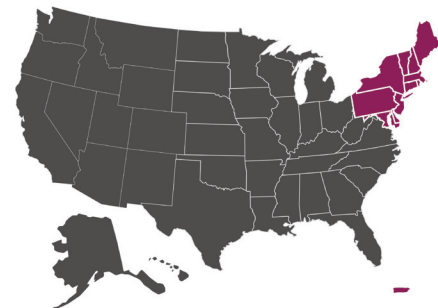


THE BOOK OF THE STATES 2012

Facts & Figures

STATES' MEDICAID SPENDING GROWING



States face a huge decision before 2014. In its June 2012 decision on the Affordable Care Act, the U.S. Supreme Court placed in states' hands the decision whether to expand eligibility for Medicaid to 133 percent of the federal poverty level. Currently, states provide Medicaid coverage to some adults with eligible children setting state eligibility at various percentages less than the federal poverty level.

Non-disabled adults without children are not eligible for Medicaid, under current rules. Data show that Medicaid expenditures have grown nationally between 2007 and 2011. Medicaid expenditures by states, as a percentage of overall budget expenditures, also have grown during that time. As state policymakers grapple with the decision regarding Medicaid eligibility expansion, they must consider whether increased Medicaid obligations will displace other budget priorities and whether states can sustain Medicaid budget growth, even with the favorable match rate for the expansion population currently in law.

National Analysis

- ▶ Nationally, state Medicaid expenditures grew 20.4 percent between 2007 and 2011.
- ▶ Growth in expenditures for Medicaid reflects increased enrollment driven by unemployment during and following the Great Recession.
- ▶ The federal stimulus package provided an enhanced federal Medicaid matching rate to states between 2008 and 2011; that enhanced match rate relieved some of the burden on states to provide increased general funds to Medicaid. This obligation, however, came roaring back to states in July 2011 when the enhanced federal Medicaid matching rates were discontinued.
- ▶ According to National Association of State Budget Officers state expenditure data, the share of total state budgets spent on Medicaid has increased from an average of 20.9 percent in 2007 to 23.6 in 2011, a 2.7 percentage point increase. Without very robust growth in overall state revenues, large growth in Medicaid spending crowds out new spending for other budget priorities.

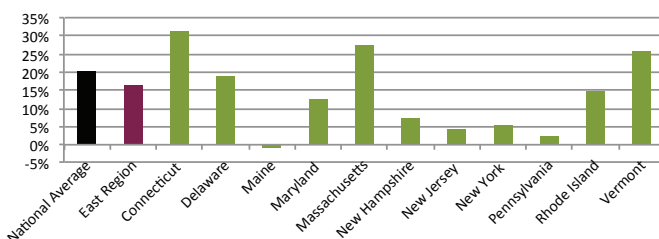
Regional Analysis

- ▶ Medicaid expenditure growth in the East region, 16.5 percent from 2007 to 2011, was less than the national average of 20.4 percent for the same four-year period.
- ▶ Within the East region, Connecticut posted the largest expenditure growth of 31.3 percent, while Maine actually cut expenditures by 0.7 percent, the only state in the East to reduce Medicaid spending

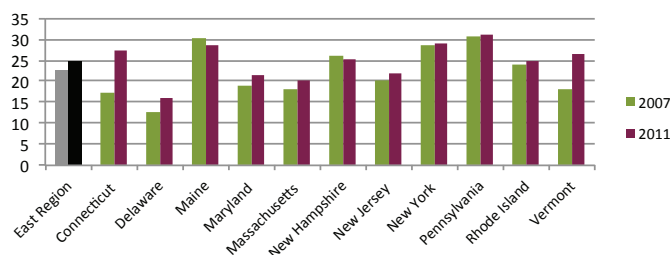
in 2011 compared to 2007.

- ▶ Delaware, Massachusetts and Vermont all had significant Medicaid expenditure growth from 2007 to 2011, adjusted for inflation, at 31.3, 27.4 and 25.9 percent respectively. Those numbers exceeded both the national and East region averages—16.5 percent growth for the East region and 20.4 percent nationally.
- ▶ Every Eastern state except for Maine and New Hampshire increased the share of their state budgets devoted to Medicaid program spending between 2007 and 2011; that is consistent with the national and East regional trends.
- ▶ Connecticut posted the largest regional growth in the proportion of all state expenditures for Medicaid; it grew 10 percentage points, from 17.2 percent to 27.2 percent of expenditures. Vermont's share of spending for Medicaid rose 8.3 percentage points.

