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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

September 16, 2013

Erie County Legislature
92 Franklin St, 4th Floor
Buffalo, NY 14202

Re: Report on Medicaid Usage in Erie County from 2008 – 2013

Dear Honorable Members,

As County Executive, I have the privilege of representing all members of our community – approximately 920,000 citizens residing in our 3 cities, 25 towns and 16 villages. While there are significant positive accomplishments and job growth being realized in our county today, many of our residents are still in need.

In order to better identify the needs of these citizens, I tasked the County's Office of the Medicaid Inspector General ("MIG") to examine the Medicaid program and report on its findings. As I am sure you are aware, Medicaid is a means-tested program providing healthcare coverage for our poorest citizens. It is available to those who meet stringent income and eligibility guidelines.

In response to my request, last week the MIG issued a report, entitled Statistical Analysis of Selected Erie County Medicaid Data for the period of January 1, 2008 – April 30, 2013 (a copy of which is enclosed herein), and I would like to highlight for you a few of the points it raised.

- In 2010, 22% (204,555) of all Erie County residents were receiving Medicaid assistance and, sadly, 30% (73,220) of all children in Erie County receive Medicaid assistance. Additionally, the total number of recipients in the program since then has grown by 4% per annum.

- In 2008, the total cost to administer Medicaid in Erie County was $1,231,526,561. In 2010 it was $1,374,023,406, and in 2012 it grew to $1,426,579,102. While much has been done to rein in total expenses, the cost to administer Medicaid in Erie County is growing at the same rate as recipients – 4% per annum.

- Poverty knows no geographic boundary. The report shows that Medicaid recipients are located throughout Erie County, not just in the City of Buffalo, and

- Poverty knows no geographic boundary. The report shows that Medicaid recipients are located throughout Erie County, not just in the City of Buffalo, and a growing number of clients reside in suburban towns such as Amherst, Cheektowaga and Tonawanda as well as our rural communities.

- The report also found a significant discrepancy in the average amount spent on recipients based on their race. In fact, in 2010, the average spent on a White/Caucasian Medicaid recipient was $8,527.00 while it was $4,825.20 for all other racial groups. I am deeply concerned by this finding and have ordered the MIG to determine why this is the case so that we may work to create a more equal healthcare system for all in the future.

It is not hard to see why the current system is strained, and why this demands action.

The knowledge that so many around us meet the eligibility requirements, including 30% of our youngest citizens, is a sobering reminder of how much poverty exists in Erie County. Regardless of where you live, poverty is not far away. The number of children receiving Medicaid should cause anyone concern, and shows it is truly the most vulnerable among us who are in the greatest need.

At a time of great growth and positive energy for the future of our community we must not forget those who are struggling to make ends meet. As such, well-planned projects aiming to ameliorate poverty will always have my support. I look forward to working with the Poverty Coalition to begin addressing these issues and move towards a better, healthier and stronger Erie County for all.

Sincerely yours,

Mark C. Poloncarz
Erie County Executive

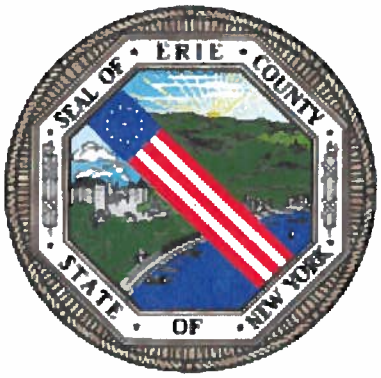
MCP/js
Enclosure

cc: Hon. Andrew M. Cuomo, Governor
Members of the Local NYS Legislative Delegation
Members of the Erie County Legislature
Hon. Richard Tobe, Deputy County Executive
Carol Dankert, Erie County Commissioner of Social Services
Michael Szukala, Erie County Medicaid Inspector General

SEPTEMBER 2013

STATISTICAL ANALYSIS OF SELECTED ERIE COUNTY MEDICAID DATA

FOR THE PERIOD JANUARY 1, 2008-APRIL 30, 2013



ERIE COUNTY OFFICE OF THE MEDICAID INSPECTOR GENERAL
MICHAEL R. SZUKALA, MBA, CIA
ERIE COUNTY MEDICAID INSPECTOR GENERAL

ERIE COUNTY OFFICE OF THE MEDICAID INSPECTOR GENERAL
95 FRANKLIN STREET, ROOM 802
BUFFALO, NEW YORK 14202

September 12, 2013

Hon. Mark C. Poloncarz, Esq.
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear County Executive Poloncarz:

The Office of the Medicaid Inspector General for Erie County ("MIG Team") has completed an analysis of Erie County's Medicaid data for the period January 1, 2008 through April 30, 2013.

In May 2013, after approval from the New York State Office of Medicaid Inspector General ("OMIG"), the MIG Team received training on and access to New York State's Medicaid Data Warehouse ("MDW"). The software used to access the MDW is provided by the Salient Management Company ("SALIENT"). The MDW contains the individual transaction records for all Medicaid transactions in New York State, although the MIG Team only has access to data for Erie County recipients. The MIG Team now has complete access to all Medicaid transactions in Erie County on a real-time basis. Medicaid claim data is available through the MDW for dates of service after April 1, 2005.

This database is covered by the legal and regulatory provisions of the Health Insurance Portability and Accountability Act ("HIPAA"). Much of the data is confidential in nature and cannot be released under this federal law. However, amalgamations of data are allowed, as long as individual privacy is not breached. OMIG and other State and local agencies required the MIG Team to agree to sign and adhere to three separate non-disclosure agreements when accessing this data.

MIG Team personnel are the first County employees to have access to the real-time detail of transactions for all Medicaid recipients for Erie County.

Access to this Medicaid information allows Erie County, specifically the MIG Team, to focus audit work on areas of high or low usage, patterns of unusual usage or high Medicaid cost. This will help Erie County and New York State better manage its Medicaid costs.

You[1] were informed of this access and discussed the implications and possible uses of such information to reduce the total costs of Medicaid to Erie County.

[1] In this document, "you" and "your" refer to the County Executive.

You tasked the MIG Team with analyzing the information now available and providing you with a report on Medicaid usage within Erie County for the period January 1, 2008 through April 30, 2013. This is the first of a series of reports examining Medicaid in Erie County.

MEDICAID INSPECTOR GENERAL FOR ERIE COUNTY

Since September 1, 2012, operating under agreements with OMIG, the MIG Team has completed six audits. These audits covered over $38.2 million in Medicaid payments. The results of those audits have been submitted to OMIG as per the agreements for follow-up and action by the State. Two additional ongoing audits cover more than $11 million in Medicaid payments.

