



MEDICAID: A BEGINNER'S GUIDE

Emily Schwarzkopf, Senior Policy Analyst | March 2019

What is Medicaid?

Medicaid, a federal-state partnership, is the single largest health insurance program in the country. The program offers a mandatory set of services with state options for broader coverage. Medicaid programs cover children, people with disabilities, pregnant women, caretaker relatives, and adults with low incomes. Michigan also operates MICHild, federally known as the Children's Health Insurance Program (CHIP), which is funded similarly by the federal government and the states to provide coverage for uninsured or underinsured children. Traditional Medicaid, the Healthy Michigan Plan (Medicaid expansion), and MICHild cover about 2.3 million Michiganders.

Are Medicaid and Medicare the same thing?

No. Medicare is an insurance program run by the federal government that primarily serves people over 65—regardless of income—and some younger disabled individuals. Those enrolled pay part of the costs through deductibles for hospital care and other expenses. Small monthly premiums are required for non-hospital coverage. There are nearly two million Michiganders enrolled in original Medicare, Medicare Advantage or other health plans.

IN MICHIGAN, MEDICAID COVERS



MICHIGAN LEAGUE FOR PUBLIC POLICY | WWW.MLPP.ORG

What is Medicaid expansion?

The federal Affordable Care Act required states to expand Medicaid to residents who are at or below 133% of the Federal Poverty Level (FPL), but the United States Supreme Court ruled that the federal government could not mandate states to do this, instead giving states the option. Michigan is one of 36 states plus the District of Columbia that have expanded Medicaid, including three states (Idaho, Nebraska and Utah) that expanded Medicaid following ballot measures in November 2018.

What is the Healthy Michigan Plan?

The Healthy Michigan Plan is Michigan's branded Medicaid expansion program, which has provided coverage to nearly one million Michiganders in all 83 counties since its creation in 2014, with current enrollment around 670,000. Healthy Michigan is an effective, comprehensive form of health coverage that requires cost-sharing and includes healthy behavior incentives. More information can be found at Michigan.gov/healthymichiganplan.

Who pays for Medicaid in Michigan?

Under the traditional Medicaid plan, the federal government pays about 64% and the state covers the remaining 36%. This rate, the Federal Medical Assistance Percentage (FMAP), is calculated by taking into account the average per-capita income for each state relative to the national average. An FMAP rate cannot be less than 50%. In 2019, the federal government will pay 93% of the costs of Healthy Michigan, with that number dropping to 90% in 2020 and beyond.

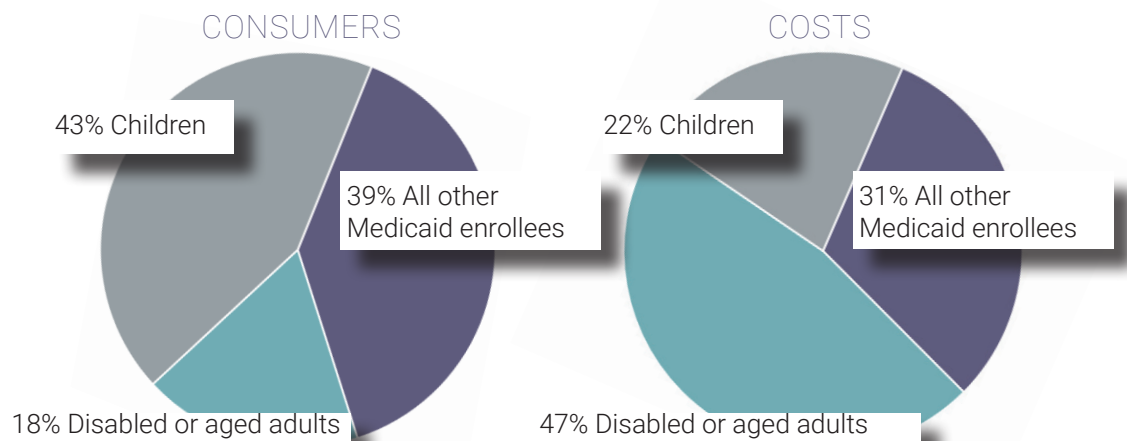
How is Medicaid coverage delivered?

Seventy-eight percent of Medicaid beneficiaries are enrolled in a Medicaid Health Plan, which is responsible for providing comprehensive physical healthcare, most prescription drugs, outpatient mental health services and medical transportation. The remaining 22% of the Medicaid population, including those dually eligible in Medicare and Medicaid, migrant populations, Native Americans, those needing long-term care, and those in Medicaid spend down, are covered through a fee for service.

What services are covered by Medicaid?

- Ambulance
- Chiropractic
- Dental
- Doctor visits
- Emergency services
- Family planning
- Hearing and speech
- Home healthcare
- Hospice care
- Immunizations
- Inpatient and outpatient hospital care
- Lab services
- Medical supplies
- Medicine prescribed by a doctor
- Mental health services
- Nonemergency medical transportation
- Nursing home care
- Personal care services
- Physical and occupational therapy
- Podiatry
- Pregnancy care (prenatal, delivery and postpartum)
- Private duty nursing
- Substance use disorder treatment services
- Surgery
- Vision exams
- X-ray

In Michigan, children make up the majority of Medicaid consumers at 43%, but the majority of Medicaid costs (47%) are spent on services for adults who are disabled or aged.



MICHIGAN LEAGUE FOR PUBLIC POLICY | WWW.MLPP.ORG

What is Medicaid spend down?

There are still ways to receive Medicaid when an enrollee meets all of the eligibility requirements for Medicaid except for income. In order to be eligible, the enrollee's allowable medical expenses must be more than the "spend down" amount, with the spend down amount being the amount by which a person's monthly income exceeds the Medicaid allowance for living expenses.

What are Medicaid work requirements?

Beginning January 1, 2020, individuals enrolled in the Healthy Michigan Plan must complete an average of 80 hours per month of "qualifying work activities" in order to continue receiving coverage. There are nine qualifying work activities and 12 possible exemptions. To learn more about Medicaid work requirements and their potential harm, visit: mlpp.org/health.

