

## STATE FINANCE

TABLE 7.8

### Medicaid Expenditures (In millions of dollars)

State	Actual fiscal 2015				Actual fiscal 2016				Estimated fiscal 2017			
	General fund	Federal funds	Other state funds	Total	General fund	Federal funds	Other state funds	Total	General fund	Federal funds	Other state funds	Total
<b>Total</b>	\$145,646	\$316,512	\$53,138	\$515,296	\$151,469	\$334,494	\$55,380	\$541,343	\$162,124	\$351,329	\$60,890	\$574,343
Alabama (a)	700	4,155	1,228	6,083	722	4,393	1,239	6,354	720	4,637	1,254	6,611
Alaska	665	886	4	1,555	634	1,066	2	1,702	602	1,387	6	1,995
Arizona	1,884	8,109	988	10,981	1,836	8,690	995	11,521	1,788	9,039	1,022	11,849
Arkansas (b)	898	4,765	591	6,254	969	5,077	510	6,556	1,033	5,535	598	7,166
California (c)	20,122	52,656	6,834	79,612	20,094	53,337	8,229	81,660	22,170	55,413	12,576	90,159
Colorado	2,313	4,584	849	7,746	2,482	5,382	1,121	8,985	2,533	5,064	1,032	8,629
Connecticut	3,496	3,483	0	6,979	3,612	3,604	0	7,216	3,747	3,536	0	7,283
Delaware	682	1,193	14	1,889	689	1,281	58	2,028	740	1,251	64	2,055
Florida	4,869	12,955	4,726	22,550	5,607	13,539	4,127	23,273	6,485	15,018	4,255	25,758
Georgia (d)	2,959	6,563	335	9,857	2,980	6,623	321	9,924	3,240	6,652	329	10,221
Hawaii	671	1,216	58	1,945	689	1,497	86	2,272	818	1,611	52	2,481
Idaho	446	1,186	247	1,879	469	1,203	265	1,937	497	1,245	250	1,992
Illinois (e)	3,701	9,921	3,589	17,211	2,696	10,706	2,619	16,027	5,189	11,568	3,483	20,240
Indiana	2,009	6,476	677	9,162	2,027	8,553	691	11,271	2,097	8,701	762	11,560
Iowa	1,326	2,903	749	4,978	1,405	2,997	860	5,262	1,320	2,813	886	5,019
Kansas	1,318	1,817	145	3,280	1,175	1,815	227	3,217	1,148	1,801	251	3,200
Kentucky	1,501	7,517	504	9,522	1,578	7,805	510	9,893	1,708	7,695	491	9,894
Louisiana	1,677	4,763	1,215	7,655	2,017	5,220	793	8,030	1,948	7,283	1,053	10,284
Maine (f)	752	1,510	273	2,535	776	1,605	274	2,655	751	1,638	267	2,656
Maryland	2,896	5,686	1,061	9,643	2,823	6,031	1,039	9,893	3,360	6,834	1,006	11,200
Massachusetts	6,032	7,647	174	13,853	6,225	8,623	294	15,142	6,153	9,081	282	15,516
Michigan (g)	2,594	11,528	1,930	16,052	2,692	12,220	2,016	16,928	2,799	12,393	2,022	17,214
