dhcs
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research and analytic studies branch

MEDI-CAL STATISTICAL BRIEF

MEDI-CAL MONTHLY ELIGIBLES TREND REPORT FOR JULY 2013

Abstract

For the month of July 2013, RASB estimates the number of Medi-Cal certified eligibles to be 8,506,700. The July 2013 estimate represents an 11.5% increase over July 2012. This growth in enrollment is primarily associated with the transition of children previously enrolled in California's Healthy Families Program (HFP) into Medi-Cal's Targeted Low Income Children's Program (TLICP), with the greatest influx occurring in January and April 2013. By the end of 2013, it is estimated that close to half the children under 18 in California will receive their health care coverage through Medi-Cal.

This brief also describes increased participation in Medi-Cal's managed care delivery system from March 2007 through March 2013. As of March 2013, 65.1% of Medi-Cal certified eligibles participated in managed care, an increase of 15.6 percentage points from 2007. This change is attributed to the transition of additional counties and seniors and persons with disabilities from fee-for-service (FFS) to managed care delivery systems.

Medi-Cal Enrollment Trends

Each month, the California Department of Health Care Services (DHCS) Research and Analytic Studies Branch (RASB) compiles and presents an estimate of the trend in Medi-Cal eligibles over the most recent 24 months. This report is designed to provide stakeholders with timely explanations of material changes in enrollment trends. Each month, RASB highlights a specific Medi-Cal topic in addition to reporting the trend in certified eligibles. These select topics will address program changes that have occurred, and their impact on Medi-Cal's covered population.

In this Medi-Cal Monthly Eligibles Trend Report for July, RASB discusses the changing Medi-Cal population and how Medi-Cal's managed care delivery system has become the predominant form of health delivery, presenting information covering the period 2007 through 2013.

Figure 1 - Number of Certified Eligibles and Month-over-Month Percent Change; July 2012-July 2013
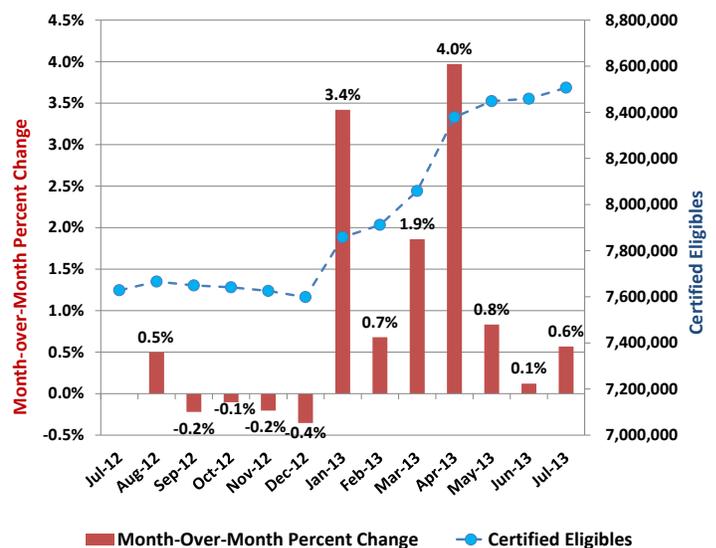
For the month of July 2013, the estimated number of Medi-Cal certified eligibles was 8,506,700. July's estimate represents an 11.5% year-over-year increase over the 7,627,897 certified eligibles enrolled in July 2012 (Figures 1 and 2).[1]

This increase in enrollment is primarily due to the transition of children previously enrolled in the Healthy Families Program (HFP) into Medi-Cal. For additional information concerning the HFP transition, visit the DHCS website.

The Changing Medi-Cal Population

Between March 2007 and March 2013[2], the number of Medi-Cal certified eligibles grew by over 1.519 million individuals (23.4%), from 6,503,531 to an estimated 8,023,202 (Figure 2). The two principal drivers of this growth were the recession, which added nearly one million new eligibles between 2008 and 2011,[3] and the transition of children formerly enrolled in the HFP into Medi-Cal. The transition of children previously enrolled in HFP to Medi-Cal's Targeted Low Income Children's Program (TLICP) began in January 2013; by March 2013 over 400,000 additional certified eligibles had transitioned to the Medi-Cal program.

