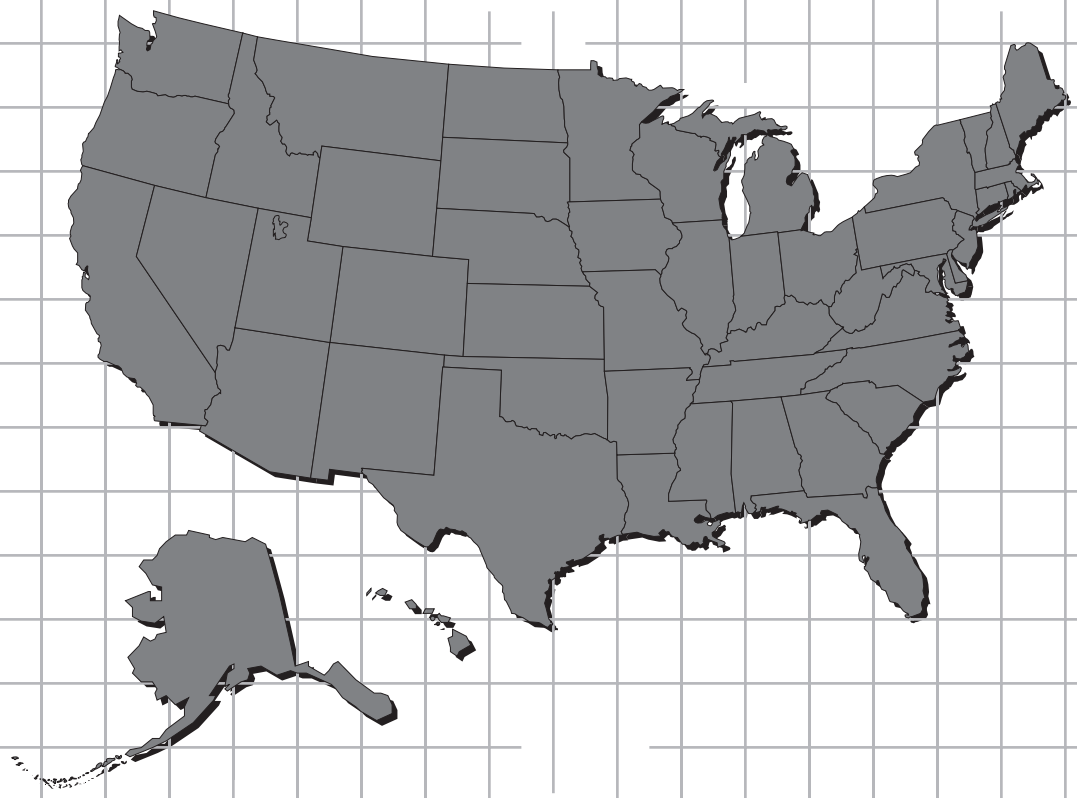
MEDICAID ENROLLMENT IN 50 STATES

June 1997 to December 1999



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EXECUTIVE SUMMARY

In 1999 the total number of uninsured individuals in America decreased for the first time after steadily increasing over the past decade.* Both the booming economy and expansions of public programs contributed to this decline. This report offers evidence that enrollment in Medicaid, the largest source of health coverage for the low-income population, has begun to increase following declines that spanned 1996 to 1998. From December 1998 to December 1999, national Medicaid enrollment increased by 1.1 million individuals, or 3.6 percent, with 43 states and the District of Columbia experiencing growth.

In seeking to address the uninsured problem, public policy makers have become increasingly interested in the number of persons enrolled in Medicaid and the State Child Health Insurance Programs (SCHIP). To the extent that Medicaid and SCHIP enroll low-income, uninsured children and adults, they help to ameliorate the growth in our uninsured population. Understanding how Medicaid enrollment is influenced by welfare reform and monitoring the implementation of SCHIP and Medicaid expansions are important to efforts to improve coverage for the low-income population. This report tracks state enrollment data for Medicaid over time so as to help inform this monitoring effort.

