



FACT SHEET:

Medicaid-Focused Health Plans Continue Steady Enrollment Growth

As of June 30, 2009, over 13.8 million beneficiaries were enrolled in Medicaid-focused health plans (MFHPs) up from 12.1 million the year before. This expansion contributed to a large increase of Medicaid Managed Care (MMC), growing over 8 percent during the year. MFHPs continued to grow and for the fourth year in a row now cover half of the total number of Medicaid health plan enrollees in fully-capitated managed care. MFHPs serve managed care enrollees in Medicaid, SCHIP and other public insurance programs for low-income and vulnerable populations, but do not serve commercial health insurance enrollees.¹

Managed care – including capitated full-risk arrangements, primary care case management (PCCM), program for the all-inclusive care for the elderly (PACE) and other less comprehensive prepaid plans – has become Medicaid’s dominant delivery system, covering 71.7% of all Medicaid enrollees, according to June 2009 data from the Center for Medicare and Medicaid Services (CMS), and serving nearly 36.2 million beneficiaries. In stark contrast, fewer than 3 million beneficiaries were enrolled in Medicaid managed care in 1991.² In 2009, 24 million enrolled individuals were covered by fully-capitated arrangements and 7.3 million were enrolled in Primary Care Case Management. PACE, Prepaid Inpatient Health Plans and Prepaid Ambulatory Health Plans covered specific services for additional enrollees.³

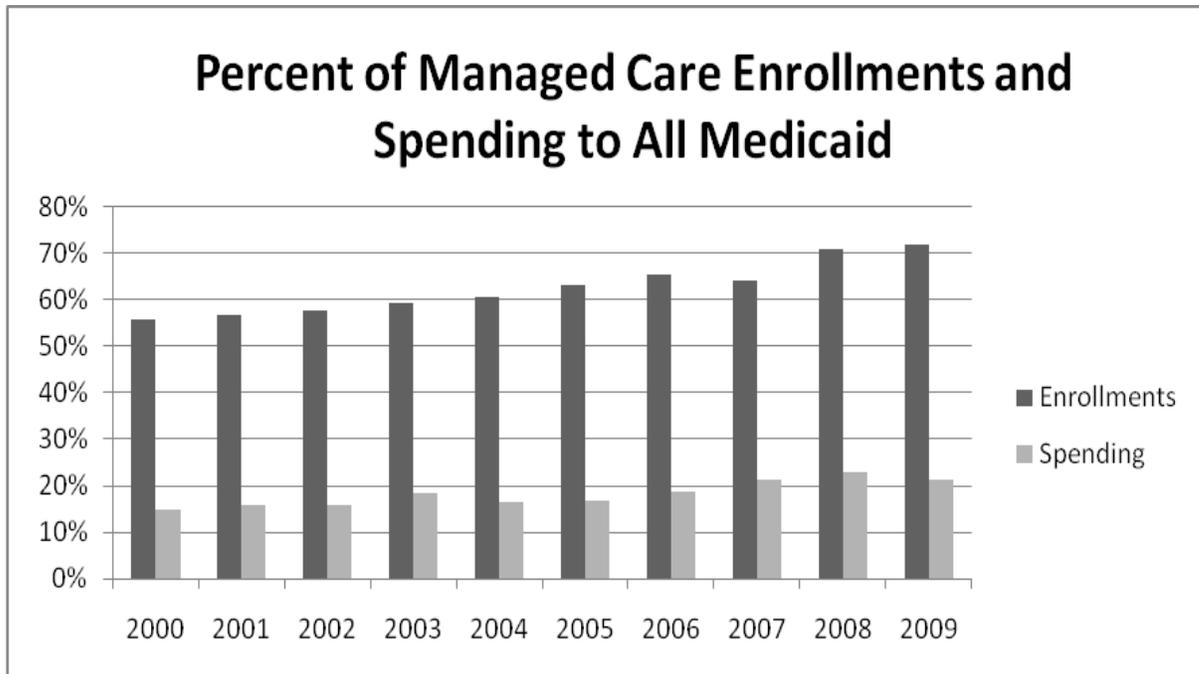
Enrollments in MFHPs increased by 13 percent in 2009, and now cover 57 percent (13.8 million) of all Medicaid health plan enrollees. Still, only 21 percent of all Medicaid spending in 2009 was fully capitated, indicating that high-cost enrollees who could benefit from risk arrangements are often excluded.⁴

¹ This data comes from the CMS report *2009 Medicaid Managed Care Enrollment Report*. For calculations related to Medicaid-focused health plans, ACAP included health plans designated by CMS as Medicaid-only MCOs (which provide comprehensive services only to Medicaid beneficiaries, rather than to commercial or Medicare) and Health Insurance Organizations, or HIOs (HIOs are Medicaid managed care entities which are exempt from some of the rules governing MCOs, which are primarily in California). This data will be data available in the ACAP website: <http://www.communityplans.net/POLICY SUPPORT/Medicaid/ManagedCareData/tabid/282/Default.aspx>

² CMS Medicaid Managed Care Overview: <http://www.cms.hhs.gov/MedicaidManagCare/>.

