NEW HAMPSHIRE'S MEDICAID PROGRAM
Valuable to the Vulnerable, but Limited in Reach

Medicaid is a decades-old partnership between states and the federal government that currently provides health insurance to 137,000 low-income residents in New Hampshire. However, its reach is limited. Many hard-working but low-earning Granite State adults are not eligible for the program, leaving many uninsured. Policymakers now have the opportunity to extend the reach of Medicaid in New Hampshire to another 58,000 people and to ensure that they have access to affordable health insurance coverage.

In general, each state designs and administers its own Medicaid program within a broad federal framework. Currently, eligibility for Medicaid depends on the individual having a sufficiently low income and falling into one of several broad categories: people with disabilities, senior citizens, children, and pregnant women.[i] Childless adults are not usually covered by Medicaid. Income eligibility levels vary across eligibility categories; eligibility is determined both by federal requirements and by state policy choices.

New Hampshire's Medicaid Program Currently Fails to Cover the Poorest Residents
New Hampshire Medicaid Income Eligiblity Limits, 2013

Eligibility Category	Income Limit as Percentage of Federal Poverty Level (FPL)	Income Limit in Dollar Terms (2013)
Parents	40%	$6,204*
Disabled	76%	$8,732
Seniors	76%	$8,732
Children (Ages 1-18)	185%	$21,256
Pregnant women	185%	$21,256
Working disabled	450%	$51,705
Adults without children or a disability	*Currently ineligibile regardless of income*	

** Family of two*

Under Medicaid, states must provide coverage to certain baseline groups of people and cover certain baseline health care services, called mandatory populations and services.[ii] In return for providing at least mandatory services to mandatory populations, the federal government pays a fixed percentage of the cost of the program. For New Hampshire, the fixed percentage the federal government pays for Medicaid is 50 percent. That is, for every dollar New Hampshire spends on Medicaid, the federal government matches it with another dollar. A state's matching rate is calculated based on its per capita income. Because New Hampshire has a relatively high per capita income, its matching rate is the lowest provided under federal law. In federal FY 2013, 13 other states besides New Hampshire also had 50 percent base matching rates.[iii]

In FY 2011, the New Hampshire Medicaid program had costs of roughly $1.43 billion. The federal government paid slightly more than fifty percent of those costs.

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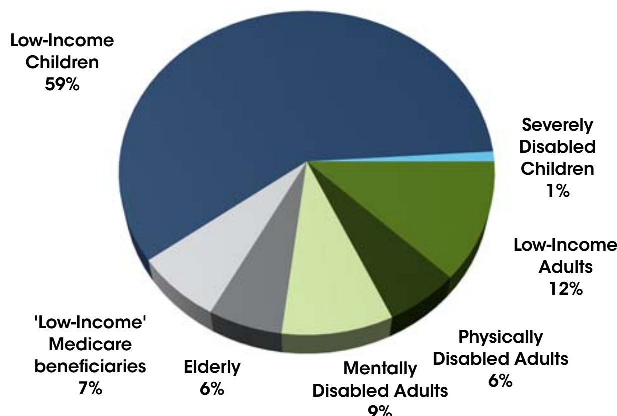

Source: New Hampshire Deaprtment of Health and Human Services

More than 137,000 Granite Staters relied on Medicaid coverage in an average month in FY 2011. Children made up the vast majority of the program's membership – about 59 percent of the New Hampshire Medicaid population in FY 2011. Low-income parents, expectant mothers and women with breast and cervical cancer comprised another 12 percent of the caseload. The remaining third of the New Hampshire Medicaid caseload consisted of children and adults with disabilities along with senior citizens.[iv]

On average, New Hampshire Medicaid spent $616 per member per month in FY 2011, but that average masks the wide range of costs reflected in the various eligibility groups and services within the program. For example, per member per month spending for people with more complex medical needs, such as senior citizens and adults with physical disabilities, were $2,180 and $1,975 respectively. Conversely, per member per month spending on low-income adults and children, was substantially lower, at $397 and $231 respectively.[v] Accordingly, while senior citizens and people with disabilities comprised only 28 percent of the Medicaid caseload in FY 2011, they accounted for 70 percent of program expenditures.

Medicaid is a cost-effective program. Several studies have shown that, nationally, Medicaid is generally less costly than private sector plans, with Medicaid costing as much as 26 percent less per adult beneficiary than private insurance.[vi]

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[i] New Hampshire Medicaid also covers some parents with very low incomes and women with breast and cervical cancer.
[ii] Beyond the mandatory populations and services, a state may also choose to cover additional, optional populations and services, as set out by federal law. Mandatory services include physician services, x-rays, and hospitalizations. Optional services include prescription drugs and durable medical equipment.
[iii] The other 13 states are: Alaska, California, Colorado, Connecticut, Illinois, Maryland, Massachusetts, Minnesota, New Jersey, New York, Virginia, Washington, and Wyoming. Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children's Health Insurance Program and Aid to the Needy, Aged, Blind or Disabled Persons for October 1, 2012 Through September 30, 2013, 76 Fed. Reg. 74061-74063 (November 30, 2011).
[iv] The figures in this section are drawn from New Hampshire Medicaid Annual Report, State Fiscal Year 2011, Office of Medicaid Business and Policy, New Hampshire Department of Health and Human Services, Table 4, February 15, 2013.
[v] The figures in this section are drawn from New Hampshire Medicaid Annual Report, State Fiscal Year 2011, Office of Medicaid Business and Policy, New Hampshire Department of Health and Human Services, pp. 13-14, February 15, 2013
[vi] Leighton Ku and Matthew Broaddus, "Public and Private Insurance: Stacking Up the Costs," Health Affairs (web exclusive), June 24, 2008. See also Jack Hadley and John Holahan, "Is Health Care Spending Higher Under Medicaid or Private Insurance?," Inquiry 40: 323-342, Winter 2003/2004.