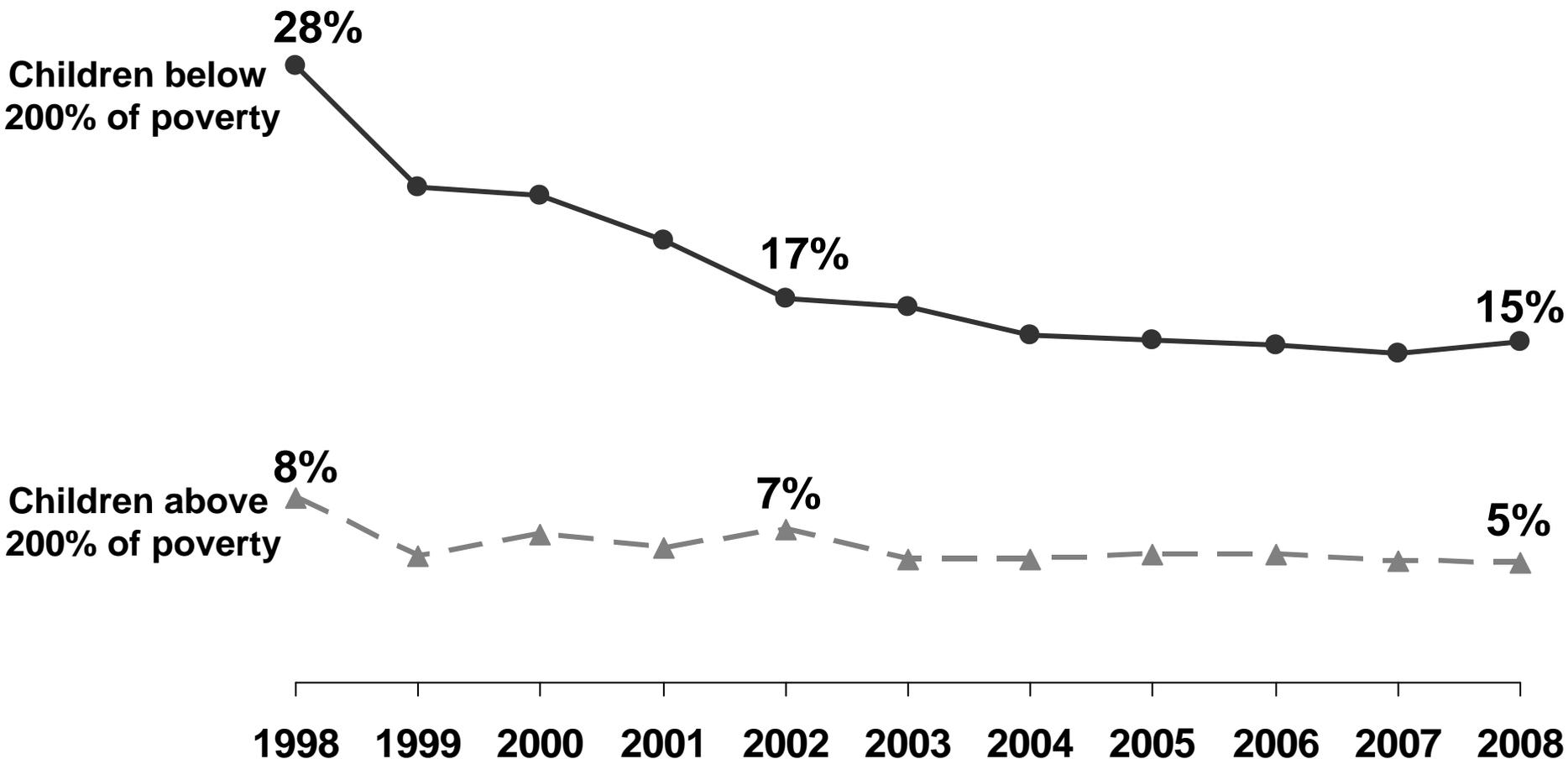


Note: 200% of the Federal Poverty Line (FPL) for a family of three was \$35,200 per year in 2008. IL uses state funds to cover children above 200% FPL.; MA uses state funds to cover children above 300% FPL; NY uses state funds to cover children from 250% to 400% FPL; WI uses state funds to cover children from 250% to 300% FPL.

SOURCE: Kaiser Commission on Medicaid and the Uninsured and Center on Budget and Policy Priorities, *Challenges of Providing Health Coverage for Children and Parents in a Recession*, 2009.

