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March 15, 2013

The Honorable Orrin G. Hatch
Ranking Member
Committee on Finance
United States Senate

The Honorable Joseph R. Pitts
Chairman
Subcommittee on Health
Committee on Energy and Commerce
House of Representatives

Subject: *Medicaid: Additional Enrollment and Expenditure Data for the Transitional Medical Assistance Program*

Transitional Medical Assistance (TMA) is a Medicaid program that offers up to 1 year of additional Medicaid health insurance benefits for certain low-income families who would otherwise lose coverage. Specifically, under TMA provisions that are subject to reauthorization, families who would otherwise lose Medicaid eligibility because of earned income or hours of employment, or the loss of a time-limited earnings disregard, receive at least 6 months and up to 12 months of Medicaid coverage.¹ However, because little is known about TMA enrollment and expenditures within each state, you had asked us to provide more information to inform deliberations on reauthorization.² To this end, we issued a report in December 2012, which included information about states' TMA program policies, enrollment, and expenditures beginning in 2006 through the most recent year available.³

¹Social Security Act (SSA) §1925, codified at 42 U.S.C. § 1396r-6. Under permanent provisions of the SSA, Medicaid coverage continues for 4 months for families who would otherwise lose coverage because of an increase in earned income or hours of employment or increased child or spousal support. See SSA §§ 1902(e)(1)(A), 1931(c), 406(h) (as in effect on July 16, 1996), (codified at 42 U.S.C. §§ 1396a(e)(1)(A), 1396u-1(c)). Section 1925 preempts section 1902(e)(1)(A) through December 31, 2013, for families with earned income. SSA § 1902(e)(1)(B) (codified at 42 U.S.C. § 1396a(e)(1)(B)).

²These TMA provisions were reauthorized most recently through December 31, 2013, by the American Taxpayer Relief Act of 2012, Pub. L. No.112-240, § 622, 126 Stat. 2313 (2013).

³See GAO, *Medicaid: Enrollment and Expenditures for Qualified Individual and Transitional Medical Assistance Programs*, [GAO-13-177R](#) (Washington, D.C.: Dec. 12, 2012).

To obtain the information for our December 2012 report, we sent an electronic survey to the Medicaid Director, or his or her designated staff, in all 50 states and the District of Columbia to obtain key information about their respective TMA programs.⁴ While 45 states responded to at least a portion of the survey, some states were not able to provide the information we requested, or were not able to provide the information within the time frames of our work.⁵ However, our December report noted that for 2011, 41 states reported TMA enrollment of over 3.5 million individuals, and 32 states reported TMA total expenditures of about \$3.9 billion.

After we completed the analysis for the December 2012 report, four states that had responded to our survey provided additional information. Specifically, two states (Virginia and Washington) provided TMA enrollment data, and four states (Arkansas, North Dakota, Virginia, and Washington) provided TMA expenditure data. You asked us to update the survey results to include these data. With these states included, TMA enrollment in 2011 totaled over 3.7 million in the 43 states that provided enrollment data, and TMA expenditures in 2011 totaled about \$4.1 billion in the 36 states that provided expenditure data, which is about \$241 million higher than what we originally reported. Enclosure I provides updated state-reported information on TMA enrollment and expenditures.

This update is based on our work for the December 2012 report and our analysis of the subsequent survey responses, and was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The prior work and this update were conducted from October 2012 through March 2013.

For further information regarding this report, please contact me at (202) 512-7114 or yocomc@gao.gov. Copies of this report will be sent to the Administrator of CMS and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report were Susan Anthony, Assistant Director; Hannah Locke; JoAnn Martinez-Shriver; and Samantha Poppe.



Carolyn L. Yocom
Director, Health Care

Enclosure

⁴In this report, we use the term “states” to refer to the 50 states and the District of Columbia.

⁵We did not independently verify information reported by states.

Transitional Medical Assistance (TMA) Updated State Survey Responses

The following tables on Transitional Medical Assistance (TMA) enrollment and expenditures include states that provided additional data subsequent to our December 2012 report.¹

Table 1: Reported Enrollment in the Transitional Medical Assistance (TMA) Program by State, 2006 through 2011

