

The Financial Outlook for Medicaid: Comments and Observations

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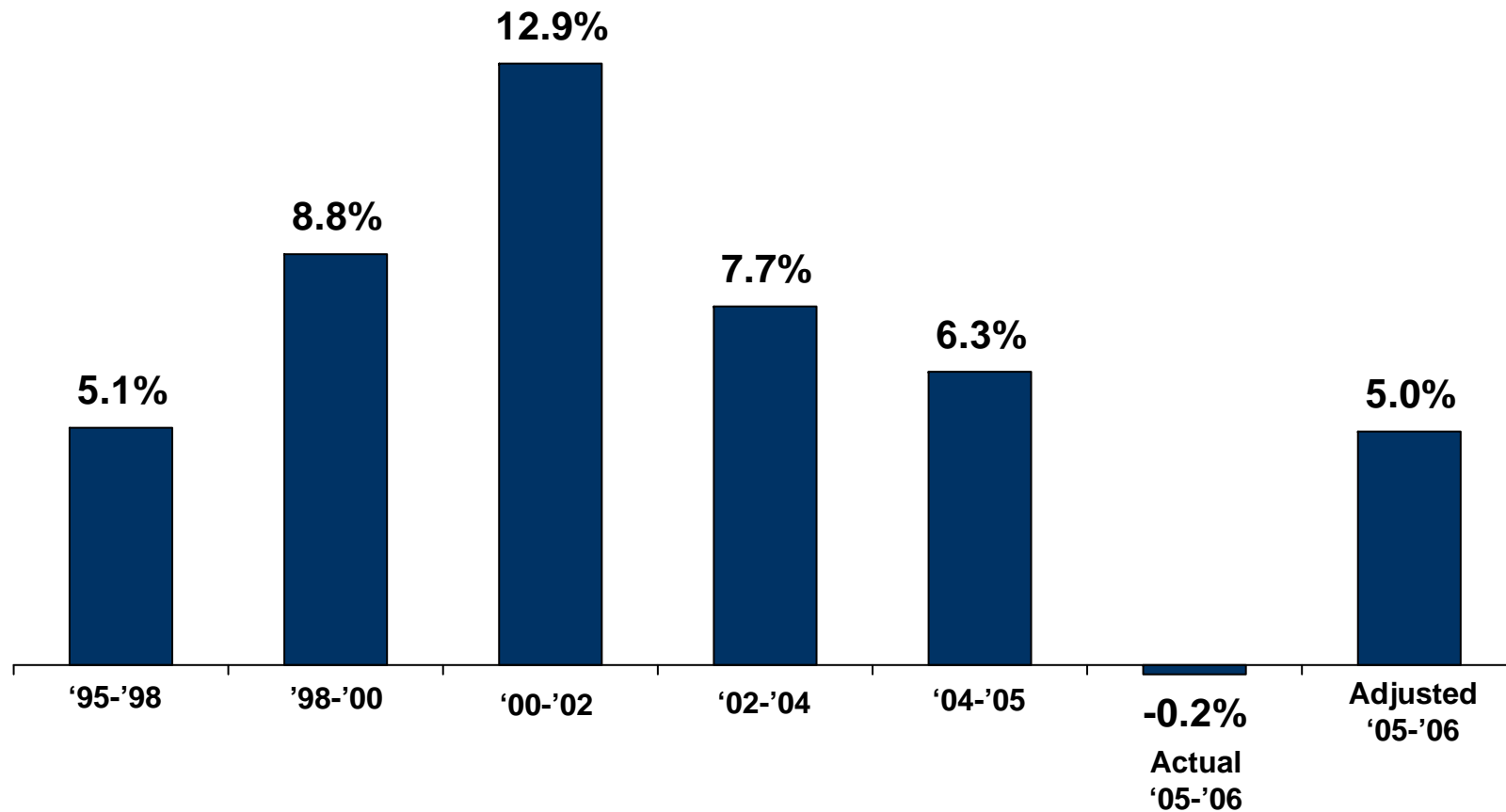
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Figure 1

