

Where Medicaid Stands: From the AHCA to State Waivers

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Figure 1

The basic foundations of Medicaid are related to the entitlement and the federal-state partnership.

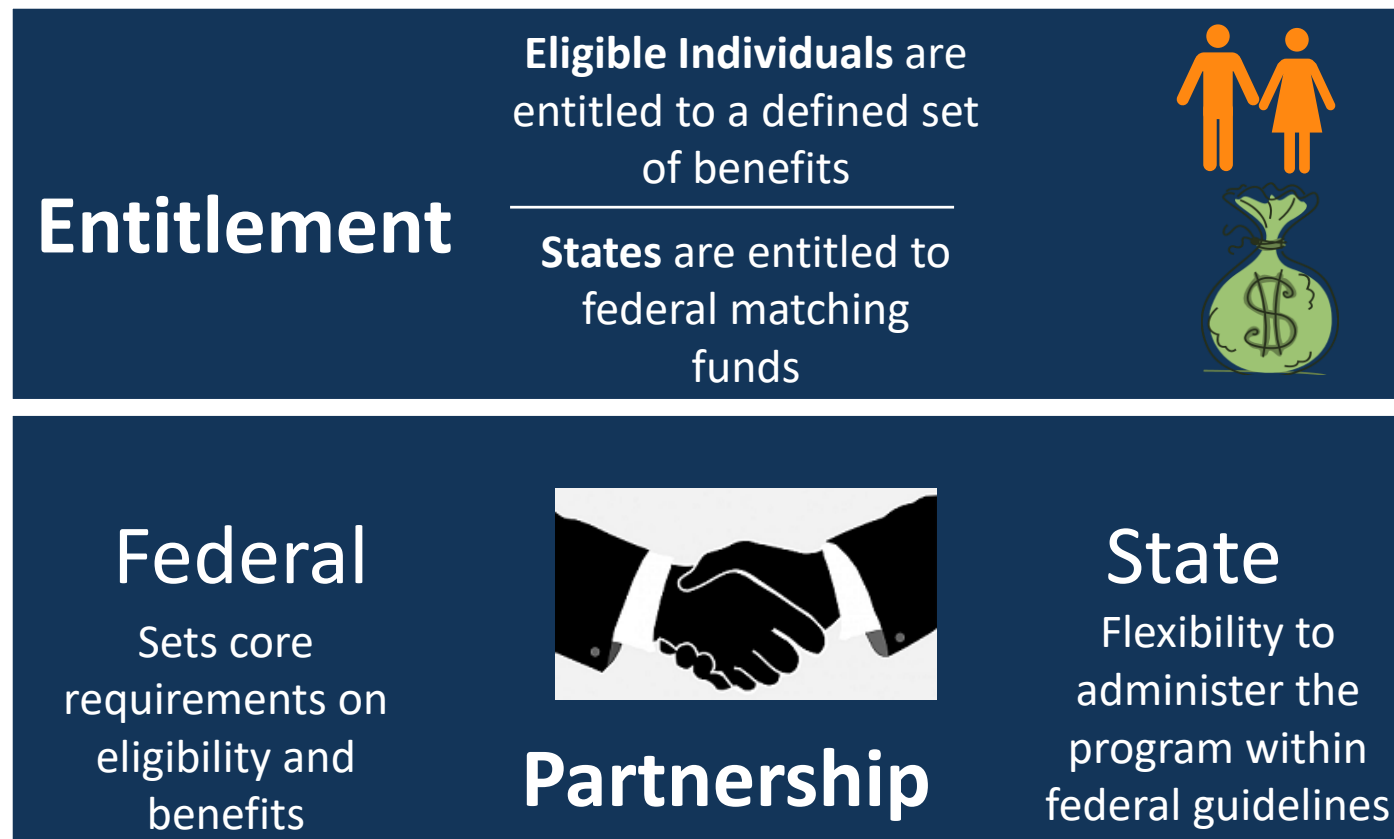


Figure 2

Medicaid plays a central role in our health care system.

