

Medicaid Enrollment & Spending

Medicaid enrollment is on the rise.

- ▶ In 2008, Medicaid enrollment grew by 2.1 percent nationwide, the first time since 2002 that collective enrollment in the states actually grew over the previous year.
- ▶ Thirty-eight states and Washington, D.C., saw increases in Medicaid enrollment, while 12 states experienced modest declines.¹
- ▶ The downturn in the economy is the biggest factor impacting the higher growth rate. Medicaid enrollment is expected to increase by 3.6 percent in the 2009 fiscal year.¹



Medicaid spending is increasing.

- ▶ After two years of very low growth, total Medicaid spending growth increased by 5.3 percent in the 2008 fiscal year.¹
- ▶ Increases in provider rates, higher utilization of services and increases in enrollment are causing these higher growth rates. Rising Medicaid enrollment is expected to play a larger role in spending in the 2009 fiscal year.¹
- ▶ The 2008 fiscal year growth rate is well below the historical high of 12.7 percent in 2002 and the 15-year historical annual growth of 7.1 percent.¹
- ▶ During the 2006 fiscal year, Medicaid spending grew at the record low rate of 1.3 percent. The low growth rate was due to a strong economy and the implementation of Medicare Part D that transferred financial responsibility for prescription drugs for Medicare-Medicaid enrollees from Medicaid to Medicare.²
- ▶ Medicaid spending is expected to increase by 5.8 percent in the 2009 fiscal year.¹

Economic downturns impact Medicaid enrollment and spending.

- ▶ The current recession has driven the unemployment rate to levels not seen since 1993, and the rate is likely to continue climbing for much of 2009. The national unemployment rate in December 2008 was 7.2 percent.⁴
- ▶ Assuming current eligibility rules, with a 7 percent unemployment rate spending for Medicaid and State Children's Health Insurance Program-or SCHIP- would increase by \$8.3 billion and Medicaid and SCHIP enrollment would increase by 2.4 million over 2007.⁵
- ▶ More than 1 million people are at risk of losing health coverage in Medicaid and SCHIP because of cuts enacted or under consideration in Arizona, California, Florida, Georgia, Nevada, Rhode Island, South Carolina and Tennessee.³
- ▶ Iowa, Kansas and North Dakota are putting plans to expand Medicaid and SCHIP on hold because of the economy.³
- ▶ States are proposing more cuts to their Medicaid programs with each passing week as governors and state legislators grapple with budget deficits, rising unemployment and the need to balance budgets. States are making cuts in eligibility and enrollment, benefits and payments to providers, while increasing the share of out-of-pocket expenses for Medicaid recipients.³

¹ Kaiser Commission on Medicaid and the Uninsured, "Headed for a Crunch: An Update on Medicaid Spending, Coverage and Policy Headed into an Economic Downturn," September 2008.

² Kaiser Commission on Medicaid and the Uninsured, "Low Medicaid Spending Growth Amid Rebounding State Revenues", October 2006.

³ Families USA, "A Painful Recession: States Cut Health Care Safety Net Programs," December 2008.

⁴ Accessed from Bloomberg. Com, January 9, 2009.

⁵ Kaiser Commission on Medicaid and the Uninsured, "Rising Unemployment, Medicaid and the Uninsured," January 2009.

MEDICAID ENROLLMENT & SPENDING

State	Total Medicaid Enrollees, FY 2002 (rounded to nearest 100)	Total Medicaid Enrollees, FY 2005 (rounded to nearest 100)	Total Medicaid Spending, FY 2004 (in millions)	Total Medicaid Spending, FY 2006 (in millions)
United States	51,419,500	58,929,900	\$288,063	\$303,882
Alabama	845,100	947,900	\$3,664	\$3,885
Alaska	121,300	130,100	\$890	\$960
Arizona	1,053,700	1,451,200	\$4,937	\$6,195
Arkansas	608,000	734,500	\$2,621	\$2,895
California	9,370,100	10,580,200	\$31,015	\$34,247
Colorado	438,600	535,200	\$2,662	\$2,873
Connecticut	479,400	524,600	\$3,995	\$4,213
Delaware	147,300	177,100	\$794	\$946
District of Columbia	204,500	165,700	\$1,133	\$1,302
Florida	2,691,500	2,996,600	\$12,895	\$12,763
Georgia	1,458,500	1,823,800	\$5,769	\$6,840
Hawaii	198,300	229,700	\$916	\$1,100
Idaho	196,200	220,900	\$ 958	\$1,043
Illinois	1,920,000	2,392,600	\$10,151	\$10,118
Indiana	881,700	1,019,600	\$4,923	\$5,674
Iowa	358,600	412,900	\$2,278	\$2,614
Kansas	305,100	352,200	\$1,792	\$2,078
Kentucky	785,600	844,700	\$4,310	\$4,378
Louisiana	990,100	1,152,500	\$5,131	\$4,861
Maine	347,200	306,300	\$2,041	\$1,954
Maryland	752,000	858,400	\$4,725	\$5,000
Massachusetts	1,207,800	1,211,700	\$8,913	\$9,697
Michigan	1,527,500	1,770,000	\$8,990	\$8,288
Minnesota	680,200	750,100	\$5,634	\$5,666
Mississippi	708,000	777,900	\$3,426	\$3,270
Missouri	1,098,600	1,206,400	\$6,189	\$6,477
Montana	106,200	115,000	\$673	\$726
Nebraska	265,800	261,200	\$1,459	\$1,537
Nevada	215,000	257,700	\$1,040	\$1,178
New Hampshire	115,500	138,700	\$1,163	\$1,107
New Jersey	982,700	997,300	\$7,998	\$9,084
New Mexico	423,500	528,100	\$2,219	\$2,490
New York	4,139,900	5,087,700	\$41,631	\$44,712
North Carolina	1,389,500	1,566,000	\$8,364	\$9,140
North Dakota	71,900	74,300	\$491	\$504
Ohio	1,754,300	2,101,900	\$11,699	\$12,251
Oklahoma	677,700	715,500	\$2,592	\$2,972
Oregon	637,700	549,700	\$2,629	\$2,941
Pennsylvania	1,710,600	2,004,400	\$14,194	\$15,512
Rhode Island	204,600	219,100	\$1,662	\$1,697
South Carolina	895,800	996,400	\$3,982	\$4,069
South Dakota	113,800	126,800	\$569	\$607
Tennessee	17,000,500	1,613,200	\$6,105	\$6,065
Texas	3,202,200	3,986,200	\$16,297	\$18,116
Utah	233,100	304,700	\$1,252	\$1,473
Vermont	157,000	161,300	\$802	\$948
Virginia	727,600	873,200	\$3,940	\$4,654
Washington	1,111,800	1,200,700	\$5,333	\$5,579
West Virginia	362,300	381,700	\$1,952	\$2,099
Wisconsin	776,500	1,015,700	\$4,487	\$4,653
Wyoming	69,800	80,700	\$370	\$421

Source: The Urban Institute and Kaiser Commission on Medicaid and the Uninsured. FY 2005 state-by-state data is the latest available for enrollment and FY 2006 state-by-state data is the latest available for spending.