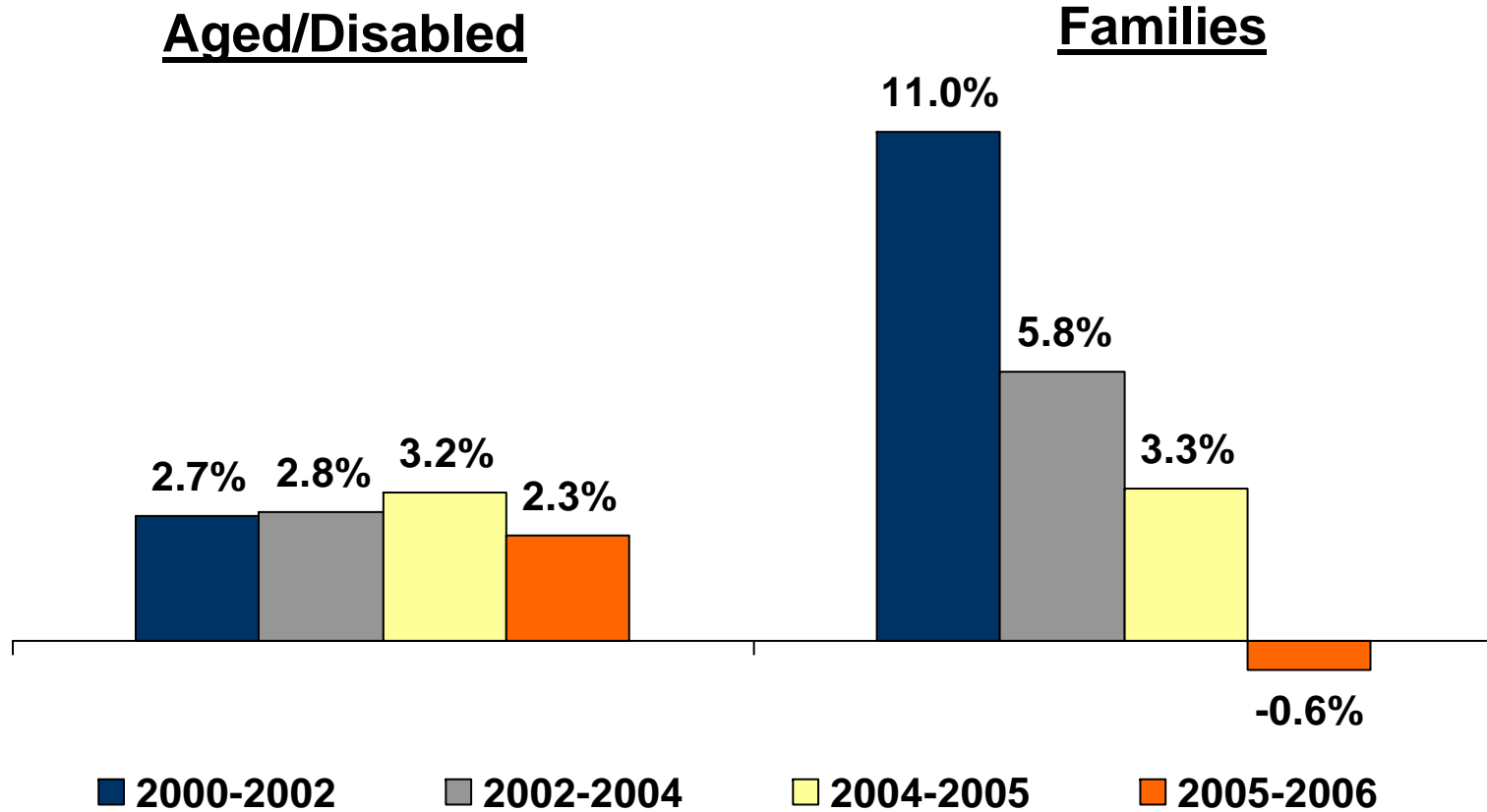
Medicaid Expenditures For Medical Services, Average Annual Growth Rates, 1995-2006



SOURCE: Urban Institute, 2008. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64). Adjusted expenditures exclude all prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