The MIG Team continues to work on a variety of projects and cooperate with OMIG and law enforcement agencies as required and/or necessary. Under the County's agreements with OMIG and other State agencies, the MIG Team is restricted from commenting on ongoing or recently completed Medicaid audits while OMIG reviews the results and considers State action.

The MIG Team, which features three employees, is funded through the State under a 2012 agreement.

MEDICAID COVERED SERVICES

Medicaid is a joint federal – state health insurance program that assists those persons with low income and limited resources. In New York State, the State government requires county governments to administer and provide Medicaid services and to pay a portion of the cost of Medicaid. Until 2006, counties generally paid 25% of the total cost of Medicaid, the State paid 25%, and the federal government paid 50%. This was not an exact ratio of county share expense, as certain adjustments to the funding formula, including in long term care and nursing home expense starting in 2004 reduced county share expense.

For example, long term care expenses, a very large portion of Erie County's Medicaid costs, began moving out of the county share in 2004, thus lowering Erie County's overall share of the expense. The Nursing Home category and Home Health services category made up 41% of the total Medicaid program expenses for Erie County in 2011. As the expense for these services was moved from the county share, the percentage of the county share correspondingly reduced over time. There are also populations for which Erie County is responsible for a lower share of the cost of Medicaid, such as Native Americans.

Presently, due to these various funding adjustments and also due to the State's "Medicaid Cap" process, the Erie County share of Medicaid expense is approximately 15%. That said, the County's annual expense for Medicaid-MMIS is still the single-largest appropriation account in our operating budget.

These statistics and data do not include any intergovernmental transfer ("IGT") payments required under federal law and regulations to be made by the County for the benefit of Erie County Medical Center Corporation.

Medicaid became law in 1965. It is often confused with Medicare. Medicare is a federal health insurance program that helps the elderly and disabled. It is possible to qualify for both programs. In that case, Medicaid typically pays the Medicare coinsurance and deductibles.

Medicaid has a core of services mandated by the Federal government and optional services the states can cover or provide if they so choose.

TABLE ONE[2]

Mandatory Services: States Must Cover	Optional Services: States May Cover
• Inpatient and outpatient hospital services • Physician, midwife, and certified nurse practitioner services • Laboratory and x-ray services • Nursing home and home health care for individuals over the age of 21 • Early and periodic screening, diagnosis, and treatment (EPSDT) for children under age 21 • Family planning services and supplies • Rural health clinic/federally qualified health center services	• Diagnostic, screening, preventive, rehabilitative services • Clinic services • Intermediate care facilities for the mentally retarded (ICFs/MR) • Prescribed drugs and prosthetic devices • Optometrist services and eyeglasses • Nursing facility services for children under age 21 • Transportation services (may be covered, must be assured) • Physical and occupational therapy • Home and community-based care to certain persons with chronic impairments • Dental services (for adults)

New York State covers nearly all the optional services for Medicaid.[3]

Medicaid services can be provided in one of three ways – Fee for Service, Rate, and Managed Care. Fee for Service is a process where Medicaid providers are paid a fee for the service provided. The fee is based upon a set maximum price for units of service. Rate providers are paid a threshold rate based upon cost report data submitted annually to the New York State Department of Health. There are other reimbursement formulas for Rate providers and the rate can vary daily, monthly or annually. In Managed Care, Managed Care Organizations ("MCO") are paid a monthly capitation payment for each enrolled member to coordinate the provision, quality and cost of care for these enrolled members. New York plans to move to a system where all Medicaid patients are served by a MCO within the next four years.[4]

[2] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 17.
[3] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 34.
[4] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 24.

New York State has the most expensive Medicaid program in the nation.[5] In 2012, New York State covered over 5.4 million beneficiaries, costing more than $53 billion.[6]

In 2011, Governor Andrew Cuomo established a Medicaid Redesign Team ("MRT") with the goal of reducing New York State costs for Medicaid and increasing quality and efficiency for Medicaid beneficiaries. According to MRT reports, these actions resulted in the first ever year to year reduction in statewide Medicaid spending.

APPLYING FOR MEDICAID IN ERIE COUNTY

Qualifying for Medicaid in New York is subject to a number of rules and conditions which are too voluminous and complex to be addressed in this report. However, a major guideline is income eligibility. In 2012, a family of four generally qualified with an income of $23,050.00 or less per year. For 2013, as noted below, the level is $23,550.00.

Medicaid is a flexible program. Individuals have qualified for Medicaid in New York State despite making more than the Federal 2012 Annual Poverty Guideline of $11,170.00 annually. The Patient Protection and Affordable Care Act of 2010 ("ACA") creates a new national Medicaid minimum eligibility level that covers most Americans with household income up to 133 percent (133%) of the federal poverty level. This amount would be $31,321.50 for a family of four in 2013. This new eligibility requirement is effective January 1, 2014.

Pregnant women, children, disabled persons, and others may be eligible for Medicaid if their income is above these levels and they have medical bills. Individuals who are certified blind, certified disabled, or age 65 or older who have more resources may also be eligible.

Medicaid can and does cover some costs retroactively. Medicaid coverage may start retroactively for up to three months prior to the month of application, if the individual would have been eligible during the retroactive period had he or she applied earlier. Coverage generally stops at the end of the month in which a person no longer meets the requirements for eligibility.[7]

Table Two shows selected poverty guidelines as a percentage of the Federal poverty level.

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[5] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 20.
[6] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 20.
[7] New York State Department of Health Website. http://www.health.ny.gov/

TABLE TWO[8]

Selected 2013 Annual Poverty Guidelines

Family Size	100%	120%	133%	150%	200%
1	11,490.00	13,788.00	15,281.70	17,235.00	22,980.00
2	15,510.00	18,612.00	20,628.30	23,265.00	31,020.00
3	19,530.00	23,436.00	25,974.90	29,295.00	39,060.00
4	23,550.00	28,260.00	31,321.50	35,325.00	47,100.00
5	27,570.00	33,084.00	36,668.10	41,355.00	55,140.00

The full table of 2013 Poverty Guidelines is attached as Appendix A.

In New York State, the Minimum Wage is $7.50 per hour as of July 1, 2013, leading to an annual minimum wage of about $15,000.00.

If someone believes they qualify for Medicaid, they should apply through Erie County Social Services. An application can be obtained by calling (716) 858-8000 or in person at 198 Pearl Street, also known as the Rath Building.