³ Some Medicaid beneficiaries are enrolled in multiple Medicaid managed care arrangements. There were 36.2 million unduplicated MMC beneficiaries; however unduplicated enrollment counts by MMC entity are not possible.

⁴ CMS MSIS Tables: <https://www.cms.gov/MedicaidDataSourcesGenInfo/MSIS/list.asp>



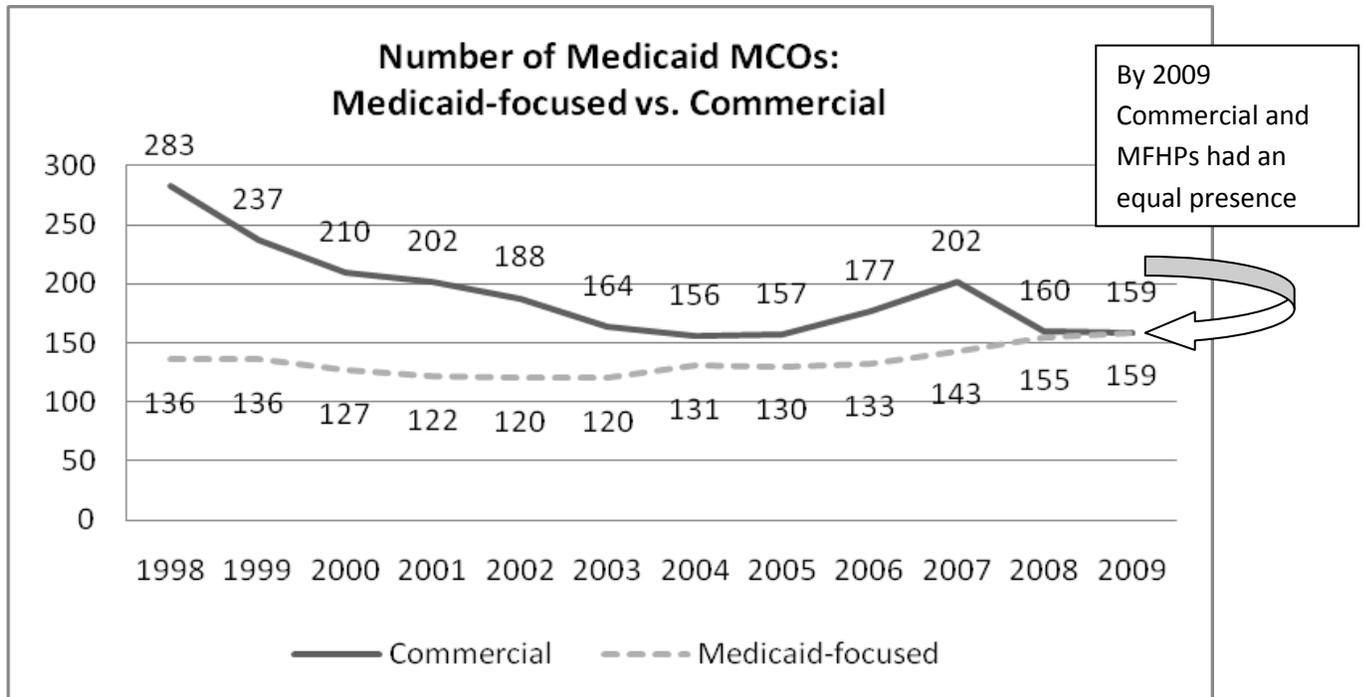
Medicaid-focused health plans are an integral and essential part of the health care system and the Medicaid program, providing health care for low-income populations and financial, operational, and leadership support to critical health programs. Many of these health plans, especially the not-for-profit plans, are using their Medicaid expertise to also provide services to state-based programs for the uninsured.

The Association for Community Affiliated Plans (ACAP) is a national trade association representing 52 nonprofit safety net health plans in 25 states. Collectively, ACAP plans serve more than 7 million lives, over 50% of all individuals enrolled in Medicaid-focused health plans. More than 25% of the individuals enrolled in fully capitated arrangements are covered by ACAP plans.

