

# **ANALYSIS OF SELECTED ERIE COUNTY MEDICAID DATA**

2022 AND SELECTED PRIOR PERIODS



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May 01, 2023

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County Executive Poloncarz:

Since 2013, The Office of the Medicaid Inspector General for Erie County (“MIG Team”) has met with you<sup>1</sup> to discuss Medicaid issues raised with you by citizens of Erie County. You have met with the MIG Team on several occasions and asked that the team follow-up on certain questions brought up in those discussions. You also instructed that we develop a report to answer those questions discussed and provide what we believe to be valuable Erie County Medicaid data to County decision-makers and County residents. This is that document.

In May 2013, after approval from the New York State Office of Medicaid Inspector General (“OMIG”), the MIG Team received training on and access to New York State’s Medicaid Data Warehouse (“MDW”). The software used to access the MDW is provided by the Salient Management Company (“SALIENT”). The MDW contains the individual transaction records for all Medicaid claims data in New York State, although the MIG Team only has access to data for Erie County recipients. The MIG Team has complete access to all Medicaid claims data in Erie County on a real-time basis.

This database is covered by the legal and regulatory provisions of the Health Insurance Portability and Accountability Act (“HIPAA”). Much of the data is confidential in nature and cannot be released under this federal law. However, amalgamations of data are allowed as long as individual privacy is not breached.

This report is reviewed by the New York State Department of Health. As a condition of its release, we include the following disclaimer:

“The views and opinions expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of the New York State Department of Health. Examples of Analysis performed within this publication are only examples. They should not be utilized in real-world analytic products.”

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<sup>1</sup> In this document, “you” and “your” refer to the County Executive. “We” and “our” and “us” refer to the MIG Team.

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## **MEDICAID INSPECTOR GENERAL FOR ERIE COUNTY**

Since September 1, 2012, operating under agreements with OMIG, the MIG Team has completed or is in the process of completing fifty-two (52) audits. These audits cover more than \$107 million in Medicaid payments. The results of those audits have been submitted to OMIG, as per the agreements, for follow-up and action by the State.

As of January 1, 2023, we are trained and authorized to perform audits on the following types of Medicaid vendors:

- Ambulette Transportation
- Assisted Living Programs
- Durable Medical Equipment
- Long-Term Home Healthcare
- Pharmacy
- Taxi Transportation

The MIG Team continues to work on a variety of projects and cooperate with OMIG and law enforcement agencies as required and/or necessary. Under the County’s agreements with OMIG and other State agencies, the MIG Team is restricted from commenting on ongoing or recently completed Medicaid audits while OMIG reviews the results and considers State action.

The MIG Team, which features four employees, is funded through the State under a 2012 agreement.

## MEDICAID

The Federal government mandates that state Medicaid covers a core set of services. States can cover or provide optional services if they so choose.

TABLE 1. Mandated and Optional State Medicaid Health Care Services<sup>2</sup>

<b>Mandatory Services: States Must Cover</b>	<b>Optional Services: States May Cover</b>
<ul style="list-style-type: none"><li>• Inpatient and outpatient hospital services</li><li>• Physician, midwife, and certified nurse practitioner services</li><li>• Laboratory and x-ray services</li><li>• Nursing home and home health care for individuals over the age of 21</li><li>• Early and periodic screening, diagnosis, and treatment (EPSDT) for children under age 21</li><li>• Family planning services and supplies</li><li>• Rural health clinic/federally qualified health center services</li></ul>	<ul style="list-style-type: none"><li>• Diagnostic, screening, preventive, rehabilitative services</li><li>• Clinic services</li><li>• Intermediate care facilities for the mentally retarded (ICFs/MR)</li><li>• Prescribed drugs and prosthetic devices</li><li>• Optometrist services and eyeglasses</li><li>• Nursing facility services for children under age 21</li><li>• Transportation services (may be covered, must be assured)</li><li>• Physical and occupational therapy</li><li>• Home and community-based care to certain persons with chronic impairments</li><li>• Dental services (for adults)</li></ul>

New York State covers nearly all the optional services for Medicaid.<sup>2</sup>

## APPLYING FOR MEDICAID IN ERIE COUNTY

Qualifying for Medicaid in New York is subject to a number of rules and conditions. Income eligibility is a basic criterion

Medicaid is a flexible program. Individuals have qualified for Medicaid in New York State despite making more than the Federal 2023 Annual Poverty Guideline. The Patient Protection and Affordable Care Act of 2010 (“ACA”) creates a national Medicaid minimum eligibility level that covers most Americans with household income up to 133% of the federal poverty level. This amount is \$39,900 for a family of four in 2023.

