

**Headed for a Crunch:
An Update on Medicaid Spending, Coverage and
Policy Heading into an Economic Downturn:**

**Results from a 50-State Medicaid Budget Survey
for State Fiscal Years 2008 and 2009**

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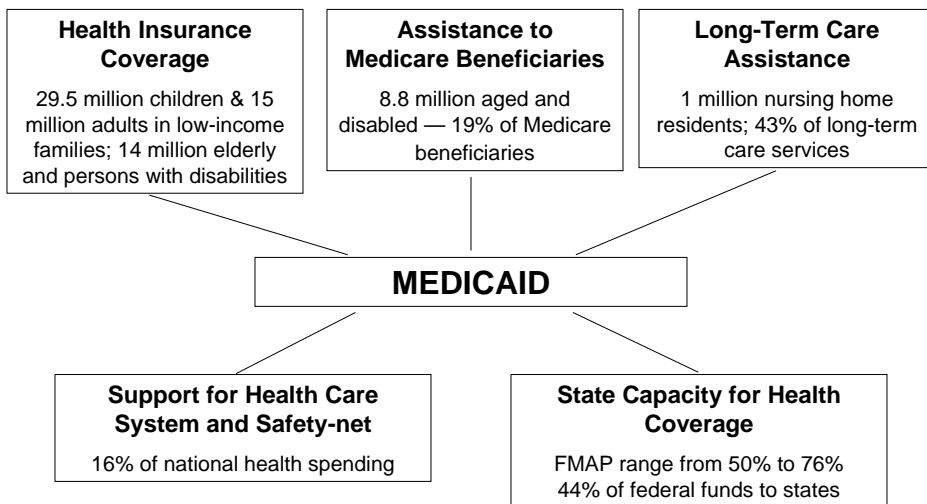
Health Management Associates

