

State Notes

TOPICS OF LEGISLATIVE INTEREST

Winter 2013



Medicaid Enrollment Growth: 1999-2012 **By Steve Angelotti, Associate Director**

In March 2005, the Senate Fiscal Agency (SFA) published an Issue Paper written by fiscal analyst David Fosdick entitled, "Medicaid Enrollment in the State of Michigan 1999-2004". The paper examined the significant enrollment growth in the Medicaid program from its low point in 1999 through the months leading up to the publication date.

The paper examined overall Medicaid enrollment growth, growth by eligibility category (nondisabled vs. disabled), and county and regional growth. As eight years have passed since the publication of the original paper and Medicaid enrollment has continued to grow, this is a good time to take another look at the trends.

Overall Medicaid Enrollment Growth

Medicaid enrollment reached its low point in 1999 and 2000, having declined slowly from a peak of just over 1.2 million individuals in April 1994. The actual minimum enrollment was in January 1999, at approximately 1,055,000. For purposes of the previous SFA paper, the April 1999 figure was used as it was at the midpoint of the fiscal year, and the enrollment was only slightly higher at 1,059,919.

Enrollment began to grow at a fairly rapid pace, surpassing the 1994 peak in early 2002 and reaching 1,404,458 in October 2004, the last month of data used in the SFA Issue Paper.

As the State's economy continued to go through restructuring and a slow recovery, Medicaid enrollment continued to grow. Growth has only recently flattened, after over a decade of steady growth, with a November 2012 enrollment of 1,920,155, an 81.2% increase over the April 1999 figure.

The explanation for the growth is fairly basic: the State's economy has performed poorly over the last decade. People have lost jobs or shifted to lower-paying jobs; those jobs often do not include health care coverage or do not cover dependents, in particular children, and many of the uncovered individuals are eligible for the State's Medicaid program.

Enrollment Growth by Category

There are two broad eligibility categories in the Medicaid program: low-income nondisabled individuals, generally families, and the disabled (also known as the aged, blind, and disabled, or ABD).

The family caseload has grown much more rapidly than the ABD caseload. Family enrollment has increased from almost 728,000 in 1999 to just over 1.0 million in 2004 to 1,435,237 in November 2012, a 97.2% increase. Aged, blind, and disabled enrollment climbed from 327,000 in 1999 to 366,000 in 2004 to 484,918 in November 2012, a 48.1% increase.

Family cases tend to cost less on average than the ABD cases as nondisabled individuals are less likely to have expensive health issues. Thus, the much faster growth in family cases has helped to abate Medicaid expenditure growth. While Medicaid costs have increased significantly since 1999, the growth has been comparatively limited because the less costly portion of the caseload has grown more rapidly than the more expensive portion.



Medicaid Enrollment Growth by County

Table 1 displays Medicaid enrollment growth by county from 1999 to 2012. Due to the way county data were organized in 1999, some of the data are multicounty. For consistency's sake, the data for 2012 are reflected in the same manner. The table also includes regional data.

Given the 81.2% growth in enrollment, it is not surprising that the caseload has increased in every county in the State since 1999. However, there has been a wide variance in that caseload growth.

