

Updated July 2017 | Fact Sheet

Medicaid's Role in Louisiana

Medicaid in Louisiana

- Over **1.4 million** people in Louisiana **are covered by Medicaid** (20% of the total population). While seven in ten (72%) of enrollees are children and adults, more than two-thirds (68%) of the state's Medicaid spending is for the elderly and people with disabilities.
- **201,600** (28%) of Louisiana's **Medicare enrollees are also covered by Medicaid**, which accounts for nearly one-third (30%) of Medicaid spending.
- **44% of all children** in Louisiana are **covered by Medicaid**, including **56% of children with special health care needs**.
- **74% of nursing home residents** in Louisiana **are covered by Medicaid** and **42% of Medicaid long-term care spending** in Louisiana **is for nursing home care**. Medicare beneficiaries rely on Medicaid for assistance with services not covered by Medicare, particularly long-term care.
- **One-third (33%) of people** in Louisiana **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**.
- **70% of Medicaid enrollees** in Louisiana **are in managed care**. Since Louisiana has already transitioned most enrollees to managed care, it would not be able to recoup much of the one-time savings that some states experience during that transition.
- Louisiana has a **low per capita income** and therefore a **relatively high federal Medicaid matching assistance percentage (FMAP) at 64%**. For every \$1 spent by the state, the Federal government matches \$1.65. **More than half (54%) of all federal funds Louisiana 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 Louisiana to maintain its current Medicaid program.**
 - Under the Better Care Reconciliation Act of 2017 (BCRA), to maintain its current Medicaid program, **Louisiana would have to make up \$7.8 billion in loss of federal funds** between 2020-2029, including \$4.3 billion for the phase-out of the enhanced match for the ACA expansion and \$3.5 billion for the per enrollee cap on all groups.
 - If Louisiana dropped the Medicaid expansion in response to the loss of enhanced federal financing, **the state would forgo an additional \$13.5 billion** over the 2020-2029 period, and by 2029, **510,000 Louisianans** 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.** 15%

of Louisiana's non-institutionalized population reported a disability, the 11th highest reported percentage compared to a U.S. average of 13%.

- **Access to care could be reduced under a federal cap since it would be difficult to increase provider rates beyond the caps to promote additional provider participation.**
 - Medicaid in Louisiana pays providers 71% on average of what Medicare pays and just 57% of physicians in the state are accepting new Medicaid patients, one of the lowest rates in the country.
 - Louisiana's population faces many health challenges, ranking second to last in overall health status. In addition, 41% of people in Louisiana live in a health professional shortage area for primary care and have limited access to the services they need.
- **Reducing federal funds through a per capita cap or block grant would limit Louisiana's ability to respond to public health crises such as the opioid epidemic, HIV, or Zika.**
 - There are nearly 19,000 people living with HIV in Louisiana and the state has the second highest rate of new HIV cases in the country (24.2 per 100,000). Medicaid is the single largest source of coverage for people with HIV in the U.S.
 - The opioid death rate in Louisiana has more than doubled since 2010, reaching 6.3 deaths per 100,000 population in 2015.