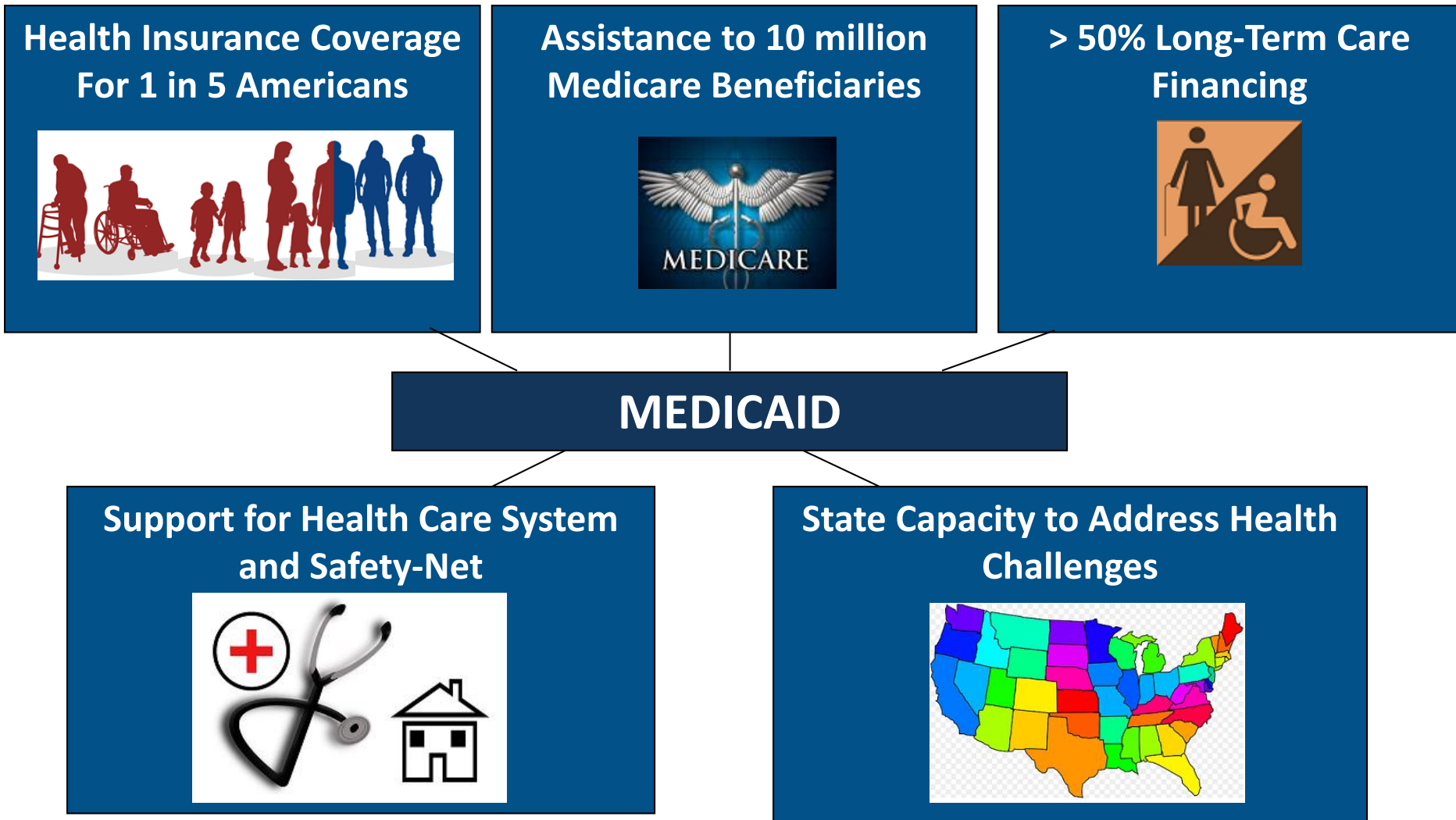
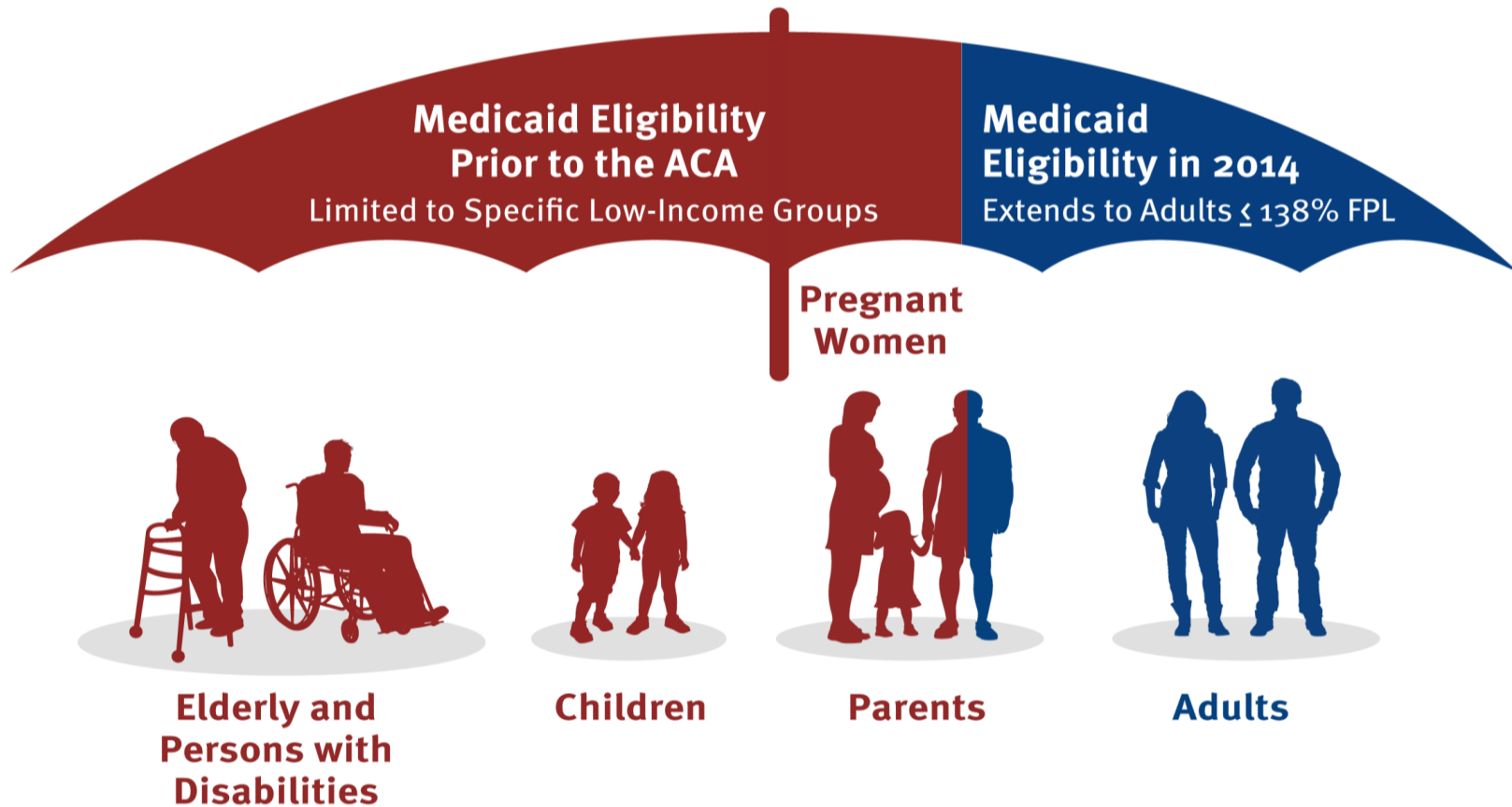


Figure 3

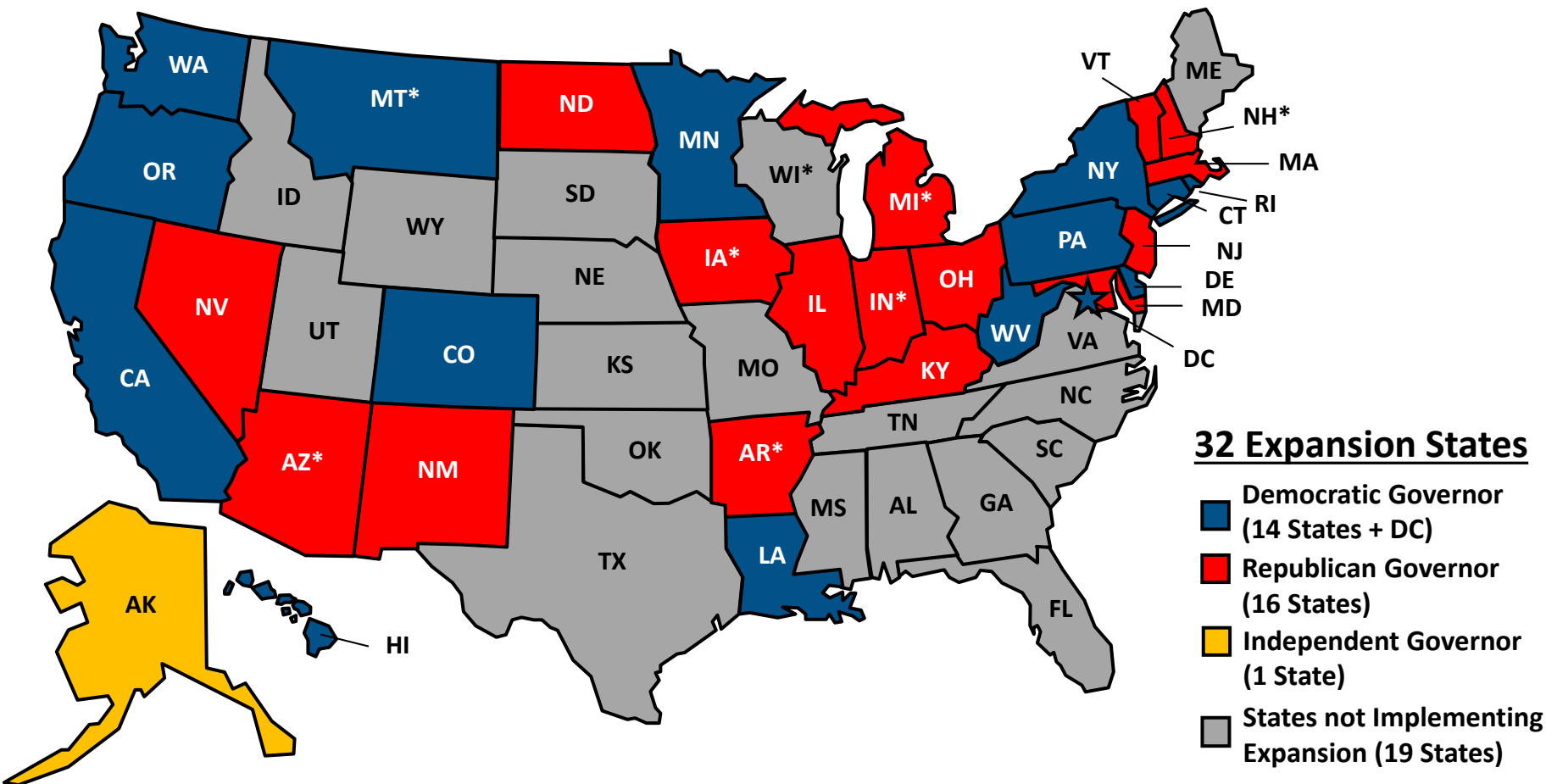
The Medicaid expansion was designed to fill the gaps in Medicaid coverage.



