It’s important to know Medicaid realities

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Medicaid remains an important part of our state’s health care system, and we need to make sure this program meets the needs of Nebraskans. To do that, we must have a clear understanding of the facts about Medicaid.

One of the most basic misunderstandings is the difference between Medicare and Medicaid.

Medicare was established in 1965 under Title XVIII of the Social Security Act. It was initially established to provide health insurance to individuals age 65 and older regardless of income or medical history. The program was expanded in 1972 to include individuals under age 65 with permanent disabilities, as well as certain other individuals with chronic diseases. Medicare is federally funded and administered. The states do not provide any funding for the Medicare program.

Medicaid is the nation’s health program for low-income people. To qualify for Medicaid, a person must have both a low income and fall into one of the covered eligibility groups, which generally include children, pregnant women and individuals with disabilities.

Most importantly, Medicaid is a state-administered program that is only partially funded by the federal government.

While federal Medicaid rules require that states cover certain services and certain groups of individuals, each state has flexibility in determining coverage for optional benefits and groups, as well as how it delivers and pays for care. Thus, Medicaid programs vary from state to state, both in the number and income level of people they cover and in the range of and payment for services covered for each group of individuals.

It is surprising to many when they learn who receives Medicaid. Approximately 50 percent of all Medicaid members are children, who are provided with basic preventive medical care they may otherwise not receive. Another 25 percent are elderly and disabled adults with complex health care needs. Simply put, Medicaid recipients are not able-bodied adults freeloaders off the government.

There is a misconception that spending is out of control in the Medicaid program. To the contrary, according to the Kaiser Family Foundation, from 2007 to 2011 Medicaid spending per person nationally grew more slowly than private health insurance premiums per person.

While spending across the entire health care sector has been increasing, Medicaid spending per person has been increasing more gradually over recent years than it has for private payers.

Although overall Medicaid spending has gone up, this is largely due to an increase in the number of people enrolling in the program as a greater number of low-income people become eligible for Medicaid. Considering this factor, analyses show that Medicaid has been able to keep cost increases lower than private payers in the health care system.

Our highest priority should be providing good-quality health care for our low-income pregnant women, children and the elderly. Indeed, our lawmakers have a difficult decision to make in order to provide all Nebraskans with the health care they deserve.

Whatever their decision, it needs to be based on the truth about Medicaid.