Study Approach

The primary purpose of this study is to provide current national and state-level data on the number of persons enrolled in Medicaid and SCHIP.** In addition to identifying recent trends in Medicaid and SCHIP enrollment, this report also examines trends in the various eligibility categories within Medicaid, nationally and across the states. The study is based upon monthly enrollment reports provided by each state Medicaid program. These data are not prepared to meet federal reporting requirements, but are used by the states to monitor their own programs. Although this methodology allows us to asses total Medicaid enrollment across all 50 states and the District of Columbia, the variability of the format and content of these reports across states precludes analysis of all eligibility categories across all states.

Data used in this report are "point-in-time" monthly enrollment counts for the months of June and December of 1997, 1998 and 1999. These data differ from the annual enrollment counts reported by HCFA and others in that those data are based on the number of persons "ever-enrolled" during any of the twelve months of the federal fiscal year compared to these monthly counts. HCFA's annual enrollment data are greater than the point-in-time monthly enrollment numbers reported in this study because of the large number of Medicaid cases that open and close monthly.

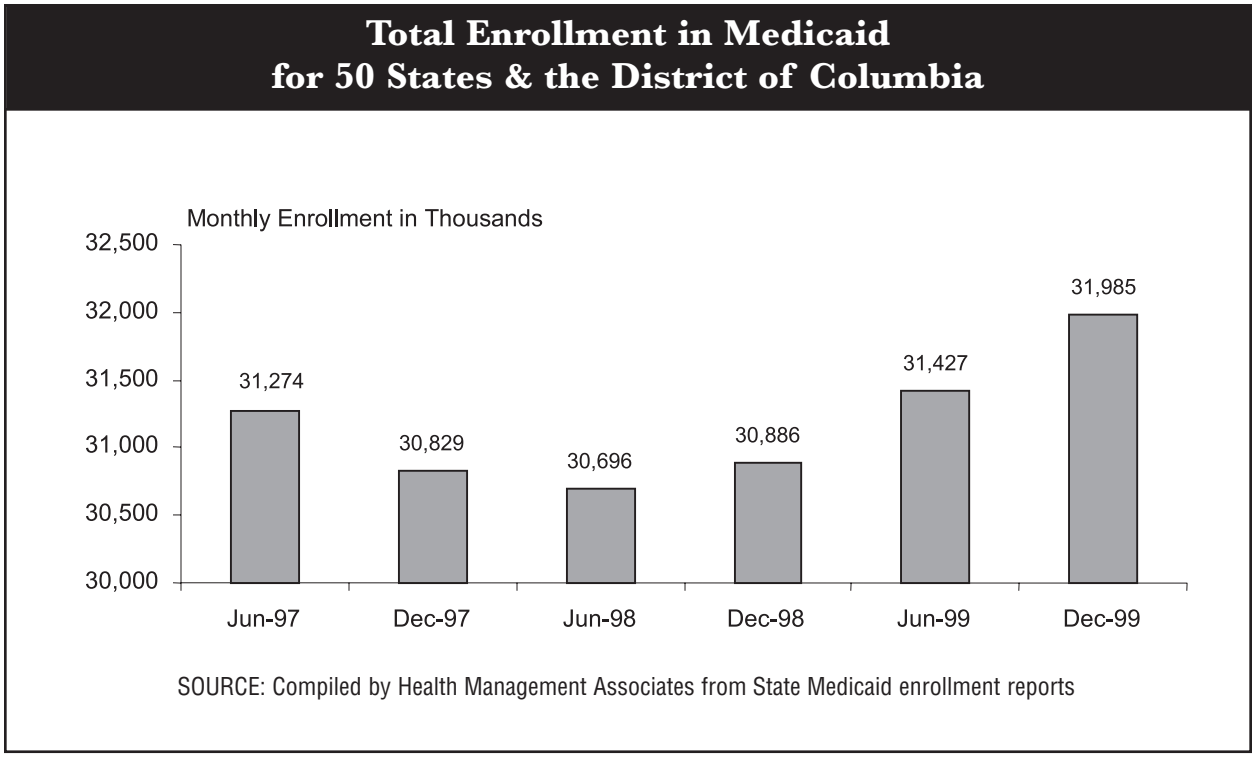
Key Findings in Total Medicaid Enrollment Trends