NOTE: The June 2012 Supreme Court decision in *National Federation of Independent Business v. Sebelius* maintained the Medicaid expansion, but limited the Secretary's authority to enforce it, effectively making the expansion optional for states. 138% FPL = \$16,643 for an individual and \$28,180 for a family of three in 2017.

Figure 4

To date, 32 states have implemented the Medicaid expansion.

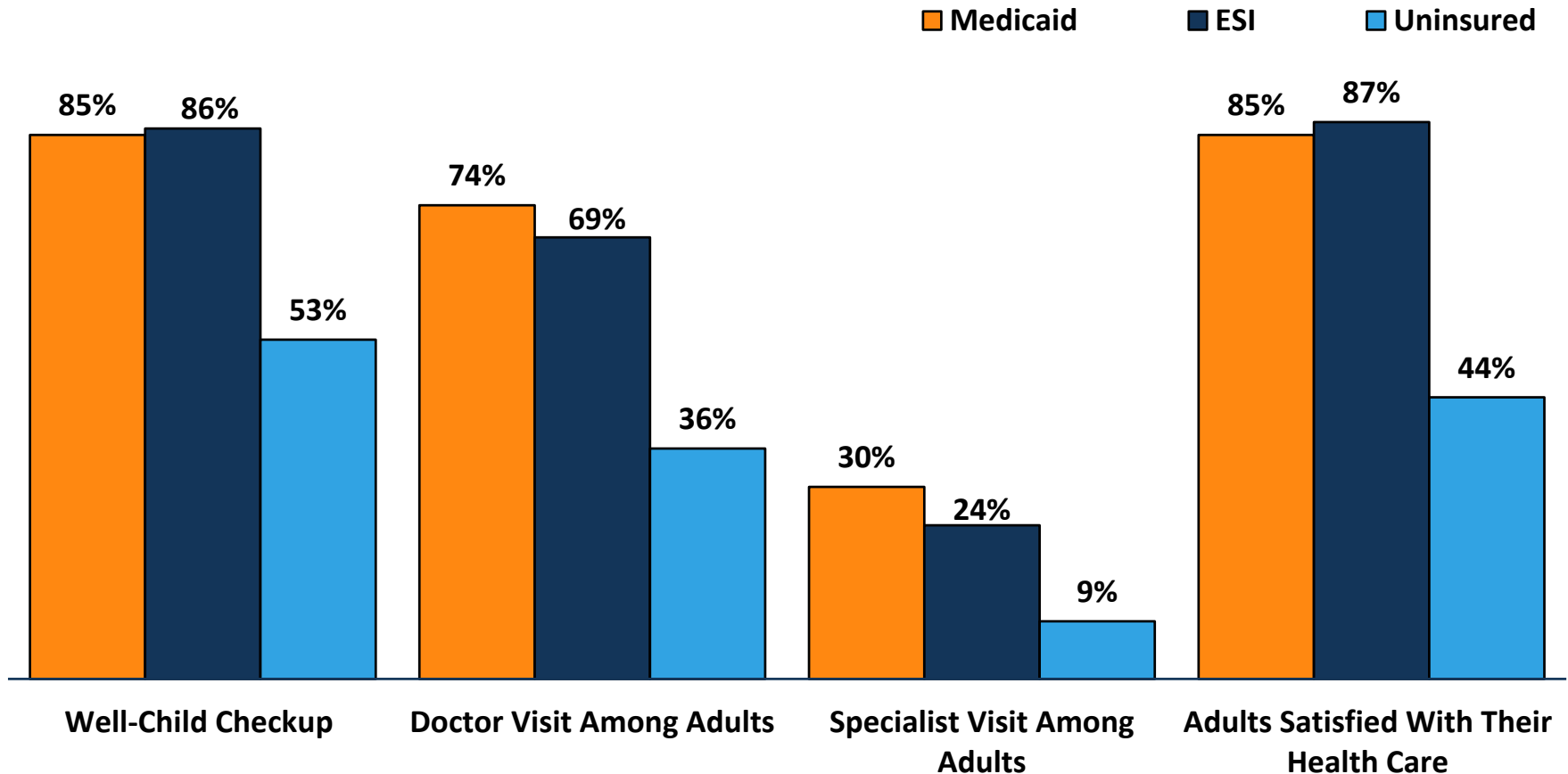


NOTES: Coverage under the Medicaid expansion became effective January 1, 2014 in all but seven expansion states: Michigan (4/1/2014), New Hampshire (8/15/2014), Pennsylvania (1/1/2015), Indiana (2/1/2015), Alaska (9/1/2015), Montana (1/1/2016), and Louisiana (7/1/2016). Seven states that will have Republican governors as of January 2017 originally implemented expansion under Democratic governors (AR, IL, KY, MA, MD, NH, VT), and one state has a Democratic governor but originally implemented expansion under a Republican governor (PA). *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 expansion waivers.

Figure 5

Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.

