



INTRODUCTION

- Medicaid currently covers over 65 million low-income people
- States face intense fiscal pressure to reduce Medicaid spending
- Medicaid will provide at least half of Affordable Care Act (ACA) expansion coverage
- The future of this largest of federal-state joint programs is subject of intense controversy

BACKGROUND: MEDICAID POLICY 1992 TO PRESENT

- To limited degree, federal mandates required Medicaid eligibility expansions
 - Children to age 6 and pregnant women below 133% of the poverty line
 - Phase in coverage of older children up to the poverty line
- But, **state flexibility** was a hallmark of this period
 - G.W. Bush and Clinton Administrations demonstrated willingness to approve Section 1115 Waivers
 - Section 1915(c) Home and Community Based Services waivers were also popular and encouraged by federal authorities
- The ACA requires eligibility expansions up to 138% of poverty, but states retain considerable flexibility to organize care as they see fit

RESEARCH QUESTIONS

- How did Medicaid effort change during this period of considerable state discretion to shape enrollment and spending?
- What are the implications of recent trends in state Medicaid effort for the future?

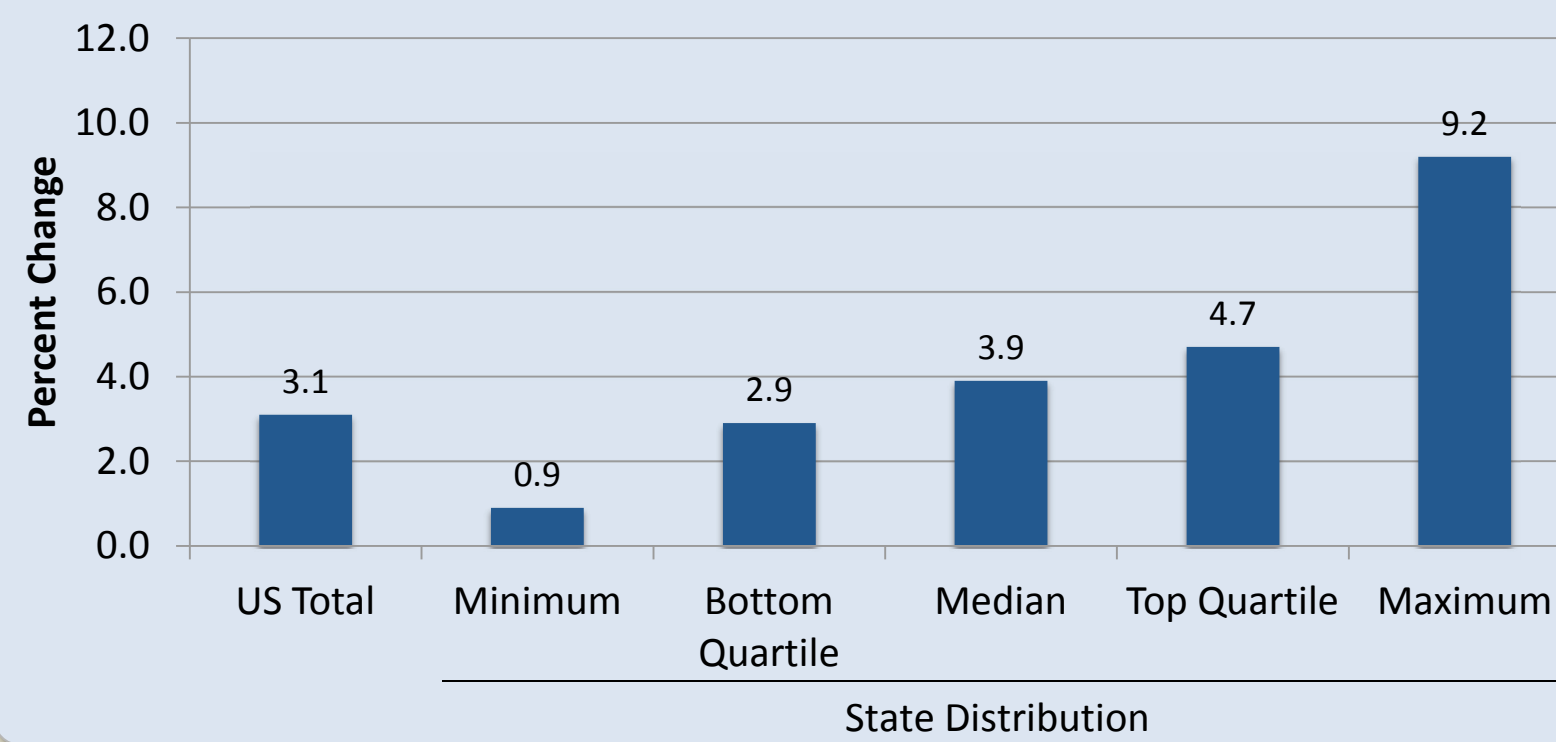
STUDY DESIGN

- Annualized trends in Medicaid enrollments and expenditures, 1992-2009
 - Even years, plus 2007 and 2009 (spending only)
 - Spending adjusted for the Consumer Price Index and the CPI medical care component (MCPI)
- Medicaid "effort" measured relative to ...
 - Number of persons in poverty
 - State Gross Domestic Product (GDP)
 - Total state spending
- Medicaid data from the Kaiser Family Foundation based on CMS reports; additional data from the US Census Bureau and US Bureau of Economic Analysis

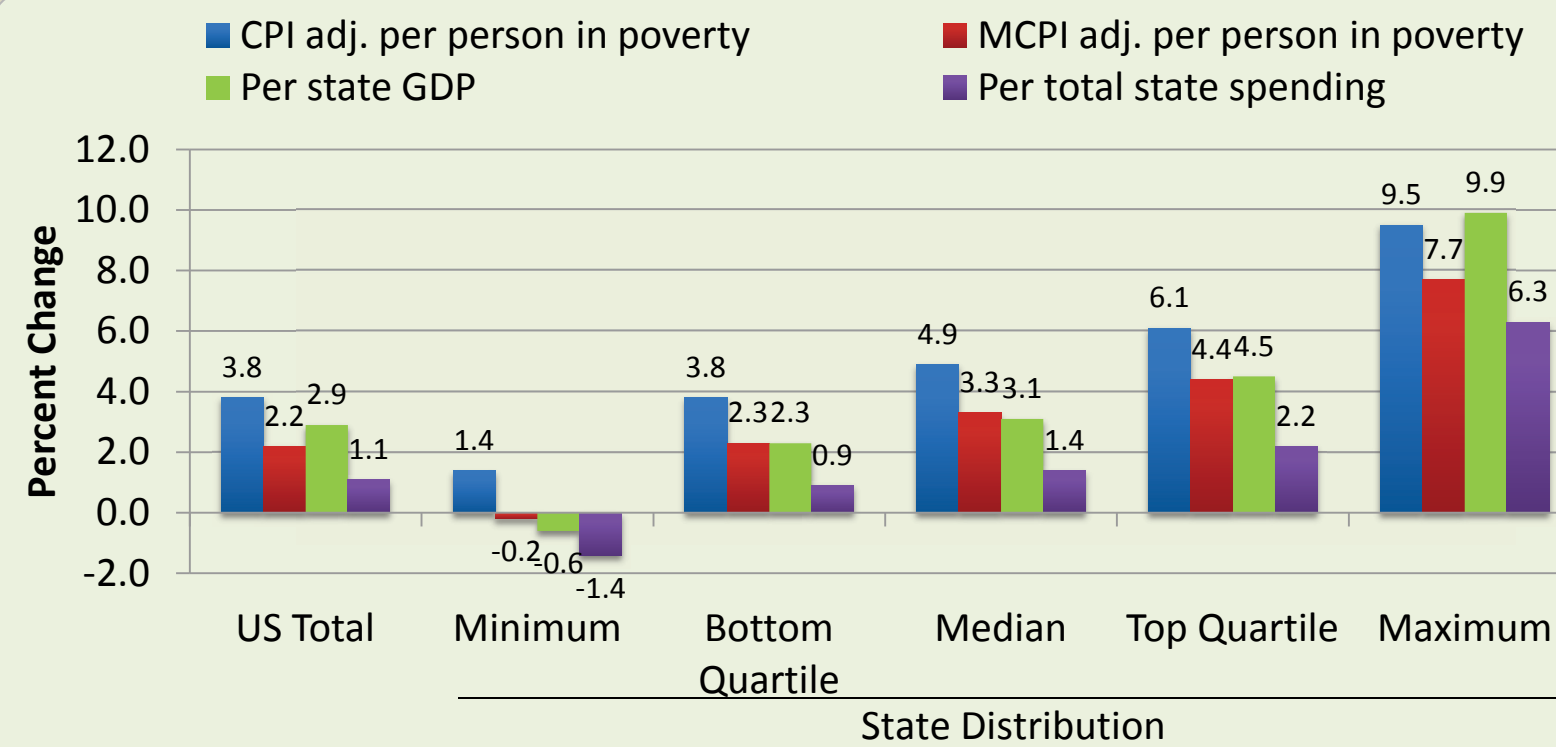
The authors are grateful to David Rousseau of the Kaiser Family Foundation for providing data for this analysis