As shown in Figure ES-1 on the next page, the number of persons with Medicaid coverage declined in the early part of this study period, from 31.3 million in June 1997 to 30.7 million in June 1998. From that low point, enrollment began to increase to 30.9 million in December 1998, then to 31.4 million in June 1999 and to 32.0 million in December 1999. Thus, from December 1998 compared to December 1999, Medicaid enrollment grew by 1.1 million, or 3.6 percent.

*Mills, Robert, "Current Population Reports – Health Insurance Coverage 1999," U.S. Census Bureau, September 2000.

**This report focuses primarily on Medicaid enrollment trends; for detailed information on SCHIP program enrollment through December 1999, see Smith, Vernon. 2000. *CHIP Program Enrollment: December 1998 to December 1999*. Washington, DC: The Kaiser Commission on Medicaid and the Uninsured. July. Publication #2195.

Figure ES-1



Variations in Total Medicaid Enrollment Trends among States

These total enrollment trends mask considerable variation across the states (see Table ES-1 on the following page). In the period spanning December 1997 to December 1998, total Medicaid enrollment increased by 0.2% from 30.83 million to 30.88 million. Among the 50 states and the District of Columbia, there were enrollment decreases in 26 jurisdictions and increases in 25.

In the most recent period spanning December 1998 to December 1999, total Medicaid enrollment increased by 3.6% from 30.89 million to 31.99 million. Decreases occurred in only 8 states during this period: Arkansas (-4.0%); Georgia (-4.0%); Iowa (-0.02%); Montana (-2.0%); New York (-1.0%); Pennsylvania (-0.7%); Texas (-1.6%); and West Virginia (-2.5%).

Of the 43 states with increases from December 1998 to December 1999, 9 states experienced double digit growth: Alaska (19.6%); Indiana (12.0%); Kansas (12.7%); Louisiana (15.9%); Maryland (23.4%); Missouri (20.2%); Oklahoma (23.3%); Rhode Island (15.0%); and Wisconsin (11.1%).

Looking specifically at the four largest states, we find that in California, Medicaid enrollment increased slightly in both the year ending December 1998 (0.4%) and December 1999 (0.9%), but enrollment remained below June 1997 levels. In Texas, Medicaid enrollment declined by 3.6% in the year ending December 1998 and by 1.6% in the year ending December 1999.

In New York, enrollment dropped by 3.9% and 1.0% in the years ending December 1998 and December 1999, respectively. Florida, on the other hand, experienced increases of 0.3% in the year ending December 1998 and 9.1% in the year ending December 1999.