For those who have internet access, a Medicaid application form is available online. The application and instructions are seventeen pages in length.

https://apps.health.ny.gov/doh2/applinks/accessny/forms/DOHAccessNyMainForm.pdf?DOHTOKEN=9IW1-HAYF-0B3X-J8PW-MDA4-BAD1-ZCAQ-1XQ0.

MEDICAID DATA FOR ERIE COUNTY

Table Three contains the total actual cost of Medicaid within Erie County for the years 2008 through 2012 and costs for January through April 2013, along with the County's projected total Medicaid expense for 2013.

TABLE THREE

Medicaid Costs For The Years 2008 - 2013

	2008	2009	2010	2011	2012	2013 [A B]
Medicaid Costs	1,231,526,561	1,298,937,007	1,374,023,406	1,408,612,250	1,426,579,102	462,849,606
Erie County's Portion of Medicaid Costs	194,778,518	193,202,451	200,523,329	206,406,373	211,765,441	219,748,429

[A] The Medicaid Cost data for 2013 covers the period January 1, 2013 through April 30, 2013 inclusive.

[B] Erie County's Portion of Medicaid Costs are for the Fiscal Year 2013, are estimated, and are subject to change.

[8] US Department of Health and Human Services website. http://www.hhs.gov/

As previously noted, the Medicaid program is jointly funded by states and the federal government and in the case of New York State, the county governments. In states that choose to participate—and all states have done so since 1982—the federal government pays at least half the cost of providing needed services to program beneficiaries. The federal share of those costs is determined by the Federal Medical Assistance Percentage ("FMAP"). The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.[9]

The FMAP is calculated annually using a formula set forth in federal statute. The FMAP is inversely proportional to a state's average personal income relative to the national average. States with lower average personal incomes have higher FMAPs. Personal income data is lagged, so data used for FY 2012 is based on 2008-2010. On average, across the United States, the federal government pays 57 percent of the cost of Medicaid.[10]

The ACA provides an FMAP of 100 percent for the period 2014-2016 and at least 90 percent thereafter for the cost of covering newly eligible low-income adults. The costs of administration are generally matched at 50 percent, although some administrative activities receive a higher federal matching rate.

The FMAP for New York State for the federal government's last fiscal year (October 1, 2011 through September 30, 2012) is 50%. New York State shares the lowest FMAP percentage in the nation with thirteen (13) other states. The highest FMAP percentage in 2012 is 74%.[11] This means that despite the large cost of New York's Medicaid program, by percentage, the state is receiving a lower federal contribution than many other states.

Beginning in 2014, ACA establishes highly enhanced FMAPs for the cost of services to low-income adults with incomes up to 138% of the Federal Poverty Level ("FPL") who are not currently covered. The federal government will pick up 100% of such costs in 2014 through 2016, phasing down to 90% in 2020 and beyond. The Enhanced FMAP for New York State is 65% for this same period.[12]

Reviewing Medicaid costs by categories (such as dental care, pharmacy, laboratory, etc.) offers an opportunity to see where the expense was incurred by provider group.

Table Four demonstrates Medicaid expenditures by Medicaid category.

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[9] An Overview of the Federal Medicaid Matching Rate (FMAP), The Henry J. Kaiser Family Foundation. http://www.kff.org.

[10] An Overview of the Federal Medicaid Matching Rate (FMAP), The Henry J. Kaiser Family Foundation. http://www.kff.org.

[11] US Department of Health and Human Services website. http://www.hhs.gov/

[12] US Department of Health and Human Services website. http://www.hhs.gov/

TABLE FOUR

Erie County Medicaid Costs by Medicaid Category - 2008 through April, 2013

	2008	2009	2010	2011	2012	2013 [A]
MANAGED CARE	$224,504,490	$272,303,748	$329,964,882	$397,684,229	$560,934,015	$201,959,532
HOME HEALTH	$288,002,167	$317,075,675	$336,431,889	$338,104,808	$346,404,816	$115,801,220
NURSING HOME	$274,731,772	$265,111,272	$254,699,527	$245,758,058	$233,289,469	$68,292,131
INPATIENT	$129,787,417	$122,486,677	$119,484,600	$113,800,856	$98,741,143	$23,978,504
PHARMACY	$115,605,685	$126,409,971	$138,671,248	$123,753,727	$25,468,021	$6,733,034
MEDICAID MANAGEMENT INFORMATION SYSTEM CLINIC (MMIS CLINIC)	$113,160,974	$104,704,825	$95,376,070	$96,635,563	$83,230,779	$24,008,379
PRACTITIONER	$21,692,213	$25,027,216	$25,492,813	$24,825,695	$21,528,523	$7,034,108
INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION (ICF-MR)	$20,524,827	$17,534,549	$18,100,236	$16,632,326	$17,452,040	$5,633,648
PRIVATE DENTAL	$14,286,912	$17,635,168	$19,600,659	$16,612,677	$11,191,204	$1,250,515
TRANSPORTATION	$8,061,206	$8,824,154	$13,348,615	$13,739,469	$13,949,860	$4,682,342
DENTAL CLINIC	$7,148,430	$8,104,584	$8,075,617	$8,080,813	$4,420,947	$542,838
DURABLE MEDICAL EQUIPMENT	$5,576,876	$5,921,173	$5,795,914	$5,532,012	$3,986,898	$1,221,645
REFERRED AMBULATORY	$4,023,041	$3,396,852	$4,722,128	$3,396,718	$2,160,529	$541,382
CHILD CARE	$2,892,655	$2,766,350	$2,251,361	$2,170,810	$2,305,829	$738,295
LABORATORY	$1,056,801	$1,005,023	$996,391	$1,029,391	$759,877	$180,000
EYE CARE	$470,483	$610,782	$623,108	$649,636	$551,978	$190,834
UNDEFINED PROFESSIONAL	$611	$18,989	$388,347	$205,461	$203,174	$61,200
Total Costs	$1,231,526,561	$1,298,937,007	$1,374,023,406	$1,408,612,250	$1,426,579,102	$462,849,606

[A] 2013 data covers the period January 1, 2013 through April 30, 2013.

Table Five provides additional descriptions for selected categories used in Table Four.

