MEDICAID IN PENNSYLVANIA
June 2017

Medicaid and the Children’s Health Insurance Program (CHIP) provide health and long-term care coverage to more than 2.9 million low-income children, pregnant women, adults, seniors, and people with disabilities in Pennsylvania. Medicaid is a major source of funding for safety-net hospitals and nursing homes. The American Health Care Act (AHCA) would fundamentally change the scope of the program and end the guarantee of federal matching funds.

Snapshot of Pennsylvania’s population

12.6 million people live in PA

28% of PA’s population is low-income

Low-income: <$200,000 FPL or $40,840 for a family of 3 in 2017

In 2015, 18% of people in PA were covered by Medicaid/CHIP.

Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in PA.

Did PA expand Medicaid through the ACA?

The uninsured rate in PA has decreased.

In PA, Medicaid covers:

1 in 7 adults <65
1 in 2 low-income individuals
2 in 5 children
3 in 5 nursing home residents
1 in 2 people with disabilities

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

Percent reporting in the last year:

Medicaid
86%
Uninsured
85%

Well-Child Checkup
Doctor Visit Among Adults
Specialist Visit Among Adults
Adults Satisfied With Their Health Care

Medicaid coverage contributes to positive outcomes:

• Declines in infant and child mortality rates
• Long-term health and educational gains for children
• Improvements in health and financial security

And...

>85% of the public would enroll themselves or a child in Medicaid if uninsured.

How does Medicaid work and who is eligible?

Each Medicaid program is unique:

Eligibility - All states have taken up options to expand coverage for children; many have opted to expand coverage for other groups.

Benefits - All states offer optional benefits, including prescription drugs and long-term care in the community.

Delivery system & provider payment - States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care to improve health outcomes.

Long-term care - States have expanded eligibility for people who need long-term care and are increasingly shifting spending away from institutions and towards community-based care.

State health priorities - States can use Medicaid to address issues such as the opioid epidemic, HIV, Zika, autism, dementia, environmental health emergencies, etc.

Eligibility levels are highest for children and pregnant women.

Eligibility Level as a Percent of FPL, as of January 1, 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>PA</th>
<th>US (Median)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>138%</td>
<td>100%</td>
</tr>
<tr>
<td>Pregnant Women</td>
<td>138%</td>
<td>100%</td>
</tr>
<tr>
<td>Parents</td>
<td>138%</td>
<td>100%</td>
</tr>
<tr>
<td>Childless Adults</td>
<td>91%</td>
<td>100%</td>
</tr>
<tr>
<td>Seniors &amp; People w/ Disabilities</td>
<td>91%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & People w/ Disabilities. Seniors & People w/ Disabilities eligibility may include an asset limit.
Medicaid plays a key role in the U.S. health care system, accounting for:

- $1 in $6 dollars spent overall in the health care system
- More than $1 in $3 dollars provided to safety-net hospitals and health centers
- $1 in $2 dollars spent on long-term care

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

In FY 2016, Medicaid spending in PA was $27.6 billion.

- In 2014, most Medicaid beneficiaries in PA were children and adults, but most spending was for the elderly and people with disabilities.

- Medicare beneficiaries (18%) in PA rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

- 36% of Medicaid spending in PA is for Medicare beneficiaries.

Federal matching funding to states is guaranteed with no cap and rises depending on program needs.

- In PA the federal share (FMAP) is 51.8%. For every $1 spent by the state, the Federal government matches $0.67.

- Expansion states receive an increased FMAP for the expansion population. PA received $1.9 billion in federal funds for expansion adults in FFY 2015.

What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

The American Health Care Act (AHCA) would reduce federal Medicaid funding through ACA repeal and federal caps.

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Federal Medicaid Spending</td>
<td>$0</td>
<td>-$14</td>
<td>-$54</td>
<td>-$26</td>
<td>-$89</td>
<td>-$117</td>
<td>-$129</td>
<td>-$139</td>
<td>-$150</td>
<td></td>
</tr>
</tbody>
</table>

In 2026 ↓ 14 million ↓ Medicaid enrollees
24% ↓ in federal funds
23 million ↑ in uninsured → $1 million uninsured

Reducing federal funds through a per capita cap or block grant:

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

- Locks in historic spending patterns and have an even greater impact on states that expanded Medicaid.

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

- Leads to more low income uninsured Americans.

A per capita cap would lock in state spending patterns and limit states’ ability to respond to changing program needs.

- Per capita spending by enrollment group
  - $38,442 (ND)
  - $9,135 (MT)
  - $9,457 (AR)
  - $44,752 (DC)
  - $9,448 (AL)
  - $8,623 (SC)

However, 71% of Americans think Medicaid should continue as it is today

The Henry J. Kaiser Family Foundation Headquarters: 2400 Sand Hill Road, Menlo Park, CA 94025 | Phone 650-854-9400
Washington Offices and Barbara Jordan Conference Center: 1330 G Street, NW, Washington, DC 20005 | Phone 202-347-5270
www.kff.org | Email Alerts: kff.org/email | facebook.com/KaiserFamilyFoundation | twitter.com/KaiserFamFound

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