Figure 4

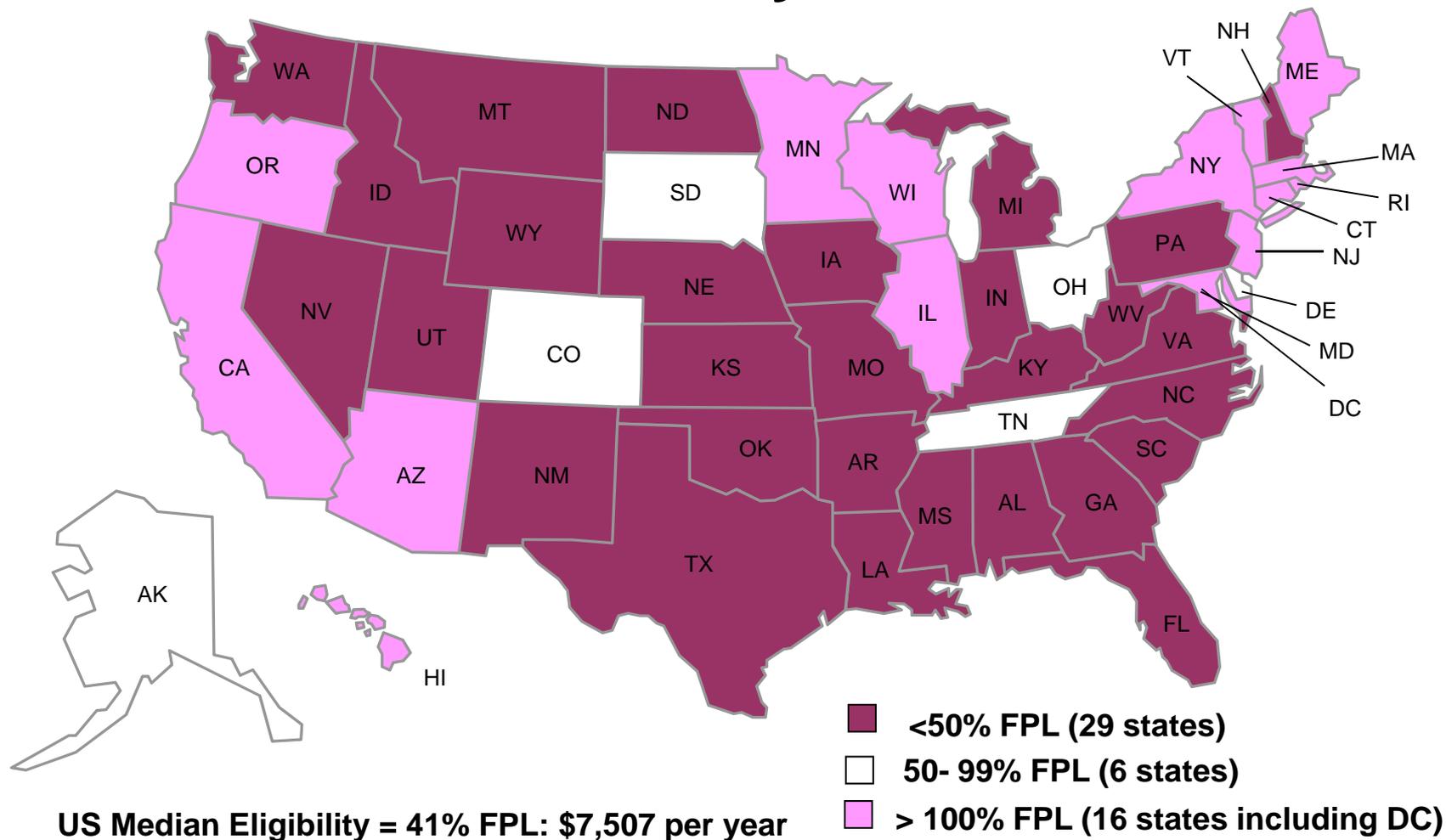
Percentage of Children Without Health Insurance, By Poverty Level, 1998-2008



Children includes all individuals under age 19.
Source: KCMU analysis of National Health Interview Survey data.

Figure 5

Medicaid Eligibility for Jobless Parents by Income, January 2009



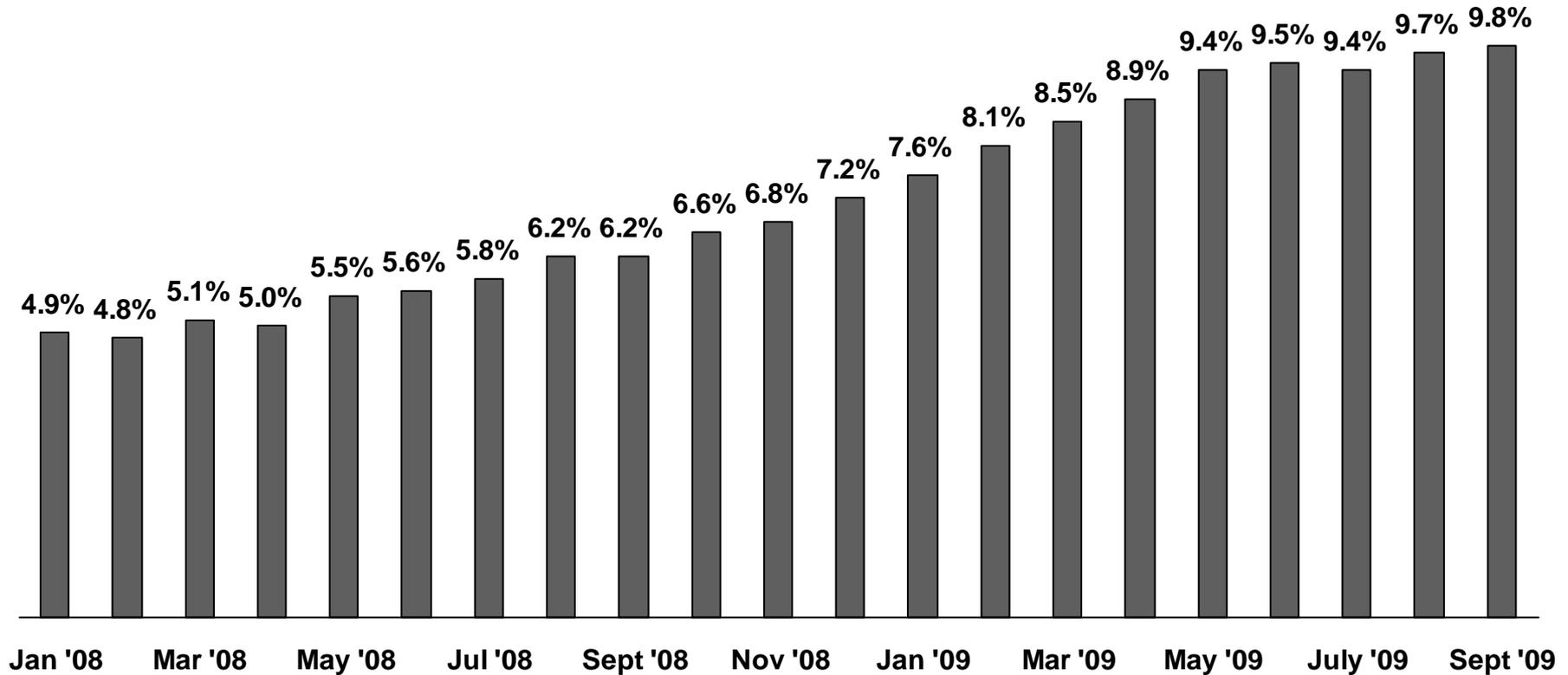
Note: The Federal Poverty Line (FPL) for a family of three in 2009 is \$18,310 per year.
SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for KCMU, 2009.

