

Survey: Big growth in Medicaid enrollees in expansion states

October 15 2015, by Christina A. Cassidy

States that opted to expand Medicaid under the Affordable Care Act saw enrollment increase on average by 18 percent during the first full year of expansion, according to a report released Thursday.

That will soon have an effect on state budgets, with expansion states to pay a portion of costs to cover the new enrollees beginning in 2017. Currently, the federal government is covering the expanded population at 100 percent. States will eventually pay 10 percent of costs by 2020.

In the 50-state survey, the Kaiser Family Foundation reported two-thirds of Medicaid directors in expansion states said enrollee costs were at or below what they had expected. And several of the states also reported savings in other areas of state spending, including behavioral health and criminal justice, along with an increase in revenue as a result of the expansion.

The survey noted 17 expansion states reported enrollment increases that exceeded original projections, which mirrors the results of an analysis by The Associated Press in July that found at least 14 expansion states were seeing an enrollment surge.

The AP analysis also found at least seven expansion states had already increased their cost estimates to account for the unexpected enrollees and that some lawmakers were concerned the spike could strain state budgets over time.

Financial analysts also note Medicaid enrollments tend to grow during tough economic times, which means states must be strong enough to continue to support the expanded programs through future downturns. Roughly two dozen states have been dealing with budget shortfalls for the current fiscal year.

Diane Rowland, director of the Kaiser Commission on Medicaid and the Uninsured, said most expansion states expect much slower enrollment growth this fiscal year. The survey found that improvements in the economy have allowed states to adopt more increases in reimbursements rates and benefits than restrictions.

"Medicaid is always a major issue in state budget discussions because Medicaid is such a large program and because it's the largest source of federal revenue to the states," Rowland said. "Historically, when states need to balance their budgets, one of the places they turn to is the Medicaid budget."

Twenty states have not expanded Medicaid, with several citing costs as the reason.

For those nonexpansion states, the survey found an average enrollment increase of just over 5 percent in fiscal year 2015 as those previously eligible signed up for the program amid widespread media and outreach efforts.

State spending in the nonexpansion [states](#) reached an average of nearly 7 percent, although survey authors attributed that to routine changes in the federal reimbursement rate tied to the average personal income in each state.

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