1. Medicaid

Medicaid is the nation’s largest health insurer—providing health insurance coverage for over 74 million individuals. Half of all births in the U.S. are covered by Medicaid. While children are the largest enrollee category (43 percent), Medicaid spending is predominantly spent on adults with disabilities (42 percent) and elderly adults (21 percent).

Click here for the CSG Medicaid Facts infographic that provide key facts on Medicaid, including costs and individuals enrolled in Medicaid.

Medicaid expenditures were 29 percent of state expenditures in fiscal year 2016, according to the National Association of State Budget Officers. The burden on states’ general fund is increasing, and not just in states that opted to expand Medicaid under the Affordable Care Act. In 2017, 20.3 percent of general funds were expended on Medicaid, growing from just over 16 percent a decade earlier. The increased Medicaid funding may make it difficult for states to fully fund other state priorities.
The Affordable Care Act allowed states to expand Medicaid eligibility to cover all persons with family incomes below 138 percent of the federal poverty level. More than half the states (30 states and the District of Columbia) have done so. Many health care analysts believe that more states may take up Medicaid expansion since Congress did not pass ACA repeal and replace in 2017. A number of states have already submitted Section 1115 waivers to the federal government to design Medicaid expansion in ways that align with their state's policy priorities.

The 2017 Congressional debates on the repeal and replacement of the Affordable Care Act ensure that Medicaid will continue to be a dominant issue in state health policy and state budget debates. Congress has strongly signaled its desire to reduce federal funding for the program, promising states more flexibility to shape the program to their own interests in exchange for less federal funding.

CSG Resources:

- CSG Members Discuss the Future of Medicaid [4], Sept. 2017, CSG Medicaid Leadership Policy Academy
- “Out of the Spotlight, Medicaid Programs Tackle the Growth of Health Care Costs [5],” Lindsey Browning, 2017 CSG Book of the States
- Academy Focuses on Medicaid Reform Bills and Probable Impacts on States [6],” June 2017, CSG Medicaid Policy Academy
- 2017 Medicaid Comparative Data Report [7], Sept. 2017, CSG South
- “Repealing the ACA: Potential Effects on Medicaid [8],” April 28, 2017, CSG research brief
2. Opioid Epidemic

Since 1999, overdose deaths involving opioids—including prescription opioids and heroin—have quadrupled and now account for six out of every 10 overdose deaths. Current estimates from the Centers for Disease Control and Prevention show that 91 Americans die each day from an opioid overdose. Some of the hardest hit states are in the Appalachian region, New England and the West.

States increasingly are looking to a public health approach that takes specific actions to achieve the following four objectives:

- Prevent opioid misuse and addiction
- Reduce overdose deaths and other harmful consequences
- Improve and expand opioid addiction treatment
- Improve addiction care in the criminal justice system

CSG Resources:

3. Aging

America is graying. The number of people 65 or older currently totals 50 million, more than the combined population of the 25 states with the smallest populations. By 2060, that number will rise to 98 million. Seniors’ share of the total population will rise to almost 24 percent in 2060, from 15 percent now. Alaska is the youngest state, with just 9.4 percent of its residents 65 or older. Florida has the largest percentage—19.1 percent in 2014—of residents 65 or older.

**Counties With the Largest, Smallest Shares of Seniors**

*% of county population ages 65+

![Map of the United States showing counties with different percentages of seniors. Source: U.S. Census Bureau 2014 population estimates, PEW RESEARCH CENTER]*

States will be challenged to meet the long-term care expenses of seniors, which are not covered by Medicare. In fact, more than one in three Medicaid dollars (36 percent) is spent for services to
Medicare beneficiaries. The increasing numbers of seniors who are impacted by dementia and Alzheimer’s disease, as both caregivers and patients, will further strain the health care system. The Alzheimer’s Association reports that while health advances have lowered deaths from heart disease by 14 percent since 2000, deaths from Alzheimer’s disease have increased by 89 percent. Health care providers, too, are aging, presenting education and training challenges to the health care system.

More aging Americans puts pressure on states in two ways—more services are expected and needed by the seniors and, although more persons 65 and older work than in the past, the tax revenues from that population are down, especially since the Great Recession decreased many older Americans’ nest eggs.

CSG Resources:

- “Alzheimer's Projections: 2016-2025” [17],” June 2016, CSG research brief
- “Aging Demographics” [18],” Nov. 2016, CSG infographic
- “Long-Term Care: Challenges and Solutions for States” [20],” Feb. 2017, CSG webinar

Other Resources:


4. Rural Health Care

During the last census, 60 million Americans (or 19 percent of the population) lived in rural areas. The U.S. Census defines rural areas as locales that do not fit any of the definitions of urban—urbanized areas with populations of 50,000 or more (486 in 2010) or urban clusters with populations of at least 2,500 and less than 50,000 (3,087 in 2010).

The adequacy of health care in rural areas continues to be a critical issue in numbers of states. Small critical care hospitals in rural areas are closing. The Sheps Center for Health Services at the University of North Carolina has documented the closure of 82 rural hospitals since 2010. The National Rural Hospital Association finds 673 rural hospitals “vulnerable or at risk for closure.” Rural states, including Georgia and Pennsylvania, are experimenting with alternative models for emergency and acute care. Telehealth services promise to bring technological solutions to the provider shortage, but payment and licensing issues remain.

CSG Resources:

- “Rural ‘critical access’ hospitals face increasing risk of closing.” [22] Stateline Midwest newsletter, Summer 2016

Other Resources:

- Rural Hospital Closure Tracking, [25] Sheps Center for Health Services, University of North Carolina, Chapel Hill
- Project ECHO [26], University of New Mexico
5. Social Determinants of Health

While state policymakers are seldom afforded the luxury of looking upstream at the causes and prevention of current health problems, the public health concept of social determinants of health suggests that lens is important in policymaking. The social determinants of health are defined as the conditions in which people are born, grow, live, work and age. These circumstances are shaped by the distribution of money, power and resources at the national, state and local levels. Social determinants of health contribute twice as much to a population’s health status—40 percent—than access and quality of health services—20 percent. The other major contributions are risk factors, 30 percent, and environment, 10 percent.

An emphasis on the social determinants of health will lead policymakers to consider a wider range of policies to address health, including programs to improve educational attainment, increase family incomes, encourage physical activity and promote healthful eating, as well to examine the root causes of health inequities.

CSG Resources:

• “Opportunities to Save Lives, Many at a Time.” [27] Joshua Sharfstein, Capitol Ideas CSG magazine, July 2016

Other Resources:

• “Social Determinants of Health: Know What Affects Health.” [29] Centers for Disease Control and Prevention

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