GROWTH IN MEDICAID EXPENDITURES, ADJUSTED FOR INFLATION, 2007-2011



MEDICAID EXPENDITURES AS PERCENT OF TOTAL STATE EXPENDITURES, 2007-2011



¹Miller, Debra. "States Face Medicaid Match Loss After Recovery Act Expires." The Book of the States 2011. The Council of State Governments. <http://knowledgecenter.csg.org/drupal/content/states-face-medicaid-match-loss-after-recovery-act-expires-0>

Table Notes: (a) Medicaid appropriations are "gross funded" -- federal funds are deposited directly to the state treasuries. (b) Inflation adjustment (1.0849) from Consumer Price Index, U.S. Bureau of Labor Statistics. Calculations by CSG.

Table Sources: National Association of Budget Officers. "State Expenditures Report: Examining Fiscal 2009-2011 State Spending." <http://www.nasbo.org/sites/default/files/2010%20State%20Expenditure%20Report.pdf>;

National Association of Budget Officers. "State Expenditures Report: FY 2008 State Spending." <http://www.nasbo.org/sites/default/files/FY08%20State%20Expenditure%20Report.pdf>; CSG calculations

▶ MEDICAID EXPENDITURES BY STATE AND REGION

(In millions of dollars)

THE COUNCIL OF STATE GOVERNMENTS

State or other jurisdiction	2007					Medicaid expenditures as percent of total expenditures (all funds), 2007	2011				Medicaid expenditures as percent of total expenditures (all funds), 2011	Percent difference in spending 2007-2011, adjusted for inflation (b)	Difference in percent of total expenditures 2007-2011 (percentage points)
	General fund	Federal funds	Other state funds	Total			General fund	Federal funds	Other state funds	Total			
U.S. totals	\$110,228	\$167,930	\$26,966	\$305,124	20.9	\$110,672	\$249,807	\$38,092	\$398,571	23.6	20.4%	2.7	
East													
Connecticut (a)	3,152	0	775	3,927	17.2	4,466	0	1,127	5,593	27.2	31.3%	10.0	
Delaware	486	490	0	976	12.5	481	777	0	1,258	16.2	18.8%	3.7	
Maine	660	1,342	169	2,171	30.2	439	1,694	205	2,338	28.6	-0.7%	-1.6	
Maryland	2,559	2,775	115	5,449	18.8	2,005	4,098	558	6,661	21.6	12.7%	2.8	
Massachusetts (a)	7,551	0	0	7,551	18.1	10,440	0	0	10,440	20.2	27.4%	2.1	
New Hampshire	440	580	157	1,177	25.9	395	831	145	1,371	25.2	7.4%	-0.7	
New Jersey	4,380	4,554	129	9,063	20.0	4,111	6,007	136	10,254	21.9	4.3%	1.9	
New York	9,017	19,867	3,504	32,388	28.7	6,296	26,060	4,669	37,025	29.1	5.4%	0.4	
Pennsylvania	6,418	9,441	1,634	17,493	30.7	5,523	12,188	1,716	19,427	31.1	2.4%	0.4	
Rhode Island	796	848	0	1,644	23.8	806	1,234	7	2,047	24.7	14.8%	0.9	
Vermont	197	556	188	941	18.3	177	855	253	1,285	26.6	25.9%	8.3	
Regional Total	33,097	37,678	6,556	77,331	22.7	35,139	53,744	8,816	97,699	24.8	16.5%	2	
Midwest													
Illinois	4,235	5,977	2,336	12,548	27.1	3,341	9,560	3,320	16,221	28.9	19.2%	1.8	
Indiana	1,461	3,117	415	4,993	21.9	1,292	4,879	432	6,603	24.4	21.9%	2.5	
Iowa	665	1,470	490	2,625	18.0	403	2,331	843	3,577	19.3	25.6%	1.3	
Kansas	835	1,310	86	2,231	18.6	790	1,828	125	2,743	18.6	13.3%	0.0	