Beginning in January of 2014, the ACA provided a new and simplified method for calculating eligibility for Medicaid and some other programs. The new method uses modified adjusted gross income (“MAGI”). MAGI replaces a process that used income deductions that are different in each state and often differed by eligibility group. The new method uses an individual’s MAGI, deducts 5% (called a “disregard”) and compares that number to the income standards. An applicant’s Adjusted Gross Income (“AGI”) is easily found: it’s on their most currently filed federal income tax return.<sup>3</sup>

<sup>2</sup> From Salient HHS, “Overview of Medicaid for Salient Users” dated October 2012, Page 34.

<sup>3</sup> From the Department of Health and Human Services website. [WWW.Medicaid.gov](http://WWW.Medicaid.gov)

Pregnant females, children, disabled persons, and others may be eligible for Medicaid if their income is above these levels and they have medical bills. Individuals who are certified blind or disabled, or age 65 or older who have more resources may also be eligible.

Medicaid covers some costs retroactively. Medicaid may retroactively cover the health care expenses for up to three (3) months prior to the application month, if the individual would have been eligible during the retroactive period. Coverage generally stops at the end of the month in which a person no longer meets the eligibility requirements.<sup>4</sup>

TABLE 2. Selected poverty guidelines as a percentage of the Federal poverty level <sup>5</sup>

<b>2023 Federal Annual Poverty Guidelines<sup>A</sup></b>				
<b>Household Size</b>	<b>100%</b>	<b>133%</b>	<b>150%</b>	<b>200%</b>
1	\$ 14,580	\$ 19,391	\$ 21,870	\$ 29,160
2	19,720	\$ 26,228	29,580	39,440
3	24,860	\$ 33,064	37,290	49,720
4	30,000	\$ 39,900	45,000	60,000
5	35,140	\$ 46,736	52,710	70,280
A - Poverty guidelines are formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)".				

In Erie County, the Minimum Wage is \$12.50 per hour as of December 31, 2022.<sup>6</sup> Individuals earning minimum wage who work 40 hours per week for 50 weeks per year earn an annual wage of \$28,400.

As an example, a family of two children and two adults, with both adults working 40 hours per week for 50 weeks at the New York State Minimum Wage as of January 1, 2023, would have an income of \$56,800. With no other income or adjustments to their AGI, the Disregard would be \$2,840.00. (\$56,800 X 5%) In this example the MAGI would be \$53,960 and this family would not qualify for Medicaid under the current guidelines.

<sup>4</sup> New York State Department of Health website. <http://www.health.ny.gov/>

<sup>5</sup> US Department of Health and Human Services website. <http://www.hhs.gov/>

<sup>6</sup> This wage can vary under certain circumstances. Please see the New York State Department of Labor website. [www.labor.ny.gov](http://www.labor.ny.gov)

The ACA ensures that no one would lose health coverage as a result of converting to the MAGI rules.<sup>7</sup> This family could be covered under Medicaid should special circumstances apply, or covered under the Medicaid adult coverage group, or they would be able to purchase insurance with the benefit of a premium tax credit and possible cost-sharing reductions through the health plan marketplace run by New York State.

The family described above has children who may qualify for Child Health Plus and the adults may qualify for the Essential Plan health insurance.

If someone believes they qualify for Medicaid, or they believe their children may qualify for Child Health Plus, or they wish to purchase insurance through the health plan marketplace run by New York State, they should apply online through the NY State of Health ([www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov)).

At this time, changes are being considered to Medicaid qualifications as well as other Medicaid rules by the US Congress. Any interested applicant is urged to visit the NY State of Health ([www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov)) website or [www.medicaid.gov](http://www.medicaid.gov) for the most current information.

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<sup>7</sup> US Department of Health and Human Services website. <http://www.hhs.gov/>

## THE FMAP PERCENTAGE

The Medicaid program is jointly funded by states and the federal government and in the case of New York State, the county governments. In states that choose to participate, the federal government pays at least half the cost of providing needed services to program beneficiaries. The federal share of those costs is determined by the FMAP. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.<sup>8</sup>

The ACA changed the calculation of the FMAP percentage. The FMAP is calculated annually using a formula set forth in federal statute. The FMAP is inversely proportional to a state's average personal income relative to the national average. States with lower average personal incomes have higher FMAPs. Personal income data is lagged, so data used for FY 2023 was based on 2019-2021.

