The New Jersey Medicaid Program
Some Comparisons to Other States

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Introduction and Overview

- Comparisons to other state Medicaid programs shown here are selective
  - Emphasis is on areas where NJ Medicaid is an outlier
- Enrollment in capitated risk-based managed care (HMOs) is high
- Prescription drug expenditures are high
- Nursing facility reimbursement and expenditures are high
  - Home- and community-based service use and expenditures are low
- Physician reimbursement is low
Managed Care

- 72% of Medicaid beneficiaries were in capitated managed care programs in mid-2008
  - Divided among:
    - Horizon NJ Health (296,459 enrollees)
    - AmeriChoice (192,545 enrollees)
    - AMERIGROUP (84,313 enrollees)
    - University Health Plans (48,180 enrollees)
      - Now replaced by Healthfirst
    - Health Net (38,089 enrollees)

Managed Care (Cont.)

- Percent of beneficiaries enrolled in capitated managed care plans all year in 2005
  - All non-dual-eligibles
    - NJ: 60%
    - US: 30%
  - Nondual adults/children
    - NJ: 64%
    - US: 31%
  - Nondual aged/disabled
    - NJ: 35%
    - US: 19%
  - Dual eligibles
    - NJ: 8%
    - US: 8%

### Prescription Drugs, NJ vs. US

Medicaid prescription drug expenditures per month in 2005, NJ vs. US average

<table>
<thead>
<tr>
<th>Category</th>
<th>NJ</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>All nondual beneficiaries</td>
<td>$164</td>
<td>$66</td>
</tr>
<tr>
<td>Nondual children</td>
<td>$31</td>
<td>$25</td>
</tr>
<tr>
<td>Nondual adults</td>
<td>$29</td>
<td>$43</td>
</tr>
<tr>
<td>Nondual disabled</td>
<td>$347</td>
<td>$249</td>
</tr>
<tr>
<td>Nondual aged</td>
<td>$218</td>
<td>$157</td>
</tr>
</tbody>
</table>

Note: Beneficiaries dually eligible for Medicare and Medicaid (dual eligibles) are excluded from this comparison because their prescription drug coverage was shifted to Medicare in 2006.

Source: Mathematica and CMS, “Medicaid Pharmacy Benefit Use and Reimbursement in 2005,” Table N.3
Brand name vs. generic prescriptions in 2005, nondual beneficiaries

- Patented brand name
  - NJ: 46%
  - US: 38%

- Off-patent brand name
  - NJ: 4%
  - US: 5%

- Generic
  - NJ: 50%
  - US: 57%

Source: Mathematica and CMS, “Medicaid Pharmacy Benefit Use and Reimbursement in 2005,” Table N.2
Prescription Drugs, NJ vs. US (Cont.)

- Top 5 drug groups, ranked by total Medicaid Rx drug expenditures in 2005 for nondual beneficiaries
  - **NJ**
    - Antiviral
    - Antipsychotic
    - Anticonvulsant
    - Analgesics
    - Antiasthmatic
  - **US**
    - Antipsychotics
    - Antiasthmatics
    - Anticonvulsants
    - Antiviral
    - Antidepressants

Source: Mathematica and CMS, “Medicaid Pharmacy Benefit Use and Reimbursement in 2005,” Table N.4
Nursing Facility Reimbursement and Expenditures, NJ vs. US

- Medicaid payment per day for nursing facility care, 2007
  - NJ: $187 (NJ national rank: 9th)
  - US: $158

- Medicaid nursing home services, FY 2008 expenditures per capita (total annual expenditures divided by state population)
  - NJ: $213 (NJ national rank: 12th)
  - US: $161

Home- and Community-Based Services, NJ vs. US

- **HCBS waivers, FY 2008 expenditures per capita**
  - NJ: $79 (NJ national rank: 37th)
  - US: $99

- **Distribution of Medicaid long-term care expenditures, FY 2008**
  - NJ: institutional 70%, community 30%
  - US: institutional 57%, community 43%
  - 42 states had a higher percentage of LTC expenditures in community care than NJ

Source: Brian Burwell, Kate Sredl, and Steve Eiken, “Medicaid Long-Term Care Expenditures in FY 2008,” December 1, 2009, Table D and Rankings by Percent of State Spending for HCBS.
Physician Reimbursement, NJ vs. US

- Medicaid physician fees as a percent of Medicare physician fees
  - 2008
    - NJ: 37% (NJ national rank: 50th)
    - US: 72%
  - 2003
    - NJ: 35% (NJ national rank: 50th)
    - US: 69%
  - 1998
    - NJ: 34% (NJ national rank: 49th)
    - US: 64%