

Updated July 2017 | Fact Sheet

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.