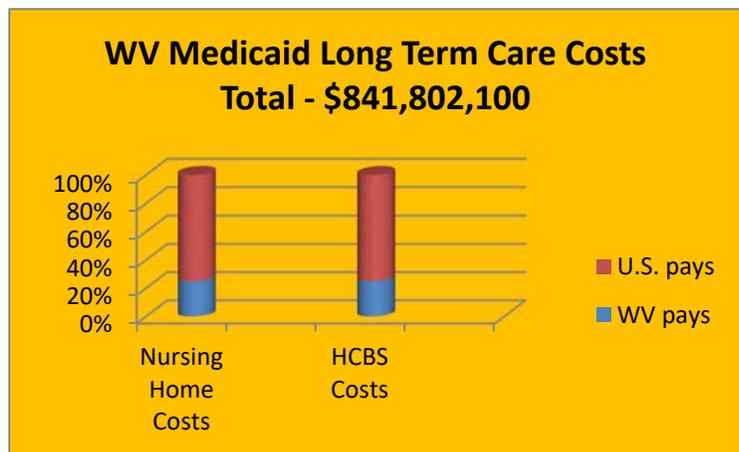


West Virginia Elders and Medicaid Facts to Consider

**Medicaid isn't only for children and young adults.
 70% of Medicaid spending is on seniors and disabled West Virginians.**

When thinking about health care for senior citizens, our thoughts normally go right to Medicare, the 52 year old program designed to help people over the age of 65 with their increasing medical expenses. When we think of Medicaid, the younger federal health care program designed for low-income Americans, we think of coverage for children and poor families. The facts are that the federal system of health care insurance is more complicated than that. A significant portion of Medicaid spending – 70% - is for our elderly and disabled citizens, while they constitute only 38% of Medicaid recipients.ⁱ

The most visible of that spending is for skilled nursing facility (SNF) care. Seniors and disabled West Virginians with 5 or more deficiencies in Activities of Daily Living (ADL) can qualify for Medicaid payment for stays in SNF. Medicare does not pay for SNF after a short period of time. In state fiscal year (SFY) 2015 \$661,802,100 was paid from our Medicaid program (called the Bureau for Medical Services or BMS) to SNFs to cover the cost of care for aged and disabled West Virginiansⁱⁱ. Medicaid also helps seniors who qualify for nursing home care but choose to stay at home. BMS provides them with Home and Community Based Services (HCBS) through two programs. A total of 14,322 West Virginia seniors got services through them in SFY 2015. The price tag for that was nearly \$180 Millionⁱⁱⁱ.



88,000 West Virginians get BOTH Medicare and Medicaid health care coverage

SNF and HCBS are not the only ways that seniors get coverage from Medicaid. Those who meet certain financial limits can become “dual eligible,” meaning that they are eligible for both Medicare and Medicaid. Full dual eligible seniors get their Medicare premiums, co-pays, deductibles, and services not covered by Medicare paid for by Medicaid. Partial dual eligible seniors get just their Part B (doctor office coverage) monthly premiums covered. In West Virginia there are about 50,000 full dual eligible seniors and 38,000 partial dual eligible elders^{iv}

Dual eligible beneficiaries are generally in much greater need of health care than other Medicaid recipients. Nationally, duals constituted 14% of Medicaid enrollees but 36% of Medicaid expenditures. They also accounted for about a third of Medicare spending. Most of the Medicaid spending on dual eligible (65%) was for long term care services. About a fourth was for acute care services.^v

Although the state pays those bills the federal government reimburses BMS for about 75% of them. That is because Medicaid is built on a cost sharing formula whereby each state's share is determined based on a

number of factors. For West Virginia it has always been around 73 to 75%. Even when the costs of Medicaid have risen, the federal share has always risen with them. The state could always count on that 75% assistance from the federal government.

The proposed replacement for “Obamacare” will hurt older West Virginians in a number of ways.