Figure 2 – Medi-Cal Program Enrollment – Most Recent 24 Months, Total Certified Eligible Beneficiaries; as of July 2013

Medi-Cal Program Enrollment - Most Recent 24-Months
Total Certified Eligibles
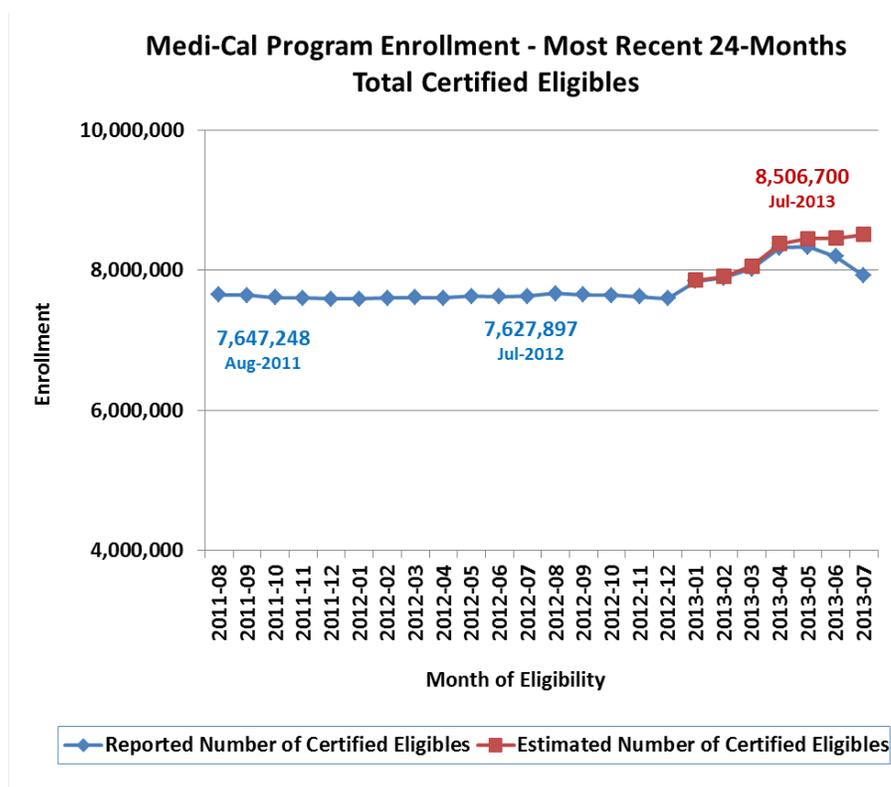
In addition to increased enrollment over this period, Medi-Cal's delivery system has shifted away from the traditional fee-for-service (FFS) delivery system towards managed care delivery systems. In the sections that follow, snapshots of the population from March 2007, March 2010, and March 2013 reveal how Medi-Cal's population has changed as a result of this increased enrollment and shift in delivery systems.

Change by Aid Category: As a result of the recession that began in late 2007,[4] the unemployment rate in California increased from less than 5% in 2006 to over 12% by the fourth quarter of 2008.[5] As the unemployment rate in California dramatically increased, participation in public programs like Medi-Cal rose in tandem. While overall Medi-Cal enrollment grew 23.4% from March 2007 to March 2013, this increase was not distributed evenly across all aid categories (Figures 3 and 4).

The majority of new Medi-Cal enrollees between 2008 and 2010 were associated with various aid codes linked to the public assistance and medically needy family eligibility pathways, including the 1931(b)[6] Non-CalWORKS[7] eligibility pathway. Increased enrollment in these aid codes is primarily the result of the economic downturn. Since January 1, 2013, Medi-Cal caseload growth has been driven largely by aid codes associated with the TLICP and the HFP transition (Figure 4).

Between March 2007 and March 2013, enrollment decreased among certified eligibles enrolled in undocumented, Medically Indigent, adoption/foster care and long-term care aid codes.

