

February 17, 2005

The Honorable Dennis Richardson, Chair  
Ways and Means Human Services Subcommittee  
900 Court Street, NE, H-285  
Salem, OR 97301

Dear Representative Richardson:

I am pleased to provide to the Ways and Means Human Services Subcommittee a response to each of the questions raised yesterday during my overview of the Office of Medical Assistance Programs. In addition, I have enclosed the following documents as suggested by the Subcommittee:

- A recent report on health care spending, "*Understanding The Recent Growth In Medicaid Spending, 2000-2003*".
- County specific Medicaid managed care information.

**Question: A recent national report on health care costs indicated that in many states the Medicaid budget now exceeds the budget for K-12 education. How does Oregon compare?**

**Response:** In reviewing the General Fund and Lottery Fund for 2003-05, K-12 is approximately 45% while Medicaid is under 15%.

**Question: How much in General Funds would be needed to cover 1000 additional persons on OHP Standard?**

**Response:** Based on the 2005-07 Governor's Recommended Budget per capita costs, 1000 additional OHP Standard clients would result in a state General Fund cost of \$4.4 million for 24 months.

**Question: What are the citizenship requirements for Citizen/Alien-Waived Emergent Medical (CAWEM) benefits and OHP Standard?**

**Response:** Medicaid immigration status requirements are set in law by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (Pub. L. 104-193), which requires a non-citizen to be a "qualified alien" as defined in the act. The act also bars certain immigrants who entered the United States on or after August 22,

1996 from receiving Medicaid or SCHIP benefits for five years. Oregon Health Plan rules on citizenship and immigration status requirements have been reviewed by the Centers for Medicare and Medicaid Services (CMS) and are consistent with federal law.

To receive the full range of Oregon Health Plan (OHP) benefits, applicants must meet all eligibility requirements, including either holding U.S. citizenship or meeting immigration status requirements as provided in Federal Medicaid law.

Under Federal Medicaid law regulating the CAWEM program, a non-citizen with a legal status under the United States Citizenship and Immigration Services (USCIS) does not automatically meet the Medicaid immigration status requirements. Conversely, a non-citizen may not have any legal status (undocumented) with USCIS but may still be eligible for the CAWEM benefit.

**Question: How is citizenship for the Citizen/Alien-Waived Emergent Medical (CAWEM) and OHP Standard verified?**

**Response:** OHP applicants who declare they are U.S. citizens are not required to verify their citizenship, unless their citizenship is questionable. For example, an applicant may report citizenship, however, previous records may have indicated non-citizenship. In those situations, the eligibility workers are instructed to request official verification. Examples of verification documents include birth certificates, naturalization papers, U.S. passports and certificates of citizenship.

U.S. citizens must declare in writing, under the penalty of perjury, that they are U.S. citizens. By signing the application, that Medicaid requirement is met for those who marked they are U.S. citizens. Parents, the legal guardian or other persons legally qualified to act on a child's behalf must sign for a child.

For non-citizen applicants seeking full Medicaid benefits, official verification of immigration status is required. Workers must verify the applicant's immigration status utilizing an automated system with the U.S. Citizenship and Immigration Services (USCIS).

Non-citizen applicants who meet all the eligibility requirements, except for immigration status, may only receive emergency medical benefits and delivery services. Oregon calls this Medicaid required program Citizen/Alien-Waived Emergent Medical (CAWEM). Immigration status documentation is not required for non-citizens applying only for emergency medical benefits under the CAWEM program.

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**Question: How do states compare in the percentage of the Medicaid population enrolled in managed care?**

**Response:** According to data from the 2004 Centers for Medicare and Medicaid Services Medicaid Managed Care Data Collection System National Database, in 2003 the total Medicaid population nationwide was 42,740,719. Of this number, 59.11% were enrolled in managed care. Forty-six of the fifty states, Washington D.C. and Puerto Rico have Medicaid managed care programs. States without managed care are Alaska, Colorado, Mississippi, and Wyoming. However, 10 states (Alabama, Arkansas, Georgia, Idaho, Louisiana, Maine, Montana, South Dakota, Utah and Vermont) only have Primary Care Case Management Programs (PCCM), which the Centers for Medicare and Medicaid Services regards as managed care.

My staff is locating one additional report recommended by Senator Winters for review and will provide it prior to the end of the week.