September 2008

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Figure 1

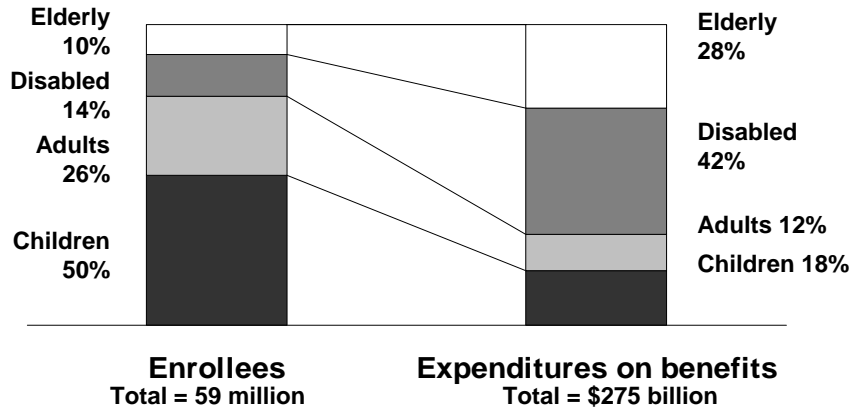
Medicaid Today



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Figure 2

Medicaid Enrollees and Expenditures by Enrollment Group, 2005

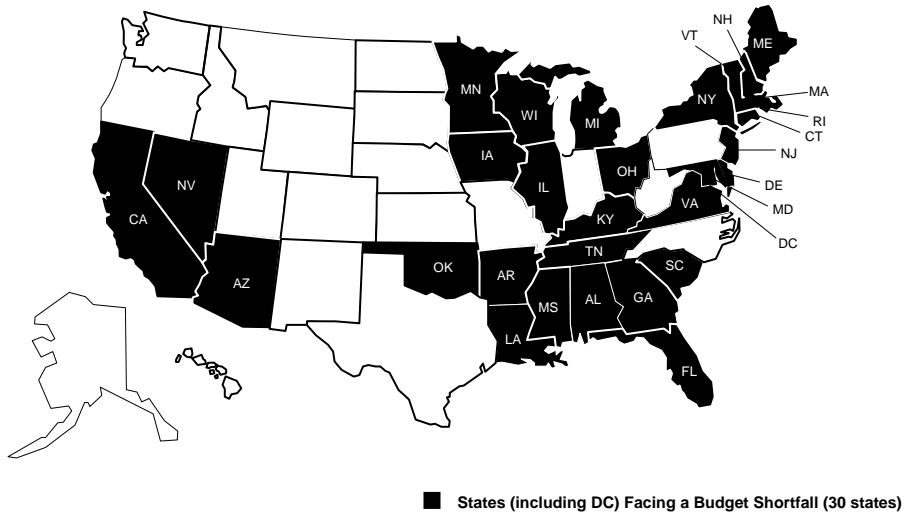


SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on 2005 MSIS data.

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Figure 3

30 States Faced Budget Shortfalls Heading Into State FY 2009



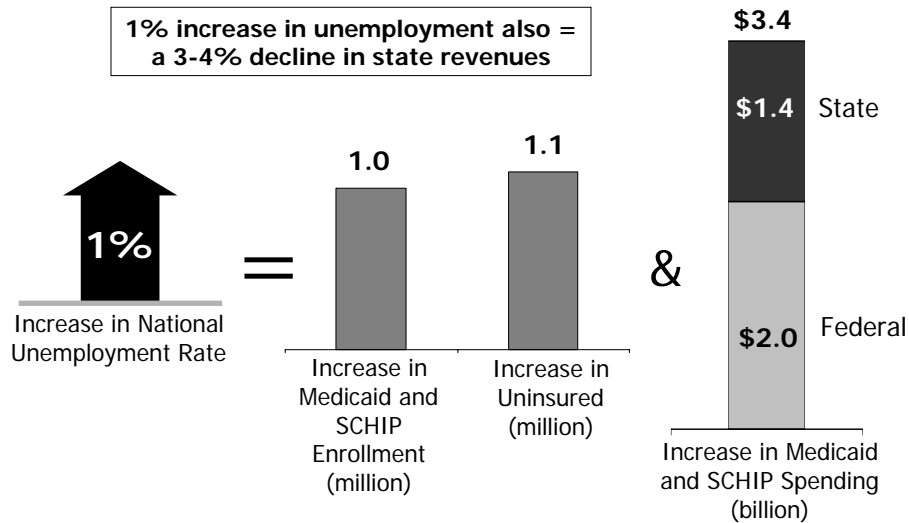
SOURCE: Based on a study conducted by the Center on Budget and Policy Priorities, August 5, 2008

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Figure 4

Impact of a 1% Growth in Unemployment

1% increase in unemployment also =
a 3-4% decline in state revenues



Source: *Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses*, Kaiser Commission on Medicaid and the Uninsured, April 2008

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Figure 5

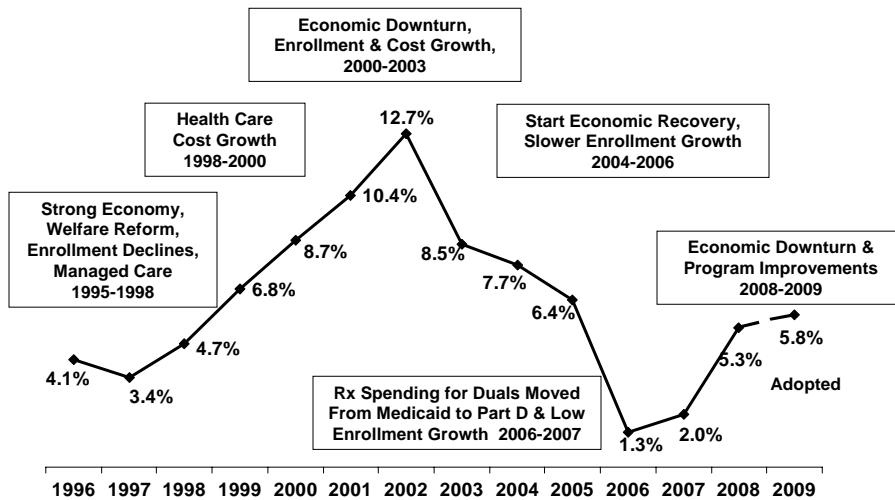
About the Study

- 8th Annual Survey of Medicaid directors in all 50 states and DC
- Conducted in July and August 2008
- Report focuses on actions implemented in FY 2008 and adopted for FY 2009
- Purpose: To track trends in Medicaid spending, enrollment, policy initiatives and issues, and state impacts of federal policies.