Percent reporting in the last year:



NOTES: Access measures reflect experience in past 12 months. Respondents who said usual source of care was the emergency room are not counted as having a usual source of care.

SOURCE: KCMU analysis of 2015 NHIS data.

Figure 6

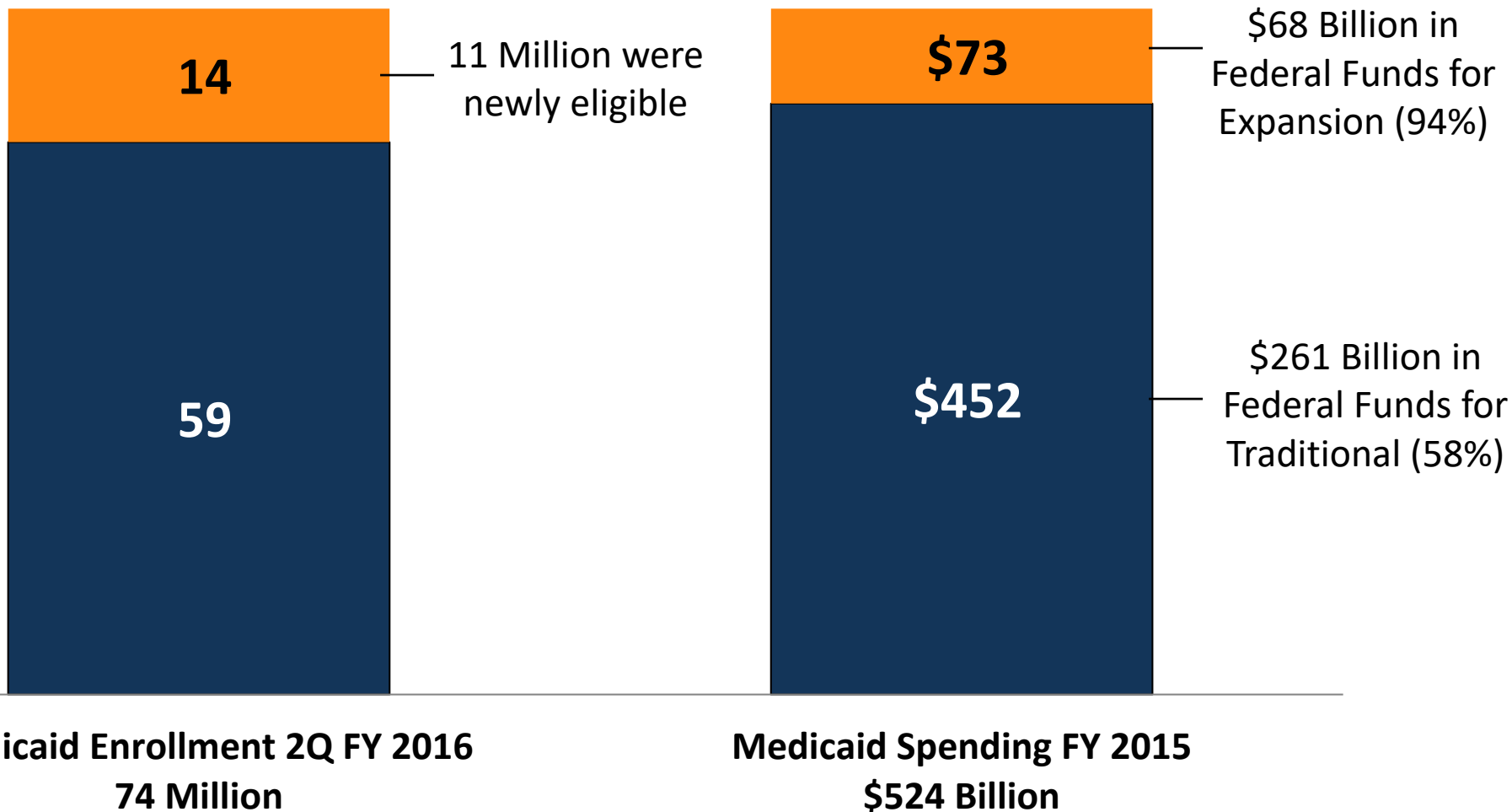
How the ACHA changes key elements of Medicaid:

	Current Law	American Health Care Act (AHCA)
ACA Medicaid Expansion	<p>Expands adult coverage to 138% FPL</p> <ul style="list-style-type: none"> Provides enhanced federal matching dollars for newly eligible (90% by 2020) 	<p>Makes expansion population a state option</p> <ul style="list-style-type: none"> Ends enhanced match 1/1/2020 for newly enrolled expansion adults
Financing	<p>Guarantees federal matching dollars with no cap</p>	<p>Caps federal matching dollars in 2020:</p> <ul style="list-style-type: none"> Establishes per enrollee spending caps by eligibility group based on 2016 spending States have option for block grant for children and adults

Figure 7

The ACA expanded Medicaid coverage and financing.