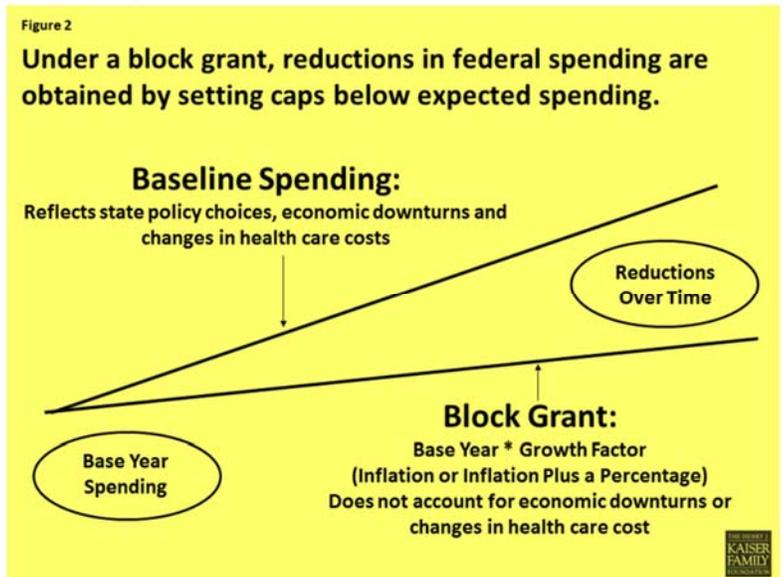
However, that way of getting federal assistance for the state BMS program could change dramatically. The U.S Congress is considering legislation in Washington called the American Health Care Act (AHCA), which is intended to replace the Affordable Care Act (ACA) – also known as “Obamacare.” Under the AHCA, the federal share of Medicaid costs would be capped. Under a complex formula, the federal share would be determined as a set amount which the state would receive as a “per capita cap payment or block grant.” Once that amount was paid, that would be all the help the state would get, no matter how much its Medicaid costs were. And that amount could end up being less than the 75% the state gets now, even as medical costs go up, the number of elders grows and the number of them needing assistance grows along with them.^{vi}

Many programs for elderly West Virginians don’t count 65 as the hard and fast line for qualifying as a “senior.” People between the ages of 50 and 64 are often included in the definition of elders or seniors. The AHCA includes provisions which could result in real problems for folks in the 50 and up age bracket.

The caps on the federal contribution to state Medicaid funding could mean a reduction in services. Without that federal share, West Virginia may not be able to pay for the long term care many seniors rely on. Already the state faces annual deficits of hundreds of millions of dollars. As can be seen in the graphic, the gap between state spending and federal contribution widens as time goes on.

For many of the “near elderly” 50-64 year olds, one of the blessings of the ACA was the “Medicaid Expansion.” It allowed people with incomes higher than had been the norm for getting Medicaid to get those services. Under the ACA, the expansion program was a state option. West Virginia was one of the states which took advantage. About 24,000 West Virginians between the ages of 50 and 64 (no one 65 or older could be part of the expansion program) signed up for Medicaid under that the expansion. In 2015 the federal share of the cost of the program was 100 percent and totaled \$732Million. It was scheduled, under the ACA, to slowly reduce down to 90% by 2020 and stay at that level. The AHCA would dramatically cut federal funding for Medicaid Expansion. That would, again, add to the state’s financial woes and could easily mean an end to those health benefits for near elders who are also near the poverty line, but earn too much for regular Medicaid. The Robert Wood Johnson Foundation’s analysis of the situation is, “If Medicaid restructuring eliminates or reduces funding for the Medicaid expansion, it would pose a significant threat to coverage in West Virginia and to the State’s budget.”^{vii}

Medicaid is an important part of the health care of senior West Virginians. Those in the 50-64 year old age bracket are more dependent on Medicaid than those over 65, but with 88,000 dual eligible (many of whom are not over 65, but are disabled) the federal program has an impact on our seniors. Dramatic cut-backs such as the caps and the elimination of the Medicaid expansion as proposed in the AHCA will have a devastating effect on the health of near-elders and elders alike.



ⁱ Robert Wood Johnson Foundation, State Health Reform Assistance Network, Medicaid Capped Funding: Findings and Implications for West Virginia; April 2017

ⁱⁱ Cynthia Beane, “State Fiscal Year 2015 Annual Report;” West Virginia Bureau for Medical Services, March 2016

ⁱⁱⁱ Ibid

^{iv} Medicare Payment Advisory Commission and the Medicaid and CHIP Payment and Access Commission; “Data Book: Beneficiaries Dually Eligible for Medicare and Medicaid”; January, 2017

^v Kaiser Family Foundation. Kaiser Commission on Medicaid and the Uninsured, “Medicaid’s Role for Dual Eligible Beneficiaries,” August 2013.

^{vi} Robin Rudowitz; “5 Key Questions: Medicaid Block Grants and Per Capita Caps”; Henry J. Kaiser Family Foundation; January 31, 2017.

^{vii} Robert Wood Johnson Foundation, State Health Reform Assistance Network, Medicaid Capped Funding: Findings and Implications for West Virginia; April 2017