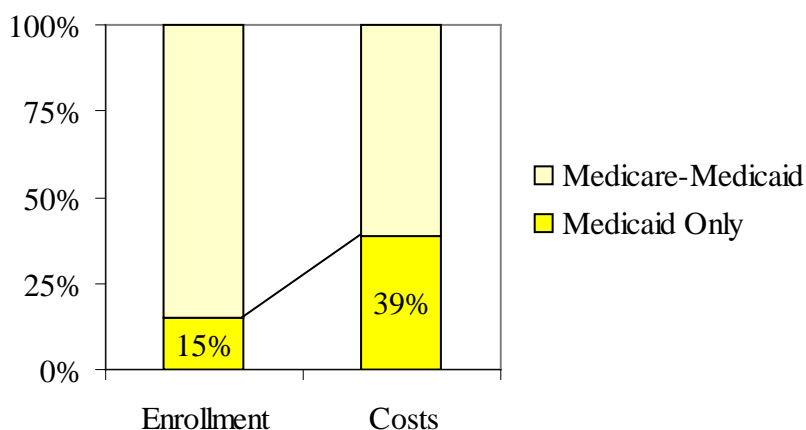


PEOPLE ENROLLED IN MEDICARE AND MEDICAID

In 2008, there were 9.2 million individuals eligible for both the Medicare and Medicaid programs.¹ Medicare-Medicaid enrollees, “dual eligibles,” are among the most chronically ill and costly individuals enrolled in both the Medicare and Medicaid programs, with many having multiple chronic conditions and/or long-term care needs. More than half of Medicare-Medicaid enrollees have incomes below the poverty line² compared with 8 percent of other Medicare beneficiaries.³ Forty-three percent of Medicare-Medicaid enrollees have at least one mental or cognitive impairment,⁴ while 60 percent have multiple chronic conditions.⁵ Nineteen percent live in institutional settings compared to only 3 percent of Medicare beneficiaries who are not also eligible for Medicaid.⁵ This group must navigate two separate programs: Medicare for coverage of basic acute health care services and drugs, and Medicaid for coverage of long-term care supports and services, and help with Medicare premiums and cost-sharing.

Medicare-Medicaid enrollees account for a disproportionately large share of expenditures in both the Medicare and Medicaid programs: accounting for 16 percent of Medicare enrollees, yet 27 percent of Medicare spending in 2006.⁶ In Medicaid, they comprised only 15 percent of enrollees but represented 39 percent of Medicaid spending in 2007.⁷

Share of Medicaid Enrollment and Costs Associated with Medicare-Medicaid Enrollees



Medicare-Medicaid enrollees account for approximately \$120 billion in Federal and State spending – about twice as much as Medicaid spent on the 29 million children it covered. States alone spent over \$50 billion in 2007 to support the uncovered health and long-term care costs of people enrolled in Medicare. The Medicaid spending on Medicare-Medicaid enrollees was \$15,459 in 2007, over six times higher than the comparable cost of a non-disabled adult covered by Medicaid (\$2,541). This spending mostly reflects the significant costs of a population with low income and high health care needs; however, there is opportunity for savings through improved care coordination, simplification, and the alignment of Medicare and Medicaid rules.



Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

MEDICARE-MEDICAID COORDINATION OFFICE FACT SHEET – MAY 2011

Spending on Medicare-Medicaid enrollees varies by State (see attached table). It accounts for more than 40 percent of all combined federal and state Medicaid spending in 26 states, including more than half of such spending in four States- and no less than a quarter of spending in any State.

Medicare-Medicaid enrollees are a higher cost population in Medicaid than other enrollees. For example, in one state the average Medicaid spending for someone also enrolled in Medicare is ten times higher than average Medicaid spending on a non-disabled adult Medicaid enrollee.