STATE DISTRIBUTION IN ANNUALIZED GROWTH

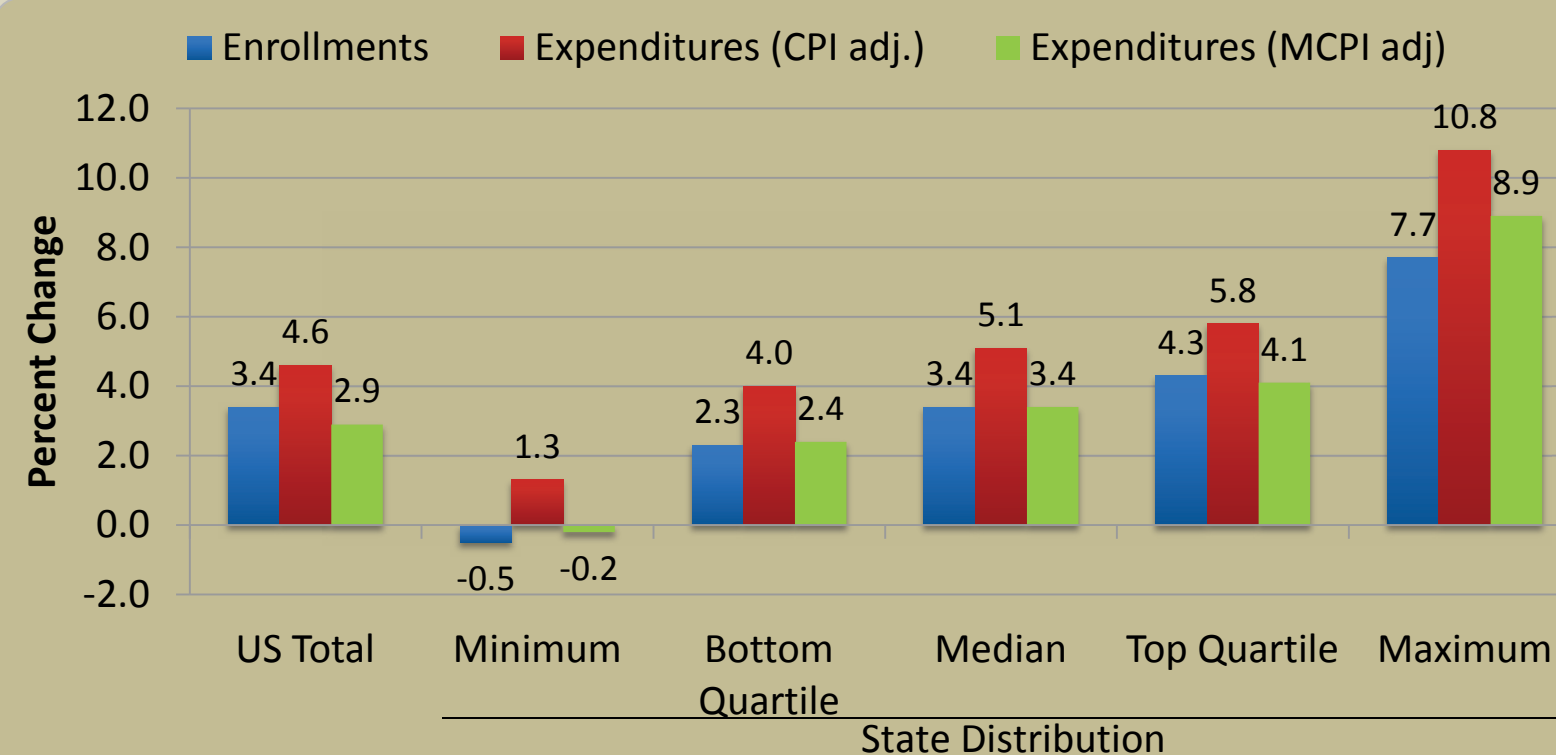
Annualized Change in Medicaid **Enrollments** Per Person in Poverty, 1992-2008