Table ES-1

Total Medicaid Enrollment in 50 States and the District of Columbia

	Monthly Enrollment in Thousands							Percent Change		
State	Jun-97	Dec-97	Jun-98	Dec-98	Jun-99	Dec-99	Jun 97 to Dec 99	Dec 97 to Dec 98	Dec 98 to Dec 99	Jun 97 to Dec 99
Alabama	497.4	491.5	504.5	511.5	526.4	530.0	32.6	4.1%	3.6%	6.6%
Alaska	62.2	60.0	65.9	63.9	72.9	76.4	14.2	6.4%	19.6%	22.8%
Arizona	397.3	385.1	373.1	372.9	381.4	407.4	10.1	-3.2%	9.3%	2.5%
Arkansas	297.9	321.2	353.1	370.5	383.9	355.6	57.7	15.4%	-4.0%	19.4%
California	5,178.5	4,968.7	4,980.4	4,987.9	5,067.4	5,033.0	(145.4)	0.4%	0.9%	-2.8%
Colorado	259.5	253.1	250.3	246.1	244.1	258.8	(0.7)	-2.8%	5.2%	-0.3%
Connecticut	310.4	307.0	311.0	315.3	324.7	324.8	14.4	2.7%	3.0%	4.6%
DC	133.1	131.7	128.2	131.3	138.2	142.0	8.9	-0.3%	8.1%	6.7%
Delaware	75.9	76.4	76.0	82.2	88.5	89.5	13.6	7.6%	8.8%	18.0%
Florida	1,454.9	1,460.0	1,417.9	1,465.0	1,521.2	1,597.6	142.7	0.3%	9.1%	9.8%
Georgia	946.6	941.4	926.0	942.5	927.4	904.4	(42.2)	0.1%	-4.0%	-4.5%
Hawaii	161.0	160.7	159.2	151.6	155.3	152.5	(8.6)	-5.6%	0.6%	-5.3%
Idaho	86.8	86.7	88.7	86.1	87.5	93.0	6.2	-0.7%	8.0%	7.1%
Illinois	1,305.0	1,290.3	1,243.7	1,233.9	1,246.3	1,292.3	(12.7)	-4.4%	4.7%	-1.0%
Indiana	490.8	495.1	448.2	520.3	549.8	582.7	91.9	5.1%	12.0%	18.7%
Iowa	213.7	210.7	206.0	201.1	200.3	201.0	(12.7)	-4.6%	-0.02%	-5.9%
Kansas	183.1	175.7	168.6	167.6	178.5	188.9	5.7	-4.6%	12.7%	3.1%
Kentucky	526.8	519.0	518.4	511.0	520.6	525.4	(1.3)	-1.5%	2.8%	-0.2%
Louisiana	541.7	537.8	531.7	536.3	561.2	621.4	79.8	-0.3%	15.9%	14.7%
Maine	155.3	151.0	154.0	159.9	163.8	166.5	11.3	5.9%	4.1%	7.2%
Maryland	461.7	446.7	445.2	465.3	491.8	574.1	112.4	4.2%	23.4%	24.3%
Massachusetts	687.0	747.5	823.4	856.8	891.4	910.5	223.5	14.6%	6.3%	32.5%
Michigan	1,103.1	1,081.9	1,087.8	1,052.9	1,063.3	1,061.9	(41.3)	-2.7%	0.9%	-3.7%
Minnesota	458.2	436.1	430.5	420.9	448.2	439.7	(18.5)	-3.5%	4.5%	-4.0%
Mississippi	409.3	392.9	382.5	396.1	409.2	427.1	17.8	0.8%	7.8%	4.3%