Impact of the Recession

- **Unemployment rising**
- **State revenues dropping**
- **States facing severe budget shortfalls**
- **Medicaid programs under stress**
- **Families struggling, many uninsured**

Figure 7

National Unemployment Rate (January '08 – September '09)

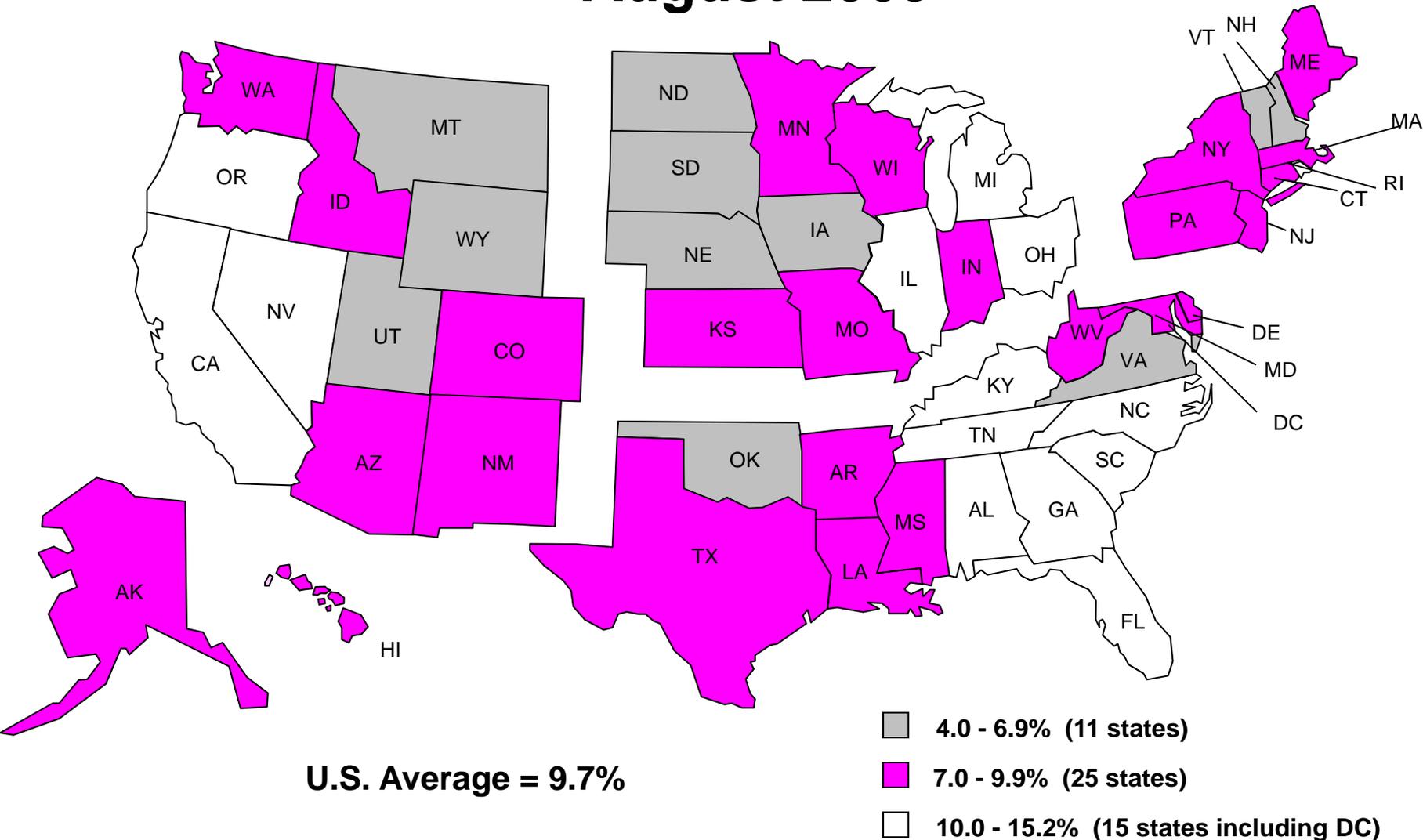


SOURCE: Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey: Unemployment Level and Rate*. October 2009.