MEDICARE-MEDICAID COORDINATION OFFICE. Created by the Affordable Care Act, the new Federal Coordinated Health Care Office (the Medicare-Medicaid Coordination Office) works to improve coordination between the Federal government and States for Medicare-Medicaid enrollees in order to ensure full access to covered services in both programs and high quality care. The Office is moving forward on improving access, coordination, and cost of care with a focus in three major areas: Program Alignment, Data and Analytics, and Models and Demonstrations. To date, the Medicare-Medicaid Coordination Office has:

- Selected 15 States to receive contracts for up to \$1 million each to design new integrated care models for people enrolled in Medicare and Medicaid. The 15 States are California, Colorado, Connecticut, Massachusetts, Michigan, Minnesota, New York, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Vermont, Washington and Wisconsin.
- Initiated the process of creating a technical assistance center to help all States better meet the needs of these complex, high-cost beneficiaries.
- Launched the Initiative to Align the Medicare and Medicaid Programs. The goal of this initiative is eliminate unnecessary and inefficient conflicts in the regulatory, statutory, and policy requirements of the two programs, where feasible.
- Announced the availability of more timely Medicare Parts A, B, and D claims data for States to help them improve their care coordination for low-income seniors and people with disabilities who are enrolled in Medicare and Medicaid.

In addition to this work, the Medicare-Medicaid Coordination Office sent a letter to Congress on March 1, 2011, to report on the steps that the Office has taken, and will take, to achieve the goals and responsibilities set forth in the Affordable Care Act. For more information, please visit:

www.cms.gov/dualeligible/downloads/HHSDualsOfficeLettertoCongress.pdf

CMS CARE COORDINATION EFFORTS. The work of the Medicare-Medicaid Coordination Office is being done in concert with significant reforms across the health care delivery system that will improve the coordination of care for all patients, which will improve the care received by these low-income beneficiaries:

- **Partnership for Patients:** Using funds from the Affordable Care Act, the Department of Health and Human Services has announced a \$1 billion investment in patient safety. These funds will be used to build on existing patient safety initiatives that are now improving coordination of care and providing



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**MEDICARE-MEDICAID COORDINATION OFFICE
FACT SHEET – MAY 2011**

savings in limited settings. The Partnership will eventually take these efforts to scale, which could save tens of thousands of lives, prevent millions of preventable injuries, and save billions of dollars.

- **Medicaid Health Homes:** Starting this year, states can receive additional federal support for creating “health homes” for beneficiaries who have chronic conditions. Under the “health home” option, beneficiaries with complex medical needs can receive coordinated care, help transitioning from one health care setting to another, and other support. Under this state plan option created by the Affordable Care Act, States can receive two years of a 90 percent federal match rate for care coordination and other services offered as part of a health home.
- **Accountable Care Organizations (ACOs):** CMS has proposed rules to allow health care providers to form ACOs, where they will work together to coordinate care for patients, and be paid for the quality of care they deliver across settings. This has the potential to result in shared savings payments to providers and savings to Medicare.