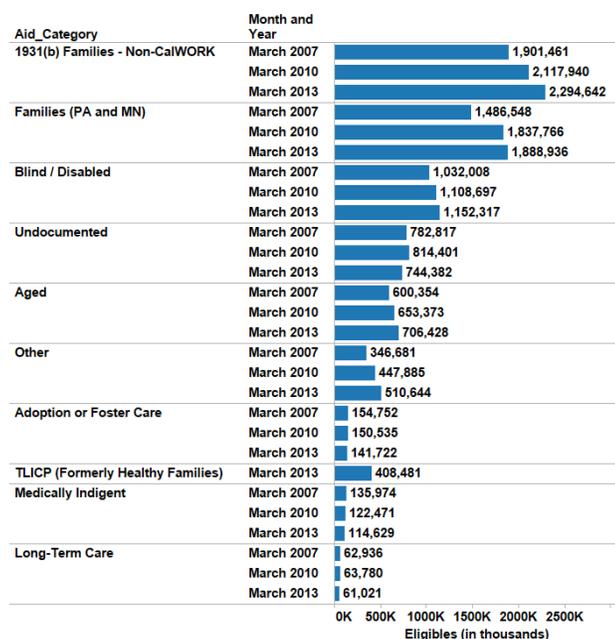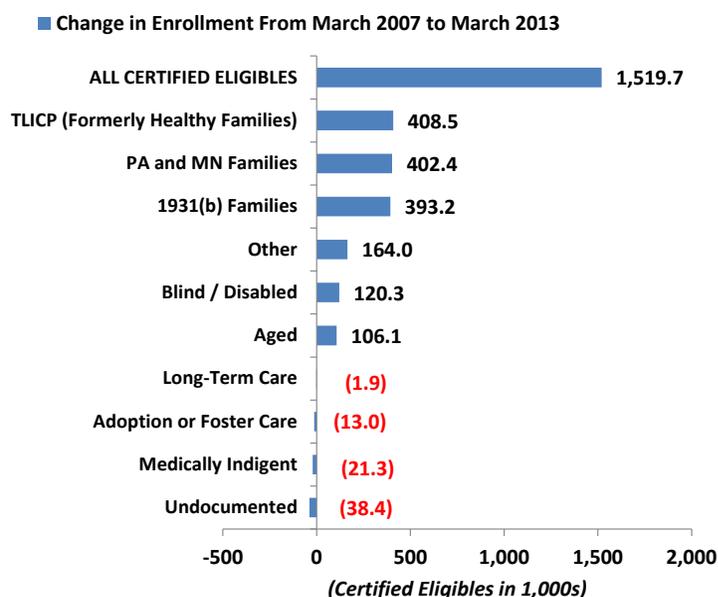### Figure 3 - Certified Eligibles by Aid Category; March 2007, March 2010, and March 2013

Aid_Category	Month and Year	Eligibles (in thousands)
1931(b) Families - Non-CalWORK	March 2007	1,901,461
	March 2010	2,117,940
	March 2013	2,294,642
Families (PA and MN)	March 2007	1,486,548
	March 2010	1,837,766
	March 2013	1,888,936
Blind / Disabled	March 2007	1,032,008
	March 2010	1,108,697
	March 2013	1,152,317
Undocumented	March 2007	782,817
	March 2010	814,401
	March 2013	744,382
Aged	March 2007	600,354
	March 2010	653,373
	March 2013	706,428
Other	March 2007	346,681
	March 2010	447,885
	March 2013	510,644
Adoption or Foster Care	March 2007	154,752
	March 2010	150,535
	March 2013	141,722
TLICP (Formerly Healthy Families)	March 2013	408,481
Medically Indigent	March 2007	135,974
	March 2010	122,471
	March 2013	114,629
Long-Term Care	March 2007	62,936
	March 2010	63,780
	March 2013	61,021

Figure 4- Change in Number of Certified Eligibles between March 2007 and March 2013 by Aid Category

■ Change in Enrollment From March 2007 to March 2013

	Certified Eligibles in 1,000s
ALL CERTIFIED ELIGIBLES	1,519.7
TLICP (Formerly Healthy Families)	408.5
PA and MN Families	402.4
1931(b) Families	393.2
Other	164.0
Blind / Disabled	120.3
Aged	106.1
Long-Term Care	(1.9)
Adoption or Foster Care	(13.0)
Medically Indigent	(21.3)
Undocumented	(38.4)

Note: The count of eligibles in the TLICP aid category reflects only those children shifted from HFP to Medi-Cal through March 2013.

Change by Age Group

In March 2013, there were roughly 4 million children under the age of 18 enrolled in the Medi-Cal program, representing fifty-percent of all Medi-Cal certified eligibles (Figures 5 and 6). The proportion of the Medi-Cal population comprised of children is likely to increase further with the transition of children from the HFP into Medi-Cal through the TLICP eligibility pathway.