Minnesota	4,488	6,075	154	10,717	4,531	6,444	219	11,194	4,580	6,391	162	11,133
Mississippi	657	3,555	664	4,876	747	3,801	605	5,153	683	3,975	603	5,261
Missouri	1,778	4,511	2,419	8,708	2,033	4,730	2,390	9,153	2,110	5,177	2,414	9,701
Montana	271	748	91	1,110	279	909	107	1,295	309	1,340	109	1,758
Nebraska	850	968	37	1,855	924	1,027	32	1,983	982	1,052	37	2,071
Nevada	564	2,249	163	2,976	530	2,476	220	3,226	600	2,805	266	3,671
New Hampshire	515	936	166	1,617	523	1,197	238	1,958	584	1,300	241	2,125
New Jersey	3,831	8,899	1,053	13,783	3,957	9,109	1,092	14,158	3,918	9,577	1,147	14,642
New Mexico	895	4,044	234	5,173	926	4,225	261	5,412	929	4,373	268	5,570
New York	11,161	29,393	5,115	45,669	11,552	31,226	5,317	48,095	11,710	33,672	5,796	51,178
North Carolina	3,594	8,752	1,435	13,781	3,493	8,771	1,507	13,771	3,515	9,022	1,634	14,171
North Dakota	429	673	9	1,111	409	730	7	1,146	523	842	6	1,371
Ohio (h)	14,861	7,541	1,925	24,327	16,996	6,017	2,428	25,441	17,437	5,940	2,284	25,661
Oklahoma	1,503	3,113	751	5,367	1,495	3,151	694	5,340	1,491	3,143	693	5,327
Oregon	362	6,494	1,585	8,441	805	6,419	1,078	8,302	1,257	6,671	1,500	9,428
Pennsylvania	8,556	13,295	3,165	25,016	8,727	15,961	3,220	27,908	9,257	18,663	3,423	31,343
Rhode Island	1,069	1,500	12	2,581	1,064	1,497	9	2,570	1,105	1,613	10	2,728
South Carolina	1,056	4,359	806	6,221	1,020	4,396	843	6,259	1,103	4,615	838	6,556
South Dakota	353	488	4	845	371	485	4	860	363	527	4	894
Tennessee (i)	3,315	6,099	637	10,051	3,393	6,859	726	10,978	3,581	6,881	534	10,996
Texas	11,728	21,403	3,388	36,519	12,825	23,696	4,953	41,474	13,845	22,558	3,684	40,087
Utah	400	1,586	454	2,440	434	1,655	459	2,548	436	1,813	538	2,787
Vermont (j)	302	923	326	1,551	327	971	341	1,639	317	919	362	1,598
Virginia	4,114	4,123	0	8,237	4,550	4,317	3	8,870	4,768	4,610	3	9,381
Washington	2,054	5,401	670	8,125	1,792	5,296	486	7,574	2,309	5,569	385	8,263
West Virginia	520	2,610	400	3,530	520	2,610	400	3,530	525	2,618	405	3,548
Wisconsin	2,652	4,969	1,259	8,880	2,786	4,957	1,438	9,181	2,773	5,165	1,573	9,511
Wyoming (k)	257	286	25	568	263	295	27	585	268	303	30	601

