

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** May 15, 2013

**SUBJECT:** Social Services' Informational Update

**PRESENTER:** Don Cooper, Vice-Chair, DSS Board

**ATTACHMENTS:** Yes

**SUMMARY OF REQUEST:**

The DSS Board is providing monthly three-minute informational updates to the Board of Commissioners regarding various Social Services issues. The May 2013 update, provided by DSS Board Vice-Chair Don Cooper, addresses Medicaid Mythbusters.

**BOARD ACTION REQUESTED:**

No Board action requested. This item is for information only.

**Suggested Motion:**

*No motion suggested.*

Medicaid is a federal program providing much more than health insurance for the poor. Medicaid is North Carolina's largest health insurer, covering 1 out of 5 state residents, 52% of all births and eventually 70% of all nursing home residents. Of the people insured by Medicaid, 48% are children, 17% are disabled and 7.5% are elderly. Medicaid is a revenue source of approximately \$100 million for health care providers in Henderson County. Medicaid reduces health care provider cost shifts from the uninsured to the insured...which reduces costs that you and I pay for medical care.

A look at the facts about Medicaid can resolve common myths.

**Myth #1: Most Medicaid recipients do not work.**

The majority of non-elderly/disabled people receiving Medicaid live in families where people **do** work. Workers are typically employed in low-wage service sector jobs that do not have employer sponsored health insurance coverage. Working age adults without a child are not eligible for Medicaid regardless of income.

**Myth #2: Most Medicaid people are on welfare.**

The vast majority of people insured by Medicaid today receive **no** cash welfare assistance. Instead, Medicaid has evolved into an insurance program for the children of the working poor, the elderly and disabled.

**Myth #3: Hardworking people who save for their retirement years will not need to rely on Medicaid for long-term care.**

Medicare and private health insurance do not cover most care expenses after 100 days, making Medicaid the safety net for many middle income people. In North Carolina, 70% of all nursing home residents eventually become Medicaid insured. More often than not, within the first three years of care, middle income nursing home residents exhaust their savings. The average cost of nursing home care, according to the latest figures available from Genworth's 2013 Cost of Care Survey is approximately \$75,405 per year for a semi-private room and \$83,950 for a private room.

**Myth #4: Medicaid could save lots of money if it cracked down on rich, older people hiding their assets to get on welfare.**

Medicaid eligibility is **denied** if a person has transferred assets in order to qualify. North Carolina "looks back" five years when determining Medicaid eligibility. Medicaid also has a program for recovering costs from the estates of deceased beneficiaries. That being said, there are people that try to hide assets and unscrupulous individuals who make a business of helping them.

**Myth #5: Medicaid spending is out of control because of undocumented immigrants.**

Except to help hospitals and public health providers pay for emergency treatment as provided by federal law, undocumented immigrants are strictly **prohibited** from Medicaid coverage. Documentation of Citizenship is required. A child of an undocumented immigrant may be eligible for Medicaid because birth in the country makes the child a citizen; however, the child's undocumented parent continues to be ineligible.

**Myth #6: Medicaid spending is out of control because so many more people are enrolling.**

Health care cost inflation is increasing the cost for private and public insurance. Overall increased prices of care for people currently enrolled in Medicaid accounts for 65% of the cost increases, particularly the costs of caring for the elderly and disabled for example. According to the Congressional Budget Office, Medicaid increased costs lag far behind private insurance and Medicare.