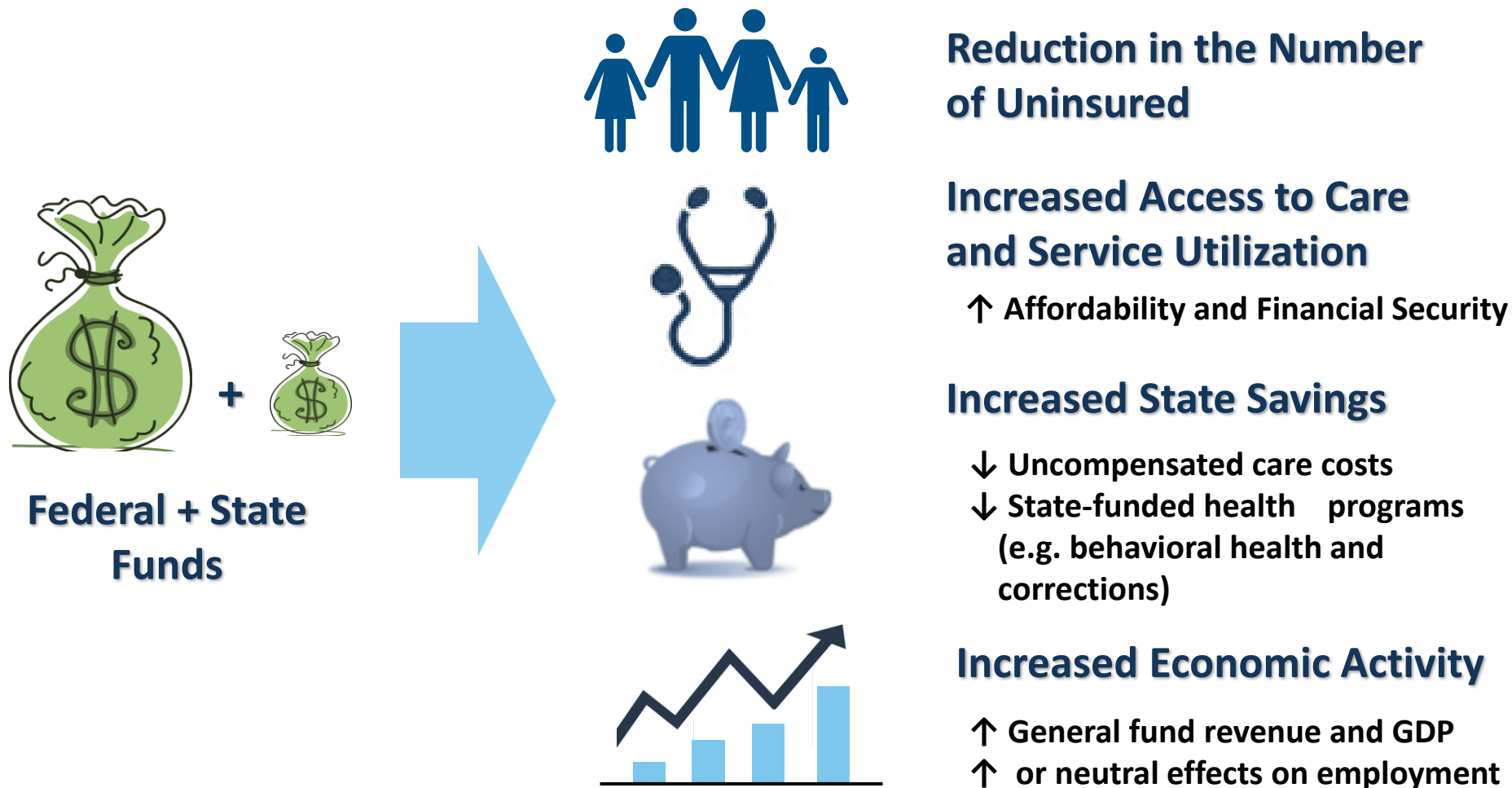
■ Traditional ■ Expansion Group



NOTES: Enrollment data for 2 quarters FY 2016 f(maximum for the time period) or 31 states that implemented the Medicaid expansion as of January 2016 (Louisiana expanded Medicaid on 7/1/16 and has no data reported). SOURCE: KCMU analysis of data from Medicaid Budget and Expenditure System (MBES).

Figure 8

The Medicaid expansion has coverage and fiscal implications for states beyond Medicaid.



SOURCE: L. Antonisse, R. Garfield, R. Rudowitz, and S. Artiga, *The Effects of Medicaid Expansion under the ACA: Findings from a Literature Review* (Washington, DC: Kaiser Commission on Medicaid and the Uninsured, June 2016), <http://kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-findings-from-a-literature-review/>

Figure 9

Medicaid block grants or per capita caps are designed to cap federal spending.

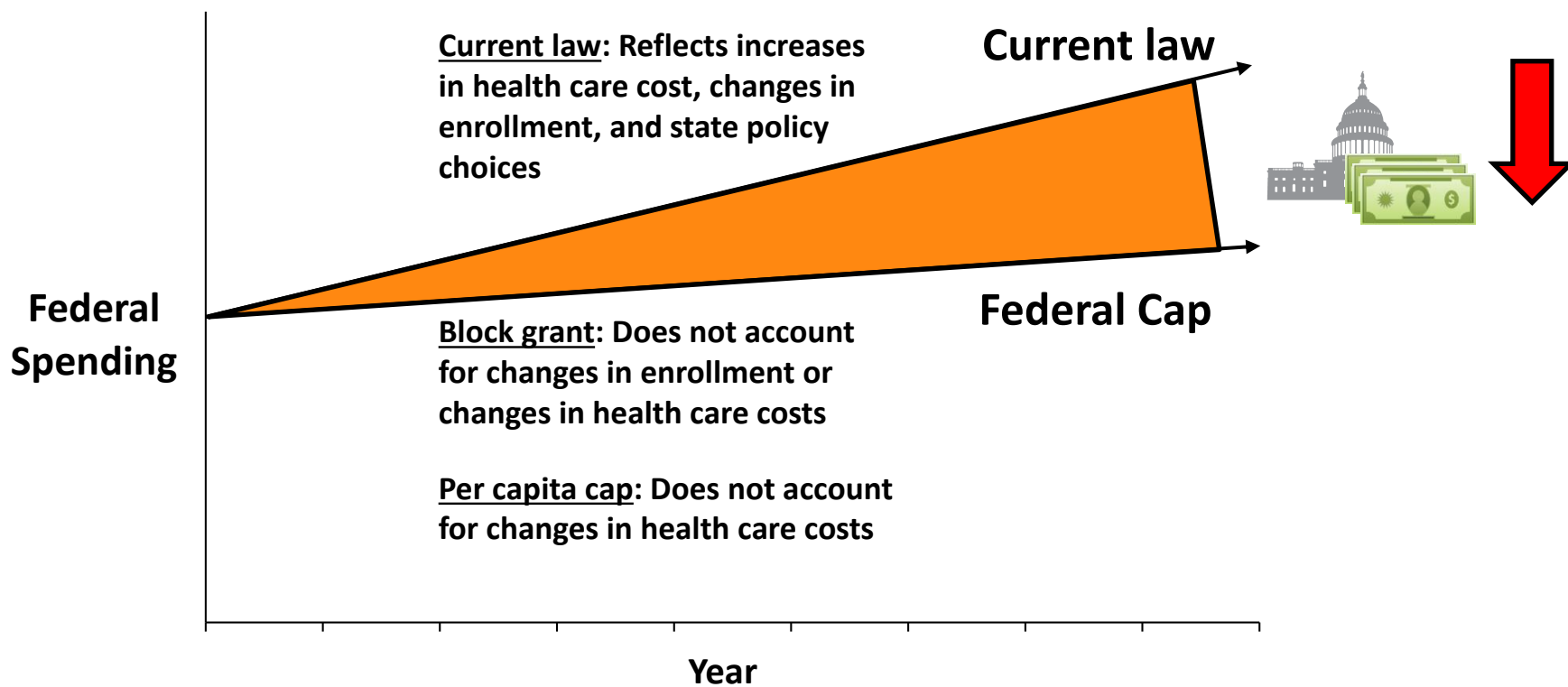
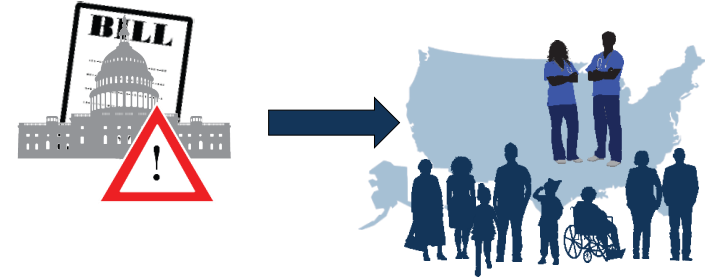


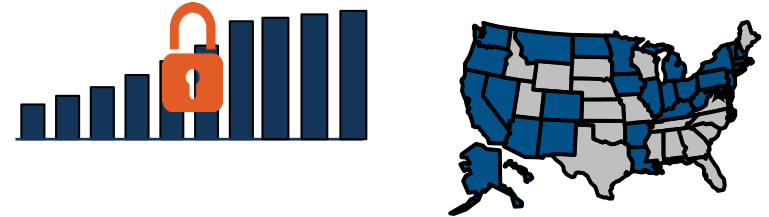
Figure 10

Reducing and capping federal Medicaid funds could:

- Shift costs and risks to states, beneficiaries, and providers if states restrict eligibility, benefits, and provider payment



- Lock in past spending patterns
 - If expansion funding is cut, the impact could be even greater for the 32 states that expanded Medicaid



- Limit states' ability to respond to rising health care costs, increases in enrollment due to a recession, or a public health emergency such as the opioid epidemic, HIV, Zika, etc.