Table 1
Medicaid Enrollment Growth, 1999-2012

| County or Counties | April 1999 | October 2004 | November 2012 | % Increase 1999-2012 | County(ies) Population 2010 Census | % Population on Medicaid Nov. 2012 |
|-------------------------|------------|--------------|---------------|----------------------|------------------------------------|------------------------------------|
| Alcona | 1,444 | 1,701 | 1,843 | 27.6% | 10,942 | 16.8% |
| Alger/Schoolcraft..... | 2,500 | 2,852 | 3,115 | 24.6% | 18,086 | 17.2% |
| Allegan | 6,830 | 13,134 | 19,298 | 182.5% | 111,408 | 17.3% |
| Alpena..... | 4,360 | 5,579 | 6,490 | 48.9% | 29,598 | 21.9% |
| Antrim/Kalkaska | 4,142 | 6,509 | 8,761 | 111.5% | 40,733 | 21.5% |
| Arenac..... | 2,570 | 3,193 | 3,635 | 41.4% | 15,899 | 22.9% |
| Baraga | 1,071 | 1,375 | 1,604 | 49.8% | 8,860 | 18.1% |
| Barry/Eaton..... | 9,952 | 16,476 | 23,821 | 139.4% | 166,932 | 14.3% |
| Bay..... | 12,662 | 15,920 | 20,307 | 60.4% | 107,771 | 18.8% |
| Benzie/Gd Trav/Leelanau | 8,266 | 13,255 | 19,631 | 137.5% | 126,219 | 15.6% |
| Berrien | 23,000 | 27,779 | 34,341 | 49.3% | 156,813 | 21.9% |
| Branch..... | 4,637 | 6,924 | 9,391 | 102.5% | 45,248 | 20.8% |
| Calhoun..... | 18,459 | 24,529 | 32,494 | 76.0% | 136,146 | 23.9% |
| Cass..... | 5,363 | 7,629 | 10,203 | 90.2% | 52,293 | 19.5% |
| Charlevoix/Emmet..... | 5,179 | 7,476 | 10,010 | 93.3% | 58,643 | 17.1% |
| Cheboygan..... | 3,342 | 4,744 | 5,610 | 67.9% | 26,152 | 21.5% |
| Chippewa/Luce | 5,593 | 7,011 | 7,953 | 42.2% | 45,151 | 17.6% |
| Clare | 5,341 | 6,870 | 8,353 | 56.4% | 30,926 | 27.0% |
| Clinton/Shiawassee..... | 9,568 | 14,957 | 21,506 | 124.8% | 146,030 | 14.7% |
| Crawford | 2,112 | 2,511 | 3,048 | 44.3% | 14,074 | 21.7% |
| Delta/Menominee | 7,663 | 9,636 | 11,139 | 45.4% | 61,098 | 18.2% |
| Dickinson/Iron | 4,472 | 6,103 | 7,159 | 60.1% | 37,985 | 18.8% |
| Genesee | 65,571 | 82,408 | 103,799 | 58.3% | 425,790 | 24.4% |
| Gladwin | 3,479 | 4,601 | 5,600 | 61.0% | 25,692 | 21.8% |
| Gogebic..... | 2,590 | 2,889 | 3,346 | 29.2% | 16,427 | 20.4% |
| Gratiot | 4,373 | 6,572 | 8,479 | 93.9% | 42,476 | 20.0% |
| Hillsdale | 4,231 | 6,887 | 9,748 | 130.4% | 46,688 | 20.9% |
| Houghton/Keweenaw | 4,629 | 5,739 | 6,514 | 40.7% | 38,784 | 16.8% |
| Huron | 3,682 | 5,410 | 5,816 | 58.0% | 33,118 | 17.6% |
| Ingham..... | 31,551 | 38,496 | 52,567 | 66.6% | 280,895 | 18.7% |
| Ionia/Montcalm..... | 11,629 | 17,936 | 25,175 | 116.5% | 127,247 | 19.8% |
| Iosco | 3,407 | 4,930 | 6,064 | 78.0% | 25,887 | 23.4% |
| Isabella..... | 5,622 | 7,647 | 10,185 | 81.2% | 70,311 | 14.5% |
| Jackson..... | 16,434 | 22,798 | 32,855 | 99.9% | 160,248 | 20.5% |
| Kalamazoo | 22,943 | 31,541 | 45,180 | 96.9% | 250,331 | 18.0% |
| Kent..... | 49,064 | 81,308 | 118,658 | 141.8% | 602,622 | 19.7% |

