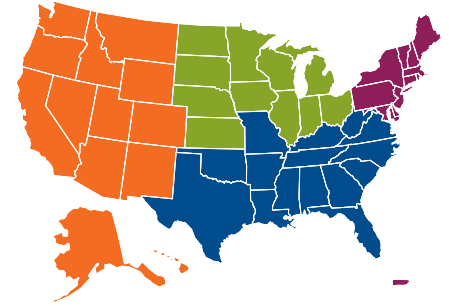


THE BOOK OF THE STATES 2012

Facts & Figures

NATIONAL ANALYSIS: MEDICAID SPENDING



Trends in Health Care Spending

- ▶ Health care spending varies widely by state. In 2009, per capita spending for all health care services was the highest in Massachusetts at \$9,278, and the lowest in Utah at \$5,031. U.S. per capita spending for the same year was \$6,815.
- ▶ While per capita spending for health care continues to increase, the annual growth rate has slowed. The average annual growth rate was 6.6 percent from 1998 to 2004, but fell to 4.7 percent between 2004 and 2009.
- ▶ States with the highest per capita health care spending share a number of economic and demographic trends. They tend to have higher personal income per capita. They also tend to have proportionately higher numbers of women of child-bearing age and seniors, both groups that are higher users of health care services.¹

Trends in Medicaid Spending

- ▶ State Medicaid spending per enrollee is more than twice as much in the highest spending states than the lowest spending states. Alaska spent \$11,569 per Medicaid enrollee in 2009, while California spent only \$4,569. The national average for 2009 Medicaid spending per enrollee was \$6,826.
- ▶ In addition to Alaska, six other states—Connecticut, New Hampshire, New Jersey, New York, North Dakota and Rhode Island—spent more than \$10,000 per Medicaid enrollee in 2009. Only Georgia and California spent less than \$5,000 per Medicaid enrollee in 2009. Another nine states—Alabama, Arizona, Arkansas, Florida, Hawaii, Illinois, Michigan, Mississippi and Tennessee—spent less than \$6,000 per Medicaid enrollee in the same year.
- ▶ Like overall health care spending, the average annual increase in Medicaid spending has moderated in recent years, from 3.3 percent from 1998 to 2004, to 2.3 percent from 2004 to 2009.

- ▶ The average annual growth in Medicaid spending lags behind the growth in all health care spending, suggesting that states have successfully implemented public policies to control Medicaid spending.

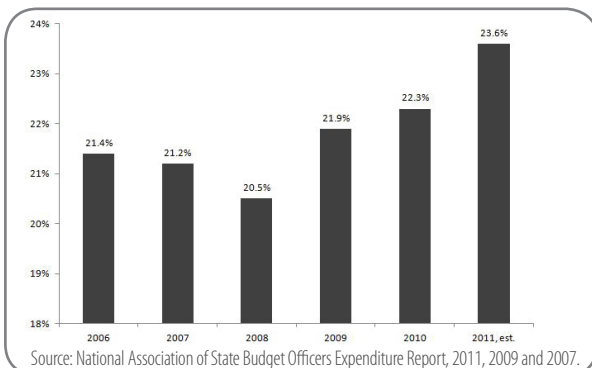
Medicaid as a Percent of State Budgets

- ▶ Medicaid expenditures are a growing share of budgets in most states. In December 2011, the National Association of State Budget Officers reported that the Medicaid program grew from 21.9 percent of all state expenditures—including all state and federal funds—in 2009 to 22.3 percent in 2010, and was expected to grow to 23.6 percent in 2011.²
- ▶ As a share of state general funds only, Medicaid in 2011 is estimated to be 17.4 percent. It is still far behind primary and secondary education, which has a 35 percent share of state general funds across all states.
- ▶ State budget shares for Medicaid expenditures—all funds, state and federal—in 2010 varied from a high of 34.4 percent in Missouri to a low of 7.3 percent in Wyoming.