Figure 11

CBO Estimates of the American Health Care Act (AHCA) for Medicaid Coverage Provisions (With Manager's Amendments)

Dollars in Billions (Total 2017-2026 = \$839 billion)

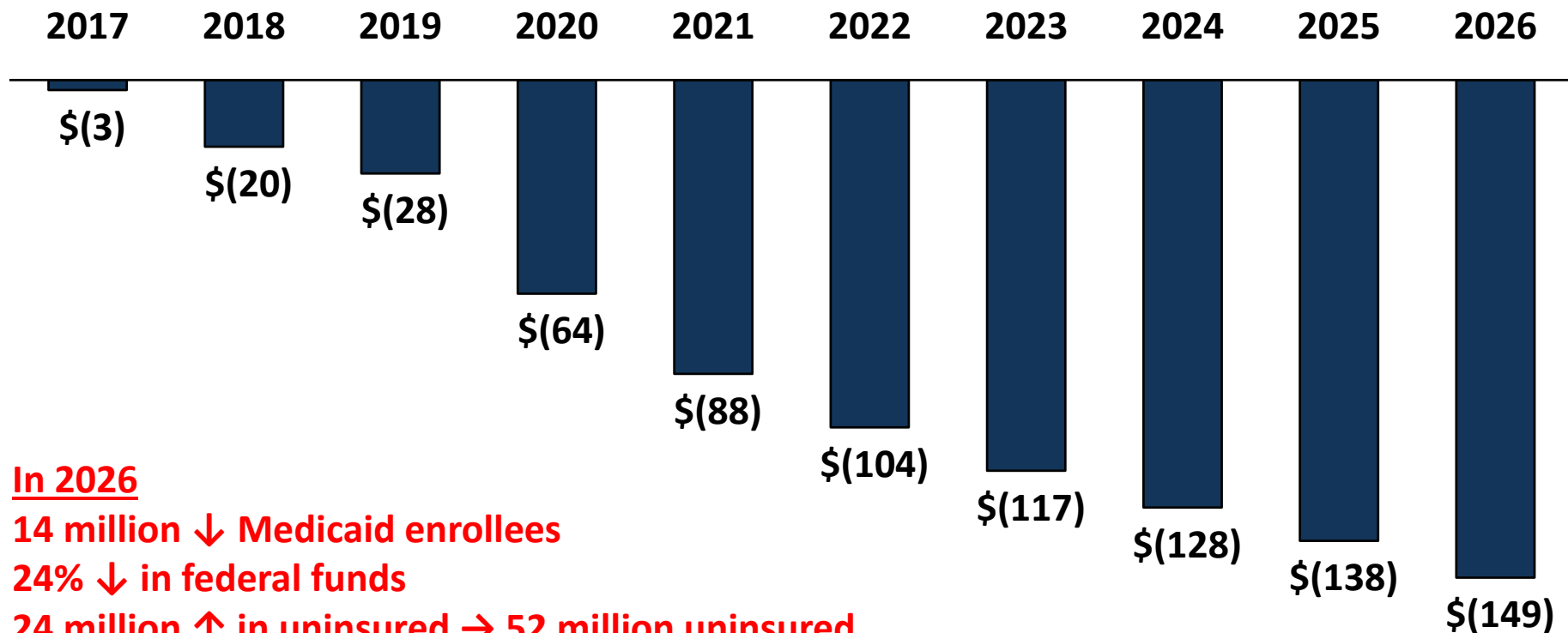


Figure 12

Certain characteristics put some states at higher risk than others under federal Medicaid cuts and caps.

**Limited
Medicaid
Programs**

**Challenging
Demographics**

**Poor Health
Status**

**High Cost
Health
Markets**

**Low Spending
and Low Tax
Capacity**

Figure 13

33 states have 41 approved Section 1115 Medicaid demonstration waivers in place as of February 2017.