K A I S E R C O M M I S S I O N O N
Medicaid and the Uninsured

Figure 8

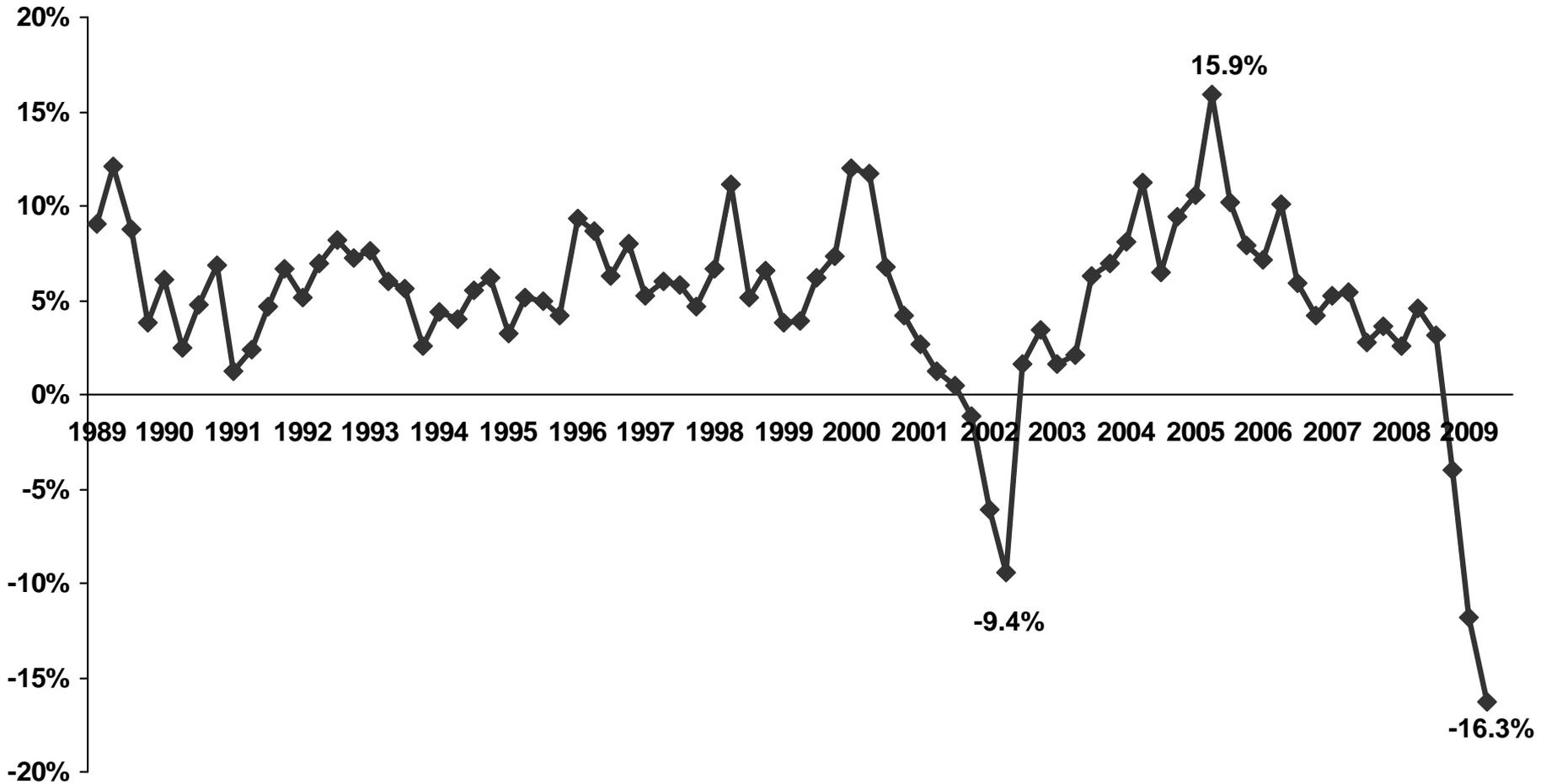
States with Unemployment Rates at Various Levels, August 2009



SOURCE: State figures from Table 3, Regional and State Employment and Unemployment: August 2009, Bureau of Labor Statistics.

