

FEDERAL MEDICAID FUNDING FOR ELIGIBLE CHILDREN

Prepared for California County Superintendents
Educational Services Association

March 2015



In the following document, Hanover Research presents data indicating federal Medicaid funding for eligible children in each state.



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EXECUTIVE SUMMARY

In this document, Hanover Research presents data indicating federal Medicaid funding for eligible children in each state. Specifically, we examine federal Medicaid reimbursements and claims; Medicaid paid amounts; and Federal Medical Assistance Percentages (FMAPs). The data suggest that **California received relatively large overall amounts of federal Medicaid reimbursements for eligible children aged 6-20 years in State Fiscal Years 2009-10 and 2010-11. However, due to the size of the state's Medicaid-eligible population, average claims per Medicaid-eligible child appeared comparatively low.** California's FMAP also may provide insight into the state's comparatively low federal Medicaid funding per eligible child. Derived from a state's per capita income, the FMAP determines the federal share of a state's Medicaid service costs. At present, California's FMAP equals the minimum of 50 percent.

FEDERAL MEDICAID FUNDING FOR ELIGIBLE CHILDREN

MEDICAID REIMBURSEMENT AND CLAIMS

The California Department of Health Care Services (DHCS) surveyed states in 2012 to gather information on the federal share of Medicaid reimbursements received by Local Educational Agencies (LEAs) for health and administrative services. The data obtained refer to State Fiscal Years 2009-10 and 2010-11. Figure 1 presents the results, including DHCS calculations of the average claim per Medicaid-eligible child. States not included in Figure 1 either did not respond to the survey or did not provide information on Medicaid reimbursement totals.¹

As indicated in Figure 1, California had the highest federal Medicaid reimbursements and total claims for both SFY 2009-10 and SFY 2010-11. However, due to the state's large number of Medicaid-eligible children aged 6-20, **California's average claim per Medicaid-eligible child equaled only \$159 in SFY 2009-10.** In comparison, Nebraska's average claim per Medicaid-eligible child equaled \$786—the highest amount among reporting states in SFY 2009-10 and \$627 greater than California's amount. Figure 2 also confirms that, in both SFY 2009-10 and SFY 2010-11, **California's average claim per Medicaid-eligible child was lower than the average for all reporting states.**

As a caveat, we note that the results in Figure 1 do not permit true comparisons across states of direct billing option program dollars spent per Medicaid-eligible child, due to the inability to distinguish between direct claiming fee-for-service and administrative claiming programs. In addition, variation in Federal Medical Assistance Percentages (discussed in more detail on pages 8-9) also impacts states' average claims per Medicaid-eligible child.²

¹ Douglas, T. "Local Educational Agency Medi-Cal Billing Option Program. Report to the Legislature, May 2012: Report Period April 2011 through May 2012." p. 15.
http://www.dhcs.ca.gov/formsandpubs/Documents/Legislative%20Reports/LEA%20Billing%20Option%20Program/LEA_Medi-CalBillingOption_Apr2011-May2012.pdf

² Ibid., p. 16.