Landscape of Current Section 1115 Medicaid Waivers

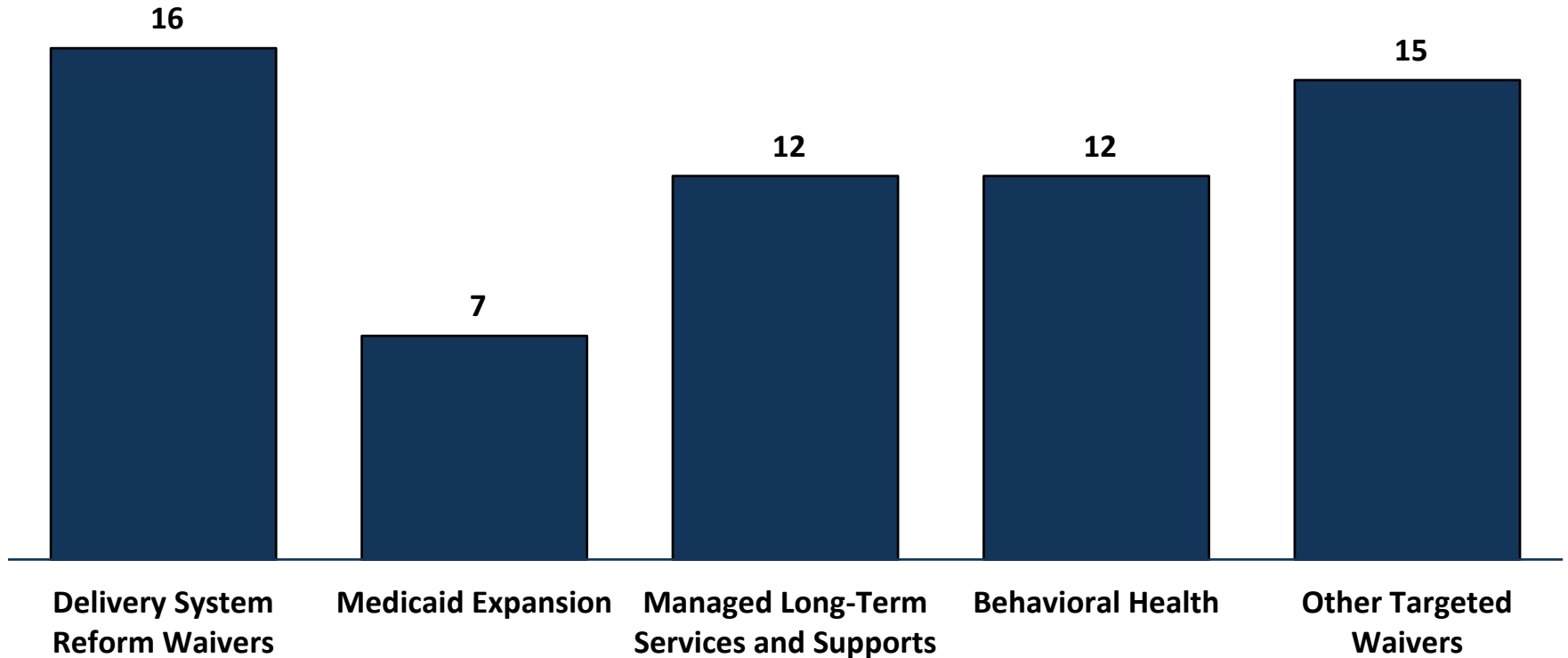
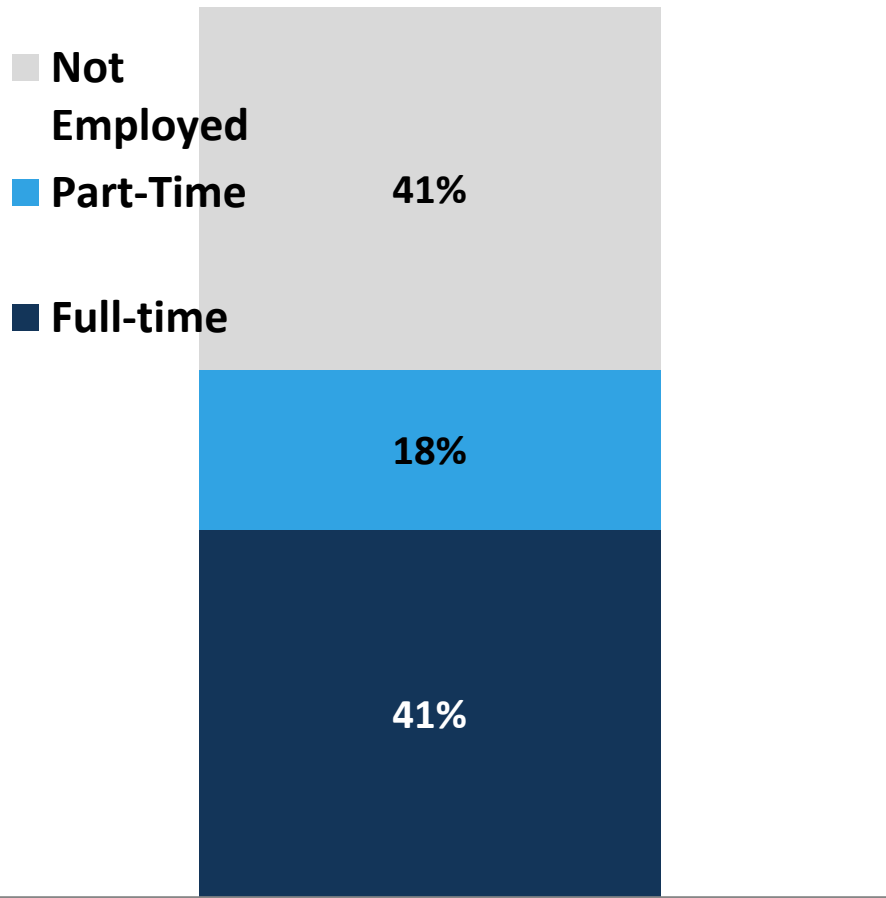
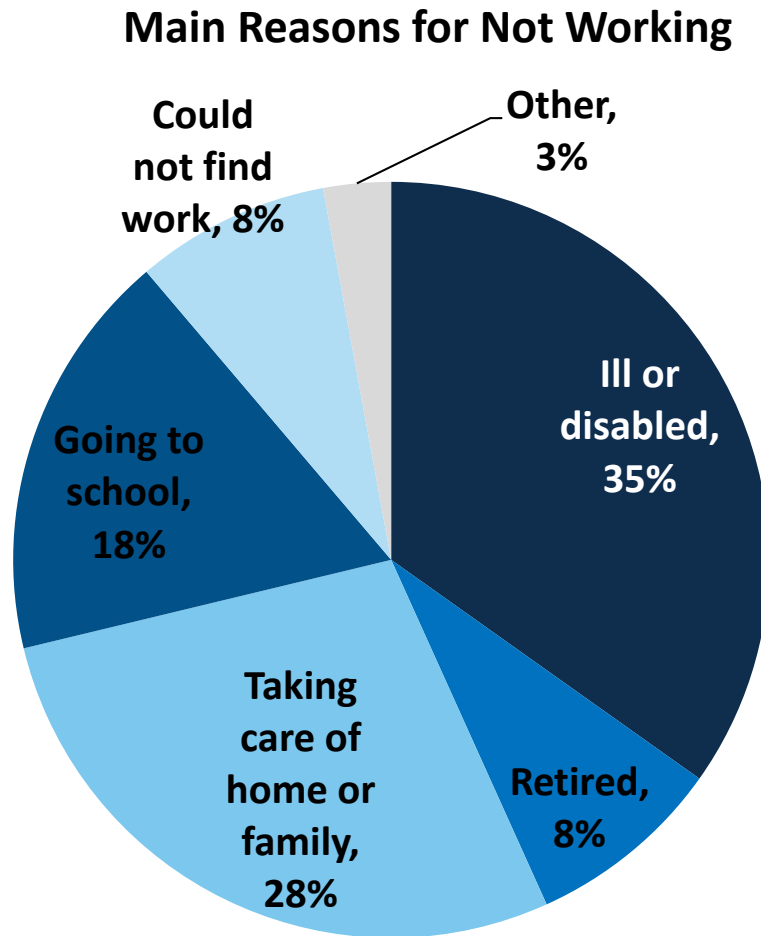


Figure 14

More states are seeking waivers to condition Medicaid on work requirements, but most not working face barriers to work.



Own Work Status, 24 Million Medicaid Adults



Not Employed = 9.8 Million Medicaid Adults

NOTE: Totals may not add due to rounding. Includes nonelderly Medicaid adults who do not receive Supplemental Security Income (SSI), 2015. SOURCE: Kaiser Family Foundation analysis of March 2016 Current Population Survey.

Figure 15

States are also seeking waivers to impose premiums and cost sharing, but research shows negative effects of policies for low-income populations.

