

MEDICAID IN ERIE COUNTY

An Analysis of Statistical Data for the Period January 1, 2008 through April 30, 2013

Medicaid

- Joint Federal – State health insurance program that assists persons with low income and limited resources.
- County governments administer Medicaid and pay a portion of Medicaid costs.
- 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%.
- The County’s annual expense for Medicaid-MMIS is still the single-largest appropriation account in Erie County’s operating budget.

Medicaid Mandatory Services

Mandatory Services States Must 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 21
- Family planning services and supplies
- Rural health care/federally qualified health center services

Medicaid Optional Services

Optional Services States May Cover:

- Diagnostic, screening, preventive, rehabilitative services
- Clinical 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.**

Federal Medical Assistance Percentage

- The Federal Medical Assistance Percentage (FMAP) is the federal share of Medicaid costs.
- FMAP is calculated annually using a formula set forth in federal statute.
- The FMAP for New York State for the federal government's last fiscal year 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%.

New York State's Medicaid Costs

- New York State has the most expensive Medicaid program in the nation.
- In 2012, New York State covered over 5.4 million beneficiaries at a cost of over \$53 billion.
- Governor Andrew Cuomo's Medicaid Redesign Team was tasked with:
 - ▣ Reducing New York State costs for Medicaid; and
 - ▣ Increasing quality and efficiency for Medicaid beneficiaries.

Erie County's Medicaid Inspector General

- Audits:
 - ▣ Six completed audits have covered over \$38.2 million in Medicaid transactions.
 - ▣ Three ongoing audits cover more than an additional \$13 million in Medicaid transactions.
- Works on a variety of projects and cooperate with NYS OMIG and law enforcement agencies.
- Three employees and is funded through the State under a 2012 agreement.

New York State Medicaid Data Warehouse

- Contains the individual transaction records for all Medicaid transactions in New York State.
- Database is covered by the legal and regulatory provisions of the Health Insurance Portability and Accountability Act (“HIPAA”). However, amalgamations of data are allowed.
- MIG Team has access to the data for Erie County. Other County personnel have access to selected portions. This access will allow MIG Team to better focus audit work.

Applying for Medicaid in Erie County

- Income eligibility: In 2012, A family of four generally qualified with an income of \$23,550 or less per year.
- Pregnant women, children, disabled persons and others may be eligible for Medicaid if they have a higher income, under certain circumstances.
- Medicaid can and does cover some costs retroactively, if a person would have been eligible had they applied earlier.

Selected 2013 Annual Poverty Guidelines

Family Size	100%	120%	133%	150%	200%
1	\$11,490	\$13,788	\$15,282	\$17,235	\$22,920
2	\$15,510	\$18,612	\$20,268	\$23,265	\$31,020
3	\$19,530	\$23,436	\$25,975	\$29,295	\$39,060
4	\$23,550	\$28,260	\$31,322	\$35,325	\$47,100
5	\$27,570	\$33,087	\$36,668	\$41,355	\$55,140

In New York State, the Minimum Wage is \$7.50 per hour as of September 1, 2013, leading to an annual minimum wage of about \$15,000.00. An individual working full-time at minimum wage with at least 1 child qualifies for Medicaid.

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.