Sincerely,

Barney Speight  
Administrator

Enclosures

c: Senator Alan C. Bates  
Senator Margaret Carter  
Senator Laurie Monnes Anderson  
Senator Ben Westlund  
Senator Jackie Winters  
Representative Bruce L. Hanna  
Representative Gary Hansen

February 18, 2005

The Honorable Dennis Richardson, Chair  
Ways and Means Human Services Subcommittee  
900 Court Street, NE, H-285  
Salem, OR 97301

Dear Representative Richardson:

I am pleased to provide to the Ways and Means Human Services Subcommittee a response to the issues raised yesterday during the final day of my overview of the Office of Medical Assistance Programs. I was asked to provide state-specific information on Medicaid enrollment numbers and costs by eligibility program. Staff are researching this request, and information will be provided as soon as available.

There was a discussion about the connection between utilization and appropriate health services and a parent and child's insurance status. Staff were able to locate one article on the topic, "Is Insurance for Children Enough? The Link Between Parents' and Children's Health Care Use Revisited," by Karla L. Hanson, published in *Inquiry* 35:294-302 (Fall 1998). Following is an abstract of the article:

Parents' own use of physician services is known to be a strong predictor of their children's use of such services. This paper contrasts the relationship between parents' and children's use of services among uninsured and privately insured children. Parents' utilization is found to have a larger impact upon service use among privately insured children than among uninsured children. Even if all children were universally insured, parents' health care utilization would remain a key determinant in children's use of services. Policies that integrate financing and delivery systems for all family members deserve attention among efforts to foster better access for children. Neglecting financial access to care for adults may have the unintended effect of diminishing the impact of targeted health insurance programs for children.

Enclosed is a portion of the Milliman & Robertson, Inc. report, "*Actuarial Review of the Reasonableness of OHP Managed-Care Capitation Rates*". In 1998 the Office for Oregon Health Plan Policy & Research (now the Oregon Office for Health Policy & Research) retained the firm of Milliman & Robertson, Inc. to perform an actuarial analysis of Medicaid reimbursement. This information offers a comparison between OHP capitations rates and the commercial market for a similar population.

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My staff is continuing efforts to locate the report suggested for review by Senator Winters on the first day of my presentation. As soon as we are able to acquire this document we will ensure you receive it.

I want to again extend my appreciation to you and the Subcommittee members for the meaningful discussions during the past two days. I look forward to returning.

Sincerely,

Barney Speight

Administrator

Enclosures

c:     Senator Alan C. Bates  
       Senator Margaret Carter  
       Senator Laurie Monnes Anderson  
       Senator Ben Westlund  
       Senator Jackie Winters  
       Representative Bruce L. Hanna  
       Representative Gary Hansen

February 28, 2005

The Honorable Dennis Richardson, Chair  
Ways and Means Subcommittee on Human Services  
900 Court Street, NE H-285  
Salem, OR 97301

Dear Representative Richardson:

At the Ways and Means Human Services Subcommittee meeting on February 17<sup>th</sup>, I was asked to provide state-specific information on Medicaid enrollment numbers and costs by eligibility group.

**In researching the request for state-specific information, staff determined there was more current eligibility and financial information available. Since the 2001 Western States' Ranking table was created a few weeks ago, CMS (Centers for Medicare and Medicaid Services) data have been updated to reflect federal fiscal year 2002. Following is an updated Western States' Ranking table for federal fiscal year 2002. Please note that the count of Medicaid beneficiaries is an unduplicated count for one year, as opposed to a monthly average, or point in time count.**

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<b>Fiscal Year 2002 Western States' Ranking: Medicaid Expenditures per Medicaid Recipient</b>			
<b>State</b>	<b>Ranking</b>	<b>Spending*</b>	<b>Count Eligibles</b>
U.S.		\$4,141	51,552,491
Montana	14	\$5,016	106,229
Colorado	17	\$4,938	438,670
Idaho	30	\$4,032	196,406
Wyoming	31	\$4,018	69,802
Washington	32	\$3,958	1,104,813
Nevada	40	\$3,562	203,251
<b>Oregon</b>	<b>44</b>	<b>\$3,353</b>	<b>637,140</b>
California	51	\$2,532	9,336,447

\* Average annual medical assistance spending per Medicaid recipient  
Source: Centers for Medicare & Medicaid Services MSIS FY 2002

As requested, charts showing the distribution of major eligibility groups in Oregon and the US and tables showing spending per major eligibility category for federal fiscal year 2002 are enclosed.

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Should you have any questions about the information provided, I can be reached at (503) 945-6683.

Sincerely,

Barney Speight  
Administrator

Enclosures

C:     Senator Alan Bates  
          Senator Margaret Carter  
          Representative Bruce Hanna  
          Representative Gary Hansen  
          Senator Laurie Monnes-Anderson  
          Senator Ben Westlund  
          Senator Jackie Winters