

July 2017 | Fact Sheet

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.**
 - Kentucky ranks 6th for the highest rate of opioid deaths at 21 deaths per 100,000 population in 2015.
 - 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.