Missouri	569.7	572.9	564.6	600.6	676.2	721.9	152.2	4.8%	20.2%	26.7%
Montana	74.0	72.8	71.7	72.7	72.5	71.3	(2.7)	0.0%	-2.0%	-3.7%
Nebraska	148.9	151.2	156.2	168.1	173.7	180.6	31.7	11.2%	7.4%	21.3%
Nevada	92.9	97.5	97.5	99.5	99.4	101.1	8.2	2.0%	1.7%	8.8%
New Hampshire	80.3	78.4	77.6	78.0	83.3	82.1	1.8	-0.5%	5.3%	2.3%
New Jersey	665.2	658.7	667.5	674.6	678.3	690.7	25.5	2.4%	2.4%	3.8%
New Mexico	255.6	249.7	259.7	275.0	289.3	298.2	42.6	10.1%	8.4%	16.7%
New York	2,918.7	2,858.7	2,806.3	2,746.5	2,727.5	2,719.9	(198.7)	-3.9%	-1.0%	-6.8%
North Carolina	828.5	822.0	815.4	814.7	828.5	848.0	19.5	-0.9%	4.1%	2.4%
North Dakota	45.3	42.7	42.5	42.4	43.4	42.9	(2.4)	-0.7%	1.1%	-5.3%
Ohio	1,107.8	1,060.8	1,066.9	1,062.8	1,045.6	1,071.6	(36.2)	0.2%	0.8%	-3.3%
Oklahoma	282.5	291.3	310.5	318.8	355.3	393.1	110.6	9.4%	23.3%	39.1%
Oregon	379.7	373.6	381.0	379.7	399.0	385.7	6.0	1.6%	1.6%	1.6%
Pennsylvania	1,475.2	1,449.4	1,430.2	1,406.1	1,409.0	1,396.8	(78.4)	-3.0%	-0.7%	-5.3%
Rhode Island	124.0	125.0	125.0	127.0	136.0	146.0	22.0	1.6%	15.0%	17.7%
South Carolina	393.6	414.9	443.0	471.8	498.1	517.4	123.8	13.7%	9.7%	31.5%
South Dakota	60.3	60.3	61.2	65.3	68.2	70.0	9.7	8.3%	7.3%	16.1%
Tennessee	1,188.6	1,231.1	1,262.5	1,288.8	1,306.7	1,315.9	127.2	4.7%	2.1%	10.7%
Texas	1,944.1	1,892.7	1,803.5	1,825.0	1,776.9	1,796.6	(147.5)	-3.6%	-1.6%	-7.6%
Utah	133.9	133.2	135.7	133.5	135.5	133.6	(0.4)	0.2%	0.1%	-0.3%
Vermont	85.1	85.4	85.0	85.1	88.0	89.8	4.7	-0.4%	5.5%	5.5%
Virginia	522.1	505.5	498.6	492.4	491.7	492.5	(29.5)	-2.6%	0.0%	-5.7%
Washington	732.0	724.3	720.0	710.6	716.5	727.7	(4.3)	-1.9%	2.4%	-0.6%
West Virginia	300.3	303.2	308.9	270.4	256.9	263.8	(36.5)	-10.8%	-2.5%	-12.1%
Wisconsin	435.5	412.8	397.3	394.3	395.3	437.9	2.5	-4.5%	11.1%	0.6%
Wyoming	32.8	33.1	33.4	33.0	32.7	33.2	0.5	-0.5%	0.7%	1.4%
Total	**31,273.7**	**30,829.3**	**30,695.7**	**30,885.6**	**31,426.9**	**31,985.1**	**711.4**	**0.2%**	**3.6%**	**2.3%**

