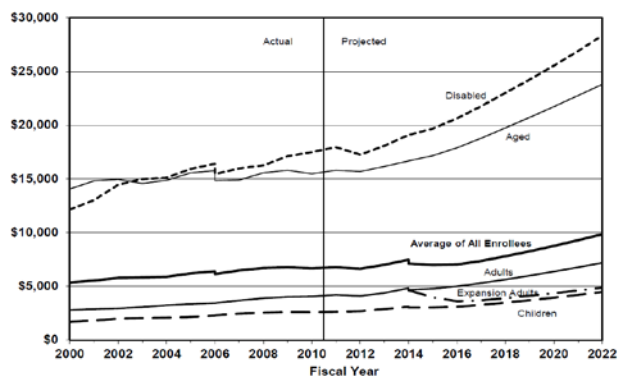## Medicaid Analytics Fact Sheet
Understanding the Needs and Opportunities
September 2014

The Medicaid Innovation Accelerator Program (IAP) is a collaborative initiative launched by the Centers for Medicare & Medicaid Services (CMS). The goal of IAP is to improve care and health for Medicaid beneficiaries, and, through these improvements, reduce costs for the Medicaid program and, by extension, the health system generally. IAP will support state efforts in accelerating innovation in Medicaid by offering new tools and guidance, technical resources such as data analytics, metrics development and rapid cycle evaluation that states can use to advance their work. This fact sheet describes Medicaid information and data to highlight opportunities for improvements.

Basic Trends in Medicaid

- It is a major and growing part of the nation's health coverage and spending, with over 65 million enrollees as of May 2014.[1] In 2015, Medicaid is projected to cover over 70 million people, with national expenditures of about $531 billion.[2]

Figure 1. Actual and Projected Per-Enrollee

- While per-enrollee costs are relatively stable, projections indicate upward trends particularly for the elderly and people with disabilities (See Figure 1).
- Of the $415.2 billion in Medicaid expenditures in 2012, roughly two-thirds was attributed to acute care and approximately one-third to long-term care.[3]
- Medicaid is the primary payer for institutional and long-term care in the U.S., funding 40% of total spending in this area in 2012.[4]
- 55% of Medicaid beneficiaries receive care through comprehensive risk-based managed care organizations.[5]
- Incentives and measures aimed at improving care within such managed care arrangements (state to plans, plans to providers) vary widely.

Whom Does Medicaid Serve?

- Approximately one in three children in the U.S. is covered by Medicaid and children make up 49% of total Medicaid beneficiaries (See Figure 2).[6] Medicaid also covers almost half of all births in the U.S.[7]

[1] http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/May-2014-Enrollment-Report.pdf
[2] http://cms.hhs.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2012.pdf
[3] http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Downloads/medicaid-actuarial-report-2013.pdf
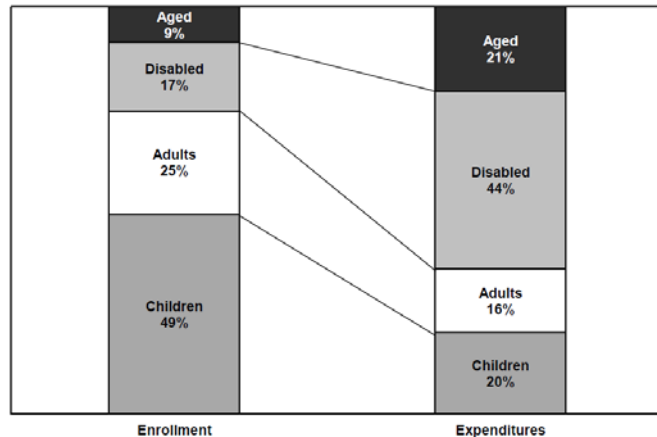[4] http://kff.org/medicaid/fact-sheet/the-medicaid-program-at-a-glance-update/
[5] Managed Care Enrollment Report, CMS. Summary Statistics as of July 1, 2012.
[6] http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Downloads/medicaid-actuarial-report-2013.pdf
[7] http://www.whijournal.com/article/S1049-3867(13)00055-8/fulltext

- The elderly and people with disabilities make up only about a quarter of beneficiaries but represent about 65% of spending.[8]
- Medicaid beneficiaries are more likely to have some form of chronic condition, as compared to the general population. This is particularly true for Medicaid-Medicare beneficiaries.
- Medicaid-Medicare beneficiaries comprises 15% of the Medicaid population and 39% Medicaid expenditures.[9]

Figure 2. 2012 Medicaid Enrollment and Expenditures by Group[6]

Clinical Issues for Medicaid Beneficiaries

- Of the top 10 most frequent hospital discharges, 6 are maternity-related, and 2 are psychiatric.[10]
- In order to identify areas that are ripe for improvement in Medicaid, specific exploration and investments are needed. For re-hospitalizations, it is helpful to understand the stark differences between Medicare and Medicaid. Of the top 10 diagnoses related to re-hospitalizations for Medicare, only 3 are also in the top 10 list for Medicaid, where psychiatric and maternity-related diagnoses again predominate (See Table 1).[11]

Table 1. Top 10 Diagnoses for Re-hospitalizations, 2011	
Medicare	**Medicaid**
Congestive Heart Failure	Mood disorders
Septicemia (except labor)	Schizophrenia, other psychosis
Pneumonia (except TB or STD)[12]	Diabetes mellitus
COPD and bronchiectasis	Other complications of pregnancy
Cardiac dysrhythmias	Alcohol-related disorders
Urinary tract infections	Early or threatened labor
Acute renal failure	Congestive Heart Failure
Acute myocardial infarction	Septicemia (except labor)
Complications of device/implant/graft	Chronic Obstructive Pulmonary Disorder and bronchiectasis
Acute cerebrovascular disease	Substance-related disorders

Spending for Medicaid is concentrated among a small group of beneficiaries

- 5 percent of beneficiaries account for more than 50 percent of spending and 1 percent account for about 25 percent of all spending.[13]
- Inpatient services and prescription drugs are top spending categories for the 5 percent of non-dually eligible beneficiaries with the greatest expenditures.[14]
- For dually-eligible beneficiaries, long-term support services represent about half of costs.[15]
- Performance on key quality health indicators varies across states, with about an eightfold difference in hospitalizations for asthma, or twofold differences in children with needs receiving care in the past year.[16]

For more information on the Medicaid Innovation Accelerator Program, please visit: http://www.medicaid.gov/State-Resource-Center/Innovation-Accelerator-Program/innovation-accelerator-program.html.

[8] Op. cit. Ref 3.
[9] http://www.kff.org/medicare/upload/8138.pdf
[10] http://www.ahrq.gov/research/data/hcup/index.html
[11] Ibid.
[12] Note: TB=Tuberculosis, STD=Sexually transmitted disease
[13] http://kff.org/medicaid/fact-sheet/the-medicaid-program-at-a-glance-update/
[14] 2008 CMS, Medicaid Statistical Information System (MSIS) data
[15] Ibid.
[16] http://www.commonwealthfund.org/publications/fund-reports/2014/apr/2014-state-scorecard