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| Medicaid Enrollment Growth, 1999-2012 | | | | | | |
|--|------------------|------------------|------------------|-------------------------|--|--|
| County or Counties | April 1999 | October 2004 | November 2012 | % Increase 1999-2012 | County(ies) Population 2010 Census | % Population on Medicaid Nov. 2012 |
| Lake/Mason | 5,924 | 7,680 | 9,317 | 57.3% | 40,244 | 23.2% |
| Lapeer | 5,341 | 9,042 | 14,276 | 167.3% | 88,319 | 16.2% |
| Lenawee | 8,281 | 11,968 | 17,881 | 115.9% | 99,892 | 17.9% |
| Livingston | 4,017 | 7,837 | 15,685 | 290.5% | 180,967 | 8.7% |
| Mackinac | 1,037 | 1,516 | 1,721 | 66.0% | 11,113 | 15.5% |
| Macomb | 40,145 | 72,522 | 138,584 | 245.2% | 840,978 | 16.5% |
| Manistee | 3,036 | 3,843 | 4,717 | 55.4% | 24,733 | 19.1% |
| Marquette | 5,973 | 7,998 | 9,986 | 67.2% | 67,077 | 14.9% |
| Mecosta | 4,869 | 6,885 | 8,486 | 74.3% | 42,798 | 19.8% |
| Midland | 6,651 | 9,576 | 12,758 | 91.8% | 83,629 | 15.3% |
| Missaukee/Wexford..... | 6,015 | 8,777 | 11,823 | 96.6% | 47,584 | 24.8% |
| Monroe | 9,975 | 14,775 | 22,708 | 127.6% | 152,021 | 14.9% |
| Montmorency/Oscoda | 2,817 | 3,782 | 4,264 | 51.4% | 18,405 | 23.2% |
| Muskegon | 24,228 | 33,808 | 44,382 | 83.2% | 172,188 | 25.8% |
| Newaygo | 5,745 | 8,602 | 11,894 | 107.0% | 48,460 | 24.5% |
| Oakland..... | 60,731 | 86,844 | 145,904 | 140.2% | 1,202,362 | 12.1% |
| Oceana | 4,114 | 6,462 | 7,298 | 77.4% | 26,570 | 27.5% |
| Ogemaw/Roscommon.... | 7,392 | 9,599 | 11,382 | 54.0% | 46,148 | 24.7% |
| Ontonagon | 1,111 | 1,194 | 1,138 | 2.4% | 6,780 | 16.8% |
| Osceola | 3,389 | 4,472 | 5,477 | 61.6% | 23,528 | 23.3% |
| Otsego | 2,216 | 3,835 | 5,555 | 150.7% | 24,164 | 23.0% |
| Ottawa..... | 9,392 | 19,078 | 32,387 | 244.8% | 263,801 | 12.3% |
| Presque Isle | 1,617 | 1,898 | 2,285 | 41.3% | 13,376 | 17.1% |
| Saginaw | 32,765 | 38,856 | 46,139 | 40.8% | 200,169 | 23.1% |
| St. Clair | 13,817 | 21,444 | 31,651 | 129.1% | 163,040 | 19.4% |
| St. Joseph | 6,359 | 10,333 | 15,040 | 136.5% | 61,295 | 24.5% |
| Sanilac | 4,414 | 7,041 | 9,052 | 105.1% | 43,114 | 21.0% |
| Tuscola | 5,682 | 8,553 | 11,711 | 106.1% | 55,729 | 21.0% |
| Van Buren | 10,868 | 14,961 | 18,847 | 73.4% | 76,258 | 24.7% |
| Washtenaw | 16,384 | 23,977 | 39,451 | 140.8% | 344,791 | 11.4% |
| Wayne | 367,883 | 411,975 | 503,059 | 36.7% | 1,820,584 | 27.6% |
| Unassigned | --- | --- | 1,599 | --- | --- | --- |
| TOTAL | 1,059,919 | 1,404,458 | 1,920,155 | 81.2% | 9,883,640 | 19.4% |
| By Region | | | | | | |
| Southeast..... | 512,952 | 639,374 | 897,042 | 74.9% | 4,704,743 | 19.1% |
| South Central | 81,344 | 114,980 | 162,589 | 99.9% | 799,848 | 20.3% |
| Southwest | 39,231 | 50,369 | 63,391 | 61.6% | 285,364 | 22.2% |
| Mid-Michigan..... | 121,983 | 161,379 | 215,969 | 77.0% | 1,107,966 | 19.5% |
| Central Michigan | 98,040 | 128,768 | 159,481 | 62.7% | 780,869 | 20.4% |
| West Michigan..... | 125,184 | 199,365 | 282,372 | 125.6% | 1,458,866 | 19.4% |
| NE Michigan..... | 17,908 | 24,050 | 29,095 | 62.5% | 136,711 | 21.3% |
| NW Michigan..... | 26,638 | 39,860 | 54,942 | 106.3% | 297,912 | 18.4% |
| Upper Peninsula..... | 36,639 | 46,313 | 53,675 | 46.5% | 311,361 | 17.2% |
| I-75 Corridor..... | 539,612 | 636,003 | 819,208 | 51.8% | 3,756,676 | 21.8% |

Sources: Department of Human Services "Green Book" and United States Census



Largest and Smallest Growth by County

Table 2 presents the five counties with the smallest percentage growth in Medicaid enrollment from 1999 to 2012. Three of the five are in the Upper Peninsula, one is in the northeast portion of the Lower Peninsula, and the other is Wayne County. While Wayne County would appear to have little in common with the other counties on the list, each represents an area that had a high percentage of its population on Medicaid in 1999, relative to the rest of the State. It appears that these counties, for lack of a better term, were more "saturated" with Medicaid cases than other parts of the State.

