Medicaid’s Role in Kentucky

Medicaid in Kentucky

- More than 1.2 million people in Kentucky are covered by Medicaid (22% of the total population). While seven in ten (74%) enrollees are children and adults, more than half (53%) of the state’s Medicaid spending is for the elderly and people with disabilities.

- 194,100 (25%) of Kentucky’s Medicare enrollees are also covered by Medicaid, accounting for nearly one-third (31%) of Medicaid spending.

- 40% of all children in Kentucky are covered by Medicaid, including 52% of children with special health care needs.

- 19,149 nursing home residents in Kentucky (67% of total nursing home residents) are covered by Medicaid and 49% of Medicaid long-term care spending in Kentucky is for nursing home care. Medicare beneficiaries rely on Medicaid for assistance with services not covered by Medicare, particularly long-term care.

- Nearly one-half (49%) of people in Kentucky live in rural areas, which is higher than the national average of 19%. People who live in rural areas are more likely to be covered by Medicaid.

- 91% of Medicaid enrollees in Kentucky are in managed care. Since Kentucky has already transitioned most enrollees to managed care, it would not be able to recoup the one-time savings that some states experience during that transition.

- Kentucky has a low per capita income and therefore a relatively high federal Medicaid matching assistance percentage (FMAP) at 70.5%. For every $1 spent by the state, the Federal government matches $2.39. Nearly two-thirds (64%) of all federal funds Kentucky 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 Kentucky to maintain its current Medicaid program.
  - Under the Better Care Reconciliation Act of 2017 (BCRA), to maintain its current Medicaid program, Kentucky would have to make up $11.6 billion in loss of federal funds between 2020-2029, including $6.6 billion for the phase-out of the enhanced match for the ACA expansion and $5 billion for the per enrollee cap on all groups.
  - If Kentucky dropped the Medicaid expansion in response to the loss of enhanced federal financing, the state would forgo an additional $29.9 billion over the 2020-2029 period, and by 2029, 557,000 Kentuckians estimated to be covered in the expansion group would lose Medicaid coverage.
• **Capping federal Medicaid funding could put Medicaid programs designed to improve quality of life and access to new therapies and long-term care for people with disabilities at risk.** 17% of Kentucky’s non-institutionalized population reported a disability, the fourth highest state reported percentage compared to a U.S. average of 13%.

• **Reducing federal funds through a per capita cap or block grant would limit Kentucky’s ability to respond to public health crises such as the opioid epidemic, HIV, or Zika.**
  
  o Kentucky ranks 6th for the highest rate of opioid deaths at 21 deaths per 100,000 population in 2015.
  
  o Kentucky ranks 45th in overall health status. In addition, 23% of Kentucky’s population live in a health professional shortage area for primary care and have limited access to the services they need while 12% of adults report not seeing a doctor due to cost.