Figure 1: Medicaid Reimbursement and Claims by State

State	SFY 2009-2010 ³			SFY 2010-2011 ³		
	Federal Medicaid Reimbursement (000's)	Total Claims (000's)	Average Claim Per Medicaid-Eligible Child	Federal Medicaid Reimbursement (000's)	Total Claims (000's)	Average Claim Per Medicaid-Eligible Child ⁴
Nebraska	\$41,346	\$81,146	\$786	\$26,005	\$50,530	\$490
Vermont	\$24,346	\$34,799	\$694	\$26,122	\$38,912	\$777
Rhode Island	\$27,339	\$44,948	\$635	-	-	-
West Virginia	\$48,341	\$58,207	\$423	\$50,540	\$62,994	\$458
Pennsylvania	\$179,348	\$288,420	\$374	\$165,975	\$273,740	\$355
Delaware	\$13,266	\$21,473	\$346	\$12,060	\$19,594	\$316
Massachusetts	\$72,464	\$129,460	\$331	-	-	-
Iowa	\$36,819	\$50,749	\$287	-	-	-
Michigan	\$144,856	\$202,995	\$257	\$128,501	\$180,846	\$229
Illinois	\$148,283	\$262,083	\$253	\$166,147	\$300,545	\$290
New Jersey	\$60,500	\$99,171	\$251	\$64,500	\$110,496	\$280
Kansas	\$19,870	\$30,158	\$234	-	-	-
Maryland	\$39,139	\$73,326	\$211	\$15,575	\$26,502	\$76
Minnesota	\$34,041	\$55,270	\$194	-	-	-
Wisconsin	\$37,049	\$58,658	\$178	\$33,782	\$50,462	\$153
Missouri	\$36,660	\$70,605	\$169	-	-	-
California	\$289,259	\$529,431	\$159	\$248,120	\$452,511	\$136
Florida ⁵	\$76,664	\$146,955	\$132	\$16,281	\$25,121	\$23
Arkansas	\$26,231	\$40,240	\$131	-	-	-
Montana	\$4,468	\$6,626	\$123	-	-	-
Virginia	\$18,600	\$33,946	\$85	-	-	-
Kentucky	\$15,389	\$27,919	\$82	\$9,516	\$15,878	\$46
Colorado	\$10,438	\$17,320	\$80	\$1,052	\$2,105	\$10
Louisiana	\$29,084	\$37,078	\$73	\$29,486	\$37,840	\$75
Mississippi	\$8,987	\$17,974	\$71	\$1,783	\$3,566	\$14
North Carolina	\$30,538	\$52,882	\$71	\$30,303	\$53,544	\$71
Arizona	\$25,560	\$36,405	\$68	\$31,553	\$44,863	\$84
Ohio	\$28,300	\$38,519	\$45	\$25,600	\$36,117	\$43
Nevada	\$2,021	\$3,161	\$32	\$402	\$658	\$7
Georgia	\$16,148	\$21,542	\$26	-	-	-
Oklahoma	\$5,218	\$6,801	\$20	\$4,485	\$6,068	\$18
Indiana	\$3,982	\$5,261	\$11	\$4,164	\$5,674	\$12
Maine ⁶	-	-	-	-	-	-
Tennessee ⁶	-	-	-	-	-	-
Washington ⁶	-	-	-	-	-	-
Wyoming ⁶	-	-	-	-	-	-
Average	\$48,580	\$80,735	\$214	\$49,634	\$81,753	\$180

Source: California Department of Health Care Services⁷

³ Amounts for health and administrative services are included in federal Medicaid reimbursement and total claims. Federal payment disallowances resulting from completed or on-going Office of Inspector General audits may not be reflected in these amounts.

⁴ Calculated as total claims divided by the number of Medicaid-eligible children (ages 6-20) in Federal Fiscal Year (FFY) 2008-09. Source: Medicaid Program Statistics, Centers for Medicare and Medicaid Services, http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/02_MSISData.asp

⁵ Health service figures from Florida were compiled from the Florida Agency for Healthcare Administration website. (<http://ahca.myflorida.com/medicaid/childhealthservices/schools/index.shtml>) where online Fee-for-Service School Certified Match Reimbursement Reports are updated quarterly.

⁶ This state did not have a school-based Medicaid health services program or administrative claiming program during SFY 2009-2010 and/or SFY 2010-11.

MEDICAID PAID AMOUNTS

The Centers for Medicare & Medicaid Services (CMS) report eligibility and claims program data for states through the Medicaid Statistical Information System (MSIS). Using MSIS data, Hanover Research compiled 2012 Medicaid paid amounts per state for children aged 6-20, as presented in Figure 2. Data were unavailable for the following states: Arizona, Colorado, District of Columbia, Florida, Hawaii, Idaho, Kansas, Louisiana, Maine, Massachusetts, Texas, and Utah. Further, Hanover Research could not locate more specific data referring to either school-based services or LEA reimbursements.