The ACA provides an FMAP of at least 90 percent for the cost of covering newly eligible low-income adults. The costs of administration are generally matched at 50 percent, although some administrative activities receive a higher federal matching rate.

The FMAP for New York State for the federal government's current fiscal year (October 1, 2022 through September 30, 2023) is 50.20%<sup>9</sup>. New York State shares the lowest FMAP percentage in the nation with thirteen (13) other states. The highest FMAP percentage for federal FY 2023 was 84.06% for the state of Mississippi.<sup>10</sup> This means that despite the large cost of New York's Medicaid program, by percentage, the state received a lower federal contribution than many other states.

The ACA established highly enhanced FMAPs for the cost of services to low-income adults with incomes up to 138% of the Federal Poverty Level ("FPL") who are not currently covered. The federal government picked up 93% of such costs in 2019, phasing down to 90% in 2020 and beyond.<sup>11</sup>

This enhanced FMAP percentage has resulted in an increased reimbursement to Erie County, and as a result, a lower County share of the total Medicaid cost.

The Families First Coronavirus Response Act increased FMAP rates by 6.2% for all states to address increase costs due to COVID 19. The Act took effect in 2020 and ends in 2023.<sup>12</sup>

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<sup>8</sup> An Overview of the Federal Medicaid Matching Rate (FMAP), The Henry J. Kaiser Family Foundation. <http://www.kff.org>.

<sup>9</sup> US Department of Health and Human Services website. <http://www.hhs.gov/>

<sup>10</sup> US Department of Health and Human Services website. <http://www.hhs.gov/>

<sup>11</sup> US Department of Health and Human Services website. <http://www.hhs.gov/>

<sup>12</sup> "Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier", The Henry J. Kaiser Family Foundation. <http://www.kff.org>.

## THE 2023 NEW YORK STATE BUDGET AND MEDICAID

In March of 2023, you and some members of the MIG Team attended the New York State Association of Counties annual conference in Albany. At that conference was an update on the New York State budget.

A reminder that the New York State budget runs from April 1 to March 31 annually.

On April 27<sup>th</sup>, Governor Hochul announced an agreement on the 2024 New York State budget. The current budget proposal contains some dramatic changes to Medicaid. The State Medicaid program will begin the 2023-24 budget with an estimated \$800 million deficit. That deficit is expected to grow in future years.

Highlights of the budget agreement include:<sup>13</sup>

- Investing \$1 billion in **mental health** - the largest investment in comprehensive mental health care in a generation - and transforming the continuum of care by increasing inpatient psychiatric treatment capacity, dramatically expanding outpatient services, and boosting insurance coverage;
- Creating a **stronger health care system** for the future through an additional \$1 billion in health care capital funding and expanded Medicaid coverage for more than 7.8 million low-income New Yorkers;
- Protecting **reproductive health care** by investing \$100.7 million to fund abortion providers, expanding access to abortion care for SUNY and CUNY students, providing access to over-the-counter contraception at pharmacies, enacting additional data protections for patients seeking reproductive health care, and increasing the Medicaid reimbursement rate for abortion care;
- **Supporting New Yorkers with disabilities** by expanding the Medicaid Buy-In Program for working people with disabilities, funding and reinvigorating the Interagency Coordinating Council for Services to Persons who are Deaf, Deaf-Blind and Hard of Hearing and increasing the number of Civil Service Section 55-B positions to grow the representation of those with disabilities in the State workforce.

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<sup>13</sup> From [www.governor.ny.gov](http://www.governor.ny.gov), the official New York State website.



In order to offset the costs of these expansions, New York State’s 2023 budget proposal includes a plan to intercept Affordable Care Act eFMAP savings due to the counties and use it for New York State purposes. The potential loss of this proposal to Erie County could be over \$26 million dollars annually as per an analysis performed by the New York State Association of Counties.<sup>14</sup>

## MEDICAID COSTS IN ERIE COUNTY FOR SELECTED YEARS

Medicaid claims must be initially submitted within 90 days of the date of service, but claims must be **finally** submitted within two (2) years.

In 2022, more than \$2.6 billion dollars was spent on Medicaid in Erie County. This sums to more than eight thousand dollars per Medicaid client. To illustrate the changes in cost over time in Erie County, Table 3 was developed.