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TABLE FIVE

Additional Descriptions for Selected Categories

DURABLE MEDICAL EQUIPMENT	Durable medical equipment used to describe any medical equipment used in the home to aid in a better quality of living. Examples are items such as: iron lungs, oxygen tents, Nebulizers, CPAP, catheters, hospital beds, and wheelchairs and blood glucose monitors.
HOME HEALTH	Home Health Care includes skilled nursing care, physical therapy, occupational therapy, and speech therapy, medical social services and home health aide services. Home Health Agencies may also teach patients (or family members or friends) how to care for a patient.
INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION (ICF-MR) [A]	A health facility that provides medically related services to persons with a variety of physical or emotional conditions requiring institutional facilities but without the degree of care provided by a hospital or skilled nursing facility. An example is an intermediate care facility for mentally retarded or other developmentally disabled persons.
MANAGED CARE	Any system that manages health care delivery to control costs. Typically, managed care systems rely on a primary care physician who acts as a gatekeeper for other services, such as specialized medical care, surgery, and physical therapy.
MEDICAID MANAGEMENT INFORMATION SYSTEM CLINIC (MMIS CLINIC)	A CMS approved system that supports the operation of the Medicaid program. The MMIS includes the following types of sub-systems or files: recipient eligibility, Medicaid provider, claims processing, pricing, and potentially encounter processing. Examples: Medical coding and billing, training, jobs and certification.
REFERRED AMBULATORY	A referred ambulatory patient is one who is treated and/or diagnosed in an ancillary service area of a hospital upon referral and who does not meet the definition criteria for an emergency outpatient or the clinical outpatient.
PHARMACY	Cost of pharmaceuticals. As of October 2011 pharmacy costs were assumed by managed care providers for those clients enrolled in all managed care programs (Certain limited exceptions apply).

[A] Federal Regulations use the term "Intermediate Care Facilities for the Mentally Retarded". Erie County is aware that the preferred term is "persons with an intellectual disability". We use "mentally retarded" here because that is term used in the Federal regulations.

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ERIE COUNTY MEDICAID RECIPIENTS BY AGE AND RACE

The number of persons on Medicaid in Erie County and the claims incurred on behalf of those persons dictate Medicaid costs. The New York State Medicaid database allows for the tracking of Medicaid clients based upon the zip code of the Medicaid patient. For the twelve zip codes with the largest number of Medicaid recipients, that data is provided in Table Six.

TABLE SIX

Medicaid Clients by Year and Residing Zip Code

Zip Code	2008	2009	2010	2011	2012	2013 [A]
14215	18,192	18,871	19,584	20,432	21,220	19,888
14213	11,215	12,460	13,668	14,660	15,883	15,266
14207	10,924	11,805	12,703	13,506	14,597	13,978
14211	11,711	12,184	12,800	13,355	13,946	13,133
14206	6,279	6,703	7,099	7,430	7,788	7,313
14201	5,885	6,183	6,461	6,729	7,168	6,782
14218	5,436	5,814	6,301	6,825	7,215	6,735
14210	5,502	5,823	6,137	6,383	6,611	6,154
14212	4,901	5,229	5,508	5,839	6,755	6,043
14225	5,267	5,692	6,074	6,411	6,759	6,291
14220	5,374	5,656	6,015	6,178	6,468	6,086
14150	5,238	5,642	6,014	6,382	6,288	6,289
Top Twelve Total	95,924	102,062	108,364	114,130	120,698	113,958
Overall Total	183,249	193,954	204,555	212,997	221,499	203,762
Percentage of the top twelve to the Overall Total	52%	53%	53%	54%	54%	56%

The data indicates that the number of persons on Medicaid is steadily growing at an average rate of more than four percent (4%) per year.

Table Six shows that in 2013, the top four zip codes contain about thirty percent (30%) of the County's Medicaid population. Not surprisingly, these zip codes are concentrated in the City of Buffalo. The seventh-largest zip code is the City of Lackawanna, the tenth-largest is Cheektowaga, and the twelfth-largest zip code is the City of Tonawanda and part of the Town of Tonawanda.

Appendix B contains a map of Erie County, showing all zip codes in Erie County and the number of Medicaid recipients in each zip code for the period January 1, 2013 through April 30, 2013.

Medicaid clients by race and age are shown in Table Seven.

TABLE SEVEN

Unique Erie County Medicaid Recipients by Age and Race

Race/Age [B]	2008	2009	2010	2011	2012	2013 [A]
Age (Over 65)	23,269	23,173	22,884	22,473	21,727	19,134
White	15,918	16,040	15,926	15,676	15,154	13,120
Black/African American	4,434	4,267	4,121	3,942	3,776	3,371
Hispanic/Latino	1,020	987	963	950	920	842
Not Available/More Than One Race	1,267	1,201	1,123	1,114	1,063	1,030
Asian	474	526	597	638	663	643
American Indian/Alaskan Native	139	135	137	134	130	112
Native Hawaiian/Pacific Islander	17	17	17	19	21	16
Age (21 - 64)	97,831	102,991	108,451	111,489	111,939	100,961
White	47,599	50,465	53,804	55,278	55,307	49,455
Black/African American	31,815	32,873	33,872	34,720	34,714	31,475
Hispanic/Latino	8,092	8,498	8,817	9,057	9,260	8,374
Not Available/More Than One Race	6,803	6,705	6,682	6,531	6,287	5,791
Asian	2,535	3,393	4,110	4,642	5,085	4,710
American Indian/Alaskan Native	874	936	1,036	1,119	1,141	1,030
Native Hawaiian/Pacific Islander	113	121	130	142	145	126
Age (zero to 20)	61,478	67,049	72,424	78,315	86,970	82,407
White	22,841	25,103	27,280	29,511	33,373	31,142
Black/African American	22,940	24,574	26,062	27,804	30,109	28,785
Hispanic/Latino	6,667	7,276	7,841	8,526	9,469	8,970
Not Available/More Than One Race	6,389	6,736	7,136	7,547	8,211	7,901
Asian	1,871	2,544	3,197	3,874	4,662	4,562
American Indian/Alaskan Native	684	727	811	933	1,024	929
Native Hawaiian/Pacific Islander	86	89	97	120	122	118
Antenatal Care [C]	671	741	796	719	863	1,260
White	8	5	6	5	11	14
Black/African American	14	11	12	11	11	10
Hispanic/Latino	1	2	3	4	5	1
Not Available/More Than One Race	646	722	774	698	836	1,235
Asian	-	-	-	-	-	-
American Indian/Alaskan Native	2	-	-	1	-	-
Native Hawaiian/Pacific Islander	-	1	1	-	-	-
Total Unique Recipients	183,249	193,954	204,555	212,996	221,499	203,762

[A] Data for 2013 covers the period 1/1/2013 through 4/30/2013 inclusive.

[B] Medicaid clients self-identify for race.

[C] The Antenatal Care category includes children antenatal as of the last date of the year for years 2008 through 2012, and antenatal as of 4/30/2013 for 2013.

The data shows that more than one out of five Erie County residents – 22 percent – is receiving Medicaid.