Number of Medicaid-Focused Health Plans Continues Strong Presence in the Medicaid Market

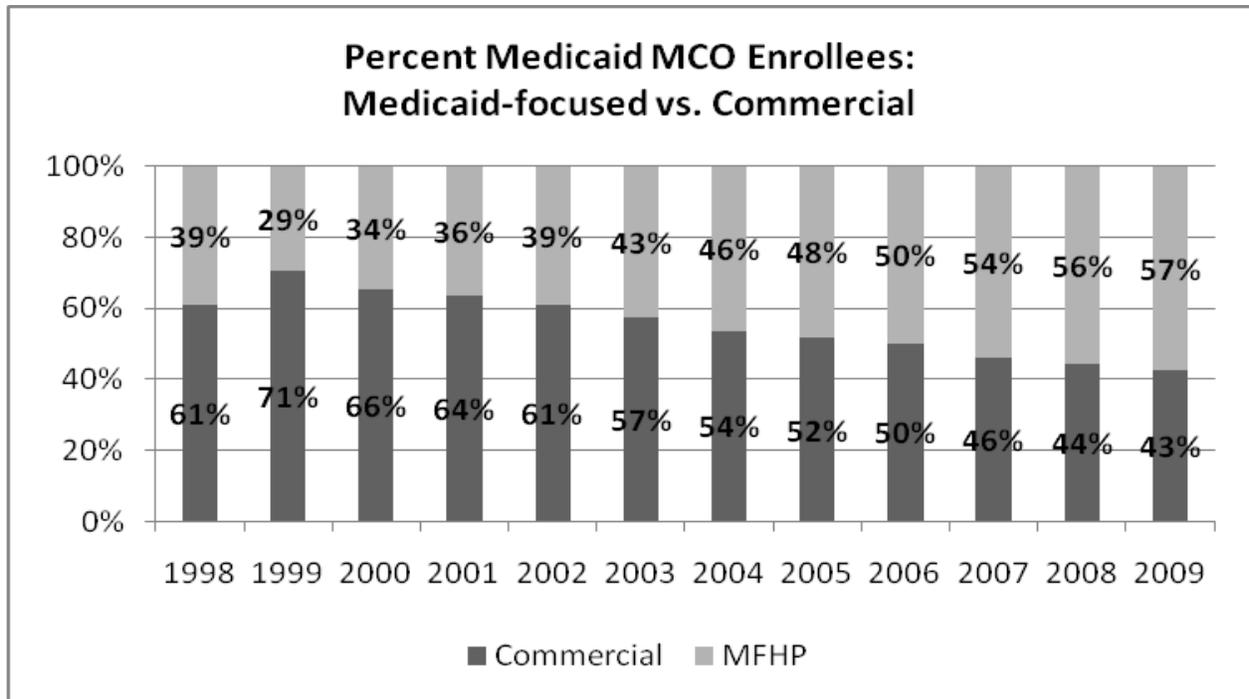
Since 1998, the number of MFHPs as a proportion of all Medicaid health plans (including commercial plans) steadily increased, growing from 32 percent to 50 percent. During the same period, the proportion of commercial MCOs serving the Medicaid program dropped from 68 percent to 50 percent.⁵ MFHPs display a consistent dedication to providing services to beneficiaries and although they have grown proportionately, the number of MFHPs serving the Medicaid program over the past decade has remained steady, hovering between 125 and 159 health plans. Commercial plans, on the other hand, have dropped from 283 to 159. In 2008 the number of MFHPs grew an unprecedented 8 percent, while the number of commercial plans showed one of the largest declines at 8 percent. For the first time, there was an equal presence of MFHP and commercial plans in the Medicaid managed care market, which continued in 2009.

⁵ The drop in the number of commercial plans was due to departures from the Medicaid market by many commercial plans from 1998 to 2009.