Number of individuals						
State	2006	2007	2008	2009	2010	2011
Alabama	3,170	2,408	1,928	2,103	2,370	1,927
Alaska ^a	1,740	1,811	1,833	1,902	2,168	2,889
Arizona ^b	—	—	45,445	43,836	42,843	45,562
Arkansas	5,288	4,818	4,524	3,793	3,133	3,235
California	227,419	297,103	316,787	312,139	323,300	336,635
Colorado	—	—	58,817	60,152	54,697	64,643
Connecticut	—	—	—	—	—	—
Delaware	35,061	13,168	14,940	14,179	14,351	17,585
District of Columbia	2,917	2,342	1,762	1,287	1,140	1,332
Florida	328,912	277,890	280,906	324,094	384,227	424,312
Georgia	148,259	106,472	127,110	118,149	110,933	111,554
Hawaii	6,151	4,850	4,808	4,536	4,892	6,271
Idaho	29,160	16,131	4,654	4,070	4,280	7,089
Illinois	—	358,910	374,673	382,085	399,244	445,481
Indiana	113,527	113,095	109,547	99,217	99,173	109,114
Iowa	—	49,961	46,569	44,342	44,358	41,180
Kansas	25,739	22,061	18,020	14,521	10,910	15,632
Kentucky	58,574	59,821	56,374	52,162	48,590	54,119
Louisiana	23,391	27,689	29,262	28,575	25,830	24,893
Maine	22,400	23,661	23,940	21,440	20,269	23,427
Maryland	19,424	15,744	14,186	32,412	69,080	96,945
Massachusetts	63,376	65,120	70,208	73,528	69,696	64,886
Michigan	155,329	140,315	130,920	142,853	135,214	166,496
Minnesota	27,607	28,846	30,108	29,121	30,036	35,359
Mississippi	—	—	—	12,356	35,946	37,348
Missouri	238,727	84,676	104,803	117,594	112,421	109,357
Montana	—	—	—	—	—	—
Nebraska	31,335	28,060	18,443	23,928	35,448	40,903
Nevada	13,782	10,092	3,102	2,814	8,156	10,297

¹See GAO, *Medicaid: Enrollment and Expenditures for Qualified Individual and Transitional Medical Assistance Programs*, [GAO-13-177R](#) (Washington, D.C.: Dec. 12, 2012). The states that provided additional data are Arkansas, North Dakota, Virginia, and Washington. Ultimately, 45 states responded to the survey. The 6 states that did not respond to our survey were Connecticut, Montana, New Hampshire, North Carolina, South Dakota, and Vermont.

Enclosure I

Number of individuals						
State	2006	2007	2008	2009	2010	2011
New Hampshire	—	—	—	—	—	—
New Jersey	23,066	26,084	30,889	32,973	32,739	35,627
New Mexico	59,151	56,436	52,923	53,100	52,949	50,532
New York	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
North Dakota ^c	—	—	—	—	—	—
Ohio	360,876	369,752	352,192	328,838	320,639	371,193
Oklahoma	14	125	469	48	20	86
Oregon	80,614	63,517	52,328	48,218	55,021	70,197
Pennsylvania	223,732	277,879	294,864	251,688	233,278	240,330
Rhode Island	19,165	15,763	12,162	9,718	9,776	8,128
South Carolina	52,840	47,658	55,520	53,583	53,876	62,190
South Dakota	—	—	—	—	—	—
Tennessee	—	178,188	95,687	46,018	50,559	55,669
Texas	214,713	174,581	152,595	130,002	129,332	135,068
Utah	12,180	15,155	20,808	21,807	21,486	22,846
Vermont	—	—	—	—	—	—
Virginia	—	—	—	—	—	20,042
Washington	—	—	—	—	—	145,992
West Virginia	7,789	6,060	4,322	4,046	4,415	3,135
Wisconsin	140,313	138,053	131,371	131,424	158,621	187,016
Wyoming	3,944	4,081	4,005	3,691	3,760	4,013
Total states providing enrollment data	35	38	40	41	41	43
Total for states reporting enrollment	2,779,685	3,128,376	3,153,804	3,082,342	3,219,176	3,710,535

Source: GAO analysis of state data.

Notes: State data are as of March 2013. State officials were asked to provide an unduplicated enrollment number for each year. Alaska and Arizona could not provide unduplicated enrollment data. Officials in 22 states reported enrollment data by state fiscal year, 6 reported by federal fiscal year, 13 reported by calendar year, and 2 reported average monthly enrollments.

Some states do not separate data based on the provisions under which Medicaid coverage is extended. However, the states that were able to break out the number of enrollees based on the provisions under which Medicaid coverage is extended generally reported over 90 percent of enrollees were eligible for TMA due to earnings.

The “—” indicates that data were not available from the state.

^aFor a number of reasons, Alaska does not determine annual, unduplicated enrollment for TMA. Instead, the state tracks monthly TMA enrollment and provided us with the average monthly TMA enrollment for state fiscal years 2006 through 2012. However, a state Medicaid official noted that these data have limitations. For example, the enrollment data have not been adjusted for retroactive eligibility determinations, and for state fiscal years 2006 through 2010, TMA enrollment may be overstated because of the potential overlap between eligibility categories that existed during that time.

^bArizona Medicaid officials told us that they were not able to provide an unduplicated count.

