III. Populations Covered by Managed Care Systems

Between 1997/98 and 2000, the Tracking Project found little change in the extent to which managed care systems covered the total Medicaid population or only a portion of the Medicaid population. However, as **Table 19** shows, 11% fewer managed care systems in 2003 reportedly are covering the total Medicaid population than in 2000. Fewer than half of managed care systems in 2003 (39%) reportedly cover the total Medicaid population, compared to 50% in 2000. As has been found consistently by the Tracking Project, carve outs are significantly more likely to cover the total Medicaid population than are integrated systems (55% of carve outs versus 19% of integrated systems).

Eight percent fewer managed care systems in 2003 reportedly are covering the population eligible for the State Children's Health Insurance Program (SCHIP) than in 2000. Fewer than half (45%) cover the SCHIP population, with carve outs being more likely to cover the SCHIP population (50% versus 38%). This represents a change from 2000 in which there was little difference in the extent to which carve outs and integrated systems covered this population.

As was also the case in 2000, only carve outs (45% of them) are reported in 2003 to cover non-Medicaid and non-SCHIP populations, and there has been a 15% decline in coverage of these populations since 2000. The non-Medicaid populations covered by carve outs most often include children with serious behavioral health disorders who depend on the public system, including uninsured children and children whose families exhaust private insurance coverage due to the severity of their children's disorders.

The decline in coverage of total Medicaid populations, SCHIP and non-Medicaid populations may be associated with state budget deficits. As states grapple with budget problems, one policy decision they are making, as discussed in a later section of this report, is to eliminate certain populations from eligibility for managed care systems.

Table 19
Percent of Managed Care Systems Covering Population Types

	1995	1997–98 Total	2000 Total	2003			Percent of Change 1995–2003	Percent of Change 1997/98–2003	Percent of Change 2000–2003
				Carve Out	Integrated	Total			
Total Medicaid population	59%	49%	50%	55%	19%	39%	-20%	-10%	-11%
Portion of Medicaid population	Not Asked	47%	47%	45%	81%	61%	NA	14%	14%
SCHIP population	Not Asked	Not Asked	53%	50%	38%	45%	NA	NA	-8%
Non-Medicaid, non-SCHIP population	Not Asked	Not Asked	41%	45%	0%	26%	NA	NA	-15%
Other	Not Asked	Not Asked	Not Asked	14%	0%	8%	NA	NA	NA

NA=Not Applicable

Between 1997/98 and 2000, the Tracking Project noted a trend of states covering more types of Medicaid populations, including those that would be expected to use more and costlier services, such as those eligible for Supplemental Security Income (SSI) and children involved in child welfare and juvenile justice systems. As **Table 20** shows, however, this trend seems to have reversed course to a certain extent since 2000.

Table 20
Percent of Managed Care Systems Covering Medicaid Subpopulations

	1995 Total	1997–98 Total	2000			2003			Percent of Change 1995–2003	Percent of Change 1997/98–2003	Percent of Change 2000–2003
			Carve Out	Integrated	Total	Carve Out	Integrated	Total			
TANF population	44%	96%	85%	100%	88%	70%	100%	87%	43%	-9%	-1%
Poverty related population	24%	88%	85%	100%	88%	80%	85%	83%	59%	-5%	-5%
SSI population	20%	56%	81%	75%	79%	90%	46%	65%	45%	9%	-14%
Pregnant women and children	34%	84%	77%	100%	82%	70%	100%	87%	53%	3%	5%
Children and adolescents in child welfare system	37%	60%	88%	63%	82%	80%	38%	57%	20%	-3%	-25%
Children and adolescents in juvenile justice system	Not Asked	40%	88%	63%	82%	80%	15%	43%	NA	3%	-39%
Other	15%	12%	15%	13%	15%	40%	23%	30%	15%	18%	15%

NA=Not Applicable

Since 2000, there has been a reported decline in inclusion within managed care systems of Medicaid populations that can be expected to use more and costlier services, including children involved in child welfare and juvenile justice systems and children eligible for SSI. This decline, however, is driven largely by decreases in inclusion of these populations by integrated systems. Carve outs actually increased coverage of children eligible for SSI since 2000 and only slightly reduced coverage of children involved in child welfare and juvenile justice systems. In contrast, integrated systems reduced coverage of these populations significantly between 2000 and 2003. For example, 90% of carve outs reportedly cover the SSI population, a 9% increase over 2000, compared to only 46% of integrated systems, a 29% decline since 2000. Eighty percent of carve outs are reported to cover children involved in child welfare and juvenile justice systems, a decline of only 8% with respect to both populations since 2000. This compares to 38% of integrated systems that cover the child welfare population in 2003, a 25% decrease since 2000, and 15% of integrated systems that cover youth involved in juvenile justice systems, a 48% decrease since 2000.

Inclusion of high-need populations requires adaptation of traditional managed care approaches and inclusion of appropriate financing and risk adjustment mechanisms. As discussed throughout this and other Tracking Project reports, results suggest that carve outs are more likely to incorporate the special features and financing required by high-need populations and thus seem to be continuing to cover them in their managed care arrangements

in comparison to integrated systems, which appear to be decreasing coverage of certain high-need child populations. On the other hand, as the Tracking Project also has found consistently, integrated systems are more likely than carve outs to cover pregnant women and their children, those eligible for Temporary Assistance to Needy Families (TANF), and poverty-related populations. These populations are considered to have primarily acute care needs, which is the principal focus of integrated systems.