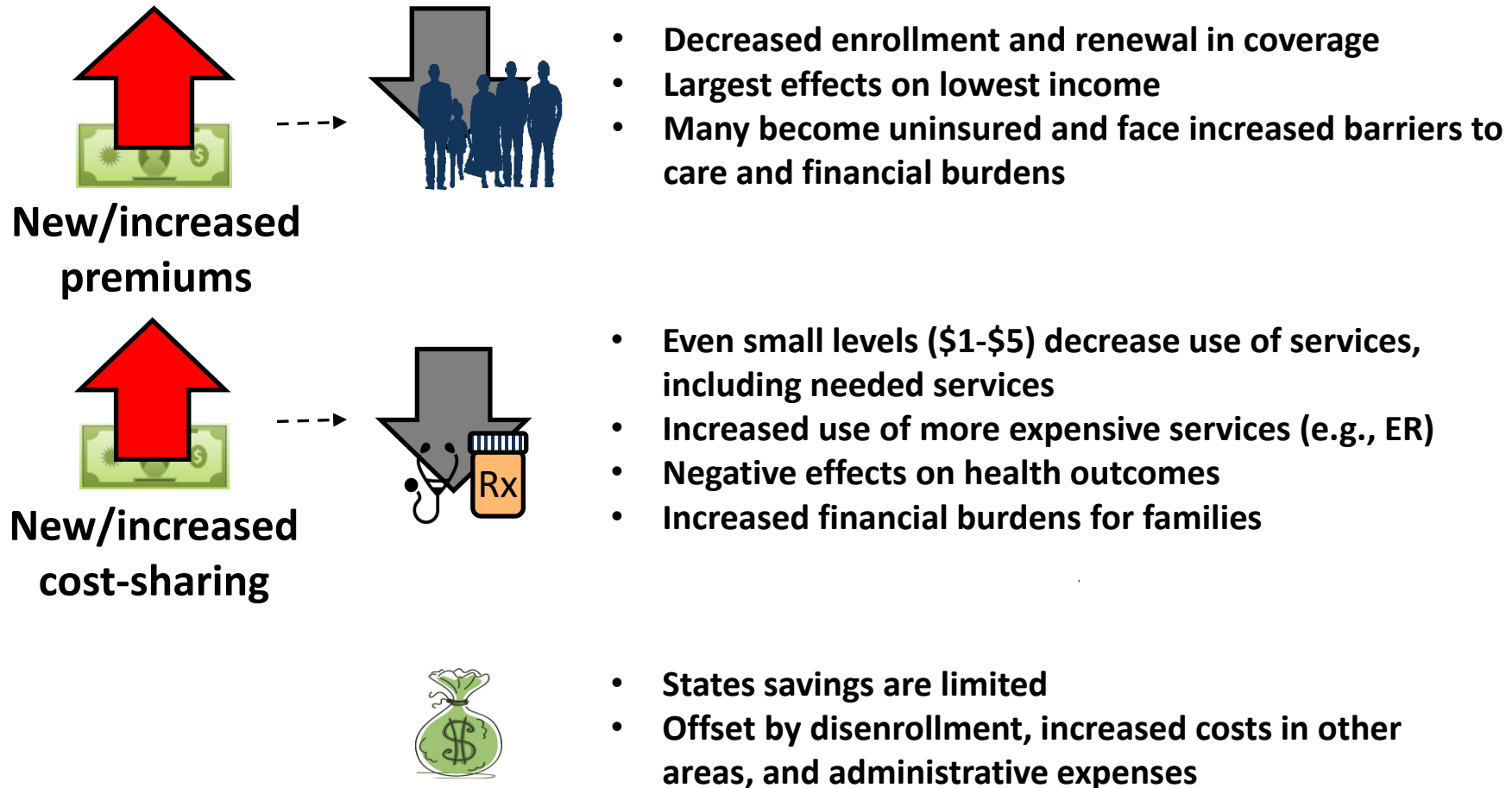
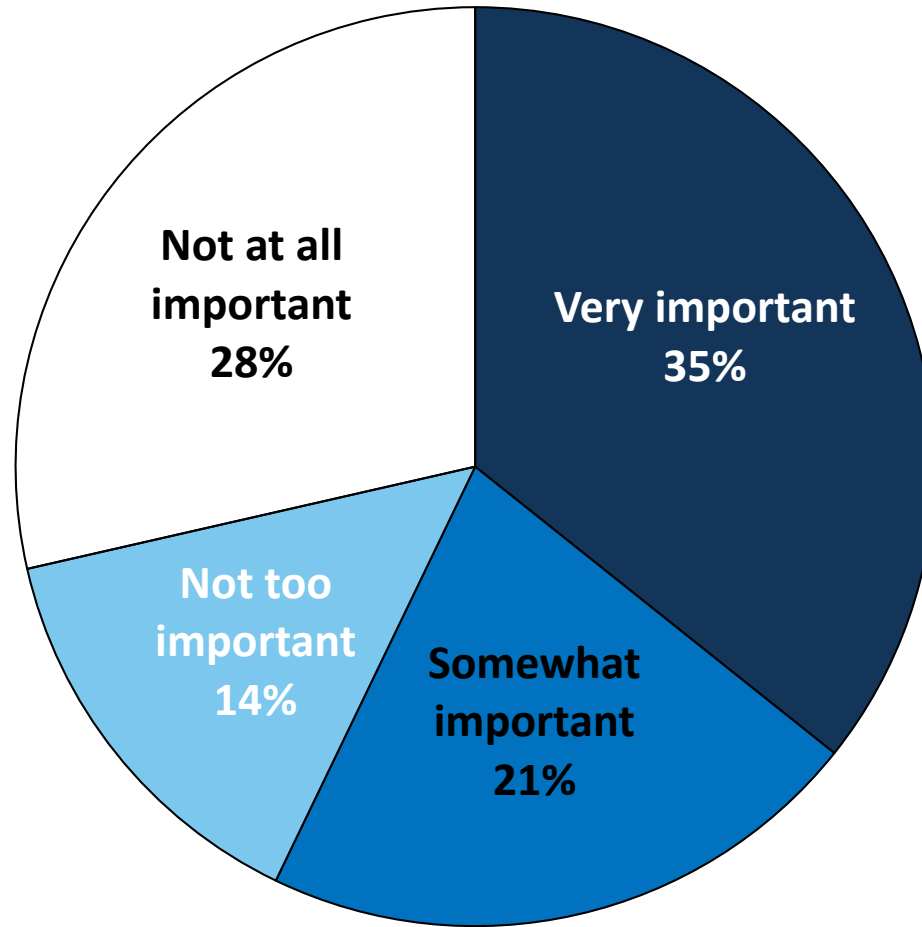


Figure 16

More than half of Americans say that Medicaid is important to them and their family.



SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted February 13-19, 2017)

Figure 17

There are many “Faces of Medicaid”.



Source: Faces of Medicaid. <http://kff.org/medicaid/video/faces-of-medicaid/>