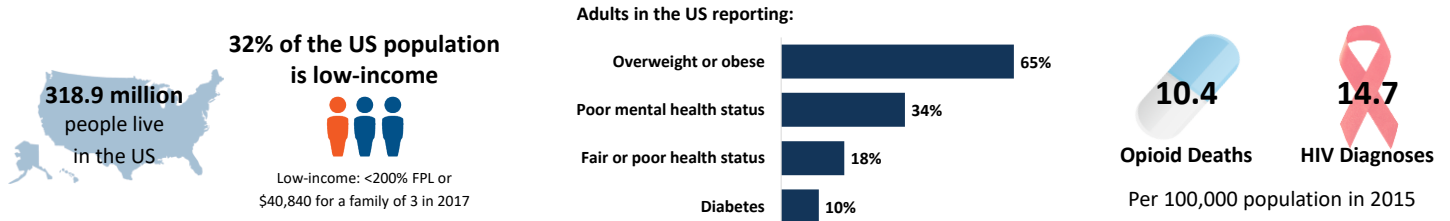


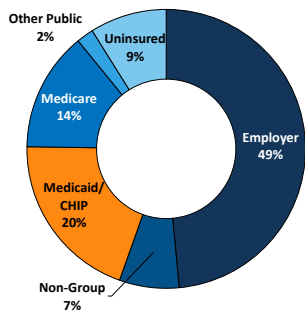
Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to more than 74 million low-income children, pregnant women, adults, seniors, and people with disabilities in the United States. Medicaid is a major source of funding for safety-net hospitals and nursing 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 US population

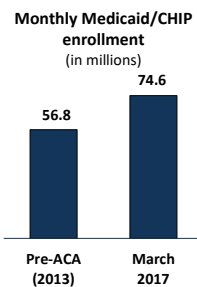


How has Medicaid affected coverage and access?

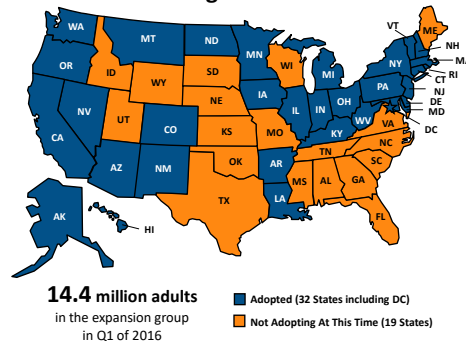
In 2015, 20% of people in the US were covered by Medicaid/CHIP.



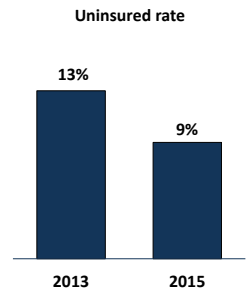
Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in the US.



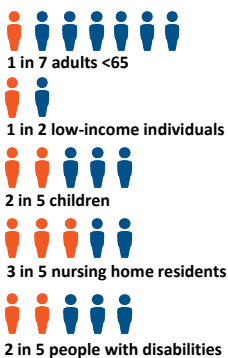
32 states including DC have expanded Medicaid through the ACA.



The uninsured rate in the US has decreased.

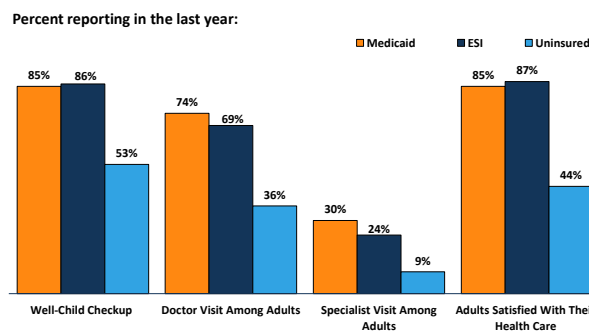


In the US, Medicaid covers:



77% of adult and child Medicaid enrollees in the US are in families with a worker.