Annualized Change in Medicaid **Expenditures**, 1992-2009

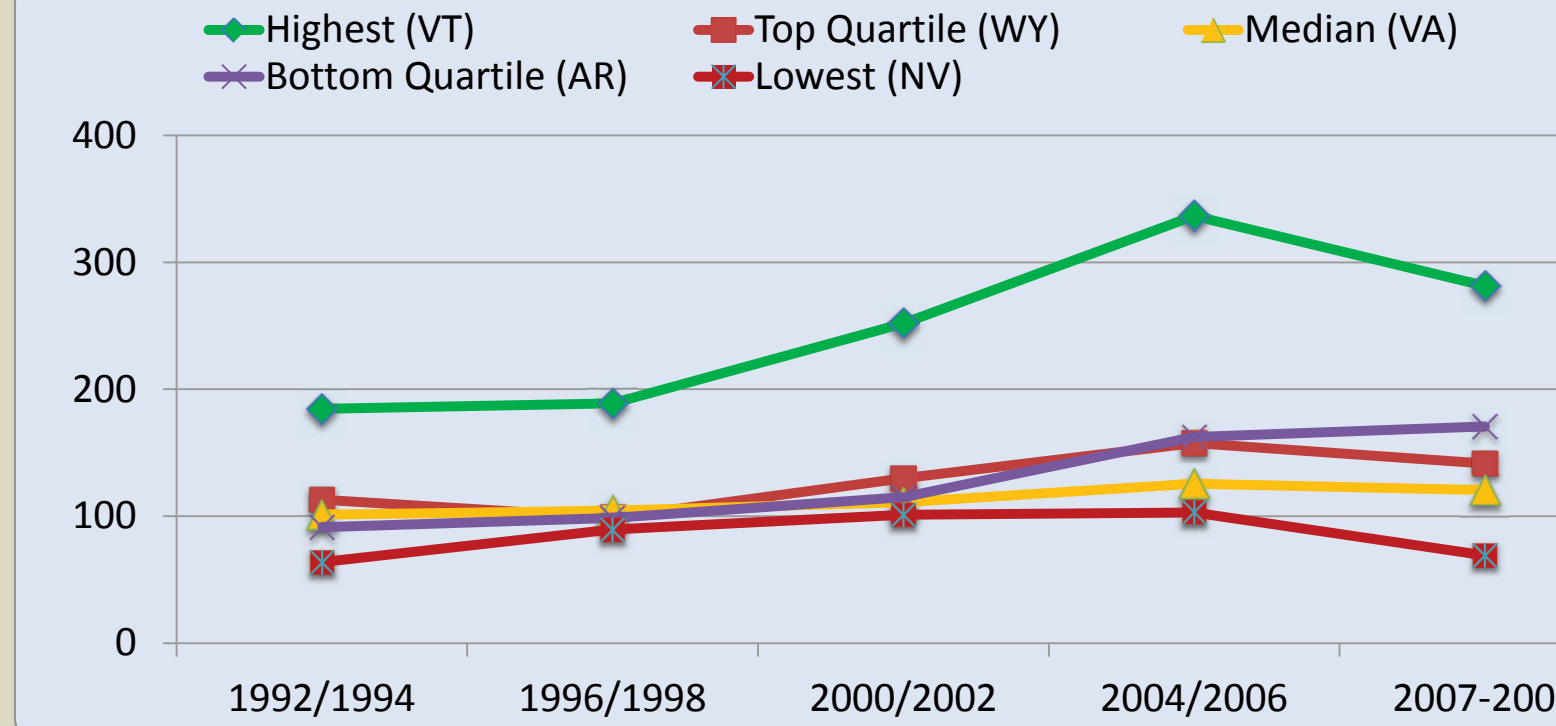


Annualized Change in Medicaid **Total Enrollments and Expenditures**, 1992-2009 (enrollments through 2008)

