Medicaid’s Role in Alaska

Medicaid in Alaska

- Over **184,000** people in Alaska are **covered by Medicaid**. While eight in ten (80%) enrollees are children and adults, more than half (55%) of the state’s Medicaid spending is for the elderly and people with disabilities.

- **15,100** (21%) of Alaska’s **Medicare enrollees** are also **covered by Medicaid**, which accounts for over a quarter (27%) of Medicaid spending.

- **32% of all children** in Alaska are **covered by Medicaid**, including **39% of children with special health care needs**.

- **79% of nursing home residents** in Alaska are **covered by Medicaid** and **32% of Medicaid long-term care spending** in Alaska is for **nursing home care**. Medicare beneficiaries rely on Medicaid for assistance with services not covered by Medicare, particularly long-term care.

- **Over half (59%)** of people in Alaska **live in rural areas**, which is higher than the national average of 19%. **People who live in rural areas are more likely to be dependent on Medicaid**.

- In Alaska, **Medicaid** covers **two in three (66%)** American Indian and Alaska Native children and **more than one in four (28%)** American Indian and Alaska Native adults.

- Alaska has a **federal Medicaid matching assistance percentage (FMAP) of 50%**. For every $1 spent by the state, the Federal government matches $1. **Nearly a third (30%) of all federal funds Alaska receives are for Medicaid**. In Calendar Year 2017, the federal match rate for the Medicaid expansion population is 95%.

What is at Risk under a Per Capita Cap?

- Capping Medicaid funding would reduce the federal assistance for Alaska to maintain its current Medicaid program.
  - Under the Better Care Reconciliation Act of 2017 (BCRA), to maintain its current Medicaid program, **Alaska would have to make up $1.8 billion in loss of federal funds** between 2020-2029, including $1.1 billion for the phase-out of the enhanced match for the ACA expansion and $776 million for the per enrollee cap on all groups.
  - If Alaska dropped the Medicaid expansion in response to the loss of enhanced federal financing, **the state would forgo an additional $2 billion** over the 2020-2029 period, and by 2029, **41,000 Alaskans** estimated to be covered in the expansion group would lose Medicaid coverage.
The Medicaid expansion has helped reduce longstanding disparities in health coverage faced by American Indians and Alaska Natives and increased Medicaid revenues for IHS- and Tribally-operated facilities, enhancing their capacity to provide services.

Capping Medicaid can limit states’ ability to respond to economic downturns and demographic changes in their state that affect demand for Medicaid and other public health services.

- Alaska has one of the highest rates of unemployment in the country (7%). During an economic downturn, demand for public programs such as Medicaid increases.
- Alaska has the highest projected growth rate of its 85+ population (135%) between 2015 and 2030, a population more likely to require nursing home care. Medicaid is the primary payer for nursing home care.

Capping federal Medicaid funding could jeopardize Medicaid programs designed to improve quality of life and access to long-term care for people with disabilities. 12% of Alaska’s non-institutionalized population reported a disability.

States with high health care costs and limited access may find it increasingly difficult to purchase services in a high cost market or make improvements in access to care under reductions or caps in federal financing. Alaska’s has the second highest health spending per capita ($11,064).

Reducing federal funds through a per capita cap or block grant would limit Alaska’s ability to respond to public health crises such as the opioid epidemic, HIV, or Zika.

- Alaska’s opioid death rate is 11 deaths per 100,000 population in 2015. Between 2013 and 2015, Alaska’s opioid death rate has grown by 16%.
- Nearly 68% of people in Alaska are overweight or obese and over one-third (37%) report poor mental health status.