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



Medicaid coverage contributes to positive outcomes:

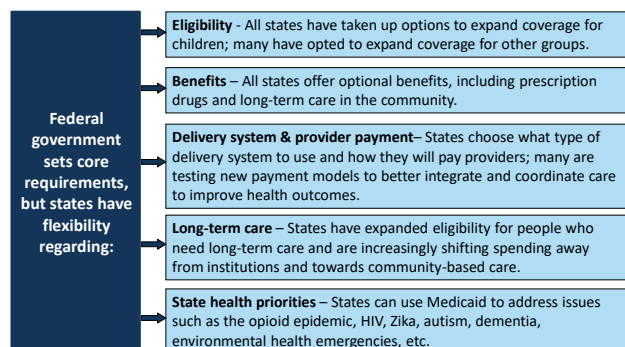
- Declines in infant and child mortality rates
- Long-term health and educational gains for children
- Improvements in health and financial security

And...

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

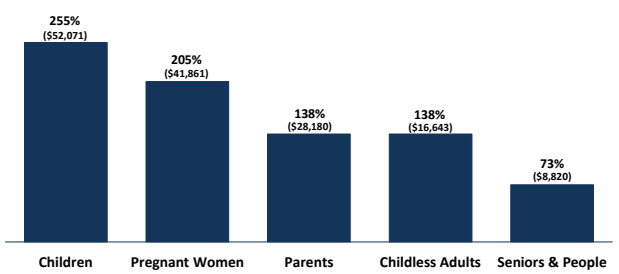
How does Medicaid work and who is eligible?

Each Medicaid program is unique:



Eligibility levels are highest for children and pregnant women.

Median Eligibility Level in the US as a Percent of FPL, as of January 1, 2017



Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & people w/ disabilities. Seniors & people w/ disabilities eligibility may include an asset limit.

How are Medicaid funds spent and how is the program financed?

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



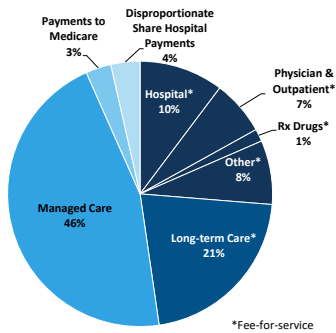
\$1 in \$2 dollars spent on long-term care

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

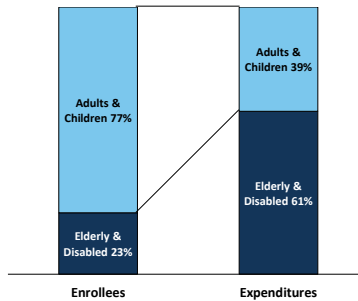
Per enrollee spending growth in the US, 2007-2013



In FY 2016, Medicaid spending in the US was \$553.5 billion.



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



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

The federal share (FMAP) for states ranges from 50% to 74.6%. For every \$1 spent by the state, the Federal government matches \$1 to \$2.94.

Expansion states receive an increased FMAP for the expansion population. The federal government provided \$68.2 billion to states for expansion adults in FFY 2015.



0.66

is the Medicaid-to-Medicare physician fee ratio in the US.

55%

of long-term care spending in the US is for home and community-based care.

39

states including DC have Medicaid managed care.

10 million

Medicare beneficiaries (21%) in the US rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

36%

of Medicaid spending in the US is for Medicare beneficiaries.

19%

of state general fund spending in the US is for Medicaid.

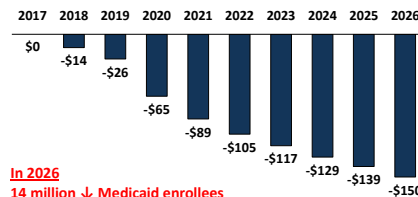
57%

of all federal funds received by states is for Medicaid.

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.

The CBO estimates that the AHCA would reduce federal Medicaid spending by \$834 billion nationally over the 2017-2026 period.



In 2026
14 million ↓ Medicaid enrollees
24% ↓ in federal funds
23 million ↑ in uninsured → 51 million uninsured



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

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.

Per capita spending by enrollment group

