Medicaid and the Children’s Health Insurance Program (CHIP) provide health and long-term care coverage to nearly 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. Federal policy proposals could fundamentally change the scope and financing of the program.

### Snapshot of Pennsylvania’s population

- **12.6 million people live in PA**

<table>
<thead>
<tr>
<th>Health Status of the Population</th>
<th>Adults in PA reporting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overweight or obese</td>
<td>28% of PA’s population is low-income</td>
</tr>
<tr>
<td>Poor mental health status</td>
<td>35%</td>
</tr>
<tr>
<td>Fair or poor health status</td>
<td>16%</td>
</tr>
<tr>
<td>Diabetes</td>
<td>10%</td>
</tr>
</tbody>
</table>

- **Low-income: <200% FPL or $40,320 for a family of 3 in 2016**

### How has Medicaid affected coverage and access?

**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?**

- **Yes**
- **No**

- **The uninsured rate in PA has decreased.**

### In PA, Medicaid/CHIP 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

- **71% of adult and child Medicaid enrollees in PA are in families with a worker.**

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

- **Average monthly Medicaid/CHIP enrollment (in millions):**
  - Pre-ACA (2013): 2.4
  - November 2016: 2.9

### 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?

**Medicaid/CHIP eligibility levels are highest for children and pregnant women.**

<table>
<thead>
<tr>
<th>Eligibility Level as a Percent of FPL, as of January 1, 2017</th>
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<tbody>
<tr>
<td>PA</td>
</tr>
<tr>
<td>----------------------------------</td>
</tr>
<tr>
<td>319%</td>
</tr>
<tr>
<td>255%</td>
</tr>
<tr>
<td>220%</td>
</tr>
<tr>
<td>188%</td>
</tr>
<tr>
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</tr>
<tr>
<td>138%</td>
</tr>
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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 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

In FY 2015, Medicaid spending in PA was **$23.4 billion**.

In 2011, most Medicaid beneficiaries in PA were children and adults, but most spending was for the elderly and people with disabilities.

- **443,500**
  - Elderly & Disabled 35%
  - Elderly & Disabled 72%
  - Adults & Children 65%

**443,500** 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.
- **0.67** is the Medicaid-to-Medicare physician fee ratio in PA.
- **44%** of long-term care spending in PA is for home and community-based care.
- **83%** of beneficiaries in PA are in managed care plans.

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

In PA the federal share (FMAP) is 51.8%. For every $1 spent by the state, the Federal government matches $1.07. Expansion states receive an increased FMAP for the expansion population. PA received **$1.9 billion** in federal funds for expansion adults from Jan 2014 – Sept 2015.

Congress may soon debate proposals to reduce federal Medicaid funding through ACA repeal and federal caps.

The March 2016 Budget Resolution would reduce federal Medicaid spending by 41% nationally over the 2017-2026 period.

**Total reduction in federal funds:** **$2.1 trillion**

The impact of a block grant or per capita cap will depend on funding levels, but could include:

- Increases in the number of uninsured
- Reduced access and service utilization, decreased provider revenues (to hospitals, nursing homes, etc.), and increased uncompensated care costs
- Increased pressure on state budgets
- Decreased economic activity

A per capita cap could lock in historical state differences or redistribute federal funds across states.

- **Per capita spending by enrollment group**
  - **Children**
  - **Adults**
  - **Individuals with Disabilities**
  - **Aged**

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<tr>
<th>Enrollment Group</th>
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The March 2016 Budget Resolution would cut Medicaid by about 1/3 over the 2017-2026 period.

**Total Cut:** **$1.6 Trillion (32%)**

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