In addition, far fewer people in Erie County appear to stay on Medicaid after age 65, likely due to these individuals' moving from Medicaid to Medicare.

TABLE EIGHT

Race	2010 Medicaid Clients		Medicaid Cost	Average Cost Per Client
White	97,016	$	827,219,712	8,527
Black/African American	64,067	$	334,447,126	5,220
Hispanic/Latino	17,624	$	83,695,276	4,749
Not Available/More Than One Race	15,715	$	92,071,179	5,859
Asian	7,904	$	25,348,461	3,207
American Indian/Alaskan Native	1,984	$	10,053,198	5,067
Native Hawaiian/Pacific Islander	245	$	1,188,454	4,851
Totals	204,555	$	1,374,023,406	6,717

Age	2010 Medicaid Clients		Medicaid Cost	Average Cost Per Client
Age (Over 65)	22,884	$	308,856,076	13,497
Age (21-64)	108,451	$	847,864,602	7,818
Age (zero to 20)	73,220	$	217,302,729	2,968
Totals	204,555	$	1,374,023,406	6,717

Table Eight gives the average cost per Medicaid client for 2010. **On average, individual Caucasian/White clients incur more cost than other clients, and clients over the age of 65 cost twice as much the average of Medicaid clients as a whole.**

2010 U.S. Bureau of the Census data provides an opportunity to compare data on race and age within Erie County to the Erie County Medicaid population.

TABLE NINE

Race	2010 Medicaid	2010 Census	2010 Census	Percentage of Population
White	97,016	735,244	-	13%
Black/African American	64,067	123,931	-	52%
Hispanic/Latino	17,624	-	41,731	42%
Not Available/More Than One Race	15,715	29,949	-	52%
Asian	7,904	23,789	-	33%
American Indian/Alaskan Native	1,984	5,908	-	34%
Native Hawaiian/Pacific Islander	245	219	-	112%
Totals	204,555	919,040	41,731	22%

The data in Table Nine indicates that according to 2010 Census and 2010 Medicaid numbers, 52% of the persons identifying themselves as Black/African American, 42% of those identifying as Hispanic/Latino, and 34% of those identifying as American Indian in Erie County were participating in the Medicaid program, as contrasted with 13% of those identifying their race as White/Caucasian.

We believe that the result for Native Hawaiian/Pacific Islander may be caused by a methodological situation in which individuals characterized themselves as one race for the Census, and another race when applying for Medicaid.

Appendix C is a map of Erie County showing the percentage of Medicaid clients to the total census population for the year 2010.

TABLE TEN

	2010 Medicaid	2010 Census	Percentage of Population
Age (Over 65)	22,884	144,364	16%
Age (21-64)	108,451	533,162	20%
Age (zero to 20)	73,220	241,514	30%
	204,555	919,040	22%

Medicaid data also reveals that, not surprisingly, as a percentage of the population, the majority of Medicaid recipients are children. **In 2010, approximately three of every ten children – 30% -- in Erie County was receiving Medicaid assistance.**

By race, the distinctions are more pronounced.

To provide additional detail on the impact Medicaid has on children within Erie County, we have assembled Tables Eleven through Sixteen. The data is troubling, reflecting very high rates of children receiving Medicaid assistance.

TABLE ELEVEN

2010 Medicaid Clients by Age Less Than Twenty-One Years

White

Age	Medicaid Clients	By Census	Percentage		Medicaid Paid
One through Five	7,799	33,985	23%	$	22,326,642
Six through Ten	7,791	39,711	20%	$	18,920,660
Eleven through Fifteen	6,150	43,461	14%	$	19,794,831
Sixteen through Twenty	5,540	49,579	11%	$	25,785,033
Total	27,280	166,736	16%	$	86,827,167
Group Total	97,016	735,244	13%	$	827,282,608

The data shows that 16% of White/Caucasian children are receiving Medicaid.

Tables Twelve, Thirteen, Fourteen Fifteen and Sixteen illustrate that a much higher percentage of minority children receive Medicaid assistance.

TABLE TWELVE

2010 Medicaid Clients by Age Less Than Twenty-One Years
Black / African-American

Age	Medicaid Clients	By Census	Percentage	Medicaid Paid
One through Five	6,368	9,187	69%	$ 20,555,614
Six through Ten	7,211	9,736	74%	$ 15,654,297
Eleven through Fifteen	6,381	10,296	62%	$ 15,725,065
Sixteen through Twenty	6,102	12,196	50%	$ 18,485,977
Total	26,062	41,415	63%	$ 70,420,953
Group Total	64,067	123,931	52%	$ 334,479,649

The percentage of African-American/Black children receiving Medicaid is 63%.

TABLE THIRTEEN

2010 Medicaid Clients by Age Less Than Twenty-One Years
Hispanic / Latino

Age	Medicaid Clients	By Census	Percentage	Medicaid Paid
One through Five	2,042	4,587	45%	$ 6,135,503
Six through Ten	2,175	4,286	51%	$ 5,269,693
Eleven through Fifteen	1,888	4,142	46%	$ 4,957,686
Sixteen through Twenty	1,736	4,423	39%	$ 5,534,712
Total	7,841	17,438	45%	$ 21,897,594
Group Total	17,624	41,731	42%	$ 83,715,320

The percentage of Hispanic/Latino children receiving Medicaid is 45%.

TABLE FOURTEEN

2010 Medicaid Clients by Age Less Than Twenty-One Years
Asian

Age	Medicaid Clients	By Census	Percentage	Medicaid Paid
One through Five	854	1,611	53%	$ 1,993,858
Six through Ten	868	1,528	57%	$ 2,000,461
Eleven through Fifteen	812	1,417	57%	$ 1,196,263
Sixteen through Twenty	663	2,660	25%	$ 1,392,922
Total	3,197	7,216	44%	$ 6,583,504
Group Total	7,904	23,789	33%	$ 25,349,532

TABLE FIFTEEN

2010 Medicaid Clients by Age Less Than Twenty-One Years

American Indian / Alaskan Native

Age	Medicaid Clients	By Census	Percentage	Medicaid Paid
One through Five	219	458	48%	$ 520,649
Six through Ten	251	460	55%	$ 403,735
Eleven through Fifteen	166	441	38%	$ 385,568
Sixteen through Twenty	175	382	46%	$ 760,969
Total	811	1,741	47%	$ 2,070,921
Group Total	1,984	5,908	34%	$ 10,053,738

TABLE SIXTEEN

2010 Medicaid Clients by Age Less Than Twenty-One Years

Native Hawaiian / Pacific Islander

Age	Medicaid Clients	By Census	Percentage	Medicaid Paid
One through Five	21	23	91%	$ 32,203
Six through Ten	27	16	169%	$ 59,845
Eleven through Fifteen	27	13	208%	$ 246,020
Sixteen through Twenty	22	19	116%	$ 81,768
Total	97	71	137%	$ 419,835
Group Total	245	219	112%	$ 1,188,986

Once again, we believe that the results for Native Hawaiian/Pacific Islander may be caused by individuals listing themselves as one race for the Census, and another race when applying for Medicaid.[13]

The 2010 Medicaid and Census race and age data shows that 40% of all African-American Medicaid recipients, 44% of Latino recipients, and 28% of White/Caucasian recipients are children.