Figure 9

State Tax Revenue, 1999-2009



SOURCE: Percent change in quarterly state tax revenue, US Census Bureau.
<http://ftp2.census.gov/govs/qtax/table1.xls>

Effect of a 1% Point Increase in Unemployment

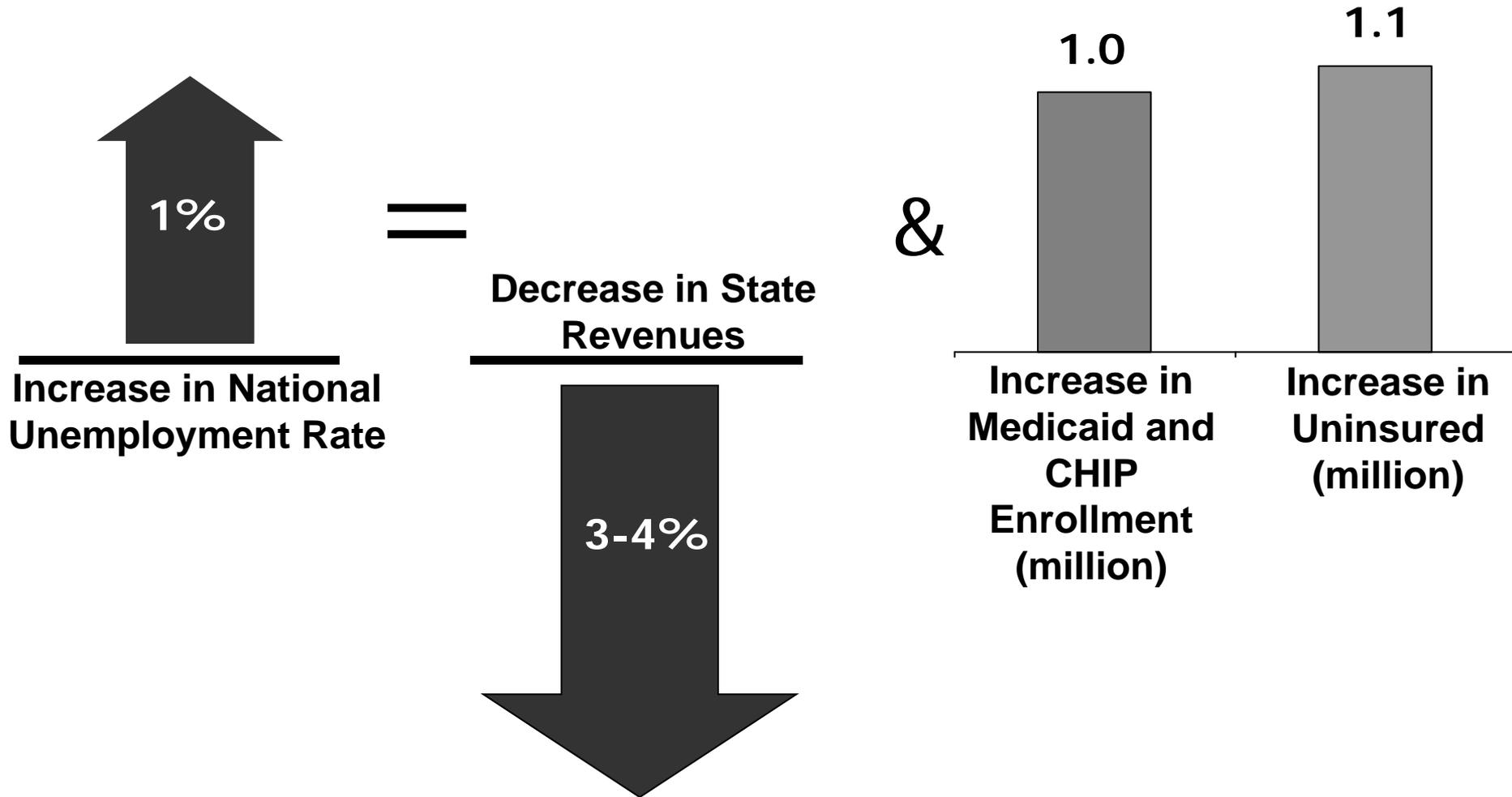
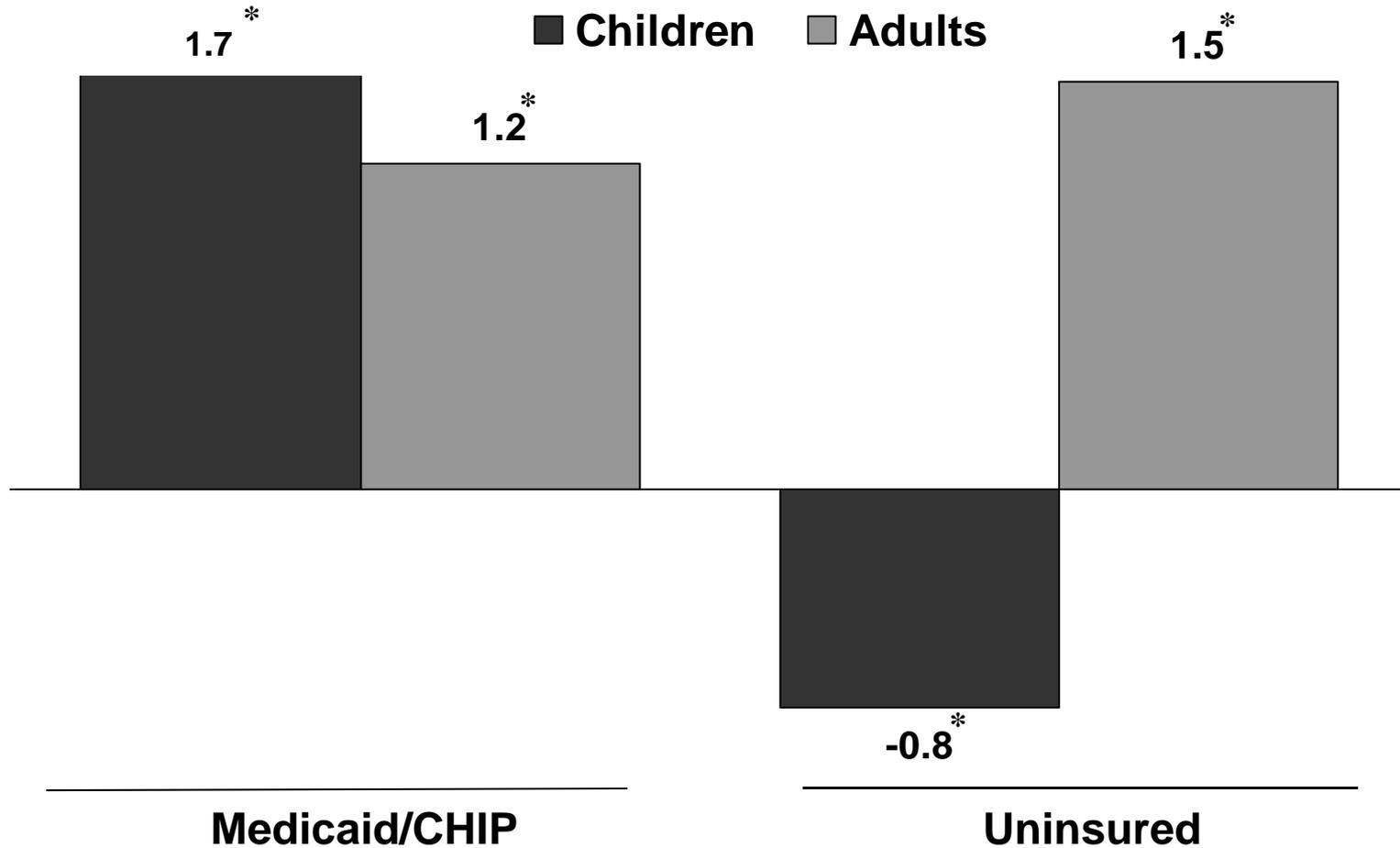


