



Health Care At Risk: The Medicaid Entitlement and What It Means

Did You Know?

Medicaid:

- ✓ Insures more than one in every seven in the U.S. - nearly 51 million people;
- ✓ Pays for almost half of the total nursing home expenditures and more than 40% of total long term care expenditures in the U.S.;
- ✓ Insures 40% of all children in the U.S.;
- ✓ Insures more than one quarter of all elderly people and about one-fifth of all people with disabilities.
- ✓ Covers one-third of all births in the U.S. and over half of all publicly funded family planning services.

In the legislation creating Medicaid, Congress included many consumer protections:

- ▶ A list of the benefits that are covered by Medicaid (such as physician services, hospital services and nursing homes);
- ▶ Descriptions of those who are entitled to receive benefits;

- ▶ Requirements that all individuals have eligibility determined and receive benefits in a reasonable amount of time.

Federal funding pays for at least half of the Medicaid services provided in each state (and up to 83% in poorer states). Unfortunately, the states have often taken the federal funding but not lived up to their promises to provide Medicaid as the Medicaid law requires. The federal government has rarely, if ever, taken the states to task for failing to keep these promises. Instead, this important task has fallen to the beneficiary.

Beneficiaries can enforce the Medicaid consumer protections because Medicaid is an entitlement. In other words, individuals who meet the Medicaid eligibility requirements have a legal right to have payments made to their providers for the covered services they need.

So, what does the entitlement mean to real people?

- ▶ Beneficiaries can depend on and actually enforce Medicaid coverage in the same way that people who have private insurance can enforce their rights to health coverage;
- ▶ When doctors and hospitals provide services to Medicaid beneficiaries, they are guaranteed payment from the state Medicaid agency;
- ▶ States also have an entitlement - to receive federal reimbursement for part of the cost of the services provided. For every dollar a state spends on Medicaid services, the federal government will pay at least a dollar - more in poorer states.

Some state and federal legislators want to change Medicaid so that it is no longer an entitlement. This means that beneficiaries could lose the guarantee that needed Medicaid services be covered. It could also allow caps on enrollment and waiting lists for services.

It is the entitlement that makes Medicaid health insurance and the loss of the entitlement could cause serious problems. When economic times are bad, states usually have budget problems, and will try to cut spending (including Medicaid spending). Bad economic times also make it more likely that people will need Medicaid when they lose their jobs and lose private

health insurance. This means that Medicaid is most likely to be cut in times when it is needed the most.

What to do:

- ✓ Follow news stories discussing changes Congress may make to Medicaid;
- ✓ Find out whether your state is planning to cut Medicaid benefits;
- ✓ To monitor developments or for more information, consult www.healthlaw.org.

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