The Medicaid application poses a number of questions on citizenship and immigration status. Regarding Medicaid clients and citizenship, the MIG Team developed Table Seventeen below.

[13] A careful observer will notice that the total of all the "Medicaid Paid" columns for tables Ten through Fifteen do not add to the total cost of 2010 Medicaid as shown in Table Four. The missing funds, $91,953,573 are a combination of those persons who listed themselves as "Mixed Race" and those persons who declined to complete the questions concerning race in 2010.

TABLE SEVENTEEN

2013 Medicaid Recipients by Citizenship Category

	Recipients	Medicaid Paid
Citizen	189,922	$ 444,001,302
Person Admitted as Refugee/Amerasian	7,303	9,784,712
Lawful Permanent Resident W/O Quarters or 40 Quarters Not Determined	3,065	4,623,475
NOT AVAILABLE	2,872	3,359,426
Person Granted Asylum	190	285,473
Lawful Permanent Resident With 40 Qualifying Quarters	124	257,788
Cuban and Haitian Entrant	96	144,592
Trafficking victims	42	124,113
Non-qualified PRUCOL Eligible for SN/FAP	41	114,530
Alien Only Eligible for Emergency MA	60	67,117
Person Paroled into the U.S. for at Least 1 year	16	55,095
Battered Alien	10	8,133
Person Whose Deportation is Being Withheld	6	11,242
Person Granted Conditional Entry	3	5,212
Person Paroled into the U.S. for Less Than One Year	3	3,890
FFP Pregnant Special PRUCOL or child under age 21	6	1,735
Ineligible Alien	1	60
Undocumented Alien	1	1,710
Legal Alien	1	-
Total	203,762	$ 462,849,606

Table Seventeen shows the citizenship status of 2013 Medicaid recipients. More than ninety-three percent (93%) of Erie County Medicaid recipients are U.S. Citizens.

PRESCRIPTIONS IN ERIE COUNTY PAID THROUGH MEDICAID

New York State's MDW allows for the analysis of filled prescriptions. Table Eighteen shows the drugs with the most filled prescriptions.

The drugs in Table Eighteen are listed by their generic name. Most people are not familiar with the drug "Omeprazole" for example. They would recognize the brand name. "Omeprazole" is the generic name for a widely-dispensed drug for acid reflux disease.

TABLE EIGHTEEN

The Medicaid Drugs in Erie County with the Most Filled Prescriptions are:

	2010	2011	2012	2013 [A]
1	Hydrocodone-Acetaminophen	Hydrocodone-Acetaminophen	Hydrocodone-Acetaminophen	Hydrocodone-Acetaminophen
2	Ibuprofen	Ibuprofen	Ibuprofen	Ibuprofen
3	Ventolin HFA	Ventolin HFA	Omeprazole	Omeprazole
4	Aspirin	Aspirin	Lisinopril	Lisinopril
5	Lisinopril	Omeprazole	Aspirin	Aspirin
6	Amoxicillin	Lisinopril	Ventolin HFA	Amoxicillin
7	Loratdine	Amoxicillin	Metformin HCL	Ventolin HFA
8	Metformin HCL	Loratdine	Amoxicillin	Metformin HCL
9	Hydrochlorothiazide	Metformin HCL	Loratdine	Amlodipine Besylate
10	Clonazepam	Amlodipine Besylate	Amlodipine Besylate	Levothyroxine Sodium
11	Amlodipine Besylate	Levothyroxine Sodium	Levothyroxine Sodium	Loratdine
12	Levothyroxine Sodium	Clonazepam	Clonazepam	Hydrochlorothiazide
All Prescriptions Filled	2,098,789	2,183,916	2,334,601	761,124
Just Above Scripts Filled	397,777	425,284	467,601	152,845
Percent of Total	18.95%	19.47%	20.03%	20.08%

[A] The 2013 data includes all prescriptions filed between January 1, 2013 and April 30, 2013. The 2013 data is not final.

Approximately 20% of all prescriptions written between 2010-2013 were for these top twelve drugs.

Hydrocodone–Acetaminophen is a controlled substance. It was also the most prescribed drug in 2008 and 2009. Hydrocodone-Acetaminophen is more commonly known as Vicodin or Loratab. This drug is considered to be one of the most abused prescription drugs in the U.S. Narcotic painkillers, of which Hydrocodone–Acetaminophen is one example, are now the most widely prescribed class of medications in the United States, and prescriptions for the strongest opioids have increased nearly fourfold over the past decade.[14]

The pharmaceutical drugs shown in Table Eighteen and their commonly prescribed purpose are reported in Table Nineteen below:

(This space deliberately left blank.)

[14] The New York Times Sunday Review, "Profiting From Pain", June 22, 2013.

TABLE NINETEEN

Drug Name	Commonly prescribed for:
Amlodipine Besylate	Treats high blood presure
Amoxicillin	Antibiotic
Aspirin	Over the counter pain reliever
Clonazepam	Treats Epilepsy/Valium-like/Bipolar Disease/Panic Attacks
Hydrochlorothiazide	Treats high blood pressure, also osteoporosis and is a diuretic
Hydrocodone-Acetaminophen	Treats moderate to severe pain
Ibuprofen	Over the counter pain reliever
Levothyroxine Sodium	Treats thyroid deficiency
Lisinopril	Treats high blood pressure
Loratadine	Treats allergies
Metformin HCL	Treats type two diabetes or pre-diabetics
Omeprazole	Treats acid reflux
Ventolin HFA	Treats asthma or allergies

Access to the Medicaid database allowed the MIG Team to obtain a listing of those persons who have received and filled prescriptions for Hydrocodone-Acetaminophen. In 2012, there were 77,027 prescriptions filled for Hydrocodone-Acetaminophen and paid via Medicaid. Of those prescriptions, the top thirty persons accounted for 834 filled prescriptions, or over one percent of all Hydrocodone-Acetaminophen prescriptions filled in 2012.