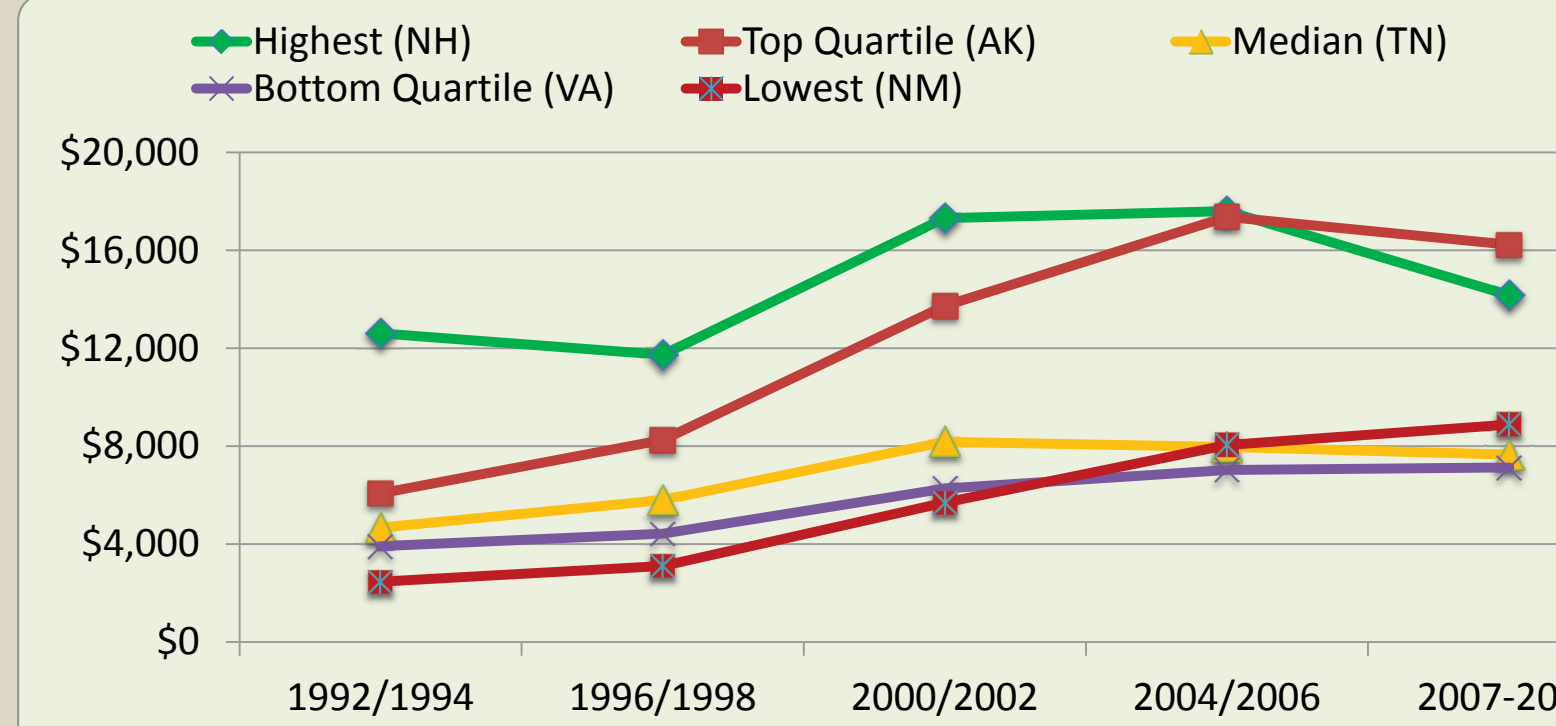


TRENDS IN ENROLLMENTS AND EXPENDITURES

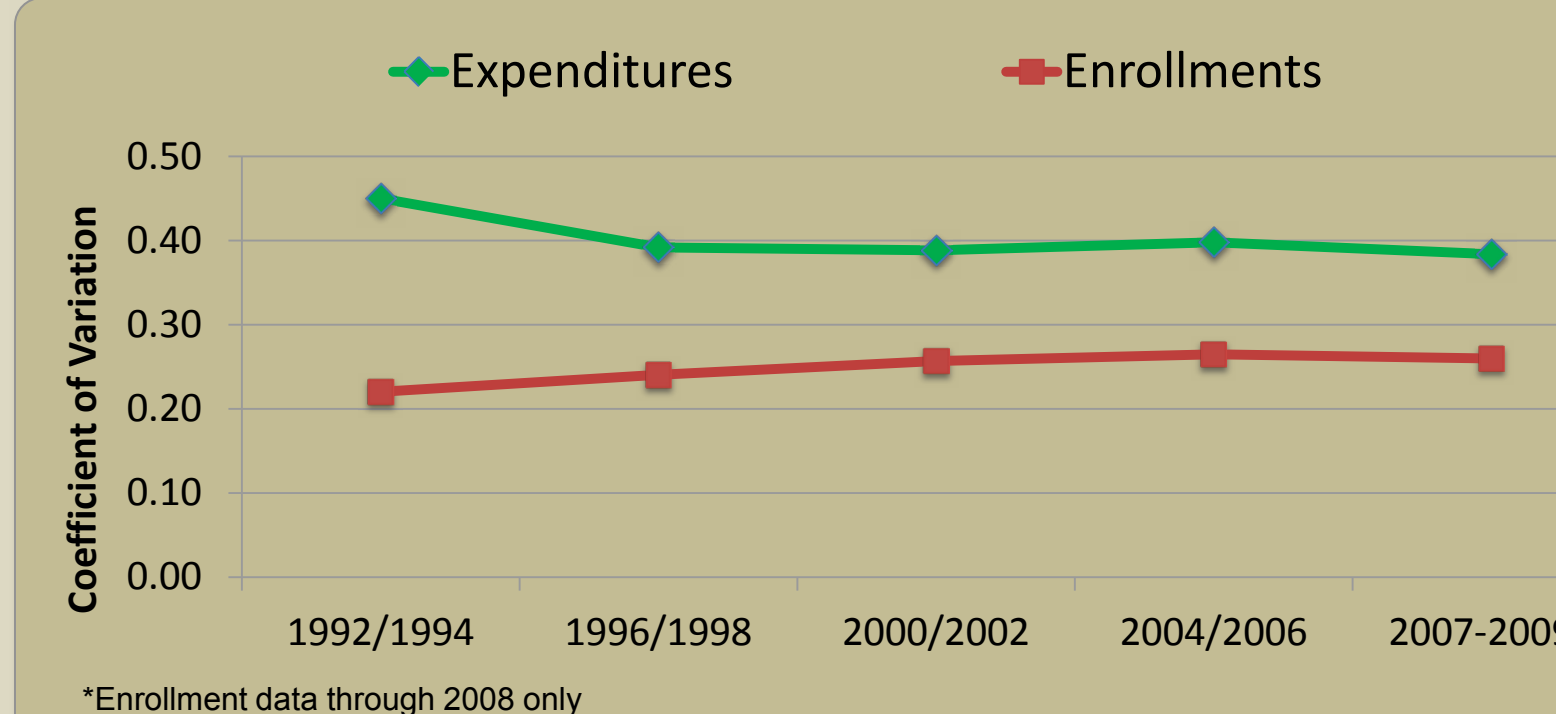
Medicaid **Enrollments** per Person in Poverty[^] (State rank based on average of 1992 and 1994)



Medicaid **Expenditures** per Person in Poverty, 2009 Dollars[^] (State rank based on average of 1992 and 1994)