TABLE 3. Medicaid Costs, Clients and Per Client Costs for Selected Years in Erie County.

Erie County Medicaid Costs And Clients For Selected Years				
	2019	2020 <sup>D</sup>	2021 <sup>A B D</sup>	2022 <sup>B C</sup>
Medicaid Costs	\$ 2,446,033,510	\$ 2,446,187,611	\$ 2,611,109,298	\$ 2,690,389,706
Erie County's Portion of Medicaid Costs	\$ 207,965,036	\$ 187,453,156	\$ 178,436,357	\$ 196,016,900
Medicaid Clients	287,317	288,139	305,156	318,830
Medicaid Cost Per Client	\$ 8,513.36	\$ 8,489.61	\$ 8,556.64	\$ 8,438.32
Erie County Population	N/A	954,236	950,683	N/A
% of Erie County Population on Medicaid	N/A	30.20%	32.10%	N/A
A - The figures for 2021 are not final but cover the period January 1, 2021 through December 31, 2021.				
B - Erie County's portion of Medicaid Costs is a maximum figure for the full year. Federal credits may reduce this figure.				
C - The figures for 2022 are not final but cover the period January 1, 2022 through December 31, 2022.				
D - Erie County population figures as per the US Census.				
Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2373; Dates of Service December 31, 2022; Access Date March 2, 2023.				

<sup>14</sup> Document provided at the NYS Association of Counties 2023 Legislative Conference. It is attached as Exhibit One.

From 2019 to the end of 2022, Medicaid costs in Erie County have increased by more than two hundred forty million dollars. In that same period, Erie County's portion of those costs has fallen, dropping by about eleven million nine hundred thousand dollars.

The 2021 cost reduction is due to enhanced Federal Medicaid Assistance Payments (e-FMAP) coming from Congress as a result of the COVID-19 pandemic. These payments will stop when the Federal Government's state of emergency is formally ended.

When Medicaid was first established, the Federal Government paid 51 percent of NY's Medicaid costs, New York State paid 35 percent and Counties, including Erie County, paid about 13 percent. However, New York State has capped county Medicaid payments. If that cap did not exist, Erie County's portion of Medicaid costs in 2022 would have been over \$349 million dollars or about \$153 million dollars more than what was budgeted.

So the reader may understand the impact of the Medicaid cap on the Erie County budget, in 2022, Property Tax revenue was about \$293.5 million. To raise an additional \$153 million in property tax revenue would have caused property tax rates to rise more than 50%.

In 2016, the most current year with available data, the Federal Government paid 54.7% of Medicaid costs within New York State, with the State and Counties picking up the remaining 45.3%.

In our 2017 report to you, we predicted that Medicaid clients in Erie County would stabilize between 282,000 and 287,000 clients. We were close in 2020, with 2020 clients rising to 288,139. 2022 has shown that prediction to be optimistic with Medicaid clients now numbering 318,830.

Based upon a historical 2.40% Medicaid growth rate, we now estimate that Medicaid costs in Erie County will cross the three-billion-dollar mark sometime in 2030.

## **ERIE COUNTY MEDICAID EXPENDITURES BY LOCATION, AGE AND RACE**

The number of persons on Medicaid in Erie County and the claims incurred on behalf of those persons dictate Medicaid costs. The New York State Medicaid database allows for the tracking of Medicaid clients based upon the residential zip code of the Medicaid patient. For the twelve zip codes with the largest number of Medicaid recipients, that data is provided in Table 4.

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TABLE 4. Medicaid Clients by Year and Residing Zip Code.

Erie County Medicaid Clients by Year and Residing Zip Code				
Zip Code	2019	2020	2021 <sup>A</sup>	2022 <sup>B</sup>
14215	25,711	26,135	28,120	29,636
14213	13,948	13,902	14,696	15,195
14207	17,026	16,745	17,638	18,408
14211	17,708	18,090	19,502	20,803
14206	10,040	10,221	11,029	11,728
14201	7,075	7,034	7,259	7,419
14218	9,587	9,657	10,371	10,917
14210	7,424	7,449	7,838	8,239
14212	8,345	8,520	9,286	9,999
14225	9,945	10,361	11,262	12,091
14220	7,564	7,524	7,986	8,224
14150	9,140	9,425	10,048	10,577
<b>Top Twelve Total</b>	<b>143,513</b>	<b>145,063</b>	<b>155,035</b>	<b>163,236</b>
<b>Overall Total</b>	<b>287,317</b>	<b>288,139</b>	<b>305,156</b>	<b>318,830</b>
Percentage of the top twelve to the Overall Total	50%	50%	51%	51%
<sup>A</sup> 2021 data is not final and covers the period January 1, 2021 through December 31, 2021.				
<sup>B</sup> 2022 data is not final and covers the period January 1, 2022 through December 31, 2022.				
<i>Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2373; Dates of Service December 21, 2022; Access Date March 1, 2023.</i>				