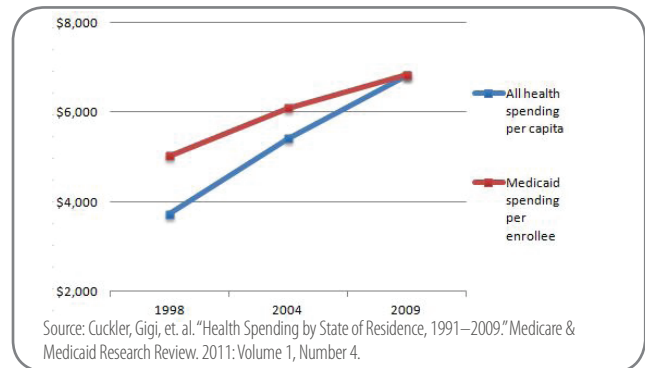
Medicaid Enrollment

- ▶ More than 50 million Americans were enrolled in the Children's Health Insurance Program (CHIP) and Medicaid programs in June 2010. This means 16.3 percent of Americans depend on this federal-state program for health care.
- ▶ While the Medicaid program includes some federal mandatory eligibility categories, states have many policy options to expand eligibility. States also differ in the intensity of their outreach activities.
- ▶ The percent of state populations enrolled in CHIP and Medicaid in June 2010 ranged from 24.4 percent in New York to 9.4 percent in Utah.

MEDICAID EXPENDITURES AS PERCENT OF STATE BUDGETS



U.S. HEALTH CARE SPENDING: 1998-2009



Medicaid Spending by State and Region

State or other jurisdiction	Health spending per capita	Health spending per Medicaid enrollee	Total Medicaid expenditures, in millions	Medicaid and CHIP enrollees as percent of population	Medicaid expenditures as percent of total expenditures
East					
Connecticut	8,654	10,933	5,000	14.7	25.4
Delaware	8,480	6,679	1,258	20.2	14.4
Maine	8,521	8,077	2,359	21.1	28.6
Maryland	7,492	8,533	6,739	13.3	20.4
Massachusetts	9,278	8,278	9,462	17.6	18.8
New Hampshire	7,839	10,302	1,362	9.9	24.9
New Jersey	7,583	10,825	10,175	9.7	21.3
New York	8,341	10,708	37,025	24.4	28.7
Pennsylvania	7,730	8,049	20,151	16.7	29.6
Rhode Island	8,309	10,780	1,956	15.8	25
Vermont	7,635	7,389	1,210	21.8	25.9
Regional Total	—	—	96,697	17.8	—
Midwest					
Illinois	6,756	5,773	14,295	19.1	23.6
Indiana	6,666	6,229	6,172	14.9	23.1
Iowa	6,921	6,887	3,289	13.4	18.6
Kansas	6,782	8,069	2,643	10.0	18.8
Michigan	6,618	5,703	11,569	18.9	24.2
Minnesota	7,409	9,851	7,560	13.4	25.1
Nebraska	7,048	8,228	1,649	11.0	17.2
North Dakota	7,749	10,111	662	9.5	13.7
Ohio	7,076	7,469	12,293	16.8	21.3
South Dakota	7,056	6,938	829	12.4	21.7
Wisconsin	7,233	7,584	6,868	16.6	17.1
Regional Total	—	—	67,829	16.3	—
South					
Alabama	6,272	5,086	5,309	16.4	25.8
Arkansas	6,167	5,871	3,990	18.1	20
Florida	7,156	5,855	18,624	14.9	30
Georgia	5,467	4,835	7,884	15.0	19.5
Kentucky	6,596	7,089	5,693	17.9	21.9
Louisiana	6,795	6,371	6,916	21.5	23.7
Mississippi	6,571	5,850	4,187	20.2	22.9
Missouri	6,967	8,398	8,786	13.6	34.4
North Carolina	6,444	7,275	11,796	14.2	24.2
Oklahoma	6,532	6,265	3,685	16.0	17.1
South Carolina	6,323	6,606	4,596	14.6	22.6
Tennessee	6,411	5,150	8,181	20.0	28.8
Texas	5,924	6,469	22,873	13.4	24.6
Virginia	6,286	7,088	6,554	9.8	16.1
West Virginia	7,667	6,886	2,563	18.0	12.6
Regional Total	—	—	121,637	15.1	—
West					
Alaska	9,128	11,569	1,171	14.2	12
Arizona	5,434	5,739	7,663	18.9	27.8
California	6,238	4,569	39,025	19.2	18.9
Colorado	5,994	7,038	4,768	10.5	15.3
Hawaii	6,856	5,852	1,456	17.4	13.3
Idaho	5,658	7,093	1,468	13.0	23
Montana	6,640	9,937	930	10.7	15.4
Nevada	5,735	6,003	1,516	9.8	18.3
New Mexico	6,651	6,409	3,363	22.2	22.1
Oregon	6,580	7,896	4,249	11.9	13.1
Utah	5,031	7,293	1,784	9.4	11.9
Washington	6,782	6,018	7,732	15.4	23
Wyoming	7,040	8,079	559	11.9	7.3
Regional Total	—	—	75,684	16.7	—
Regional Total w/o CA	—	—	36,659	14.1	—
U.S.	6,815	6,826	361,847	16.3	22.3