As seen in Figure 2, **in 2012, California ranked second to last in terms of Medicaid paid amount per unique eligible child aged 6-20.** On the one hand, California had the highest total Medicaid paid amount (\$3,382,082,648). On the other hand, California also had the most unique eligible children aged 6-20 (2,836,141). Thus, California's Medicaid paid amount equaled roughly \$1,192 per unique eligible child aged 6-20, compared to \$3,816 for Alaska (a difference of \$2,624).

⁷ Table reproduced from: Ibid., p. 18. Averages calculated by Hanover Research

Figure 2: Medicaid Paid Amount for Children Aged 6 to 20, 2012

STATE	UNIQUE ELIGIBLES COUNT	UNIQUE BENEFICIARIES COUNT	TOTAL MEDICAID PAID AMOUNT	MEDICAID PAID AMOUNT PER UNIQUE ELIGIBLE
Alaska	49,511	42,277	\$188,934,171	\$3,816.00
Tennessee	504,021	498,007	\$1,752,330,008	\$3,476.70
Connecticut	207,734	199,959	\$598,320,548	\$2,880.22
Vermont	43,229	41,340	\$122,589,778	\$2,835.82
Delaware	58,761	56,803	\$160,364,814	\$2,729.10
North Dakota	24,062	22,858	\$65,325,200	\$2,714.87
Montana	48,557	47,324	\$130,588,769	\$2,689.39
Minnesota	274,988	261,037	\$739,262,486	\$2,688.34
Kentucky	294,502	293,304	\$764,481,414	\$2,595.84
New Hampshire	69,942	61,551	\$180,859,558	\$2,585.85
Pennsylvania	613,269	598,679	\$1,489,340,513	\$2,428.53
Maryland	374,678	353,983	\$908,617,664	\$2,425.06
North Carolina	618,236	608,413	\$1,362,995,250	\$2,204.65
New Jersey	410,542	403,159	\$883,816,422	\$2,152.80
Missouri	365,795	345,956	\$786,002,802	\$2,148.75
New York	1,289,880	1,226,278	\$2,757,765,418	\$2,138.00
Rhode Island	60,710	58,813	\$123,961,023	\$2,041.86
Ohio	816,786	795,904	\$1,651,737,475	\$2,022.24
Oklahoma	342,062	330,221	\$680,628,406	\$1,989.78
West Virginia	118,526	114,364	\$232,424,417	\$1,960.96
Arkansas	281,078	277,059	\$550,700,824	\$1,959.25
New Mexico	230,216	223,194	\$439,332,868	\$1,908.35
Wyoming	31,981	26,163	\$60,165,682	\$1,881.29
Virginia	379,547	337,315	\$685,080,025	\$1,804.99
Mississippi	228,986	211,932	\$409,941,649	\$1,790.25
Iowa	174,994	170,872	\$305,306,662	\$1,744.67
Michigan	765,840	747,932	\$1,310,611,852	\$1,711.34
South Dakota	51,190	48,019	\$86,364,221	\$1,687.13
Nebraska	103,531	98,769	\$166,036,934	\$1,603.74
Indiana	441,591	424,115	\$672,681,603	\$1,523.31
Georgia	618,315	606,378	\$939,610,269	\$1,519.63
Oregon	197,147	188,550	\$299,067,686	\$1,516.98
South Carolina	358,954	326,824	\$536,303,425	\$1,494.07
Washington	484,743	479,825	\$709,241,868	\$1,463.13
Nevada	128,956	123,240	\$181,489,550	\$1,407.38
Illinois	1,116,746	1,016,810	\$1,446,777,036	\$1,295.53
Alabama	325,388	307,565	\$417,902,000	\$1,284.32
California	2,836,141	2,399,318	\$3,382,082,648	\$1,192.49
Wisconsin	337,727	333,380	\$350,793,412	\$1,038.69
Average	402,022	377,115	\$731,534,265	\$2,060.29

