

Medicaid Program Summary

Medicaid is a federal-state entitlement program for low-income citizens of the United States. The Medicaid program is part of Title XIX of the Social Security Act Amendment that became law in 1965. Medicaid offers federal matching funds to states for costs incurred in paying health care providers for serving covered individuals. State participation is voluntary, but since 1982, all 50 states have chosen to participate in Medicaid. Most recently states were given the opportunity to participate in Expanded Medicaid. NC did not choose that option.

Medicaid benefits

Medicaid benefits cover basic health care and long-term care services for eligible persons. About 58% of Medicaid spending covers hospital and other acute care services. The remaining 42% pays for nursing home and long-term care.

States that choose to participate in Medicaid must offer the following basic services:

- hospital care, both inpatient and outpatient
- nursing home care
- physician services
- laboratory and diagnostic x ray services
- immunizations and other screening, diagnostic, and treatment services for children
- family planning
- health center and rural health clinic services
- nurse midwife and nurse practitioner services
- physician assistant services

Participating states may offer the following optional services and receive federal matching funds for them:

- prescription medications - NC
- institutional care for the mentally challenged - NC
- home- or community-based care for the elderly, including case management - NC
- personal care for the disabled - NC
- dental and vision for eligible adults – NC (no vision services for adults)

Because participating states are allowed to design their own benefits packages as long as they meet federal minimum requirements, Medicaid benefits vary considerably from state to state. About half of all Medicaid spending covers groups of people and services above the federal minimum

Medicaid is by far the government's most expensive general welfare program. In 1966, Medicaid accounted for 1.4% of the federal budget, but by 2001, its share had risen to nearly 9%. Combined federal and state spending for Medicaid takes approximately 20 cents of

every tax dollar. The federal government covers about 56% of costs associated with standard Medicaid.

Although more than half (59% - 2013) of all Medicaid beneficiaries are children, most of the money (more than 63%- 2013) goes for services for the elderly and disabled. The single largest portion of Medicaid money pays for Behavioral Health HMO Premiums. With long term care, pharmacy and Physician/Clinic/Medical Test closely following. On an average only about 24% of Medicaid funds are spent on services for children.

There are several factors involved in the steep rise of Medicaid costs:

- The rise in the number of eligible individuals. As the lifespan of most Americans continues to increase, the number of elderly individuals eligible for Medicaid also rises. The nation's 90 and older population nearly tripled over the past three decades, reaching 1.9 million in 2010 causing the price of medical and long-term care to increase. Advances in medical technology, including expensive diagnostic imaging tests, cause these costs to rise as well.
- The increased use of services covered by Medicaid.
- The expansion of state coverage from the minimum benefits package to include optional groups and optional service

The need to contain Medicaid costs is considered one of the most problematic policy issues facing legislators. In addition, the complexity of the Medicaid system, its vulnerability to billing fraud and other abuses, the confusing variety of the benefits packages available in different states, and the time-consuming paperwork are other problems that disturb both taxpayers and legislators.

Medicaid has increased the demand for health care services in the United States without greatly impacting or improving the quality of health care for low-income Americans. Medicaid is the largest health insurer in the United States. As such, it affects the employment of several hundred thousand health care workers, including health care providers, administrators, and support staff. Participation in Medicaid is optional for physicians and nursing homes.

Medicaid or Health Choice may be available to people who are:

- Age 65 or older -
- Blind or disabled -
- Infants and children under the age of 21 -
- Low-income individuals and families -
- Pregnant Women

- In need of long-term care –
- Receiving Medicare

You Must

- Be a US citizen or provide proof of eligible immigration status (individuals only applying for emergency services are not required to provide documentation of immigration status)
- Live in North Carolina, and provide proof of residency
- Have a Social Security number or have applied for one
- Meet income requirements and reserve limits when applicable

You are automatically eligible for Medicaid if you receive any of the following:

- Supplemental Security Income (SSI)
- State/County Special Assistance for the Aged or Disabled