Figure 11

Change in Coverage for Nonelderly, 2007 – 2008 (Millions of Americans)



*Indicates change in percent of people is statistically significant (at the 95% confidence level).

SOURCE: KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS.

Trying to Respond: ARRA Health Provisions

- Temporary increase in Medicaid FMAP (\$87 billion)
 - Relief for 10/1/08 – 12/31/10
 - Hold harmless, base increase 6.2% and additional relief for states with high increases in unemployment
 - States cannot restrict eligibility or standards and must comply with prompt pay requirement
- Premium subsidies for COBRA (\$25 billion)
 - 65% subsidy for COBRA premiums for 9 months for workers involuntarily terminated between 9/1/2008 and 12/31/2009

Figure 13

How States Used ARRA Enhanced Medicaid Funding in FY 2009

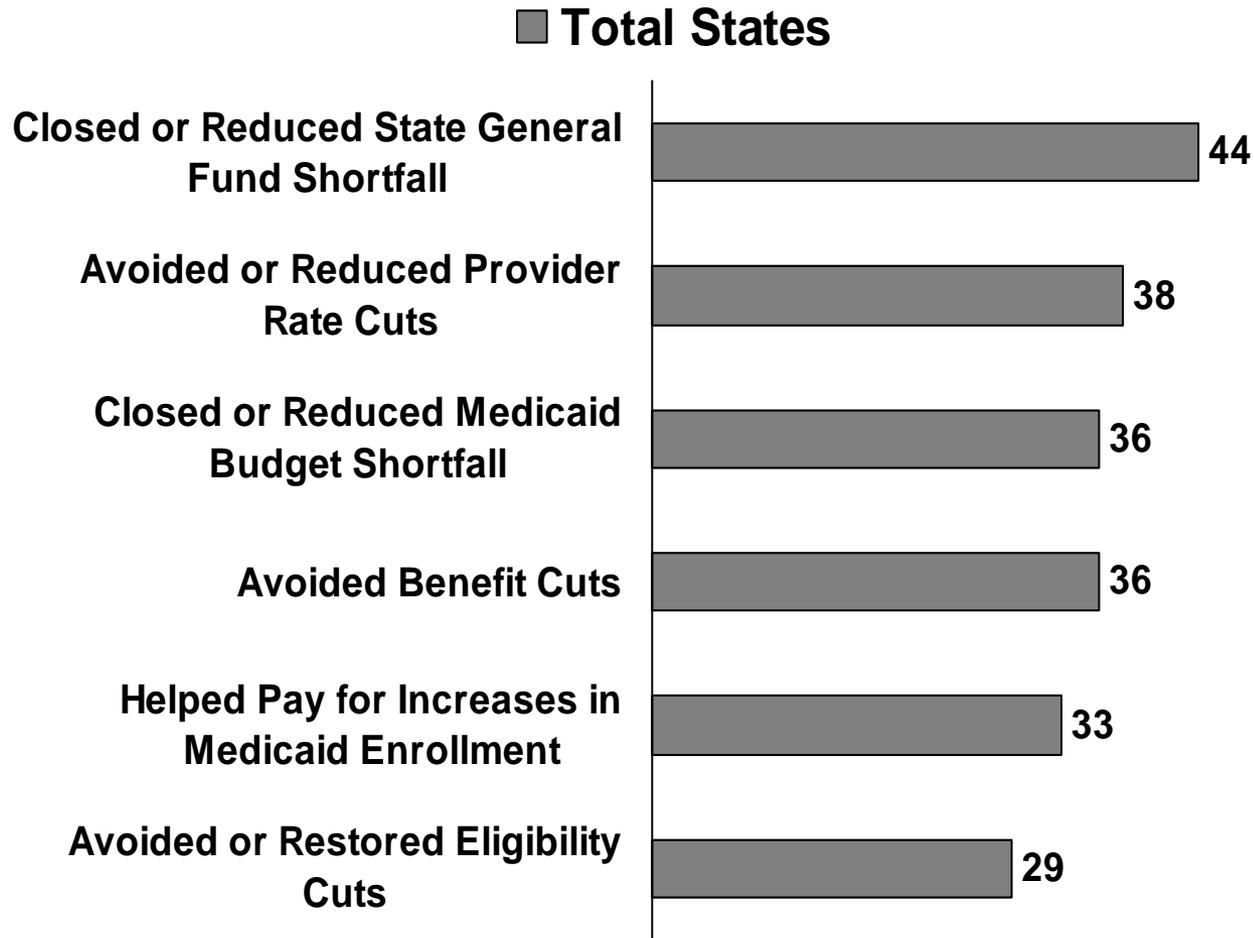


Figure 14