The most recent available figures show there were 9,240,219 children under the age of 18 in California during July 2012.[8] During the same month there were 3,623,757 children enrolled in the Medi-Cal program, accounting for roughly 39% of all children under the age of 18 in the state. Further, the 868,072 children enrolled in the HFP during July 2012 represented 9.4% of the state population under the age of 18.[9] Combined, slightly less than half (48.4%) of all children under the age of 18 in California received health care coverage from Medi-Cal or HFP in July 2012 (Figure 7).

Once the transition of children from the HFP into Medi-Cal is complete, close to 50% of all children under the age of 18 in California will be enrolled in Medi-Cal.

Figure 5 - Number of Certified Eligibles by Age Group; March 2007, March 2010, and March 2013
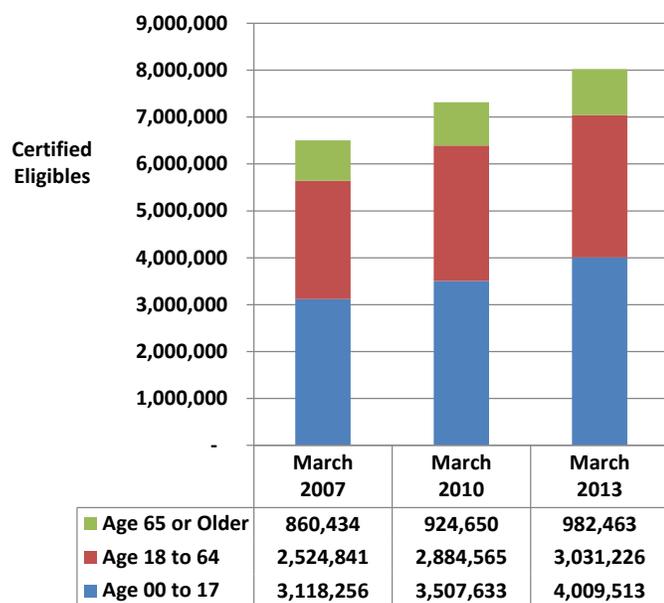

	March 2007	March 2010	March 2013
Age 65 or Older	860,434	924,650	982,463
Age 18 to 64	2,524,841	2,884,565	3,031,226
Age 00 to 17	3,118,256	3,507,633	4,009,513

Figure 6 - Percentage of Certified Eligibles by Age Group; March 2007, March 2010, and March 2013

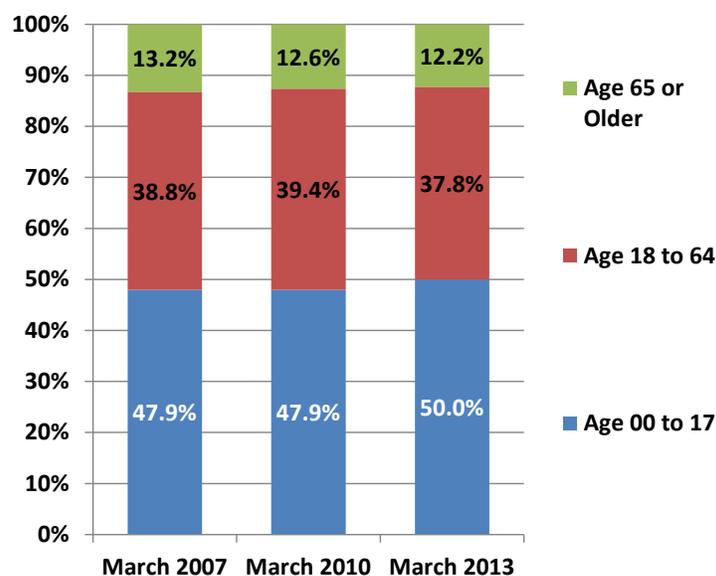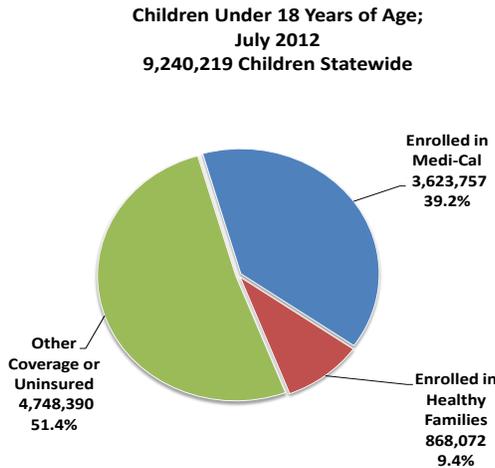**Figure 7** - **Children Under 18 Enrolled in Medi-Cal and Healthy Families as a Percentage of All California Children; July 2012**