SOURCE: Compiled by Health Management Associates from State Medicaid enrollment reports

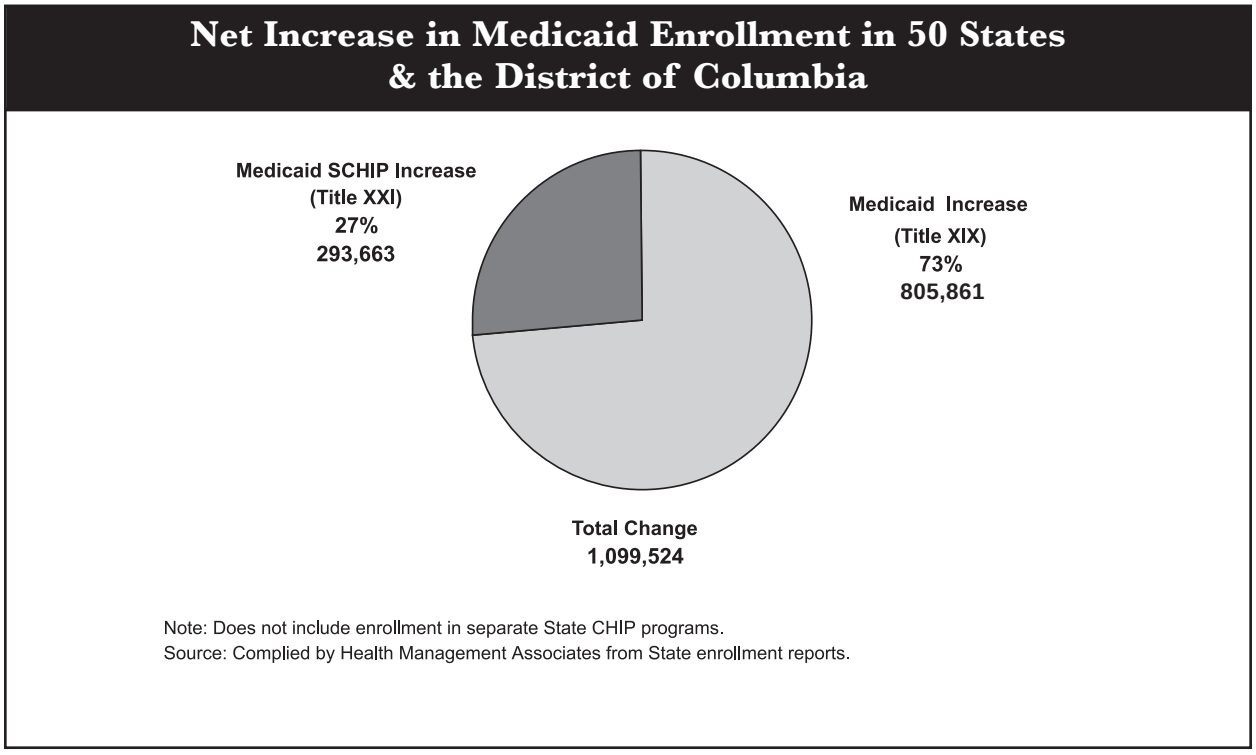
SCHIP Medicaid Expansion Enrollment's Impact on Medicaid

The increase in monthly Medicaid enrollment beginning in mid-1998 corresponded with the implementation of State Child Health Insurance Programs (SCHIP). A comparison of Medicaid enrollment data from this study and SCHIP Medicaid expansion enrollment shows that SCHIP directly accounted for 27% of the increase in Medicaid enrollment from December 1998 to December 1999 (see Figure ES-2). However, direct Medicaid enrollment increases accounted for three-fourths of the increase of 1.1 million enrollees.

The December 1999 enrollment in Medicaid expansion SCHIP programs was 627,445 children, which represented an increase of 293,663 children from the December 1998 enrollment. Total Medicaid enrollment grew by nearly 1.1 million individuals over the same 12-month period. Therefore, "non-SCHIP" Medicaid enrollment increased by 805,861 individuals during 1999. In comparison, total SCHIP enrollment in all program types increased by nearly 932,871 during 1999. Taken together, this combined increase of over 1.7 million Medicaid and SCHIP enrollees accounted for some portion of the decrease in the number of uninsured reported by the Census Bureau in September 2000.

In Georgia, Montana, New York, Pennsylvania, and West Virginia, separate SCHIP program enrollment outweighed overall declines in Medicaid during the year ending December 1999.

Figure ES-2



Enrollment Changes in Medicaid Eligibility Groups

Enrollment data were also examined in selected eligibility category groupings, but data were not available from some states for each category. As a result, the following can only be regarded as suggestive of national enrollment trends. The number of states for which data were compiled is indicated for each group.

Families, children and pregnant women: (Data from 43 states.)

This grouping shows the net result of decreases in TANF-related cash assistance enrollment and increases in Medicaid-only enrollment for low-income families, children and pregnant women. TANF is

the time-limited, cash-assistance program that replaced the Aid to Families with Dependent Children (AFDC) entitlement as a result of the 1996 welfare reform legislation.

From December 1997 to December 1998, enrollment among Medicaid categories for families, children and pregnant women declined by 1.1%. Enrollment turned up between June and December 1998, with a 0.5% increase in the 6 months. From December 1998 to December 1999, the annual rate of increase was 5.0%.

TANF Cash Assistance Recipients: (Data from 21 states.)