Table Five shows that in 2022, the top five zip codes contain about thirty percent (30%) of the County’s Medicaid population. This is also true for 2019, 2020 and 2021. Not surprisingly, these zip codes are concentrated in the City of Buffalo. The seventh-largest zip code is the City of Lackawanna, the tenth-largest is Cheektowaga, and the twelfth-largest zip code is the City of Tonawanda and part of the Town of Tonawanda.

Erie County’s population on April 1, 2021 was 950,683.<sup>15</sup> There were 305,156 clients on Medicaid in Erie County in 2021. About 32% of all Erie County residents are covered by Medicaid.

Due to the COVID 19 pandemic, Medicaid clients were not removed from the Medicaid rolls for reasons of eligibility. In April of 2023, the process of redetermining eligibility for Medicaid clients began. The New York State Department of Health predicts Medicaid enrollment could drop by as much as 10% due to this redetermination.

<sup>15</sup> US Census [www.census.gov](http://www.census.gov)

Medicaid clients by race and age are shown in Table 5.

TABLE 5. Medicaid Recipients by Age and Race

Unique Erie County Medicaid Recipients by Age and Race				
Race / Ethnicity / Age <sup>B</sup>	2019	2020	2021 <sup>A</sup>	2022 <sup>C</sup>
Age (65 and Over)				
White	21,473	20,226	19,376	18,597
Black/African American	6,925	6,656	6,477	6,141
Hispanic/Latino	2,070	1,997	1,966	1,890
Asian/Pacific Islander	1,683	1,719	1,884	2,056
American Indian/Alaska Native	211	200	210	213
Not Available/More Than One Race	1,470	1,488	1,555	1,633
Age (21-64)				
White	72,514	72,078	75,892	78,812
Black/African American	44,136	43,173	44,916	46,076
Hispanic/Latino	16,192	15,954	16,756	17,163
Asian/Pacific Islander	9,671	10,242	11,717	13,183
American Indian/Alaska Native	1,136	1,093	1,209	1,258
Not Available/More Than One Race	13,974	14,928	16,740	17,941
Age (0-20)				
White	31,528	31,896	34,247	36,442
Black/African American	29,409	29,734	31,547	32,988
Hispanic/Latino	13,382	13,722	14,623	15,372
Asian/Pacific Islander	7,347	8,217	9,639	11,046
American Indian/Alaska Native	768	778	856	928
Not Available/More Than One Race	13,428	14,038	15,546	17,091
Totals	<u>287,317</u>	<u>288,139</u>	<u>305,156</u>	<u>318,830</u>
A - 2021 data is not final and covers the period January 1, 2021 through December 31, 2021.				
B - Medicaid clients self-identify for race and ethnicity.				
C - 2022 data is not final and covers the period January 1, 2022 through December 31, 2022.				
Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2373; Dates of Service December 31, 2022; Access Date March 2, 2023.				

In 2022, persons less than 21 years of age made up about 35% of the persons on Medicaid in Erie County.

## PRESCRIPTIONS IN ERIE COUNTY PAID THROUGH MEDICAID

The MIG Team can analyze prescriptions paid through Medicaid by the type of drug, prescribing medical professional, Medicaid patient, number of refills and other criteria. The MIG Team uses this data to determine the most commonly filled prescriptions.