This data suggests an area for further examination and study, subject to OMIG authorization.

MEDICAID PHARMACY AND PHYSICIAN DATA

Access to the Medicaid database also allowed the MIG Team to obtain a listing of the pharmacies that fill prescriptions, and the doctors that write prescriptions. For the period January 1, 2013 through April 30, 2013, the top twelve pharmacies that filled Hydrocodone-Acetaminophen prescriptions filled over 6,400 prescriptions.

For all drugs covered by Medicaid, the twelve physicians in Erie County that issued the most Medicaid-covered prescriptions wrote a total of 68,497 prescriptions and billed Medicaid $286,551 for those prescriptions during the period January 1, 2013 through April 30, 2013.

Under our agreements with OMIG and other State agencies, we are not authorized to discuss publicly any information on specific doctors or pharmacies. However, this data strongly suggests an additional area where the MIG Team recommends further examination and review, subject to OMIG permission.

CONCLUSION

MDW data and 2010 Census statistics demonstrate that the largest numbers of Medicaid recipients in Erie County are located in the City of Buffalo, but that a growing number of clients reside in the cities of Lackawanna and Tonawanda, and the Towns of Cheektowaga and Tonawanda. In addition:

- 22% of all Erie County residents have received or are receiving Medicaid assistance and 30% of children were on Medicaid.

- The data indicates that the number of persons on Medicaid is steadily growing at an average rate of more than four percent (4%) per year.

- 13% of all persons identified as White/Caucasians in Erie County were on Medicaid in 2010, contrasted with 52% of African-Americans, and 42% of Hispanic/Latinos.

- 16% of White children were on Medicaid, contrasted with 63% of African-American children and 45% of Hispanic/Latino children.

- The 2010 Medicaid and Census race and age data shows that 40% of all African-American Medicaid recipients, 44% of Latino recipients, and 28% of White/Caucasian recipients were children.

- The 2010 Medicaid data also shows that on average, white clients cost more than other clients, and clients over the age of 65 cost twice the average of Medicaid clients as a whole.

The new availability of such statistics under the MIG Team's agreements with OMIG offers the MIG Team, OMIG and other parties the ability to pursue investigations and inquiries regarding Medicaid usage and potential waste, fraud or abuse.

Erie County gratefully acknowledges the cooperation and assistance of OMIG and Erie County looks forward to working on additional projects with OMIG.

2013 POVERTY GUIDELINES

ALL STATES (EXCEPT ALASKA AND HAWAII) AND D.C.

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE								
	100%	120%	133%	135%	150%	175%	185%	200%	250%
1	11,490.00	13,788.00	15,281.70	15,511.50	17,235.00	20,107.50	21,256.50	22,980.00	28,725.00
2	15,510.00	18,612.00	20,628.30	20,938.50	23,265.00	27,142.50	28,693.50	31,020.00	38,775.00
3	19,530.00	23,436.00	25,974.90	26,365.50	29,295.00	34,177.50	36,130.50	39,060.00	48,825.00
4	23,550.00	28,260.00	31,321.50	31,792.50	35,325.00	41,212.50	43,567.50	47,100.00	58,875.00
5	27,570.00	33,084.00	36,668.10	37,219.50	41,355.00	48,247.50	51,004.50	55,140.00	68,925.00
6	31,590.00	37,908.00	42,014.70	42,646.50	47,385.00	55,282.50	58,441.50	63,180.00	78,975.00
7	35,610.00	42,732.00	47,361.30	48,073.50	53,415.00	62,317.50	65,878.50	71,220.00	89,025.00
8	39,630.00	47,556.00	52,707.90	53,500.50	59,445.00	69,352.50	73,315.50	79,260.00	99,075.00

For family units of more than 8 members, add $4,020 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE								
	100%	120%	133%	135%	150%	175%	185%	200%	250%
1	957.50	1,149.00	1,273.48	1,292.63	1,436.25	1,675.63	1,771.38	1,915.00	2,393.75
2	1,292.50	1,551.00	1,719.03	1,744.88	1,938.75	2,261.88	2,391.13	2,585.00	3,231.25
3	1,627.50	1,953.00	2,164.58	2,197.13	2,441.25	2,848.13	3,010.88	3,255.00	4,068.75
4	1,962.50	2,355.00	2,610.13	2,649.38	2,943.75	3,434.38	3,630.63	3,925.00	4,906.25
5	2,297.50	2,757.00	3,055.68	3,101.63	3,446.25	4,020.63	4,250.38	4,595.00	5,743.75
6	2,632.50	3,159.00	3,501.23	3,553.88	3,948.75	4,606.88	4,870.13	5,265.00	6,581.25
7	2,967.50	3,561.00	3,946.78	4,006.13	4,451.25	5,193.13	5,489.88	5,935.00	7,418.75
8	3,302.50	3,963.00	4,392.33	4,458.38	4,953.75	5,779.38	6,109.63	6,605.00	8,256.25