The decrease in AFDC/TANF welfare recipients has been substantial in all states, and no doubt was a significant factor in the observed decline in overall Medicaid enrollment through mid-1998. Medicaid enrollment of persons also receiving TANF cash assistance declined in all 21 states for which data were available over the full two and a half year period of this study. The pace of decrease was significant throughout the study period, with a decrease of 18.9% over the year ending December 1998 and 16.6% over the year ending December 1999.

Among the 21 states for which data were available for TANF cash recipients on Medicaid, only New Mexico showed an increase in 1998, and two states, Kansas and Oregon, showed increases in this category in 1999.

Transitional Medical Assistance: (Data from 14 states.)

For an individual leaving welfare, states must provide Medicaid coverage for 12 months as Transitional Medical Assistance (TMA) so long as the individual continues to report earnings below 185% of poverty. In the 14 states for which we had data, TMA enrollment increased by 22% from December 1997 to December 1998. In the year ending December 1999, TMA decreased by 4.3%.

Poverty-Related Groups: (Data from 22 states.)

These groups include children and pregnant women not receiving TANF or Supplemental Security Income (SSI), a federal entitlement program for low-income aged, blind, or disabled individuals. The group also includes women who have given birth and continue to be eligible under a state's family planning waiver, and children in Medicaid expansion SCHIP programs. This group increased in enrollment at each monthly observation point, with a growing rate of increase over the study period. This group increased by 9.4% in the year ending December 1998 and by 14.0% for the year ending December 1999.

Aged and Disabled: (Data from 43 states.)

Among the 43 states for which we have specific data, the number increased in each of the monthly observation periods for persons with Medicaid coverage based on their disability, being blind, or being over age 65. The increase was 1.6% for the year ending December 1998, and 1.8% for the year ending December 1999. In some states enrollment in these eligibility categories is increasing at a rate much higher than the national average. In ten states the rate of increase exceeded 4% in both 1998 and 1999.

A Changing Mix: Medicaid Enrollees Are Now Less Likely to Receive Cash Assistance

It was once commonly thought that Medicaid was a program serving only welfare recipients. That image is no longer accurate. In fact, based on data from 18 states, the majority of current Medicaid enrollees are not receiving cash assistance from TANF or SSI, but qualify on the basis of income abnd by meeting eligibility categories. In June 1997 persons on cash assistance comprised 54% of all Medicaid enrollees in these 18 states. By December 1999 the proportion had dropped to only 40%.

For these 18 states, the number of TANF and SSI cash recipients receiving Medicaid decreased by 11.0% in the year ending December 1998 and by 9.9% for the year ending December 1999. At the same time, the number of persons with Medicaid only increased by 9.9% in the year ending December 1998 and by 14.1% in the year ending December 1999.

The dramatic shift is primarily due to eligibility and enrollment increases in the poverty-related categories for children and pregnant women, and to the continuing drop in the number of persons receiving TANF cash assistance in the wake of welfare reform. As the number of families on welfare continues to decline and as states continue to expand the poverty-related categories, including coverage for children and for working families, Medicaid will continue to evolve toward a program primarily serving low-income families not receiving cash assistance.

Conclusion

Policy changes throughout the 1990s have spurred Medicaid's evolution into a program providing coverage for low-income families beyond welfare assistance, while maintaining its role as a significant source of health coverage for persons who are aged, blind or disabled.

As state and federal policy makers continue to develop ways to maintain and improve health coverage of low-income and vulnerable populations, current Medicaid and SCHIP enrollment information becomes an essential metric for monitoring progress. Using monthly national enrollment data, we can provide an early snapshot of national trends and indications of general directions.

This study confirms that national Medicaid enrollment continued to decline until mid-1998, and provides an initial indication that enrollment had begun to increase by December of 1998 and continued to increase throughout 1999. The next study in this series will examine data and trends through June 2000. It will also attempt to aggregate data by eligibility group across an even broader number of states and for more categories. Further analysis of these subgroups as well as additional analyses of state policies and their impact is required in order to help identify and understand the forces driving recent enrollment trends and to measure the effect of efforts to expand coverage to the low-income population.