Children Under 18 Years of Age;
July 2012
9,240,219 Children Statewide

Enrolled in Medi-Cal
3,623,757
39.2%

Other Coverage or Uninsured
4,748,390
51.4%

Enrolled in Healthy Families
868,072
9.4%

Change by Delivery of Care Model

Between March 2007 and March 2013, Medi-Cal enrollment shifted dramatically from FFS to managed care, especially among individuals eligible for Medi-Cal only. Managed care participation among individuals eligible for both Medi-Cal and Medicare (dual eligibles) experienced a corresponding but less dramatic increase.

In 2008, both the number and proportion of Medi-Cal eligibles participating in managed care delivery systems began to grow rapidly. In March 2007, 46.8% of individuals eligible for Medi-Cal only participated in managed care; by March 2013 the proportion participating in managed care had increased to 60.7%. Conversely, the proportion of individuals eligible for Medi-Cal only participating in traditional FFS declined from 37.1% to 24.3 % (Figures 8 and 9).

The proportion of the Medi-Cal population consisting of individuals dually eligible for both Medi-Cal and Medicare and

participating in Medi-Cal's traditional FFS system declined from 13.4% to 10.6% from March 2007 to March 2013, while the proportion of Medi-Cal eligibles who were dually eligible and participating in managed care increased from 2.6% to 4.4% (Figures 8 and 9).

Figure 8 - **Number of Certified Eligibles by Coverage Category and Delivery System; March 2007, March 2010, and March 2013**
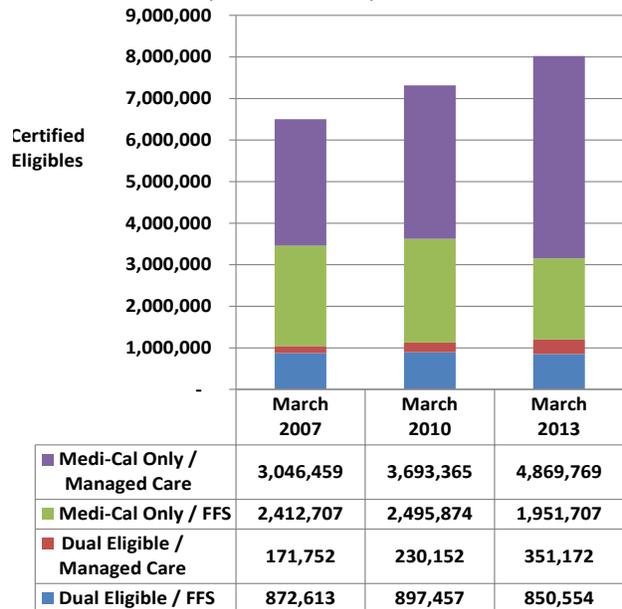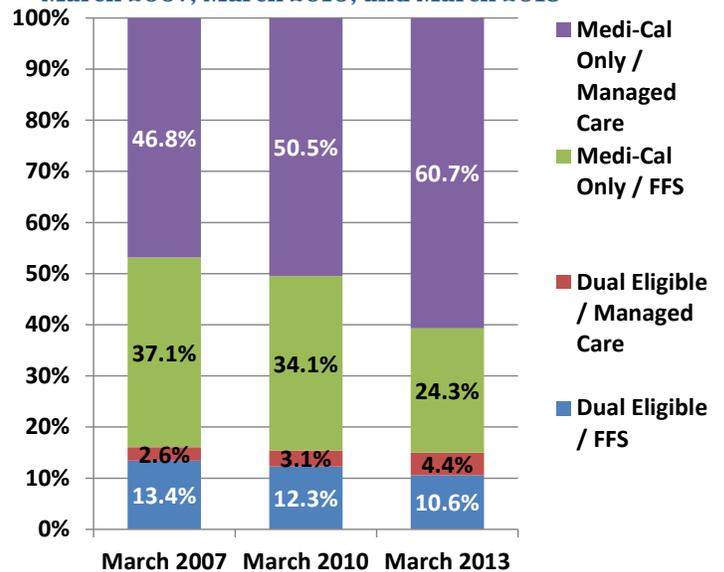