Projected and Actual Total Medicaid Spending and Enrollment Growth for FY 2009

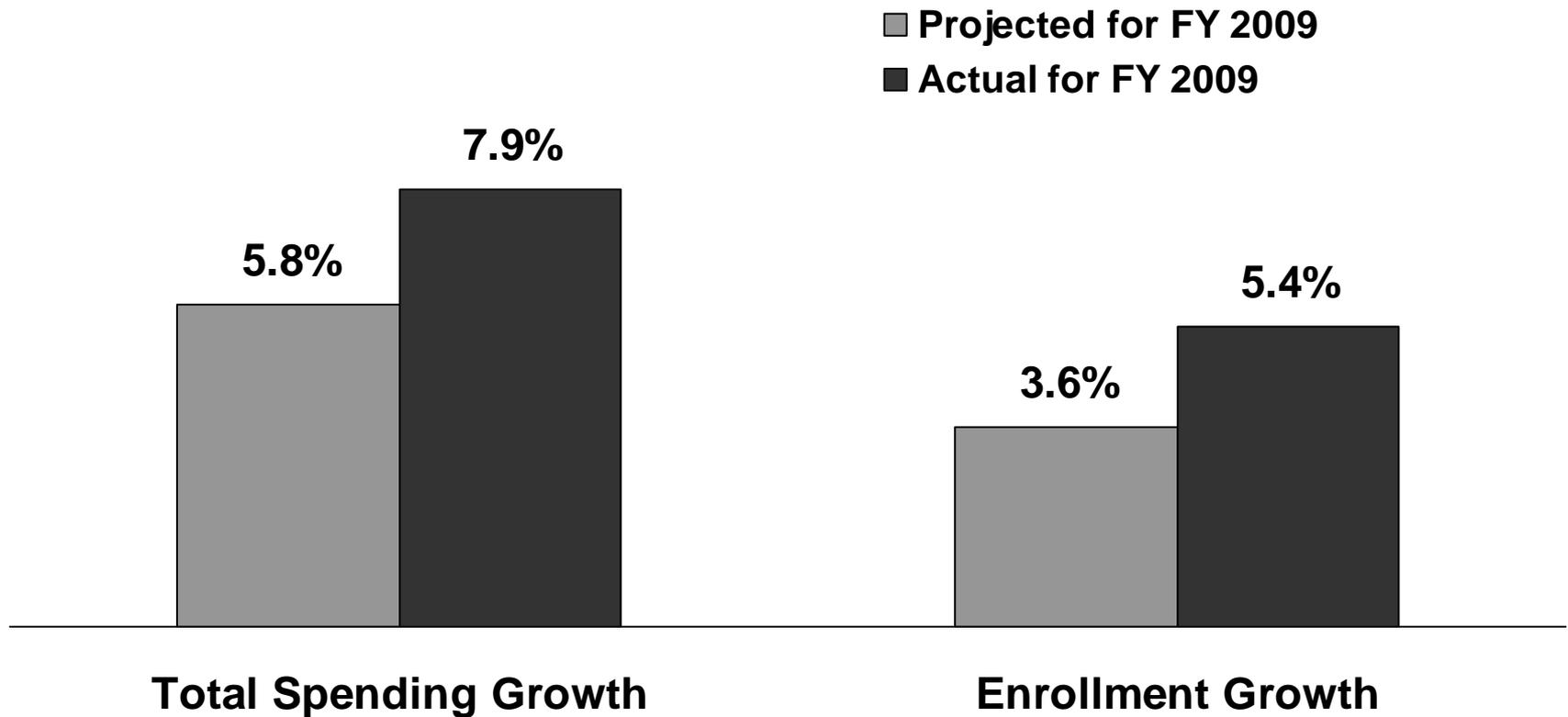
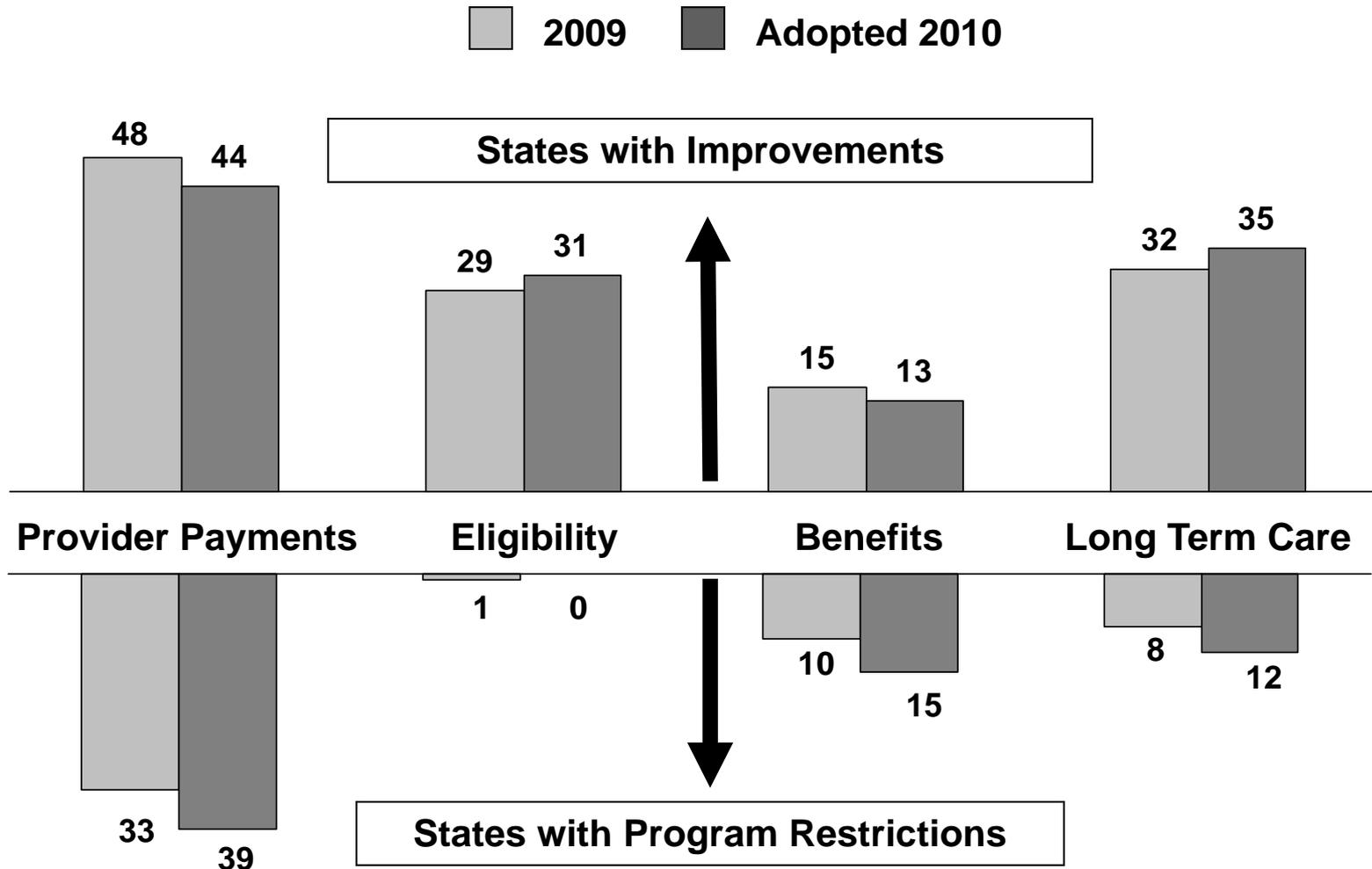


Figure 15

State Policy Actions, FY 2009 – FY 2010



NOTE: Past survey results indicate not all adopted actions are implemented. Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or hospitals. Eligibility includes eligibility and application expansions/restrictions.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2009.

Impact of the Recession on Communities

- Financial crises are severe for families
 - No jobs, foreclosure, depleted savings, medical debt, difficulty navigating assistance programs
- Employers struggling to cut costs
- Recession highlights wide gaps in our health care system
 - Children often eligible for Medicaid/CHIP, but adults are not
 - Non-group coverage & COBRA (even with subsidy) out of reach
- Uninsured / under-insured delay or forego needed care
 - Prescriptions, follow-up care, preventive care, dental
- Safety-net is critical, but cannot fill the gaps in coverage
 - Long waits, not enough doctors, shrinking resources

Outlook

- **For states**

- Budget pressures for states will persist even when the economy starts to recover
- States do not expect economy to be in full recovery when enhanced Medicaid funds end in 2011
- States see health reform as critical but have concerns about new fiscal responsibilities and administrative / provider capacity

- **For individuals**

- More and better efforts would help to connect families with existing assistance programs
- Even if health reform is enacted, immediate steps are needed to assist Americans who lack access to health care and coverage
- Health reform could provide new options for affordable health care for struggling families