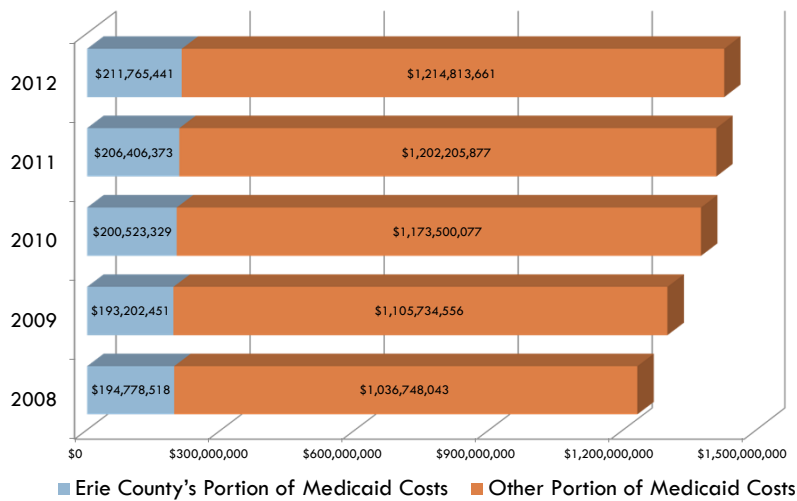
Medicaid Costs for 2012 - 2013

	2012	2013*
Medicaid Costs	\$1,426,579,102	\$462,849,606
Erie County's Portion of Medicaid Costs	\$ 211,765,441	\$219,748,429

*The Medicaid Cost data for 2013 covers the period of January 1, 2013 through April 30, 2013 inclusive.

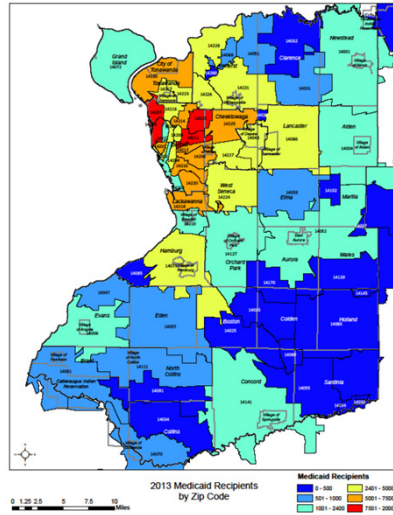
*Erie County's Portion of Medicaid costs are for the Fiscal Year 2013, are estimated and subject to change.

Medicaid Costs 2008-2012



2013 Medicaid Recipients by Zip Code

Poverty, as reflected in Medicaid clients, is not limited to one area in Erie County. It is everywhere.



Medicaid Clients by Year

2008	2009	2010	2011	2012	2013*
183,249	193,984	204,555	212,997	221,499	203,762

The number of persons on Medicaid in Erie County is steadily growing at an average rate of more than four percent (4%) per year.

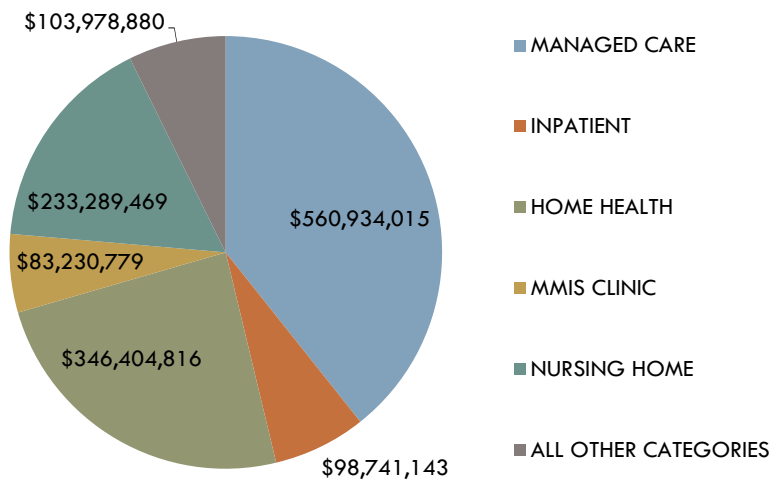
* 2013 Data covers the period of January 1, 2013 through April 30, 2013.

Expenditures by Medicaid Category

	2012	2013*
MANAGED CARE	\$560,934,015	\$201,959,532
HOME HEALTH	346,404,816	115,801,220
NURSING HOME	233,289,469	68,292,131
INPATIENT	98,741,143	23,978,504
PHARMACY	25,468,021	6,733,034
MEDICAID MANAGEMENT INFORMATION SYSTEM CLINIC	83,230,779	24,008,379
PRACTITIONER	21,528,523	7,034,108
INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION (ICF-MR)	17,452,040	5,633,648
PRIVATE DENTAL	11,191,204	1,250,515
TRANSPORTATION	13,949,860	4,682,342
DENTAL CLINIC	4,420,947	542,838
DURABLE MEDICAL EQUIPMENT	3,986,898	1,221,645
REFERRED AMBULATORY	2,160,529	541,382
CHILD CARE	2,305,829	738,295
LABORATORY	759,877	180,000
EYE CARE	551,978	190,834
UNDEFINED PROFESSIONAL	203,174	61,200
Total Costs	\$1,426,579,102	\$462,849,606

* 2013 Data covers the period of January 1, 2013 through April 30, 2013.