Table 2

| Counties with the Smallest Growth in Medicaid Enrollment, 1999-2012 | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------------|--|
| | Enrollment Apr. 1999 | Enrollment Oct. 2004 | Enrollment Nov. 2012 | % Increase 1999-2012 | 2010 County(ies) Population | % of Population on Medicaid Nov. 2012 |
| Ontonagon | 1,111 | 1,194 | 1,138 | 2.4% | 6,780 | 16.8% |
| Alger/Schoolcraft | 2,500 | 2,852 | 3,115 | 24.6% | 18,086 | 17.2% |
| Alcona | 1,444 | 1,701 | 1,843 | 27.6% | 10,942 | 16.8% |
| Gogebic | 2,590 | 2,889 | 3,346 | 29.2% | 16,427 | 20.4% |
| Wayne | 367,883 | 411,975 | 503,059 | 36.7% | 1,820,584 | 27.6% |

Table 3 presents the five counties with the greatest percentage growth in Medicaid enrollment from 1999 to 2012. These counties present almost an opposite picture to the five with the smallest growth. The counties shown in Table 3, in 1999, had a very low percentage of their population on Medicaid. It also must be noted that these counties continue to have a lower-than-average percentage of their population on Medicaid. While Medicaid enrollment nearly quadrupled in Livingston County (and population growth was a factor in that enrollment growth), Livingston County still has the lowest percentage of individuals on Medicaid of any county in the State.

Table 3

| Counties with the Largest Growth in Medicaid Enrollment, 1999-2012 | | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------------|--|
| | Enrollment Apr. 1999 | Enrollment Oct. 2004 | Enrollment Nov. 2012 | % Increase 1999-2012 | 2010 County(ies) Population | % of Population on Medicaid Nov. 2012 |
| Livingston | 4,017 | 7,837 | 15,685 | 290.5% | 180,967 | 8.7% |
| Macomb | 40,145 | 72,522 | 13,8584 | 245.2% | 840,978 | 16.5% |
| Ottawa | 9,392 | 19,078 | 32,387 | 244.8% | 263,801 | 12.3% |
| Allegan | 6,830 | 13,134 | 19,298 | 182.5% | 111,408 | 17.3% |
| Lapeer | 5,341 | 9,042 | 14,276 | 167.3% | 88,319 | 16.2% |

Regional Growth

When one looks at the enrollment growth by geographic region, one sees some similar disparities. Enrollment growth was the smallest in the Upper Peninsula, at just 46.5%, but was 125.6% in west Michigan.

One might assume that this meant that the economy was that much weaker in west Michigan than elsewhere, but this does not appear to be the case. Instead, the more relevant factor is the percentage of the population on Medicaid. In spite of the many differences among regions in the



State, the percentage of the population enrolled in Medicaid, by region, is in a narrow band, between 17.2% and 22.2%. Regions in 1999 that had the highest Medicaid participation rate have seen much slower enrollment growth compared with the regions that had the lowest participation rate in 1999.

West and northwest Michigan had the lowest participation rates, as a percentage of population, in 1999, and those were the two regions that saw the largest enrollment growth. Meanwhile, southwest and northeast Michigan had the largest participation rates, as a percentage of population, in 1999, and those regions had the slowest enrollment growth outside of the Upper Peninsula. As noted above, it appears that some areas were more saturated with Medicaid cases than others and saw slower growth rates.

The I-75 Corridor (defined as Bay, Genesee, Oakland, Saginaw, and Wayne Counties) is an interesting subset. There has been a perception that this group of counties is the locus of most of the growth in demand for human services. In reality, while the corridor has a higher-than-average percentage of its population enrolled in Medicaid, enrollment growth was 51.8% from 1999 to 2012, well below the 81.2% growth statewide.

Conclusion

Medicaid enrollment has continued to soar in Michigan, climbing from under 1.1 million in 1999 to over 1.9 million in 2012. While enrollment growth has recently flattened, the increased costs associated with the last decade of growth have increased pressures on the State's budget.

The growth has occurred throughout the State, but enrollment growth has been more rapid in areas that had lower-than-average enrollments in 1999. As such, Medicaid should be understood to have grown in all counties and regions, not just in large urban counties. Because of this growth and increased "saturation" of cases, the Medicaid program has become a major payer for health care services throughout the State of Michigan.