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Figure 6

Total Medicaid Spending Growth, FY 1996-2009



NOTE: Estimates in State Fiscal Year. Figures for 2009 do not include CA. CA budget was adopted on 9/23/08 but spending projections for FY 2009 were not available.

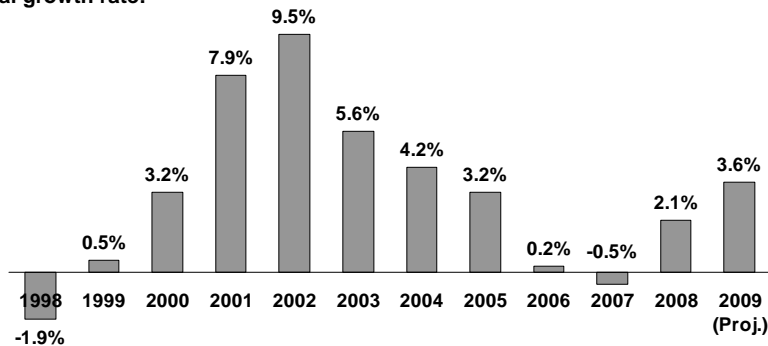
SOURCE: KCMU Analysis of CMS Form 64 Data for Historic Medicaid Growth Rates FY 2007, 2008 and 2009 based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008.

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Figure 7

Percent Change in U.S. Medicaid Enrollment, FY 1998- FY 2009

Annual growth rate:



NOTE: Enrollment percentage changes from June to June of each year. CA budget was adopted on 9/23/08 but caseload projections for FY 2009 were not available.

SOURCE: For 1998-2006: *Medicaid Enrollment in 50 States: June 2006 Data Update*, KCMU, October 2007. FY 2008 and FY 2009 based on KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008.