Certified Eligibles

	March 2007	March 2010	March 2013
Medi-Cal Only / Managed Care	3,046,459	3,693,365	4,869,769
Medi-Cal Only / FFS	2,412,707	2,495,874	1,951,707
Dual Eligible / Managed Care	171,752	230,152	351,172
Dual Eligible / FFS	872,613	897,457	850,554

Figure 9 - **Percentage of Certified Eligibles by Coverage Category and Delivery System; March 2007, March 2010, and March 2013**

Medi-Cal Only / Managed Care
Medi-Cal Only / FFS
Dual Eligible / Managed Care
Dual Eligible / FFS

March 2007: 46.8%, 37.1%, 2.6%, 13.4%
March 2010: 50.5%, 34.1%, 3.1%, 12.3%
March 2013: 60.7%, 24.3%, 4.4%, 10.6%

This trend is chiefly attributed to three developments. First, as previously noted, the majority of new certified eligibles enrolled during the recession were associated with aid codes linked to the public assistance and medically needy pathways, including 1931(b) Non-CalWORKS eligibility pathway. In the majority of counties, participation in the managed care delivery system was mandatory for individuals qualifying under these aid categories. Therefore, a substantial proportion of the new enrollment due to the recession participated in Medi-Cal's managed care delivery system.

Second, a number of medium-sized counties transitioned from the FFS delivery system to the managed care delivery system in 2008. Six counties transitioned from the FFS delivery system to the County Organized Health System (COHS) model of managed care, including Sonoma, Marin, Mendocino, Ventura, San Luis Obispo, and Merced. Madera and Kings Counties transitioned to the Two-Plan Model delivery system.[10]

The transition of Sonoma, Marin, Mendocino, Ventura, San Luis Obispo, and Merced Counties to the COHS model also had the effect of increasing participation in the managed care delivery model among Medi-Cal's dually eligible population. Unlike the Two-Plan and GMC counties, health plan enrollment is mandatory in COHS counties for dual-eligibles[11] as well as almost all of those individuals eligible for Medi-Cal coverage only.

__Medi-Cal's Three Managed Care Models__
In California, Medi-Cal managed care is offered through one of the following three different models selected by each county:
- *County Organized Health System COHS,*
- *Two Plan,*
- *Geographic Managed Care (GMC)*

In the COHS model counties, the Medi-Cal program contracts with a health plan created by the County Board of Supervisors. In COHS counties all managed care eligibles are enrolled in the same managed care plan run by the county.

In Two-Plan model counties DHCS contracts with both a "Local Initiative" (LI) and a "commercial plan" (CP). The LI is designed to meet the needs and concerns of the community. The CP is a private insurance plan that also provides care for Medi-Cal beneficiaries.

Under the GMC model the county may contract with as many as six different commercial health plans.

The third reason for the shift from FFS to managed care was the state's decision to make health plan enrollment mandatory for aged, blind and disabled eligibles (also known as "Seniors and Persons with Disabilities," or SPDs) residing in managed care counties.[12] The DHCS received federal permission for this transition under the five-year, "Bridge to Reform" Section 1115 waiver approved on November 2, 2010.[13] This transition began in June 2011 and concluded in May 2012.[14]

Figures 10 and 11 depict the changes in health care delivery system participation among various Medi-Cal sub-populations. Figure 10 displays the changes in the distribution between FFS and managed care participation among individuals eligible for Medi-Cal coverage only in four selected aid categories. In 2007 the majority of eligibles in the Family and 1931(b) Non-CalWORKS aid groups were already participating in the managed care delivery system. However, between 2007 and 2013 the managed care enrollment in these aid codes continued to grow, reflecting increased recession-era enrollment in aid categories that are mandatorily enrolled into managed care (Figure 4), as well as the transition of eight counties from the FFS to the managed care delivery system between 2008 and 2010.