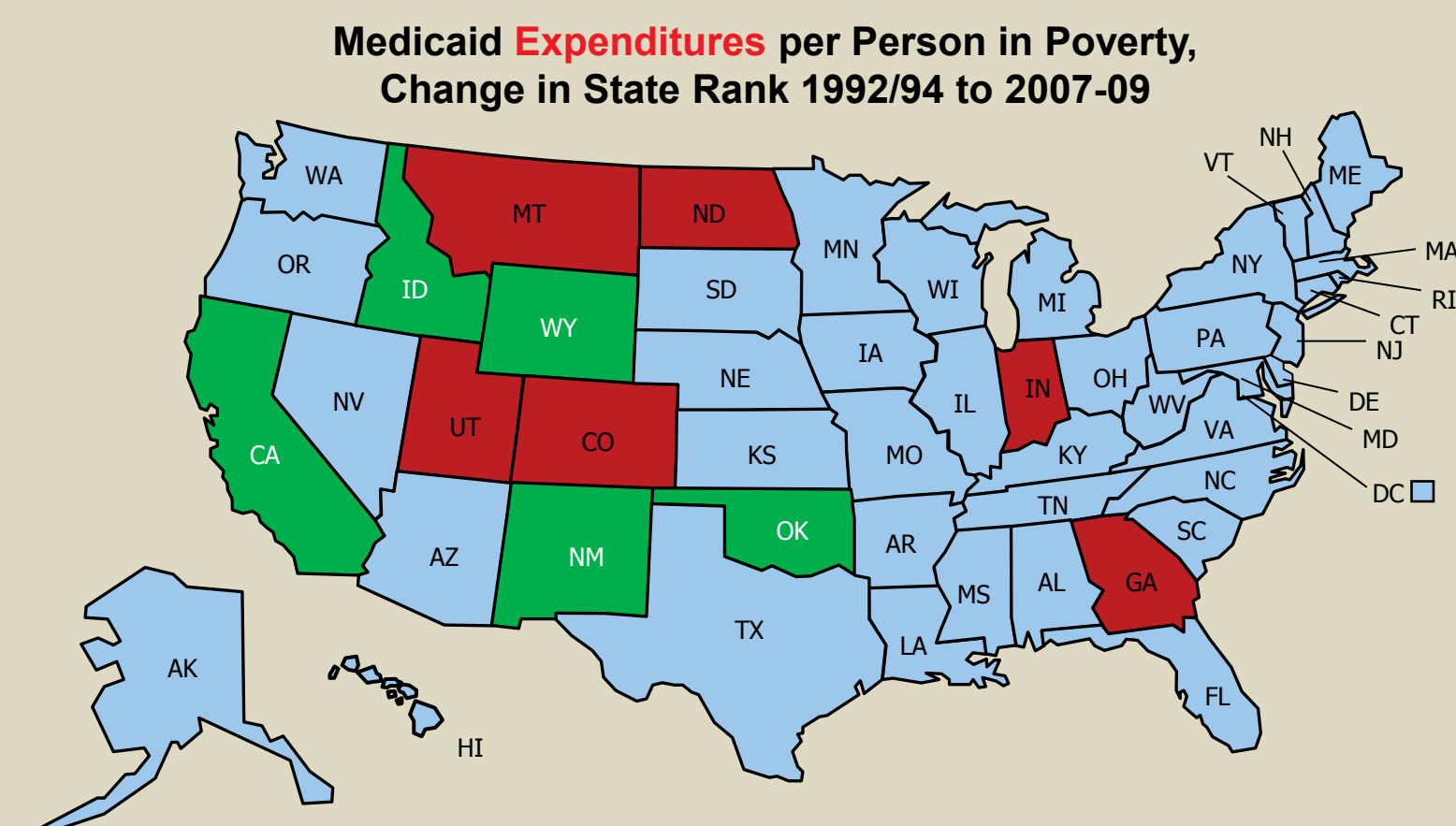
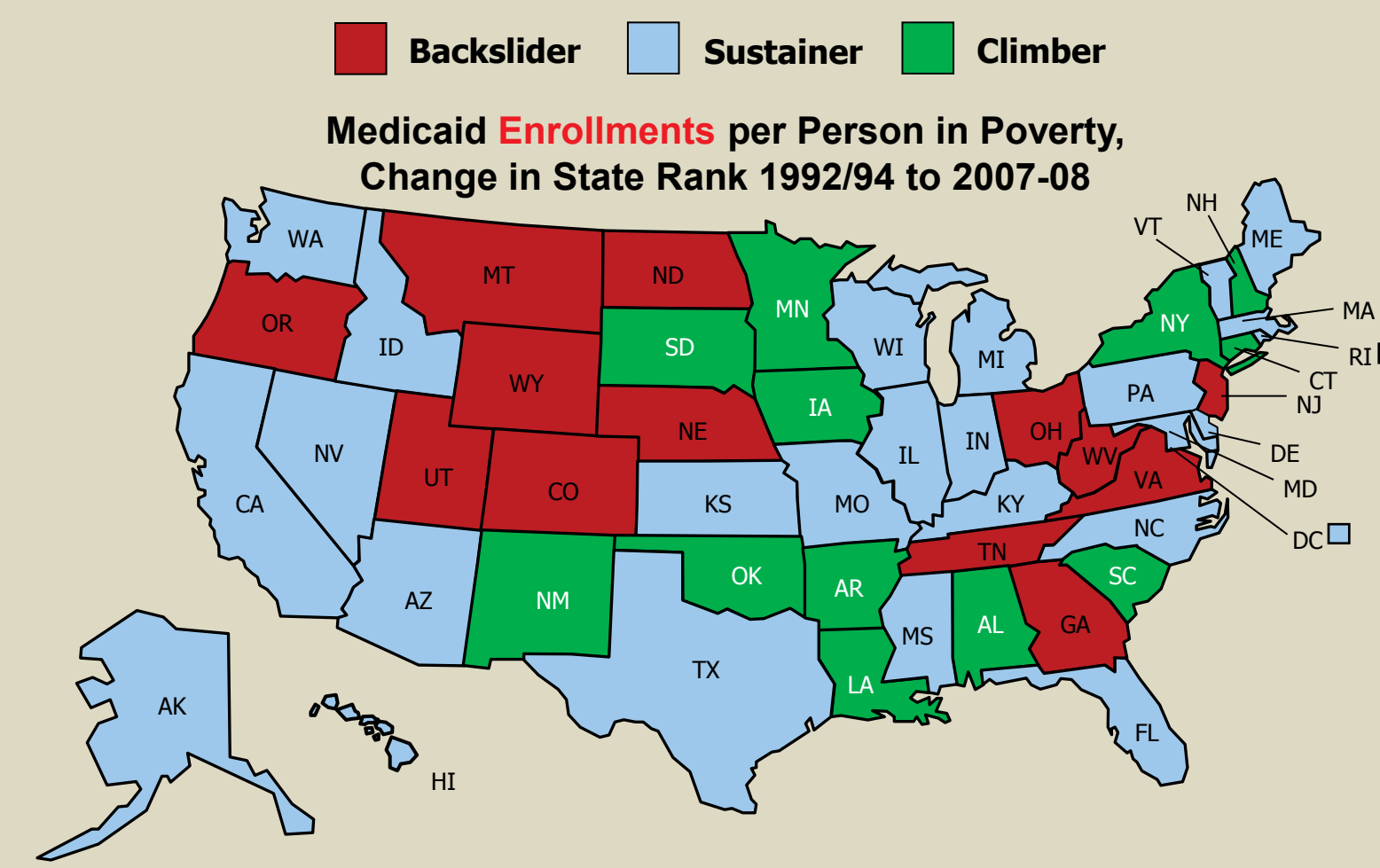
State Variation in Medicaid **Enrollments and Expenditures** Per Person in Poverty[^]



[^]Enrollment data through 2008 only

[^]Simple averages of years shown

GEOGRAPHIC DISPARITIES IN TRENDS



Note: **Backsliders** dropped 10 or more places in state rankings in 2007-09 (or 2007-08 for expenditures) compared with 1992-94, and **Climbers** increased their rank by 10 or more over this span. **Sustainers** did not change more than 9 places in the rankings.

CONCLUSIONS & POLICY IMPLICATIONS

- Period of unprecedented state empowerment
- Nearly all states ratcheted up Medicaid effort
- Limited backsliding during Great Recession
 - Although, enrollment did not keep up with poverty trend
- Growth did not stem large geographic disparities
- If past is prelude...
 - States will remain on track with ACA implementation
 - But large variations likely to remain

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