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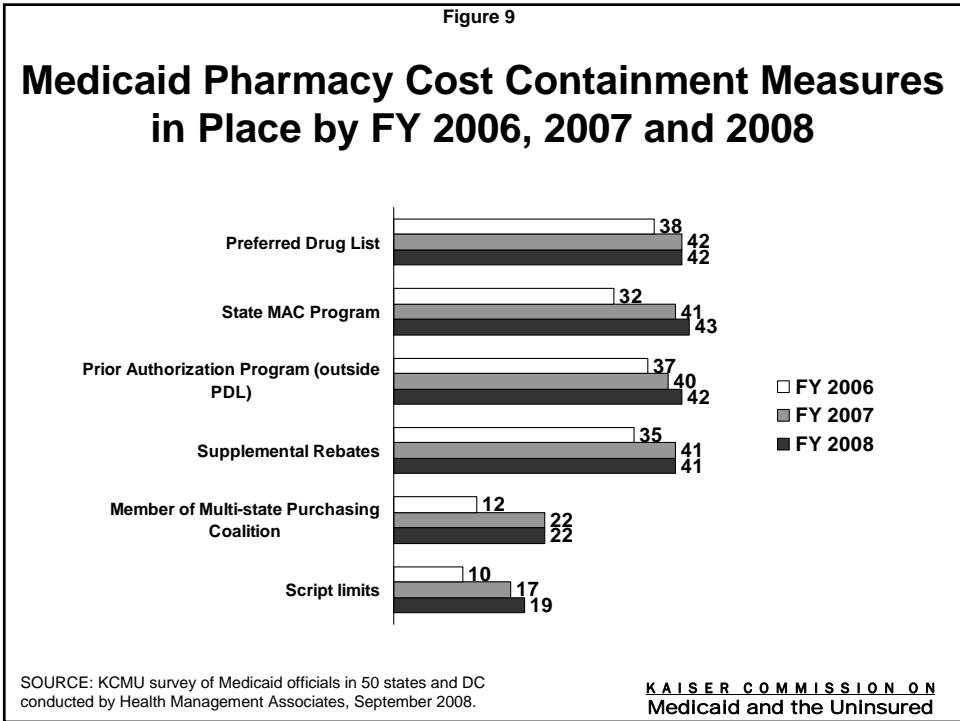
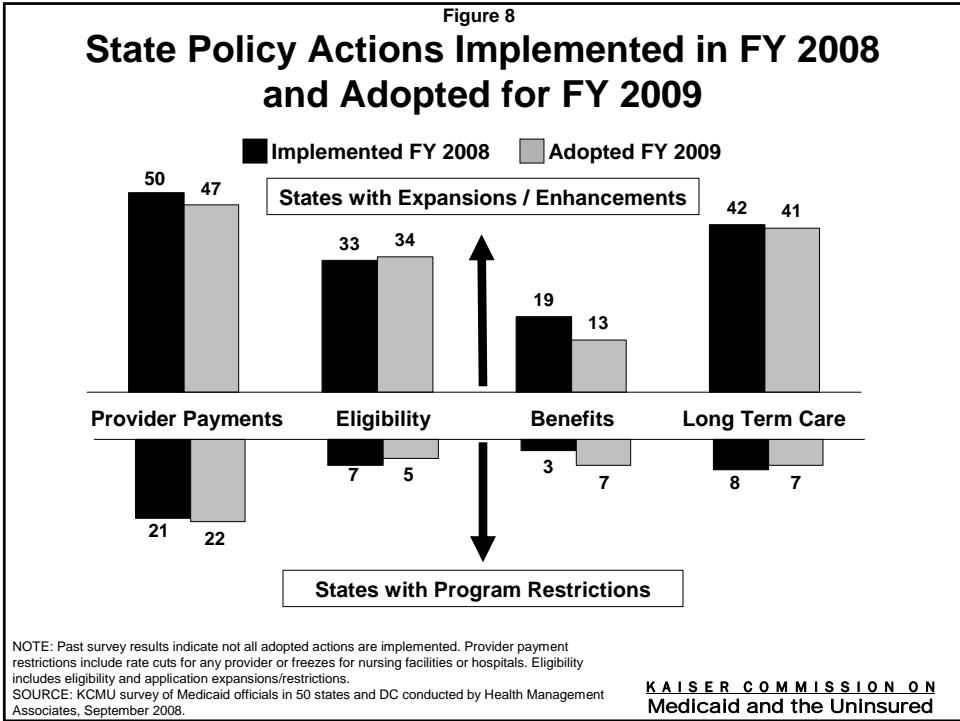
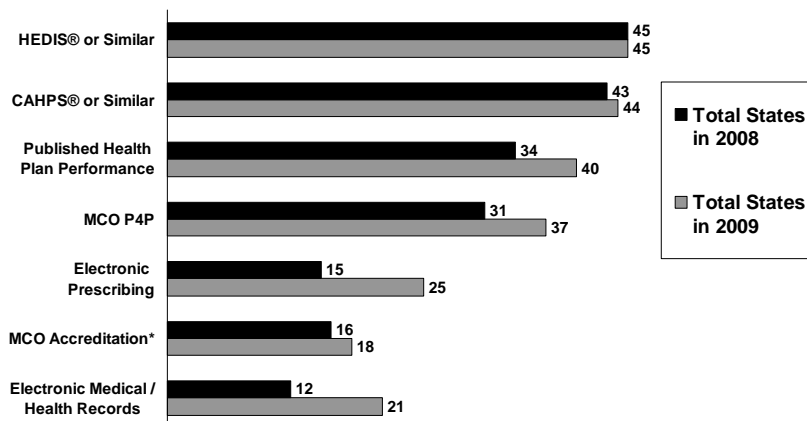