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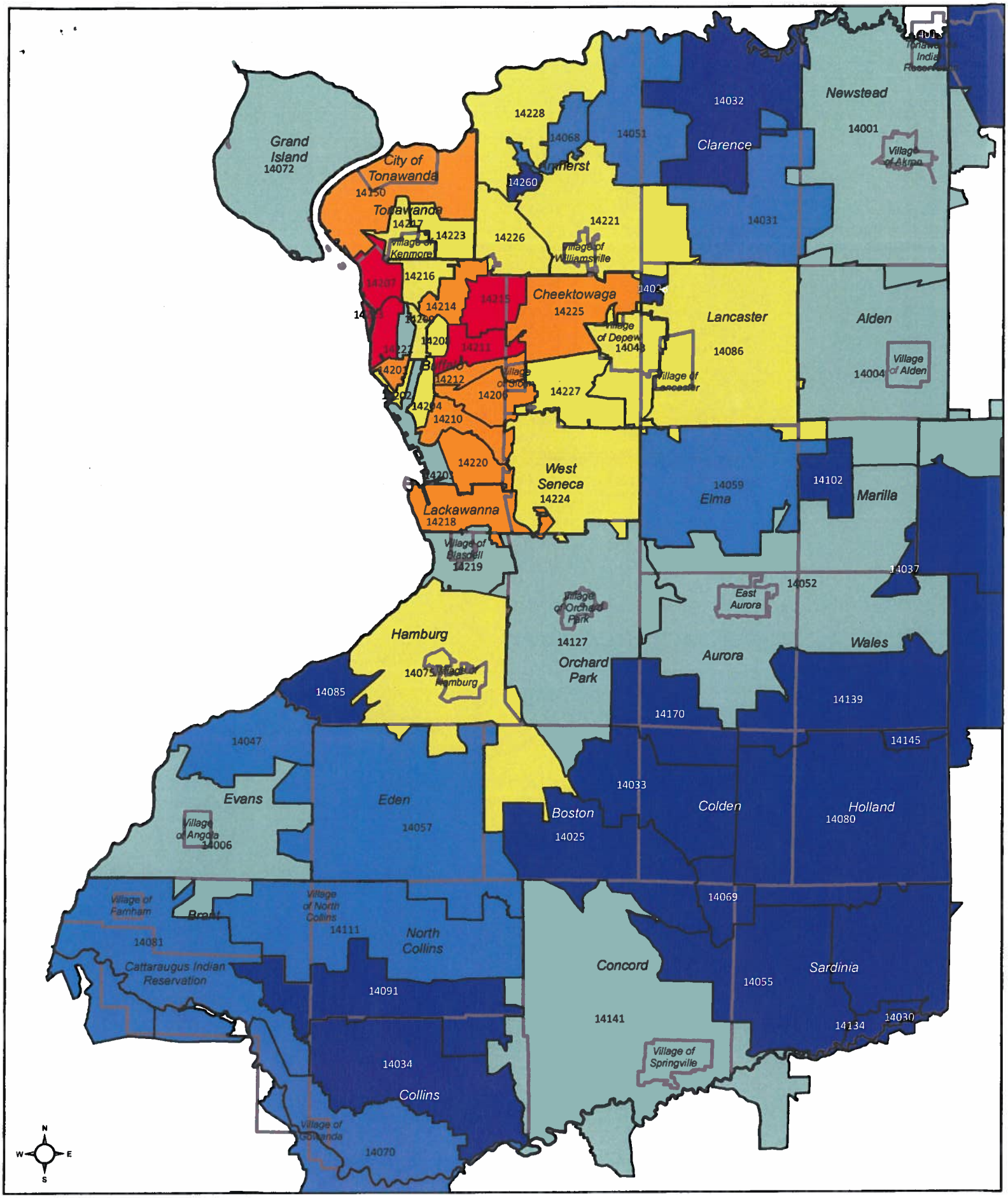
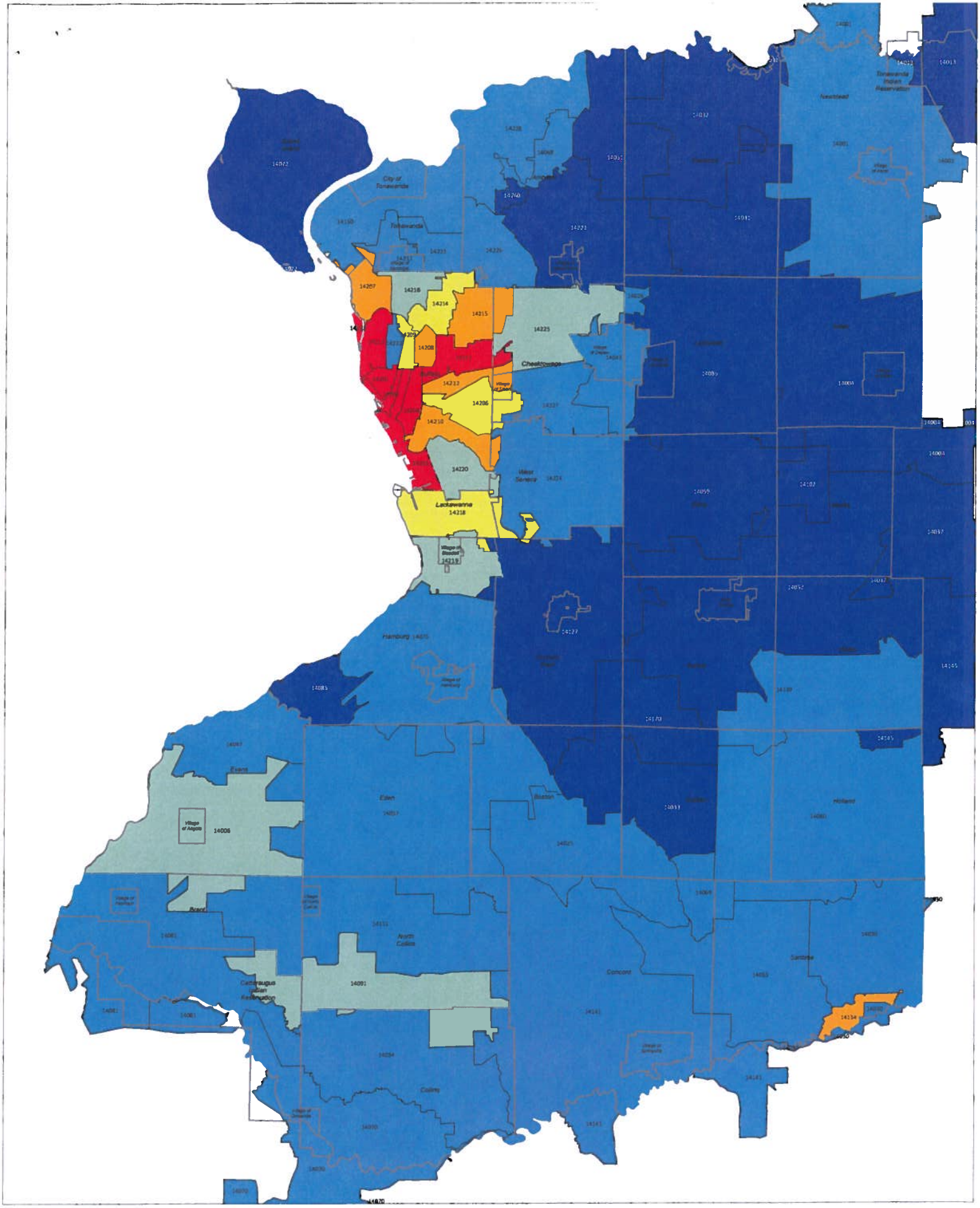


2013 Medicaid Recipients by Zip Code

Medicaid Recipients

- 0 - 500
- 501 - 1000
- 1001 - 2400
- 2401 - 5000
- 5001 - 7500
- 7501 - 20000

0 1.25 2.5 5 7.5 10 Miles



0 5,000 10,000 20,000 30,000 40,000 Feet

0 1 2 4 6 8 Miles

2010 Percentage of Medicaid Recipients
to Census Population by Zip Code