2012 Expenditures by Medicaid Category



2010 Medicaid Clients by Race, Cost and Average Cost Per Client

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

2010 Medicaid Clients by Race, Cost and Average Cost Per Client

Comparing the 2010 Census Data to Medicaid Data:

- While whites make up 44% of the overall Medicaid population in 2010, 60% of total Medicaid dollars are spent on Whites.
- Average Cost for all other racial group: \$5,085
- Average Cost for White racial group: \$8,527
- The County's MIG team will be further investigating why there is such a large discrepancy between spending on Whites versus other racial groups.

Medicaid Clients by Age Group, Medicaid Cost and Average Cost Per Client

Age Bracket	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
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In 2010, comparing Census Data to Medicaid Data:

- Medicaid clients over the age of 65 cost significantly more to treat per person than other age groups.
- Those under 21 cost Medicaid the least to treat.

2010 Medicaid Clients by Age Group and Percentage of the Population

Age Bracket	2010 Medicaid Clients	2010 Census	Percentage of the 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%
Totals	204,555	919,040	22%

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- **More than two of every ten people in Erie County were on some form of Medicaid.**

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In 2010, comparing Census Data to Medicaid Data:

- **More than two of every ten people in Erie County were on some form of Medicaid.**
- **Approximately three of every ten children in Erie County were receiving Medicaid assistance.**

Medicaid Drugs in Erie County with the Most Filled Prescriptions – 2010

1. **Hydrocodone-Acetaminophen:** Treats moderate to severe pain
2. **Ibuprofen:** Pain reliever
3. **Ventolin HFA:** Treats asthma or allergies
4. **Aspirin:** Over the counter pain reliever
5. **Lisinopril:** Treats high blood pressure
6. **Amoxicillin:** Antibiotic
7. **Loratadine:** Treats allergies
8. **Metformin HCL:** Treats type two diabetes or pre-diabetics
9. **Hydrochlorothiazide:** Treats high blood pressure, also Osteoporosis
10. **Clonazepam:** Treats Epilepsy/Valium-like/Bipolar disease/Panic attacks
11. **Amlodipine Besylate:** Treats high blood pressure
12. **Levothyroxine Sodium:** Treats thyroid deficiency

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Medicaid Drugs in Erie County with the Most Filled Prescriptions – 2013*

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Medicaid Drugs in Erie County with the Most Filled Prescriptions - Summary

The Medicaid drug with the most filled prescriptions for 2008, 2009, 2010, 2011, 2012 and 2013* was and is

Hydrocodone-Acetaminophen

Hydrocodone-Acetaminophen is a controlled substance. It is more commonly known as Vicodin or Loratab. This drug is considered to be the most abused prescription drug in the US. Prescriptions for the strongest opioids have increased nearly fourfold over the past decade. **

* 2013 Data covers the period of January 1, 2013 through April 30, 2013.

** The New York Times Sunday Review, "Profiting from Pain," June 22, 2013.

Summary and Conclusions

- Medicaid is not limited to those who are unemployed.
- A person working full-time at minimum wage with at least 1 child qualifies for Medicaid.
- Poverty, as reflected in Medicaid clients, is not limited to one city or area in Erie County. It is everywhere.
- 22% of all Erie County residents in 2010 received some form of Medicaid.
- 30% of the children in Erie County in 2010 were on some form of Medicaid.
- The number of Medicaid recipients is growing faster than 4% per year in Erie County.
- For at least 6 years running, the number 1 prescribed drug to Medicaid recipients is Hydrocodone-Acetaminophen.