Figure 10

States with Selected Medicaid Quality Initiatives In FY 2008 and Adopted for FY 2009

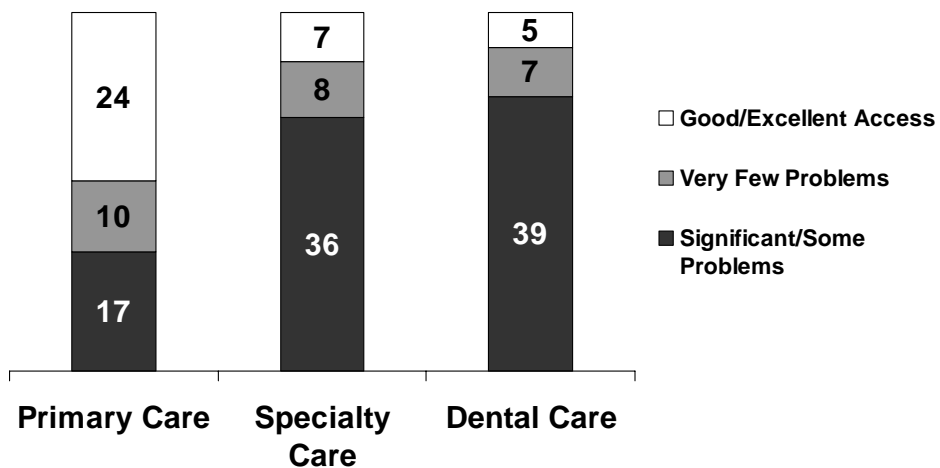


*Note: MCO Accreditation includes states that require or reward accreditation.
SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008.

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Figure 11

Number of States Reporting Problems with Access to Care

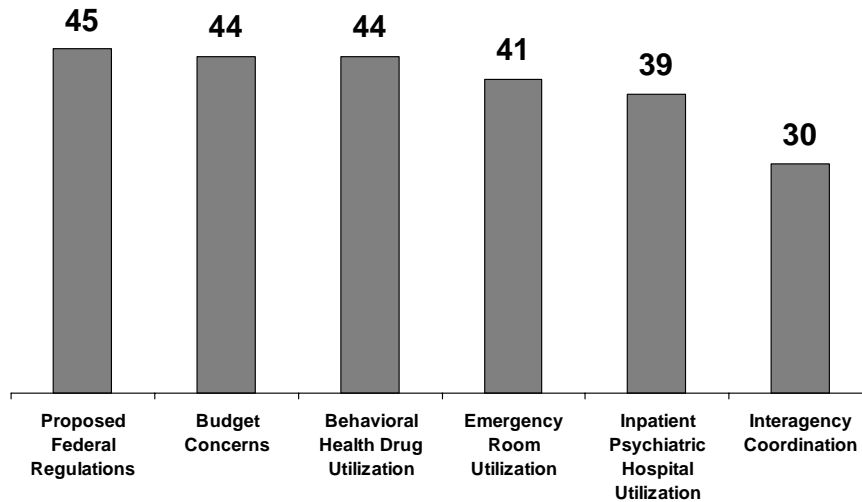


SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008.

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Figure 12

Number of States Reporting Behavioral Health Issues as a Major/Moderate Concern



SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, September 2008.

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Figure 13

Medicaid Outlook for 2009 and Beyond

- Implementation of new initiatives
 - Quality (value based purchasing)
 - Electronic health records and e-prescribing
 - Chronic care management
 - Strategies to improve access and to address low-income uninsured
- Federal – state partnership
 - Concern about administrative burden of federal oversight
 - Outcome of the proposed regulations now subject to the moratorium
 - Reauthorization of SCHIP is an immediate priority
 - Desire to work with the next administration to improve the relationship
- Medicaid budget and state fiscal pressures
 - Medicaid spending and enrollment trending up
 - Economy impacting state revenues
 - Potential for mid-year budget actions
 - 2010 likely to be a difficult year
- Election and discussion of national health reform

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