Affordable Insurance Programs (2014)

- 400% FPL
- 241% FPL: Exchange Subsidies
- 133% FPL: Medicaid/CHIP Children
- 0: Medicaid Adults

Varies by State

Adults

Children
Supreme Court’s Decision

- Medicaid coverage expansion for low-income adults is voluntary with states.
- States can decide whether and when to expand, and, if a state covers the expansion group, it may later drop the coverage.
- All other aspects of the Affordable Care Act remain in place, including enhanced federal match.
- No deadline for state decision.

Affordable Insurance Programs (2014): Without Expansion

For non-elderly, non-disabled individuals, based on current median state eligibility.

- Medicaid/CHIP:
  - Children
  - Varies by State

- Exchange Subsidies:
  - 400% FPL
  - 241% FPL
  - 133% FPL
  - 100% FPL
  - 63% FPL
  - 37% FPL

- Other Adults
- Jobless Parents
- Working Parents
- Pregnant Women
Who are the Low-Income Adults?

- 53% men and 47% women*
- Most work or are in households with a worker
- Some are unable to work due to poor health
- Many are
  - parents of kids states now cover
  - parents of kids who have grown and left home
  - women who states cover when they are pregnant
  - older people but still too young for Medicare
  - younger people just starting out on their own
- Many use the emergency room because they have no regular source of care
- Many have no access to the care they need

* Urban Institute Tabulations of the 2010 American Community Survey

Federal/State Share of Costs

<table>
<thead>
<tr>
<th>Group</th>
<th>Federal Share of Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults states now cover*</td>
<td>50%-75% (57% state average)</td>
</tr>
<tr>
<td>Newly eligible adults</td>
<td>100% (2014, 2015, 2016)</td>
</tr>
<tr>
<td></td>
<td>95% (2017)</td>
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<tr>
<td></td>
<td>94% (2018)</td>
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<td></td>
<td>93% (2019)</td>
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<tr>
<td></td>
<td>90% (2020)</td>
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<tr>
<td>Systems Improvement</td>
<td>90% for development (2011-2015)</td>
</tr>
<tr>
<td></td>
<td>75% for maintenance (2011)</td>
</tr>
</tbody>
</table>

* Some “early expansion” states will receive more federal support beginning in 2014 for some of the adults they now cover.
Who Pays?


Federal
State

Source: Congressional Budget Office and Medicaid Coverage and Spending in Health Reform, John Holahan and Irene Headon/Alister Commission, May 25, 2010

Potential Savings for States and Local Communities

• Uncompensated care
• State or locally-funded coverage that is no longer needed
• State or locally-funded direct service programs that may no longer be needed
• Much variation across states, but overall states would save $92-129 billion between 2014-2019  (Urban Institute estimate, July 2011)
Concentration of Medicaid Spending

Source: Medicaid Statistical Information System Claims Data for FY 2008

New Opportunities to Improve Care and Lower Costs

For example:

- Dual eligible data and demonstrations
- Health homes (enhanced federal match)
- Community First Choice, Balancing Incentives Program (enhanced federal match)
- New Integrated Care Models (no waiver needed)
- Pharmacy survey data to inform state pricing
- Data and analytics to identify cost drivers
- Partnership for Patients
Partnering with States to Achieve a High Performing Medicaid Program

- Moving from a safety net program
- To a full partner in the health care system
- Ensuring better care, better health, lower costs