



## Medicaid

Medicaid, which is jointly financed by federal and state governments, is the main source of health insurance coverage for Americans who have very low income. States administer their Medicaid programs under federal guidelines that mandate a minimum set of services that must be provided to certain categories of low-income people. On average, the federal government pays for about 65 percent of Medicaid services, depending on the year. State Medicaid programs cover a comprehensive set of services, including hospital care (both inpatient and outpatient), physicians' services, nursing home care, home health care, and certain additional services for children. States have the authority to cover other services and populations and have used that authority extensively. Moreover, many states seek and receive waivers of federal statutory limitations that allow them to provide benefits and cover groups that would otherwise be excluded.

**Medicaid**

	By Fiscal Year, Billions of Dollars												2023-2027	2023-2032
	Actual, 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
<b>BUDGET INFORMATION</b>														
<b>Estimated Outlays<sup>a</sup></b>	521	589	601	545	547	578	608	639	672	708	749	789	2,880	6,437
<b>Components of the Medicaid Program</b>														
Benefits														
Acute care														
Fee for service	107	121	125	106	101	108	113	119	125	131	139	146	553	1,214
Managed care	242	266	280	264	268	286	304	322	341	363	387	412	1,402	3,228
Medicare premiums	14	16	17	16	18	20	21	23	24	26	28	31	92	225
Long-term care														
Institutional care	46	47	48	43	43	43	44	44	44	44	44	45	222	444
Home- and community-based care	<u>78</u>	<u>100</u>	<u>92</u>	<u>80</u>	<u>81</u>	<u>84</u>	<u>86</u>	<u>89</u>	<u>92</u>	<u>95</u>	<u>98</u>	<u>101</u>	<u>421</u>	<u>895</u>
Subtotal	487	551	562	510	511	540	568	597	626	660	697	735	2,691	6,006
Disproportionate Share Hospitals	10	11	11	7	7	8	8	9	11	12	14	14	40	100
Vaccines for Children	5	6	6	6	7	7	7	8	8	9	9	10	34	78
Administration	20	21	22	22	23	23	24	25	26	27	29	30	115	253
<b>PARTICIPATION AND BENEFIT INFORMATION</b>														
<b>Federal Benefit Payments by Eligibility Category</b>														
Aged	93	105	105	97	99	102	105	109	112	116	119	123	508	1,087
Blind and Disabled	153	170	170	156	162	170	178	186	194	204	213	224	836	1,858
Children	57	63	65	52	52	55	58	61	64	68	74	78	281	624
Adults—Traditional eligibility categories	84	96	100	88	87	92	97	102	108	115	121	129	465	1,040
Adults—Made eligible by the ACA	<u>99</u>	<u>116</u>	<u>122</u>	<u>115</u>	<u>112</u>	<u>121</u>	<u>130</u>	<u>139</u>	<u>149</u>	<u>158</u>	<u>169</u>	<u>181</u>	<u>601</u>	<u>1,397</u>
Total	487	551	562	510	511	540	568	597	626	660	697	735	2,691	6,006
<b>Average Monthly Enrollment by Eligibility Category (Millions of people)<sup>b</sup></b>														
Aged	7	7	7	7	7	7	7	7	7	7	7	7	n.a	n.a
Blind and Disabled	10	9	9	9	9	9	9	9	9	9	9	9	n.a	n.a
Children	35	35	34	31	29	29	29	29	29	29	30	30	n.a	n.a
Adults—Traditional eligibility categories	19	20	20	17	16	16	16	16	16	16	16	16	n.a	n.a
Adults—Made eligible by the ACA	<u>16</u>	<u>17</u>	<u>17</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>	n.a	n.a
Total	85	89	87	80	75	75	75	75	75	76	77	77	n.a	n.a



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	Actual, 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
<b>Memorandum:</b>														
Total Enrolled Within a Fiscal Year	102	106	104	95	89	90	90	90	90	91	92	92	n.a	n.a
<b>Average Federal Spending on Benefit Payments per Enrollee (Dollars)<sup>c</sup></b>														
Aged	13,500	15,280	15,110	14,350	14,780	15,310	15,010	15,530	16,010	16,570	17,150	17,780	n.a	n.a
Blind and Disabled	15,840	18,150	18,280	17,000	17,700	18,600	19,490	20,400	21,300	22,310	23,360	24,510	n.a	n.a
Children	1,620	1,770	1,880	1,670	1,750	1,860	1,970	2,080	2,180	2,310	2,430	2,570	n.a	n.a
Adults—Traditional eligibility categories	4,450	4,820	5,150	5,150	5,500	5,840	6,150	6,440	6,810	7,210	7,620	8,070	n.a	n.a
Adults—Made eligible by the ACA	6,270	6,670	7,090	7,710	8,270	8,780	9,300	9,860	10,430	11,020	11,650	12,320	n.a	n.a

Components may not sum to totals because of rounding; ACA = Affordable Care Act; n.a. = not applicable.

- On average, before fiscal year 2014, federal Medicaid payments represented approximately 57 percent of total Medicaid payments. The ACA, which expanded Medicaid coverage starting in 2014, provides enhanced federal matching rates for services to those made eligible by that act, leading to a federal share for all Medicaid of about 65 percent, on average. In addition, for the duration of the coronavirus public health emergency, the Families First Coronavirus Relief Act increased matching rates by 6.2 percentage points for services provided to people who were not made eligible by the ACA. The American Rescue Plan Act of 2021 increased the federal medical assistance percentage by 10 percentage points for certain Medicaid home- and community-based services from April 1, 2021, through March 31, 2022, provided that states use the enhanced funding to improve those services. In total, CBO estimates, the average federal matching rate for Medicaid in 2021 and 2022 will be about 67 percent.
- These figures represent the number of beneficiaries, with full and partial benefits, who are enrolled on an average monthly basis. The total number of people enrolled in Medicaid for any length of time during the fiscal year is shown in the memorandum line.
- These figures are based on the annual cost of enrollees who receive any Medicaid benefit—including those who receive only partial Medicaid benefits, such as family planning services or assistance with Medicare cost sharing and premiums.