Source: Centers for Medicare & Medicaid Services⁸

⁸ "2012 Medicaid Quarterly State Summary." Centers for Medicare & Medicaid Services. <http://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MedicaidDataSourcesGenInfo/MSIS-Mart-Home.html>

FEDERAL MEDICAL ASSISTANCE PERCENTAGE

Derived from a state's per capita income, the “**Federal Medical Assistance Percentage (FMAP)** determines the federal share of the cost of Medicaid services in each state.”⁹ In general, states with lower per capita incomes have higher FMAPs. However, the FMAP ranges from a minimum of 50 percent to a high of 74 percent. Figure 3 shows FMAP data for Fiscal Year 2016. The FMAP leads to a **multiplier effect**, as each Medicaid dollar spent by a state yields additional federal Medicaid matching dollars. Specifically, the multiplier equals $(FMAP)/(100-FMAP)$. For example, Mississippi’s multiplier equals $(74.17/25.83)$, or roughly 2.87. This means that Mississippi may receive as much as \$2.87 in federal matching funds for every dollar the state spends on Medicaid.¹⁰ As seen in Figure 3, **California is one of 14 states assigned the minimum FMAP of 50 percent.**¹¹ Moreover, with a multiplier of 1.00, California may receive only one dollar in federal matching funds for every dollar the state spends on Medicaid. Such numbers may explain California’s relatively low federal Medicaid funding per eligible child.

⁹ “Medicaid Financing: An Overview of the Federal Medicaid Matching Rate (FMAP).” Kaiser Family Foundation. September 2012. p. 1. <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8352.pdf>

¹⁰ Ibid.

¹¹ “Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier.” Kaiser Family Foundation. <http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/#table>

Figure 3: FMAP for Medicaid and Multiplier, FY 2016

STATE	FMAP PERCENTAGE	MULTIPLIER
Mississippi	74.2%	2.87
West Virginia	71.4%	2.50
Idaho	71.2%	2.48
South Carolina	71.1%	2.46
New Mexico	70.4%	2.38
Kentucky	70.3%	2.37
Utah	70.2%	2.36
Arkansas	70.0%	2.33
District of Columbia	70.0%	2.33
Alabama	69.9%	2.32
Arizona	68.9%	2.22
Georgia	67.6%	2.08
Indiana	66.6%	1.99
North Carolina	66.2%	1.96
Michigan	65.6%	1.91
Montana	65.2%	1.88
Tennessee	65.1%	1.86
Nevada	64.9%	1.85
Oregon	64.4%	1.81
Missouri	63.3%	1.72
Maine	62.7%	1.68
Ohio	62.5%	1.66
Louisiana	62.2%	1.65
Oklahoma	61.0%	1.56
Florida	60.7%	1.54
Wisconsin	58.2%	1.39
Texas	57.1%	1.33
Kansas	56.0%	1.27
Iowa	54.9%	1.22
Delaware	54.8%	1.21
Hawaii	54.0%	1.17
Vermont	53.9%	1.17
Pennsylvania	52.0%	1.08
South Dakota	51.6%	1.07
Nebraska	51.2%	1.05
Illinois	50.9%	1.04
Colorado	50.7%	1.03
Rhode Island	50.4%	1.02
Alaska	50.0%	1.00
California	50.0%	1.00
Connecticut	50.0%	1.00
Maryland	50.0%	1.00
Massachusetts	50.0%	1.00
Minnesota	50.0%	1.00
New Hampshire	50.0%	1.00
New Jersey	50.0%	1.00
New York	50.0%	1.00
North Dakota	50.0%	1.00
Virginia	50.0%	1.00
Washington	50.0%	1.00
Wyoming	50.0%	1.00
Average	59.2%	1.57

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