Medicare / Medicaid Enrollees: Enrollment and Expenditures, 2007						
State	Total Dual Enrollment	as % of Total Medicaid Enrollment	Total Medicaid Expenditures for Duals (millions)	as a % of Total Medicaid Spending	Per Person Medicaid Spending for Duals	Per Person Medicaid Spending for Non-Disabled Adults
United States	8,896,020	15%	\$120,520	39%	\$15,459	\$2,541
Alabama	204,145	22%	1,635	43%	8,947	1,709
Alaska	13,020	11%	255	27%	22,496	5,108
Arizona	141,159	10%	NA	NA	NA	3,164
Arkansas	99,375	14%	1,438	46%	16,519	982
California	1,167,865	11%	13,952	40%	13,304	969
Colorado	68,788	12%	1,150	41%	19,774	2,583
Connecticut	100,257	19%	2,359	58%	26,953	2,615
Delaware	22,942	12%	358	35%	17,576	3,667
District of Columbia	21,852	13%	411	31%	21,636	4,396
Florida	560,967	20%	5,253	38%	10,935	2,854
Georgia	262,343	16%	1,869	28%	8,109	3,773
Hawaii	31,927	15%	416	37%	15,221	3,308
Idaho	30,317	14%	383	34%	14,435	3,678
Illinois	304,346	13%	3,597	28%	13,458	3,242
Indiana	149,447	15%	1,866	38%	14,930	2,839
Iowa	79,303	17%	1,261	49%	18,389	1,941
Kansas	62,097	18%	936	44%	17,676	2,861
Kentucky	176,477	21%	1,561	34%	10,236	3,831
Louisiana	182,015	17%	1,626	35%	10,282	3,262
Maine	88,660	25%	961	48%	13,310	1,618
Maryland	108,122	14%	1,886	35%	20,347	3,216
Massachusetts	250,744	18%	4,760	44%	21,479	3,506
Michigan	257,837	14%	3,285	37%	14,826	3,036
Minnesota	129,160	16%	2,949	48%	26,578	3,008
Mississippi	149,494	20%	1,281	40%	9,531	2,410
Missouri	169,391	17%	2,253	37%	15,864	3,370
Montana	18,051	16%	336	45%	23,051	3,544
Nebraska	41,301	17%	705	46%	19,741	2,604
Nevada	38,412	16%	389	33%	12,128	2,192
New Hampshire	27,773	19%	490	50%	21,494	3,165
New Jersey	200,442	21%	3,764	49%	20,812	4,312
New Mexico	53,342	11%	682	26%	14,537	3,356
New York	723,565	15%	19,159	45%	30,384	3,897
North Carolina	305,904	19%	3,312	34%	12,121	3,466
North Dakota	15,243	22%	305	59%	23,556	2,940
Ohio	290,634	14%	4,873	40%	19,677	2,844
Oklahoma	111,156	15%	1,214	36%	12,664	2,716
Oregon	87,672	17%	1,142	40%	15,064	3,873
Pennsylvania	380,676	18%	6,541	43%	19,884	3,414
Rhode Island	39,236	20%	762	44%	22,105	3,869
South Carolina	149,211	17%	1,427	37%	10,727	2,224
South Dakota	20,257	17%	252	40%	14,258	3,367
Tennessee	275,737	19%	2,385	33%	9,536	4,097
Texas	609,468	15%	6,014	30%	10,797	3,185
Utah	30,280	10%	361	26%	14,129	2,940
Vermont	31,217	20%	408	48%	15,190	2,124
Virginia	167,845	19%	2,030	42%	13,843	2,962
Washington	144,224	12%	1,920	34%	15,722	2,741
West Virginia	77,258	20%	823	37%	12,371	2,713
Wisconsin	215,227	22%	2,748	55%	14,542	2,123
Wyoming	9,839	13%	196	44%	23,516	3,326

Source: www.statehealthfacts.org. All data listed are 2007.

Notes:
1) Spending figures include both federal and state shares of Medicaid spending.
2) Expenditures for Arizona are not shown because most expenditures for duals in Arizona are covered under the Arizona Long-Term Care System (ALTCs), which is a capitated program, and cannot be separated out by medical service type.



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**MEDICARE-MEDICAID COORDINATION OFFICE
FACT SHEET – MAY 2011**

¹ Data based on the Centers for Medicare & Medicaid Services (CMS) Enrollment Database, Provider Enrollment, Economic and Attributes Report, provided by CMS Office for Research, Development and Information, July 2010.

² In 2011, poverty is defined as \$10,890 for an individual and \$14,710 for married couples. Federal Register Notice, Vol. 76, No.13 Thursday, January 20, 2011.

Available at: <http://aspe.hhs.gov/poverty/11fedreg.pdf>

³ Medicare Payment Advisory Commission, Aligning Incentives in Medicare (June 2010), Coordinating the Care of Dual-Eligible Beneficiaries Chapter 5, 132.

Available at: http://medpac.gov/documents/Jun10_EntireReport.pdf

⁴ Chronic Disease and Co-Morbidity among Dual Eligibles: Implications for Patterns of Medicaid and Medicare Service Use and Spending. Kaiser Commission on Medicaid and the Uninsured, 1. Kaiser Family Foundation. July 2010. Available at: <http://www.kff.org/medicaid/upload/8081.pdf>

⁵ *Id.*, at 1.

⁶ The Medicare Payment Advisory Committee (MedPAC), A Data Book: Healthcare spending and the Medicare program, June 2010. Available at:

http://www.medpac.gov/documents/Jun10_EntireReport.pdf.

⁷ Kaiser Family Foundation, The Role of Medicare for the People Dually Eligible for Medicare and Medicaid. January 2011. Available at:

<http://www.kff.org/medicare/upload/8138.pdf>.