Medicaid: A Lifeline for Patients with Chronic Disease

Overview

Medicaid is a vital part of our nation's health care system, providing health coverage for 52 million low-, middle-income and medically-underserved children and adults. Millions of our nation's poorest and sickest patients, including many with cancer, diabetes, heart disease and stroke, gain access to necessary care and services through the Medicaid program. Compared to being uninsured, having Medicaid coverage increases individuals' access to outpatient care, prescription drugs, and hospital services. Medicaid enrollees also have increased use of preventive care and are more likely to have a regular source of care than people without insurance.

Medicaid and Chronic Disease

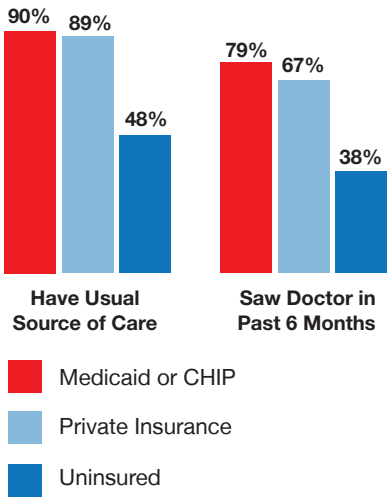
Millions of children and adults with chronic disease rely on the Medicaid program for access to prevention, treatment and care, and the Medicaid expansion included in the Affordable Care Act seeks to expand coverage to millions of additional patients with chronic disease. There are approximately 2 million people enrolled in Medicaid who have been recently treated for cancer. Furthermore, Medicaid covers 25 percent of all children diagnosed with cancer. Low-income Americans are more likely to be impacted by diabetes compared to the general population. Almost 3.5 million people with diabetes receive critically important health care services through Medicaid. In addition, more than 16 million adults with Medicaid coverage have a history of some type of cardiovascular illness.

Without access to Medicaid, people with chronic disease would struggle to manage their disease and their risk of developing costly and debilitating complications would increase. People with chronic disease require access to prevention and disease management services; therefore, if they lose access to Medicaid, they will seek emergency care as complications develop, which will only further burden our health care system.

Improved Health Outcomes

Children and adults currently receiving coverage through Medicaid are more likely to be in poorer health from the outset than their privately-insured counterparts and thus require and depend on the services Medicaid provides to a greater extent than individuals with private insurance.[1] According to two recent studies, Medicaid coverage improves a beneficiary's ability to obtain medical care and prescription drugs, increases utilization of primary and preventive services, lowers out-of-

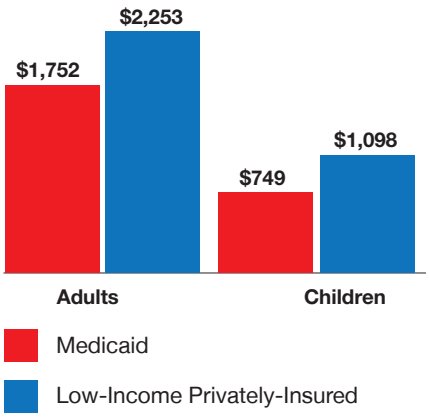
Percent of Adults (Age-Adjusted) Who Have a Usual Source of Care or Saw a Doctor in the Last Six Months, 2009



Source: 2009 National Health Interview Survey

Per Capita Spending For Medicaid Enrollees vs. Low-Income Privately-Insured

Samples adjusted for health differences



Source: Hadley and Hollahan, "Is Health Care Spending Higher Under Medicaid or Private Insurance?" Inquiry, Winter 2003/2004.

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pocket medical spending and medical debt, and results in better self-reported physical and mental health.[2,3]

For cancer patients, there is evidence that individuals who enrolled in Medicaid prior to their diagnosis have better survival rates than those who enrolled after their diagnosis.[4] For Medicaid enrollees, access to preventive services is valuable and has been found to increase compliance with recommended preventive care. In fact, Medicaid enrollees are 15 percent more likely to be tested for diabetes than someone who is uninsured.

Medicaid beneficiaries with heart disease are twice as likely to take their medication appropriately, compared to those who are uninsured[5], and are also more likely to have their blood pressure controlled and to have been checked for high cholesterol compared to the uninsured.[6]

Protecting Physical and Financial Health

Medicaid provides important financial protection to low-income individuals with chronic disease, covering critical health services and ensuring that these services remain affordable and accessible. Out-of-pocket expenditures for older adults on Medicaid average $375 per person in 2008, compared to $1,455 for Medicare beneficiaries with no Medicaid coverage.[7] Given that studies[8] show lower overall cost-sharing in the Medicaid program improves disease management, cuts in the program will make it very difficult for millions of children and adults who rely on the program to successfully manage their disease and reduce the onset or progression of devastating and costly complications.

Our Position

Medicaid is a lean program providing health coverage to low- and middle-income individuals and families, many with complex health needs. Reforms to Medicaid should focus on improving the value of health care through prevention, care coordination and disease management. Proposals such as block granting or establishing per capita caps in the Medicaid program would likely force states to cut children and families, including those with chronic diseases, from Medicaid rolls. Such proposals would be detrimental for patients and shift additional financial responsibility to states. Our organizations oppose proposals that would reduce access to meaningful, affordable health care coverage for individuals with chronic diseases like cancer, diabetes, heart disease and stroke. These include policies that would cause states to scale back eligibility, cut benefits, significantly increase cost-sharing for Medicaid beneficiaries or create barriers for fully expanding Medicaid as intended under the Affordable Care Act.

Endnotes

[1] L Ku & C Ferguson, "Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations," June 2011.

[2] A Finkelstein, et al., "The Oregon Health Insurance Experiment: Evidence from the First Year," The National Bureau of Economic Research, *NBER Working Paper 17190*, issued July 2011, available online at http://www.nber.org/papers/w17190.

[3] GAO. States Made Multiple Program Changes, and Beneficiaries Generally Reported Access Comparable to Private Insurance. November 2012. GAO-13-55.

[4] E Adams, LN Chien, CS Florence, C Raskind-Hood. "The Breast and Cervical Cancer Prevention and Treatment Act in Georgia: effects on time to Medicaid enrollment." Cancer 2009 Mar 15;115(6):1300-9.

[5] Rice, T., et al. The Impact of Private and Public Health Insurance on Medication use for Adults with Chronic Disease. *Medical Care Research and Review* 62(2): 231-249. Apr. 2005.

[6] A Finkelstein, et al., "The Oregon Health Insurance Experiment: Evidence from the First Year," The National Bureau of Economic Research, *NBER Working Paper 17190*, issued July 2011, available online at http://www.nber.org/papers/w17190.

[7] L Ku & C Ferguson, "Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations," June 2011.

[8] S Artiga & M O'Malley, "Increasing Premiums and Cost Sharing in Medicaid and SCHIP: Recent State Experiences," Kaiser Commission on Medicaid and the Uninsured, May 2005; and L. Ku & V. Wachino, "The Effect of Increased Cost Sharing in Medicaid: A Summary of Research Findings," Center on Budget and Policy Priorities, July 7, 2005.