Michigan	2,326	5,227	1,682	9,235	21.7	1,440	8,743	1,821	12,004	24	19.8%	2.3	
Minnesota	2,965	3,060	0	6,025	22.2	3,156	4,848	61	8,065	25.1	23.4%	2.9	
Nebraska	619	889	20	1,528	18.7	507	1,085	21	1,613	16.5	-2.7%	-2.2	
North Dakota	165	326	4	495	14.7	225	501	2	728	14.6	35.6%	-0.1	
Ohio	9,251	2,355	1,150	12,756	23.8	10,777	2,590	598	13,965	23.2	0.9%	-0.6	
South Dakota	219	420	0	639	20.9	267	611	0	878	23.2	26.6%	2.3	
Wisconsin	1,788	2,835	147	4,770	13.9	1,413	5,071	787	7,271	17	40.5%	3.1	
Regional Total	24,529	26,986	6,330	57,845	21.6	23,611	42,047	8,010	73,668	23	17.4%	1.4	
South													
Alabama	491	3,107	898	4,496	12.3	345	3,851	1,086	5,282	25.3	8.3%	13.0	
Arkansas	652	2,297	255	3,204	19.9	635	3,424	119	4,178	20.5	20.2%	0.6	
Florida	4,549	8,291	1,500	14,340	21.7	3,978	12,081	3,721	19,780	28	27.1%	6.3	
Georgia	2,211	4,472	730	7,413	21.1	1,731	5,793	520	8,044	20.5	0.0%	-0.6	
Kentucky	982	3,107	442	4,531	20.3	911	4,537	360	5,808	22.8	18.2%	2.5	
Louisiana	752	4,018	413	5,183	19.9	658	5,353	1,088	7,099	23.5	26.2%	3.6	
Mississippi	315	2,577	422	3,314	19.9	168	3,395	901	4,464	22.6	24.2%	2.7	
Missouri	1,106	4,002	2,360	7,468	35.6	1,531	6,389	1,050	8,970	36.3	10.7%	0.7	
North Carolina	2,650	6,152	1,692	10,494	26.6	2,466	7,660	1,172	11,298	22.1	-0.8%	-4.5	
Oklahoma	869	2,143	309	3,321	18.1	960	2,675	457	4,092	18.5	13.6%	0.4	
South Carolina	754	3,062	659	4,475	22.4	726	3,870	522	5,118	19.9	5.4%	-2.5	
Tennessee	2,259	4,567	267	7,093	28.9	2,152	6,252	275	8,679	28.1	12.8%	-0.8	
Texas	6,589	12,373	1,634	20,596	16.5	7,887	16,936	58	24,881	26.3	11.4%	9.8	
Virginia	2,586	2,456	0	5,042	14.5	2,977	4,197	0	7,174	16.9	31.2%	2.4	
West Virginia	409	1,547	201	2,157	11.6	307	2,239	240	2,786	13	19.1%	1.4	
Regional Total	29,733	66,946	11,897	108,576	23.2	27,432	88,652	11,569	127,653	23.7	8.4%	0.5	
West													
Alaska	374	656	27	1,057	9.2	373	871	14	1,258	9	9.7%	-0.2	
Arizona	1,523	4,436	549	6,508	22.5	1,290	5,848	1,044	8,182	28	15.9%	5.5	
California	13,403	19,418	643	33,464	19.7	12,573	36,814	5,573	54,960	24.2	51.4%	4.5	
Colorado	1,226	1,296	93	2,615	10.9	1,269	2,807	1,435	5,511	19.4	94.3%	8.5	
Hawaii	440	616	6	1,062	10.0	606	1,180	0	1,786	15.9	55.0%	5.9	
Idaho	321	713	85	1,119	21.7	299	1,311	194	1,804	25.6	48.6%	3.9	
Montana	158	510	51	719	17.6	152	741	72	965	15.7	23.7%	-1.9	
Nevada	437	700	106	1,243	16.0	487	974	135	1,596	18.7	18.4%	2.7	
New Mexico	764	1,941	44	2,749	18.6	539	2,342	115	2,996	20.2	0.5%	1.6	
Oregon	901	1,924	395	3,220	15.9	918	3,408	557	4,883	14.6	39.8%	-1.3	
Utah	318	984	184	1,486	16.0	258	1,419	238	1,915	14.3	18.8%	-1.7	
Washington	2,791	2,887	0	5,678	19.1	3,825	3,943	141	7,909	24.4	28.4%	5.3	
Wyoming	213	239	0	452	9.2	226	336	0	562	7	14.6%	-2.2	
Regional Total	22,869	36,320	2,183	61,372	17.6	22,815	61,994	9,518	94,327	21.7	41.7%	4.1	
Regional Total w/o CA	9,466	16,902	1,540	27,908	16.9	10,242	25,180	3,945	39,367	19	30.0%	2.1	