TABLE 6. Most commonly filled prescriptions\*

The Medicaid Drugs in Erie County with the Most Filled Prescriptions are:				
	2019	2020	2021 <sup>A</sup>	2022 <sup>B</sup>
1	Atorvastatin Calcium	Atorvastatin Calcium	Atorvastatin Calcium	Atorvastatin Calcium
2	Albuterol Sulfate	Albuterol Sulfate	Albuterol Sulfate	Albuterol Sulfate
3	Ibuprofen	Gabapentin	Metformin HCL	Metformin HCL
4	Gabapentin	Omeprazole	Omeprazole	Amlodipine Besylate
5	Omeprazole	Ibuprofen	Amlodipine Besylate	Omeprazole
6	Lisinopril	Metformin HCL	Gabapentin	Gabapentin
7	Metformin HCL	Amlodipine Besylate	Ibuprofen	Ibuprofen
8	Amlodipine Besylate	Lisinopril	Lisinopril	Lisinopril
9	Vitamin D	Levothyroxine Sodium	Levothyroxine Sodium	Levothyroxine Sodium
10	Fluticasone Propionate	Sertraline HCL	Pfizer Biontech COVID 19 Vaccine	Sertraline HCL
11	Levothyroxine Sodium	Vitamin D	Vitamin D	Vitamin D
12	Aspirin	Buprenorphine	Sertraline HCL	Cetirizine HCL
All Prescriptions Filled	3,273,084	3,293,194	3,561,982	3,674,292
Just Above Scripts Filled	742,442	704,177	773,768	710,301
Percent of Total	22.68%	21.38%	21.72%	19.33%

<sup>A</sup> 2021 data is not final and covers the period January 1, 2021 through December 31, 2021.  
<sup>B</sup> 2022 data is not final and covers the period January 1, 2022 through December 31, 2022.

Source: Salient NYS Medicaid Enterprise System; Includes Payment Cycles through 2373; Date of Service is December 31, 2022; Access Date March 2, 2023.

\*generic drug names

Since early 2015, Hydrocodone has fallen from its prominent perch as the number one proscribed Medicaid drug in Erie County. Considering how abused this particular medication can be, such a drop is significant.

Hydrocodone–Acetaminophen is a controlled substance. It was also the most prescribed Medicaid drug in Erie County from 2008 through 2014. Hydrocodone-Acetaminophen, also known as Vicodin or Lortab, is one of the most abused prescription drugs in the U.S.

As we have watched with some satisfaction the fall of Hydrocodone–Acetaminophen as recorded on Table 6, we have been alarmed at the increase of the number of prescriptions for Gabapentin. Gabapentin is approved by the Food and Drug Administration to treat epilepsy and pain related to nerve damage, called neuropathy. Also known by its brand name, Neurontin, the drug acts as a

sedative. It is widely considered non-addictive and touted by the federal Centers for Disease Control and Prevention as an alternative intervention to opiates for chronic pain. Generally, doctors prescribe no more than 1,800 to 2,400 milligrams of gabapentin per day, according to information on the Mayo Clinic’s website.

Gabapentin does not carry the same risk of lethal overdoses as opioids, but drug experts say the effects of using Gabapentin for long periods of time or in very high quantities, particularly among sensitive populations like pregnant women, are not well-known.

In 2021, the Pfizer–Biontech COVID 19 vaccine is new to the listing. The Moderna COVID 19 vaccine is not shown, but would be the 25<sup>th</sup> item on the 2021 listing.

The pharmaceutical drugs shown in Table 6 and their commonly prescribed purpose are reported in Table 7 below:

TABLE 7. Indications for commonly prescribed medications.

Drug Name	Commonly prescribed for:
Albuterol Sulfate	Treatment for asthma or COPD
Amlodipine Besylate	High blood pressure treatment
Amoxicillin	Infection treatment (Antibiotic)
Aspirin	Over the counter pain reliever
Atorvastatin Calcium	Elevated cholesterol treatment
Buprenorphine	Used to treat opioid addiction
Cetirizine HCL	Used to address allergy symptoms
Clonazepam	Epilepsy treatment and treatment for bipolar disease and panic attacks
Gabapentin	Anti-epileptic medication and treatment for some kinds of nerve pain
Hydrochlorothiazide	Treatment for high blood pressure, also osteoporosis and is a diuretic
Hydrocodone-Acetaminophen	Treatment for moderate to severe pain
Ibuprofen	Over the counter pain reliever
Levothyroxine Sodium	Treatment for thyroid deficiency
Lisinopril	High blood pressure treatment
Loratadine	Treatment for allergies
Metformin HCL	Treatment for type two diabetes or pre-diabetics
Moderna COVID 19 Vaccine	Vaccine for COVID 19
Omeprazole	Treatment for acid reflux
Pfizer-Biontech COVID 19 Vaccine	Vaccine for COVID 19
Sertraline HCL	Treatment for depression
Ventolin HFA	Treatment for asthma or allergies
Vitamin D	Addresses bone loss and cognitive impairment

## MEDICAID INCOME AND RESOURCE LIMITATIONS

You were asked if there was some way to tell if people who apply for Medicaid and are rejected, hide assets when they re-apply for Medicaid . You were also asked if the number of Medicaid clients who hid assets could be provided. You did forward this question to the MIG Office for a response.