^cOfficials in North Dakota were not able to provide TMA enrollment data for all years; however, they were able to produce a point-in-time enrollment of 6,066 individuals as of September 30, 2012.

Table 2: Reported Expenditures for the Transitional Medical Assistance (TMA) Program by State, 2006 through 2011

Dollars in thousands						
State	2006	2007	2008	2009	2010	2011
Alabama	\$2,102	\$1,795	\$1,596	\$1,599	\$1,676	\$2,283
Alaska	—	—	—	—	—	—
Arizona	—	—	—	—	—	—
Arkansas	13,031	12,301	10,369	8,466	7,697	6,711
California	140,258	161,731	180,819	139,563	138,335	186,278
Colorado	—	—	—	—	—	—
Connecticut	—	—	—	—	—	—
Delaware	—	—	—	—	—	—
District of Columbia	—	—	—	—	—	—
Florida	—	195,949	173,440	194,094	251,171	296,136
Georgia	132,323	25,673	94,009	114,709	97,227	75,333
Hawaii	8,778	8,645	4,568	9,257	9,738	11,217
Idaho	34,349	21,305	8,994	7,820	10,455	15,735
Illinois	—	336,931	389,190	439,819	504,305	563,039
Indiana	92,055	99,702	98,091	94,301	92,932	91,440
Iowa	48,644	45,857	45,474	44,487	42,130	45,025
Kansas	23,430	23,833	18,823	16,204	12,772	21,785
Kentucky	60,571	66,954	70,800	71,606	66,000	74,405
Louisiana	16,059	18,325	22,478	26,285	24,603	21,197
Maine	50,593	57,440	56,365	53,855	51,289	58,173
Maryland	25,049	21,517	19,451	53,845	138,587	193,185
Massachusetts	77,683	85,291	101,443	109,969	105,848	100,472
Michigan	—	307,621	151,110	—	251,771	313,474
Minnesota	39,354	47,180	54,867	57,040	58,358	66,827
Mississippi	—	—	—	—	—	—
Missouri	—	—	—	—	—	—
Montana	—	—	—	—	—	—
Nebraska	29,613	31,556	28,918	27,438	39,823	50,893
Nevada	—	—	—	—	—	—
New Hampshire	—	—	—	—	—	—
New Jersey	16,645	24,851	33,728	37,250	40,074	43,894
New Mexico	87,946	95,415	96,049	97,414	93,521	82,437
New York	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
North Dakota	—	—	—	18,627	20,603	20,561
Ohio	314,746	384,472	339,743	390,330	365,884	525,133
Oklahoma	25	27	373	47	2	53
Oregon	93,012	64,796	59,659	58,105	76,398	103,688
Pennsylvania	241,658	323,900	352,511	323,874	299,649	319,087
Rhode Island	24,865	22,021	18,526	13,407	12,211	10,977

Enclosure I

Dollars in thousands						
State	2006	2007	2008	2009	2010	2011
South Carolina	—	78,952	83,914	97,815	94,104	117,013
South Dakota	—	—	—	—	—	—
Tennessee	—	302,074	160,141	100,932	118,499	139,625
Texas	72,008	73,745	82,661	105,498	107,592	125,559
Utah	20,663	18,291	18,694	22,993	23,868	18,411
Vermont	—	—	—	—	—	—
Virginia	—	—	—	—	—	33,292
Washington	—	—	—	—	—	180,417
West Virginia	9,505	9,589	13,337	10,990	10,826	11,368
Wisconsin	128,524	123,186	121,724	121,964	137,355	160,679
Wyoming	13,017	14,519	12,636	12,817	12,743	12,406
Total states reporting expenditure data	28	33	33	33	34	36
Total for states reporting expenditures	\$1,816,503	\$3,105,443	\$2,924,499	\$2,882,421	\$3,318,046	\$4,098,208

Source: GAO analysis of state data.

Notes: State data are as of March 2013. State officials were asked to provide total expenditures, including federal and state portions, for TMA; these data can include expenditures for some or all provisions under which Medicaid coverage is extended. Unless noted, states returned expenditure information for a 12-month period. The boundaries of this period varied, with 23 reporting expenditure data by state fiscal year, 5 reporting by federal fiscal year, 7 reporting by calendar year, and for 1 state, the period covered was unclear.

The “—” indicates that data were not available from the state.

In addition, our prior report noted that 23 states reported implementing an option to provide continued Medicaid coverage under TMA by paying enrollees’ costs associated with employer-sponsored insurance. We have updated this information to identify the 23 states that indicated use of this option: Alabama, Colorado, the District of Columbia, Georgia, Idaho, Indiana, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Nevada, New Jersey, New York, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Washington, and Wyoming.

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