

Report: Medicaid enrollments, costs begin to stabilize

October 19 2017, by Christina A. Cassidy

States are seeing more stability in their Medicaid programs after experiencing a surge in enrollment and costs associated with the Affordable Care Act, suggesting that one of the major pillars of former President Barack Obama's health overhaul may be nearing its peak.

At the same time, they are experiencing a high level of uncertainty as Republicans in Congress continue to advocate for a major overhaul of a program that provides health insurance to tens of millions of lower-income and disabled Americans.

Thursday's report by the Kaiser Family Foundation found Medicaid enrollments in the states slowed considerably to an increase of just 2.7 percent in fiscal year 2017. By comparison, states reported a 13.9 percent increase in enrollment during fiscal year 2015 following implementation of former President Barack Obama's [health care law](#).

The Affordable Care Act allowed states to expand their Medicaid programs to include more lower-income adults without children. Regular Medicaid roles also increased because of the heightened publicity associated with the law, commonly referred to as Obamacare.

State spending on Medicaid, the second largest budget item behind education for most states, grew a modest 3.9 percent in the most recent period. That compares to the 10.5 percent increase in spending states saw in fiscal year 2015.

Rising costs for prescription drugs and long-term care services, along with increases in payment rates to providers, account for most of the spending growth, the researchers said.

Thirty-one states plus the District of Columbia opted for the Medicaid expansion, with the [federal government](#) paying most of the cost for the new enrollees. In 2015, an Associated Press survey found more than a dozen [states](#) that opted to expand Medicaid had seen enrollments and costs surge beyond their expectations. In a report to Congress last year, the federal Centers for Medicare and Medicaid Services said the cost of expansion was \$6,366 per person in 2015, about 49 percent higher than anticipated.

The federal government currently is picking up 95 percent of the costs for the Medicaid expansion population, something Republicans in Congress say is unsustainable. Recent GOP proposals would have ended the expansion and significantly reduced federal funding for the overall program.

The Kaiser Family Foundation report is based on a survey of state Medicaid directors that is conducted annually. The report's authors said nearly all the Medicaid directors expressed concern about the Republican proposals, which so far have been unsuccessful.

"States really need stability to know the funds that they count on from the federal government are not going to disappear overnight," said Diane Rowland, executive vice president at the Kaiser Family Foundation. "It takes a long time to plan and implement systems."

The federal government pays an agreed-upon percentage of each state's Medicaid [costs](#), no matter how much they rise in any given year. The Republican proposals would have transformed that into a fixed amount per recipient.

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