The answer is no, with an explanation.

This office uses the Medicaid Data Warehouse (“MDW”) and accesses that data using the SALIENT system. The MDW does not record application data. A Medicaid client only appears in the MDW once they are approved for Medicaid. However, Erie County Social Services collects data on approved applications and applications determined to be ineligible.

There are reasons a Medicaid application is determined to be ineligible. Those reasons are tracked so if the client appeals the ineligibility, the County can defend the determination. Some reasons a client’s application can be considered ineligible include:

U20 – Client deny/discontinue due to verification of factors which affect eligibility, client did not state unable to get information

U21 – Client deny/discontinue due to verification of factors which affect eligibility, client unable to get information. Client unable to provide a good reason unable to provide information.

U32 – Excess Income

U40 – Excess Resources

U59 – Excess Income and Resources

U66 – Currently in receipt of assistance

U79 – Concurrent Benefits

U80 – Qualified Individual, Over Income

These are not the only reasons for ineligibility. A more extensive listing is attached as Exhibit Two.

The County does know who applies and has been deemed ineligible for excess income/resources. However, there are many legal methods for a Medicaid applicant reducing their income/resources in order to qualify.

A partial listing of legitimate ways for a Medicaid applicant to reduce resources includes:

- Prepaid burials
- Purchasing burial plots
- Transferring money to a disabled child
- Depending on category of Medicaid, transferring money to spouse residing in the community

- Gifting money to others *as long as an established gifting pattern existed prior to the 5 year look back period*
- Paying a nursing home bill using resources and savings

The lookback period for Medicaid in New York state is the time frame during which Medicaid checks past asset transfers to see if any were made to qualify for Medicaid. The lookback period is different for institutional (nursing home) Medicaid and community (home care) Medicaid. For institutional Medicaid, the lookback period is **five years**, except for some exceptions for transfers to a spouse, disabled child, adult children caregivers, or for paying off debt.<sup>16</sup>

Erie County is aware that a potential client was deemed ineligible for excess income/resources. A County staffer will record the amount over the qualification threshold as part of the ineligibility finding. If an ineligible client was over the qualification threshold by a small margin, it is simple matter to legally reduce income or resources. If a possible client has substantial resources or income (or both), legally reducing income or resources is difficult.

When a client is determined to be ineligible, and then reapplies, Social Services sees the prior ineligible code. Someone in Social Services is required to ask “So, what happened to all the excess income/resources from the last application?” The applicant is also required to provide documentation of where the resources went and what happened with the income or the applicant’s employment. Depending on category of medical assistance needed, income and resources will be reviewed for the 5 year lookback. (Nursing home assistance is the best example of this.)

You asked how to respond to the two questions. I recommend:

”Erie County does not know how many people hide assets to qualify for Medicaid. We do know how many people apply, and are deemed ineligible for excess income, excess resources and for an unwillingness or inability to provide key income/resources data that the County needs to process a Medicaid application.

We do know that some of these deemed ineligible clients reapply for benefits. When they do, the reason they were determined ineligible previously is communicated to a Social Services staffer. (The computer system does this.) If a previously ineligible client was determined to be ineligible due to an excess of income/resources, Social Services is expected to ask “What happened to the money/resources/income?” Based upon that answer, a previously ineligible client could be determined to be ineligible again, an investigation could occur, or a client could be deemed eligible for Medicaid. “

If there is a fear that no one is looking for potential Medicaid clients abusing the system, that is incorrect. The County does look for potential Medicaid clients hiding income/resources.

Asking for the number of applicants who are determined ineligible, then reapply with a lower income/resources figure, would be misleading as an indicator of fraud. The number would include

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<sup>16</sup> [Medicaid.gov: the official U.S. government site for Medicare | Medicaid](https://www.medicaid.gov)



people who legitimately have a lower income/resource level, people who simply goof on their application as well as anyone who tried to hide resources.