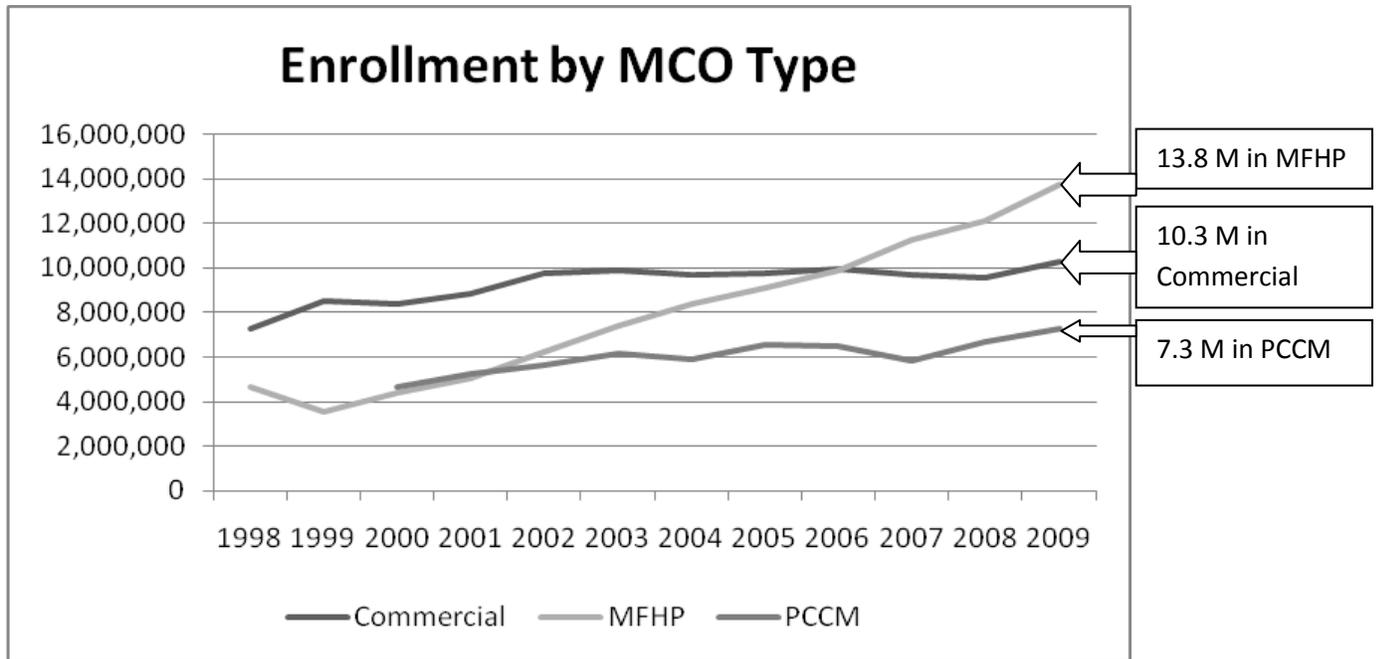
Over 50% of Capitated Enrollees in Medicaid-Focused Health Plans

MFHPs serve Medicaid recipients in 32 of the 50 states, including Puerto Rico and the District of Columbia, that have some managed care. As of 2009, 13.8 million out of the 24 million beneficiaries enrolled in capitated Medicaid managed care were covered by MFHPs. Enrollment in MFHPs steadily increased as a percentage of all capitated Medicaid enrollments from 39 percent to 57 percent between 1998 and 2009. Every year since 1999, the percentage of commercial plan enrollments have decreased and in 2009 covered only 43 percent of all Medicaid managed care enrollees.



Enrollment in Medicaid-Focused Health Plans Doubles

Serving only 4.6 million enrollees in 1998, the number of people enrolled by MFHPs have grown to 13.8 million in 2009, doubling in size with a 200 percent increase. In contrast, the number of commercial Medicaid health plan enrollees increased only 42 percent. As a result of this enrollment growth, a substantial portion of the 100 percent rise in overall enrollment in all Medicaid health plans can be attributed to MFHPs. In 2008, while overall enrollments in commercial plans decreased, MFHPs enrollments increased by 7 percent. This contributed to a 13.5 percent increase in Medicaid managed care, one of the largest ever. MFHPs maintained this growth into 2009, enrolling 2.2 million more beneficiaries, whereas commercial plans enrolled 0.7 million more beneficiaries.



Year	Commercial	MFHP	PCCM	Total
1998	7,247,636	4,644,987		11,892,623
1999	8,488,107	3,524,049		12,012,156
2000	8,395,543	4,416,672	4,635,409	17,447,624
2001	8,845,971	5,077,666	5,250,624	19,174,261
2002	9,734,395	6,233,907	5,614,541	21,582,843
2003	9,920,954	7,379,934	6,142,646	23,443,534
2004	9,680,307	8,354,846	5,891,174	23,926,327
2005	9,780,823	9,106,944	6,559,561	25,447,328
2006	9,936,268	9,880,465	6,467,252	26,283,985
2007	9,677,544	11,278,333	5,865,148	26,821,025
2008	9,580,653	12,101,638	6,663,598	28,345,889
2009	10,284,082	13,778,243	7,275,241	31,337,566

Conclusion

MFHPs have established a reliable and constant presence in the Medicaid managed care program. Meeting the needs of the growing Medicaid population and the increasing number of enrollees entering managed care programs, MFHPs continue to grow and provide valuable services to Medicaid beneficiaries, establishing their value to the Medicaid program.