RESOURCES

¹Cuckler, Gigi, et. al. "Health Spending by State of Residence, 1991–2009." Medicare & Medicaid Research Review. 2011: Volume 1, Number 4. https://www.cms.gov/MMRR/Downloads/MMRR2011_001_04_A03.pdf

²National Association of State Budget Officers. "State Expenditure Report: Examining Fiscal 2009–2011 State Spending." December 2011. <http://www.nasbo.org/LinkClick.aspx?fileticket=C3LJISFxbdo%3d&tabid=38>

SOURCES AND DATA NOTES:

Health Spending: Numbers are dollars per capita for all health spending in 2009 from Gigi Cuckler, et. al. "Health Spending by State of Residence, 1991–2009." Medicare & Medicaid Research Review. 2011: Volume 1, Number 4. https://www.cms.gov/MMRR/Downloads/MMRR2011_001_04_A03.pdf

Spending per Medicaid enrollee: Numbers are dollars per Medicaid enrollee in 2009 from Gigi Cuckler, et. al. "Health Spending by State of Residence, 1991–2009." Medicare & Medicaid Research Review. 2011: Volume 1, Number 4. https://www.cms.gov/MMRR/Downloads/MMRR2011_001_04_A03.pdf

Medicaid Expenditures: Numbers are actual expenditures in millions of dollars (state general fund, other state funds and federal funds) for fiscal 2010 from National Association of State Budget Officers. "State Expenditure Report: Examining Fiscal 2009–2011 State Spending." <http://www.nasbo.org/LinkClick.aspx?fileticket=C3LJISFxbdo%3d&tabid=38>

See also *The Book of the States*, 2011, "Table 7.8: Medicaid Expenditures by State and Region."

Medicaid and CHIP enrollees as percent of population: Percent is calculated by CSG from Medicaid enrollment for the month of June 2010 and Census Bureau state population data for 2010. Medicaid enrollment data are compiled by the Health Management Associates from state Medicaid enrollment reports for the Kaiser Commission on Medicaid and the Uninsured. For more details see <http://www.kff.org/medicaid/enrollmentreports.cfm>

Medicaid expenditures as percent of total expenditures: Numbers are percents (including all state and federal funds) from National Association of State Budget Officers. "State Expenditure Report: Examining Fiscal 2009–2011 State Spending." <http://www.nasbo.org/LinkClick.aspx?fileticket=C3LJISFxbdo%3d&tabid=38>