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Medicaid Coverage for Persons With Severe Disabilities: Caseload Composition and Growth

EXECUTIVE SUMMARY

The caseload for the Medicaid program providing health care services to persons with severe disabilities has been growing faster than the overall population in Washington State. Factors that may contribute to caseload growth in this program are analyzed in this report. In addition, characteristics of individuals who qualify for Medicaid on the basis of a severe disability are examined, and comparisons to similar Medicaid programs in other states are provided.

The 2001 Legislature directed the Washington State Institute for Public Policy (Institute) “to research and evaluate strategies for constraining the growth in state health expenditures.”¹ In consultation with legislative fiscal committee staff, the composition and growth of the Medicaid program for persons with a severe disability was identified as a useful area of research.

Key Findings

Caseload Growth and Composition in Washington State

- Recent caseload growth is above the levels expected based on growth in either the general population or among persons in poverty.
- The fastest growing segment of the Washington State Categorically Needy Blind and Disabled Medicaid program is clients qualifying through the General Assistance Expedited Medical Disability (GA-X) pathway for persons presumed to be eligible for federal Supplemental Security Income (SSI).
- The number of individuals qualifying for SSI due to mental disorders is growing faster than the overall SSI caseload.
- Caseload growth has occurred despite changes in federal rules intended to make SSI eligibility more restrictive.
- Factors that are likely contributors to above-average caseload growth include changes in the mix of occupations and industries in Washington, the rising value of Medicaid benefits, declining numbers of nursing home beds, and rising caseloads in the state’s medically indigent program.
- Washington has a smaller fraction of its population under age 65 enrolled in Medicaid programs for persons with severe disabilities when compared with California or the United States as a whole, but it has a higher fraction when compared with Oregon.

¹ ESSB 6153, Section 608(8), Chapter 7, Laws of 2001.

Policy Options

- Potential state policy responses to the rapid growth of the Categorically Needy Blind and Disabled program are limited because several of the factors contributing to program growth reflect national trends not readily addressed at the state level. Federal requirements concerning program eligibility and benefits also limit state policy options.
- Attempts to limit the size of the Categorically Needy Blind and Disabled program may result in increases in state spending in other programs, such as long-term care, TANF, and General Assistance Unemployable (GA-U).
- Current efforts to reduce program expenditures are intended to minimize unnecessary use of prescription drugs and other services. It is also possible to eliminate certain health care services to address overall program costs, but federal rules would also require the elimination of those same services for other Medicaid recipients, such as low-income families, children, and pregnant women.