The transition of individuals eligible for Medi-Cal coverage only enrolled in Aged and Blind/Disabled aid codes was much more dramatic, reflecting the impact of the SPD transition. In March 2007, only 20.56% of individuals enrolled in Aged aid codes and 27.3% of those enrolled in Blind/Disabled aid codes were participating

in managed care. By March 2013, the percent of eligibles in the Aged category participating in managed care had risen to 87.68%, while the percent of eligibles in the Blind/Disabled category participating in managed care rose to 80.18% (Figure 10).

Figure 10 - Distribution of Certified Eligibles by Delivery System for Certified Eligibles in Aged, Blind, Disabled and Family Aid Categories with Medi-Cal Coverage only; March 2007, March 2010, and March 2013
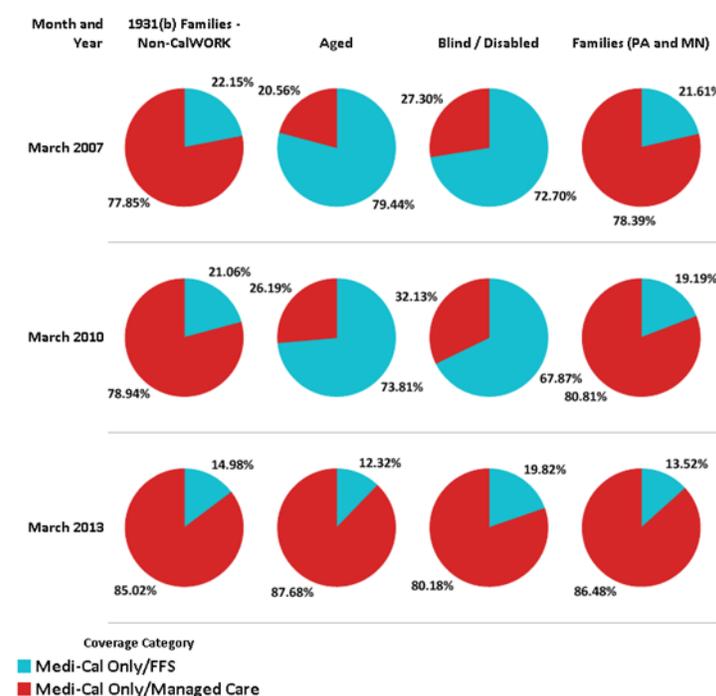

Figure 11 displays the transition between delivery systems among the dual eligible population. Dual eligible participation in managed care increased in all three of the major aid categories. Overall, managed care participation among dual eligibles increased from 16.4% to 29.2% between March 2007 and March 2013. The transition of 6 counties to the COHS model, where managed care participation is mandatory for all eligibles (with the exception of

undocumented immigrants), explains this trend.

Figure 11- Distribution of Certified Eligibles by Delivery System for Eligibles in Aged, Blind, Disabled and Long-Term Care Aid Categories Dually Eligible for Medicare and Medi-Cal; March 2007, March 2010, and March 2013
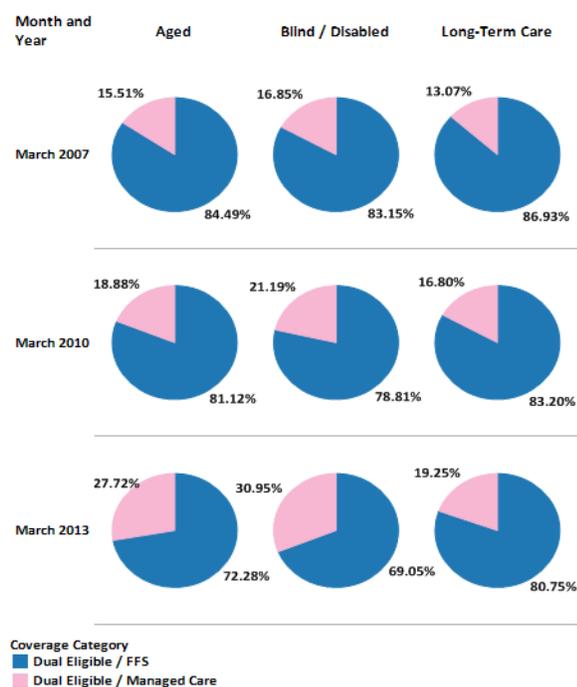
More Information on the Medi-Cal Population

A thorough explanation of the methods used to arrive at the population counts presented in this brief can be found in the RASB brief entitled, Medi-Cal Monthly Eligibles Trend Report for April 2013. For general information on Medi-Cal population estimates and the definition of Medi-Cal *certified eligibles*, see the RASB brief entitled, Finding California's Medi-Cal Population: Challenges and Methods in Calculating Medi-Cal Enrollment Numbers. More information regarding long-term Medi-Cal enrollment trends can be found at the RASB website. The DHCS Medi-Cal Budget Estimates are also available online at the DHCS website.

