Medicaid and the Children’s Health Insurance Program (CHIP) provide health and long-term care coverage to nearly 12.3 million low-income children, pregnant women, adults, seniors, and people with disabilities in California. Medicaid is a major source of funding for safety-net hospitals and nursing homes. The American Health Care Act (AHCA) would fundamentally change the scope of the program and end the guarantee of federal matching funds.

### Snapshot of the California's population

- **33% of CA's population is low-income**
- **39.1 million people live in CA**
- **Overweight or obese:**
  - **Diabetes:** 10%
  - **Other conditions:**
    - **Poor mental health status:** 36%
    - **Fair or poor health status:** 18%
    - **Overweight or obese:** 60%

### How has Medicaid affected coverage and access?

- **In 2015, 26% of people in CA were covered by Medicaid/CHIP.**
- **Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in CA.**
- **Did CA expand Medicaid through the ACA?**
  - **Yes**
  - **No**
- **The uninsured rate in CA has decreased.**
  - **Pre-ACA (2013):** 15%
  - **March 2017:** 9%

### In CA, Medicaid covers:

- **1 in 5 adults <65**
- **1 in 2 low-income individuals**
- **2 in 5 children**
- **3 in 5 nursing home residents**
- **1 in 2 people with disabilities**

### Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.

- **Percent reporting in the last year:**
  - **Well-Child Checklist:**
    - **Medicaid:** 80%
    - **Medicare:** 86%
    - **Other:** 91%
  - **Doctor Visit Among Adults:**
    - **Medicaid:** 76%
    - **Medicare:** 69%
    - **Other:** 69%
  - **Specialist Visit Among Adults:**
    - **Medicaid:** 32%
    - **Medicare:** 25%
    - **Other:** 26%
  - **Adults Satisfied With Their Health Care:**
    - **Medicaid:** 88%
    - **Medicare:** 87%
    - **Other:** 84%

### Medicaid coverage contributes to positive outcomes:

- **Declines in infant and child mortality rates**
- **Long-term health and educational gains for children**
- **Improvements in health and financial security**

**And...**

- **>85% of the public would enroll themselves or a child in Medicaid if uninsured.**

### How does Medicaid work and who is eligible?

- **Each Medicaid program is unique:**
  - **Eligibility:** All states have taken up options to expand coverage for children; many have opted to expand coverage for other groups.
  - **Benefits:** All states offer optional benefits, including prescription drugs and long-term care in the community.
  - **Delivery system & provider payment:** States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care to improve health outcomes.
  - **Long-term care:** States have expanded eligibility for people who need long-term care and are increasingly shifting spending away from institutions and towards community-based care.
  - **State health priorities:** States can use Medicaid to address issues such as the opioid epidemic, HIV, Zika, autism, dementia, environmental health emergencies, etc.

- **Eligibility levels are highest for children and pregnant women.**
  - **Eligibility Level as a Percent of FPL, as of January 1, 2017**
  - **Children:** 266%
  - **Pregnant Women:** 322%
  - **Parents:** 138%
  - **Childless Adults:** 100%
  - **Seniors & People w/ Disabilities:** 73%

### Other Public

- **Other Public:** 2%
  - **Medicare:** 10%
  - **Medicaid/CHIP:** 26%
  - **Non-Group:** 10%
  - **Uninsured:** 8%
  - **Employer:** 45%

### Exhibit 9

- **Medicaid in California**
- **June 2017**

- **Snapshot of the California's population**
- **How has Medicaid affected coverage and access?**
- **In CA, Medicaid covers:**
- **Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.**
- **Medicaid coverage contributes to positive outcomes:**
- **How does Medicaid work and who is eligible?**
Medicaid plays a key role in the U.S. health care system, accounting for:

- $1 in $6 dollars spent overall in the health care system
- More than $1 in $3 dollars provided to safety-net hospitals and health centers
- $1 in $2 dollars spent on long-term care

In FY 2016, Medicaid spending in CA was $82.0 billion.

In 2014, most Medicaid beneficiaries in CA were children and adults, but most spending was for the elderly and people with disabilities.

Federal matching funding to states is guaranteed with no cap and rises depending on program needs.

In CA the federal share (FMAP) is 50%. For every $1 spent by the state, the Federal government matches $1.

Expansion states receive an increased FMAP for the expansion population. CA received $19.0 billion in federal funds for expansion adults in FFY 2015.

What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

The American Health Care Act (AHCA) would reduce federal Medicaid funding through ACA repeal and federal caps.

Reducing federal funds through a per capita cap or block grant:

- Shifts costs and risks to states, beneficiaries, and providers if states restrict eligibility, benefits, and provider payment.
- Locks in historic spending patterns and have an even greater impact on states that expanded Medicaid.
- Limits states’ ability to respond to rising health costs, increases in enrollment due to a recession, or a public health emergency such as the opioid epidemic, HIV, Zika, etc.
- Leads to more low-income uninsured Americans.

A per capita cap would lock in state spending patterns and limit states’ ability to respond to changing program needs.

In 2026
- 4 million ↓ Medicaid enrollees
- 24% ↓ in federal funds
- 23 million ↑ in uninsured → $1 million uninsured

However, 71% of Americans think Medicaid should continue as it is today.

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