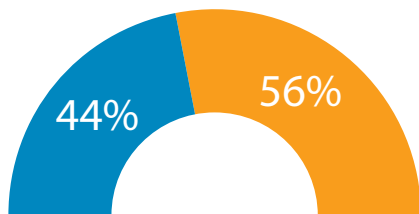


Medicaid Reform

Medicaid Primer

- Medicaid is a more than 50-year-old welfare program that provides free health care for certain vulnerable, low-income populations.
- Mounting fiscal, demographic, and structural challenges increasingly strain this jointly funded federal–state program.
- Total federal and state spending on Medicaid was \$552.3 billion in 2015 and is expected to increase over 73 percent over the next decade reaching \$957.5 billion by 2025.

Poll: Majority Support Changes to Medicaid to Focus Spending on Core Populations



Medicaid should largely continue as it is today, with the federal government guaranteeing coverage for low-income people, setting standards for who states must cover and what benefits people get, and matching Medicaid spending as the number of people on the program goes up or down.

The federal government should focus spending on the disabled, elderly, children, and pregnant women in poverty, by targeting set spending to Medicaid populations based on their specific needs.

SOURCE: Online survey using a national representative sample of 893 U.S. voters conducted June 30, 2017, with a margin of error of +/-3.3 percentage points.

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Obamacare Impact

- Obamacare poured millions of Americans into Medicaid instead of mainstream private insurance.
- In fact, of the 15.7 million who gained coverage over 2014 to 2015, 14 million was the result of increased Medicaid enrollment.
- By changing the formula reimbursement, Obamacare incentivized the addition of able-bodied adults to the Medicare rolls
- Eighty-three percent of the increase in Medicaid enrollment during 2014–2016 occurred in states that adopted the Obamacare expansion of able-bodied adults. Over the 3-year period (2014, 2015, and 2016), Medicaid grew 14 million; of that, 11.7 million (83 percent of total growth) occurred in states who expanded Medicaid to able-bodied adults.
- The increased funding to this group means there is less money available for the original beneficiaries of Medicaid—elderly disabled, pregnant women, and children in poverty.

Medicaid Reform—Per Capita Caps

- Both the House bill (AHCA) and the Senate bill (BCRA) return the focus of Medicaid to its traditional recipients—elderly, disabled, children, and pregnant women in poverty.
- It would be the greatest entitlement reform in a generation.
- The bill also helps to remove low-income able-bodied adults from the Medicaid rolls by providing them access to mainstream private insurance through tax credits.
- Access to private insurance coverage would improve continuity of coverage and access to higher quality care.