Analysis for this report was done by the RASB of DHCS. RASB compiles official statistics and performs analytical studies to assist DHCS in achieving its mission and goals. More information regarding Medi-Cal enrollment, program expenditures, and other relevant topics is available at the RASB website.

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IF YOU PLAN TO CITE THIS PAPER IN A SUBSEQUENT WORK, WE SUGGEST THE FOLLOWING CITATION:

California Department of Health Care Services, Research and Analytic Studies Branch. *Medi-Cal Monthly Eligibles Trend Report for July 2013.* Sacramento, CA: California Department of Health Care Services.

PLEASE NOTE:

This document provides a brief summary of complex subjects and should be used only as an overview and general guide to the Medi-Cal program. The views expressed herein do not necessarily reflect the policies or legal positions of the California Health and Human Services Agency (CHHS) or the California Department of Health Care Services (DHCS). These summaries do not render any legal, accounting, or other professional advice, nor are they intended to explain fully all of the provisions or exclusions of the relevant laws, regulations, and rulings of the Medicare and Medicaid programs. Original sources of authority should be researched and utilized.

Endnotes

[1] Research and Analytic Studies Branch, (2013). Medi-Cal Certified Eligibles. Available at: http://www.dhcs.ca.gov/dataandstats/statistics/Pages/RASB_General_Medi_Cal_Enrollment.aspx

[2] March 2013 was selected because at the time this Issue Brief was written it offered the most recent and relatively complete data for comparing the size and distribution of the Medi-Cal population in 2013, to its size and distribution three and six years previous. Updates to the enrollment records may be made subsequent to that month, reflecting the addition of beneficiaries with retroactive eligibility, as well as other changes to the enrollment records as information is updated. These changes, which result in increases in a particular month's final Medi-Cal enrollment, can only be captured after an elapsed period. As displayed in figure 2 a specific month's count is nearly complete 5 months after the month's end, but is likely to be understated before then. Enrollment counts are finalized 12 months after the months end.

[3] The recession officially ended in June 2009.

[4] According to the National Bureau of Economic Research (NBER, the recession began in December 2007 and lasted 18 months. See Business Cycle Dating Committee, National Bureau of Economic Research, URL: http://www.nber.org/cycles/sept2010.html

[5] State of California, Employment Development Department, Unemployment Rates (Labor Force); URL: http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/AreaSelection.asp?tableName=labforce

[6] 1931(b) refers to the section of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which replaced Aid to Families with Dependent Children, AFDC, with a new cash assistance program known as Temporary Aid to Needy families, or TANF. Section 1931(b) decoupled Medicaid from cash assistance by allowing states to continue to provide Medicaid coverage to individuals who would have formerly been eligible for AFDC, even if ineligible for cash assistance under TANF.

[7] CalWORKS, California Work Opportunity and Responsibility to Kids, is California's TANF program that provides cash assistance and services to eligible needy California families.

[8] U.S. Census Bureau, American Fact Finder, URL: http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t

[9] HFP Monthly Enrollment Summary Report - July, 2012, URL: http://www.mrmib.ca.gov/mrmib/HFPReportsJuly12.shtml

[10] See "Medi-Cal Managed Care Expansion" URL: http://www.dhcs.ca.gov/ProvGovPart/Pages/MedicalManagedCareExpansion.aspx,

[11] Dual eligibles are individuals who receive medical coverage from both Medicare and Medi-Cal

[12] For more information see "MMCD - Seniors & Persons With Disabilities (SPD)" URL: http://www.dhcs.ca.gov/individuals/Pages/MMCDSPDEnrollment.aspx

[13] For more information see the "Section 1115 Waiver Demonstration." Resource Page, URL: http://www.dhcs.ca.gov/provgovpart/pages/waiverrenewal.aspx