This office reminds you that there are law firms across New York State that specialize in helping their clients shield resources from Medicaid and the Medicaid lookback period – legally. It is the consensus of both Social Services and this office, that the vast majority of wealthy Medicaid applicants retain the services of these firms, legally dispose of their resources, and as a result, are not committing fraud.

## ERIE COUNTY MEDICAID CLIENTS BY MARITAL STATUS

TABLE 8 – Erie County Medicaid Clients by Marital Status

Erie County Medicaid Clients by Marital Status			
Calendar Year 2022 <sup>A</sup>			
Marital Status	Race <sup>B</sup>	Unique Medicaid Clients	
Single		219,158	
Single	White		87,360
Single	Black		73,151
Single	Hispanic		28,616
Single	Multiple Races / Unknown		16,218
Single	Asian or Pacific Islander		12,031
Single	American Indian		1,782
Married		32,488	
Married	White		14,898
Married	Asian or Pacific Islander		7,886
Married	Black		4,427
Married	Hispanic		2,624
Married	Multiple Races / Unknown		2,450
Married	American Indian		203
NOT AVAILABLE		57,529	57,529
Widowed		4,870	
Widowed	White		3,341
Widowed	Black		768
Widowed	Asian or Pacific Islander		341
Widowed	Hispanic		215
Widowed	Multiple Races / Unknown		180
Widowed	American Indian		25
Informal Separation		3,582	
Informal Separation	White		1,754
Informal Separation	Black		1,044
Informal Separation	Hispanic		406
Informal Separation	Asian or Pacific Islander		199
Informal Separation	Multiple Races / Unknown		150
Informal Separation	American Indian		29
Formal Separation		894	
Formal Separation	White		517
Formal Separation	Black		184
Formal Separation	Hispanic		131
Formal Separation	Multiple Races / Unknown		26
Formal Separation	Asian or Pacific Islander		31
Formal Separation	American Indian		5
Abandonment/Desertion		283	
Abandonment/Desertion	White		136
Abandonment/Desertion	Black		100
Abandonment/Desertion	Hispanic		20
Abandonment/Desertion	Multiple Races / Unknown		15
Abandonment/Desertion	Asian or Pacific Islander		9
Abandonment/Desertion	American Indian		3
Annulment		26	26
Totals		318,830	318,830
A - 2022 data is not final and covers the period January 1, 2022 through December 31, 2022.			
B - Medicaid clients self-identify for race and ethnicity.			
Source: Salient NYS Medicaid Enterprise System; Includes Payment Cycles through 2373; Dates of Service December 31, 2022; Access Date March 2, 2023.			

## CONCLUSIONS

- ✓ We predicted in past reports that Erie County Medicaid’s population would stabilize within a range of between 282,000 and 287,000 clients. The COVID 19 pandemic shattered the assumptions behind that prediction and 2022 data shows that Medicaid clients number 318,830.
- ✓ Medicaid costs also continue to grow. In 2022, Medicaid costs for Erie County Medicaid clients climbed to over \$2.69 billion dollars. Much of that cost is paid by New York State and the Federal government.
- ✓ At the current rate of growth, Medicaid costs in Erie County may climb to over \$3 billion dollars by 2030.
- ✓ New York State’s 2023 budget proposal includes a plan to intercept Affordable Care Act eFMAP savings due to the counties and use it for New York State purposes. The potential loss of this proposal to Erie County could be over \$26 million dollars.
- ✓ About 32% of Erie County residents’ health insurance is now being provided by Medicaid.
- ✓ Due to the COVID 19 pandemic, Medicaid clients were not removed from the Medicaid rolls for reasons of eligibility. In April of 2023, the process of redetermining eligibility for Medicaid clients will begin. Medicaid enrollment could drop by as much as 10% due to this redetermination.
- ✓ Buprenorphine, used to treat opioid addiction, appeared on Table 7 in 2020, a listing of the most filled prescriptions for Erie County Medicaid clients. This is a positive sign in the fight on opioid abuse, but indicates the battle is far from over.
- ✓ For the first time since Medicaid prescription data has been made available, a vaccine has appeared in Table 7. The Pfizer-Biontech COVID 19 vaccine is an important tool in the fight against COVID 19.

We gratefully acknowledge the cooperation and assistance of OMIG, the New York State Department of Health, the Erie County Department of Health, the Erie County Department of

Social Services, the Erie County Department of Environment and Planning - Geographic Information Systems Team and the Erie County Department of Management and Budget. We look forward to working on additional projects with all these groups.