See footnotes at end of table

TABLE 7.8

**Medicaid Expenditures (In millions of dollars) (continued)**

Source: National Association of State Budget Officers, *2016 State Expenditure Report*.

Notes: States were asked to report Medicaid expenditures as follows:

General funds: all general funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. Other state funds: other funds and revenue sources used as Medicaid match, such as local funds and provider taxes, fees, donations, assessments (as defined by the Centers for Medicare and Medicaid Services). Federal Funds: all federal matching funds provided pursuant to Title XIX.

- (1) The states were asked to separately detail the amount of provider taxes, fees, donations, assessments and local funds reported as Other State Funds.
- (2) Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.
- (3) "State funds" refers to general funds plus other state fund spending. State spending from bonds is excluded.
- (4) "Total funds" refers to funding from all sources—general fund, federal funds, other state funds and bonds.
- (5) For all states, Medicaid reflects provider taxes, fees, assessments, donations, and local funds in Other State Funds.

Key:

- (a) Other State Funds includes Medicaid provider taxes in the amounts of: \$370M for FY15; \$391M for FY16; and \$378M for Estimated FY17. Amounts shown in fiscal years 2015 and 2016 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2017 amounts shown are equal to actual expenditures through 9 months (June 30, 2017) and then annualized for the year. The State of Alabama implemented a new ERP system in FY16. This affected the accuracy of some reports for the 13th Accounting period of FY15. Those issues have been resolved, but there will be some variance for FY15 reported expenditures between last year's survey and this survey.
- (b) DHS numbers for FY 15 and FY 16 were modified to reflect actual final funding and were previously based on estimates.
- (c) The major drivers of the change in other state funds for Medicaid, from FY 2016 to FY 2017, are increases in hospital quality assurance fee, managed care organization tax, and tobacco tax initiative funding for new supplemental payments to various providers and Medi-Cal program growth.
- (d) State General Funds paid by other agencies to the state Medicaid agency are reflected as State General Funds rather than Other Funds.
- (e) Illinois ended Fiscal Year 2016 without a fully enacted General Funds budget in place. Certain areas of the budget did not receive funding at the same levels as seen historically, including state employee health insurance, some agency operational costs, certain social service programs, and higher education.
- (f) Medicaid Other State Funds provider taxes are: fiscal 2015, \$172 million; fiscal 2016, \$172 million; and fiscal 2017, \$171 million.
- (g) A correction is made for FY 2015 which increases general fund spending by \$88.4 million with offsetting decrease to other state funds. General fund support was decreased for the Children's Health Insurance Program (CHIP), reflecting increase in federal match for enhanced ACA known as Healthy Michigan Plan. Other State Funds include local funds of \$65 million and provider taxes of \$993 million for FY 2015, local funds of \$68 million and provider revenues of \$1,138 for FY2016, and estimated local funds of \$64 million and

provider revenues of \$1,141 for FY 2017. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

- (h) Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This amounts to \$11,667.5 million in fiscal 2016. This will tend to make Ohio's GRF expenditures look higher and conversely make Ohio's federal expenditures look lower relative to most other states that don't follow this practice. Also, inherent in Ohio's budgetary accounting environment are significant overstatements of total state spending due to two phenomena. First, fiduciary fund expenditures represent the distribution of funds collected by the state on behalf of other entities. These are not operating, program, or subsidy expenditures of the state. Examples of this would be the collection and distribution of county and local permissive sales taxes or motor vehicle registration taxes. Fiduciary fund group expenditures totaled \$7,167.1 million in fiscal 2016. Second, "double counting" of revenue and expenditures related to intrastate transactions overstates overall state expenditure activity. Intrastate transactions totaled \$761.4 million in fiscal 2016. These accounting practices will tend to make Ohio's "All-Other" expenditures look higher, on a dollar and percentage basis, and conversely make Ohio's other categories look lower, on a percentage basis, relative to other states that don't follow similar practices.
- (i) Premium revenue: fiscal 2015 totals \$322 million, fiscal 2016 totals \$323 million, and fiscal 2017 totals \$323 million. Certified Public Expenditures—Local fund from Hospitals: fiscal 2015 totals \$124 million, fiscal 2016 totals \$211 million, and fiscal 2017 totals \$200 million. Nursing Home Tax: fiscal 2015 totals \$107 million, fiscal 2016 totals \$107 million, and fiscal 2017 totals \$121 million. ICF/MR 6 percent Gross Receipts Tax: fiscal 2015 totals \$12 million, fiscal 2016 totals \$11 million, and fiscal 2017 totals \$11 million. Intergovernmental Transfers: fiscal 2015 totals \$100 million, fiscal 2016 totals \$100 million, and fiscal 2017 totals \$100 million. Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources for the general fund, along with state tax revenues.
- (j) The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2015: provider tax \$145,336,588; employee assessment \$15,879,665; local match provided by schools \$20,649,819; tobacco litigation settlement funds \$33,031,032; other \$111,436,296. The breakdown is as follows for fiscal 2016: provider tax \$151,955,229; employee assessment \$17,896,335; local match provided by schools \$21,663,688; tobacco litigation settlement funds \$29,579,458, other \$120,144,959. The breakdown is as follows for estimated fiscal 2017: provider tax \$158,574,493; employee assessment \$19,159,000; local match provided by schools \$23,456,812; tobacco litigation settlement funds \$29,716,875, other \$131,557,871.
- (k) Part of Wyoming's yearly variation in expenditure totals is due to the fact that the state budgets on a two-year cycle.