Figure 2

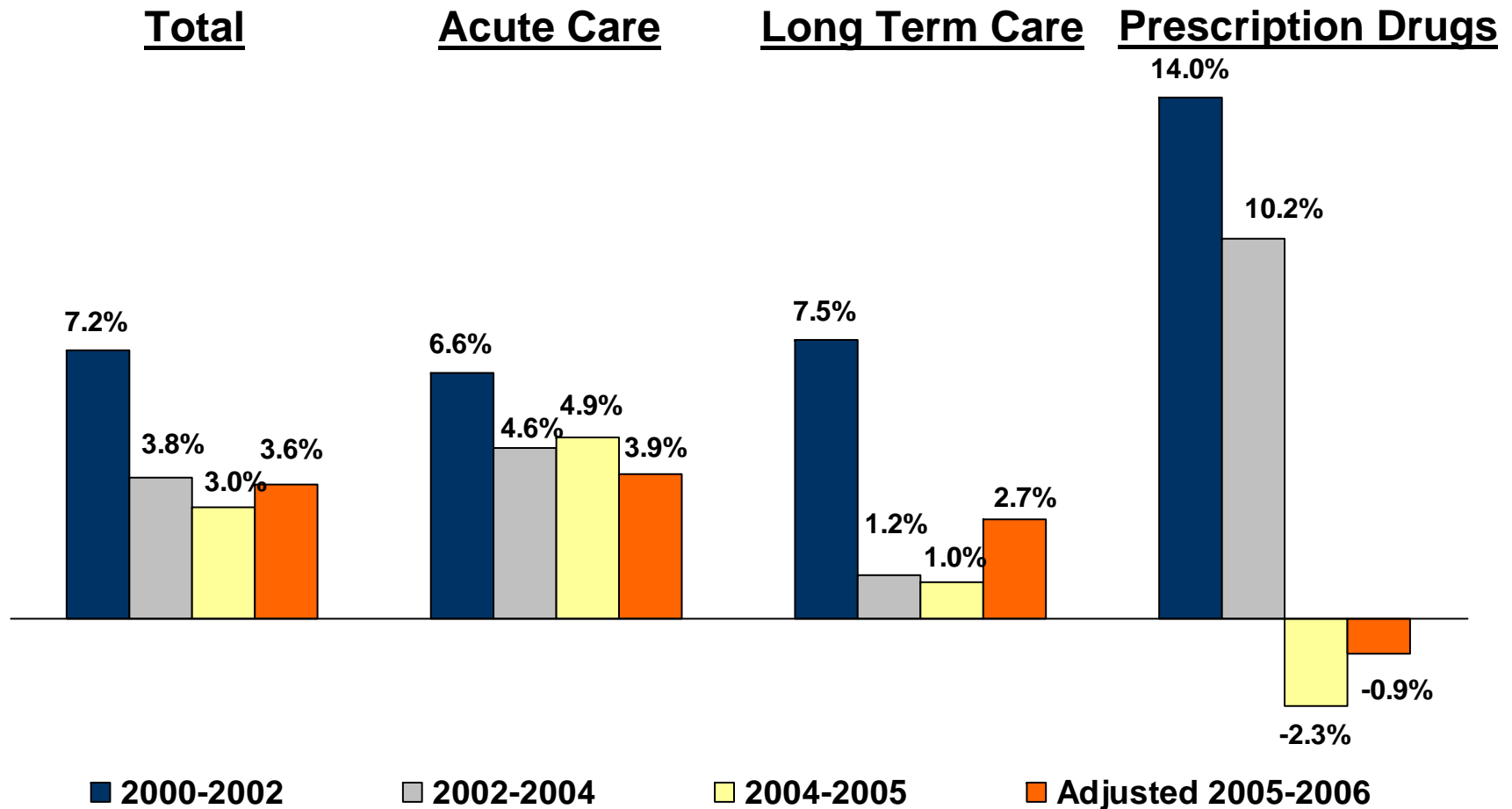
Medicaid Enrollment, Average Annual Growth Rates, 2000-2006



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute, 2008. Estimates based on KCMU Medicaid enrollment data collected by Health Management Associates from 45 states inflated proportionally to national totals.

Figure 3

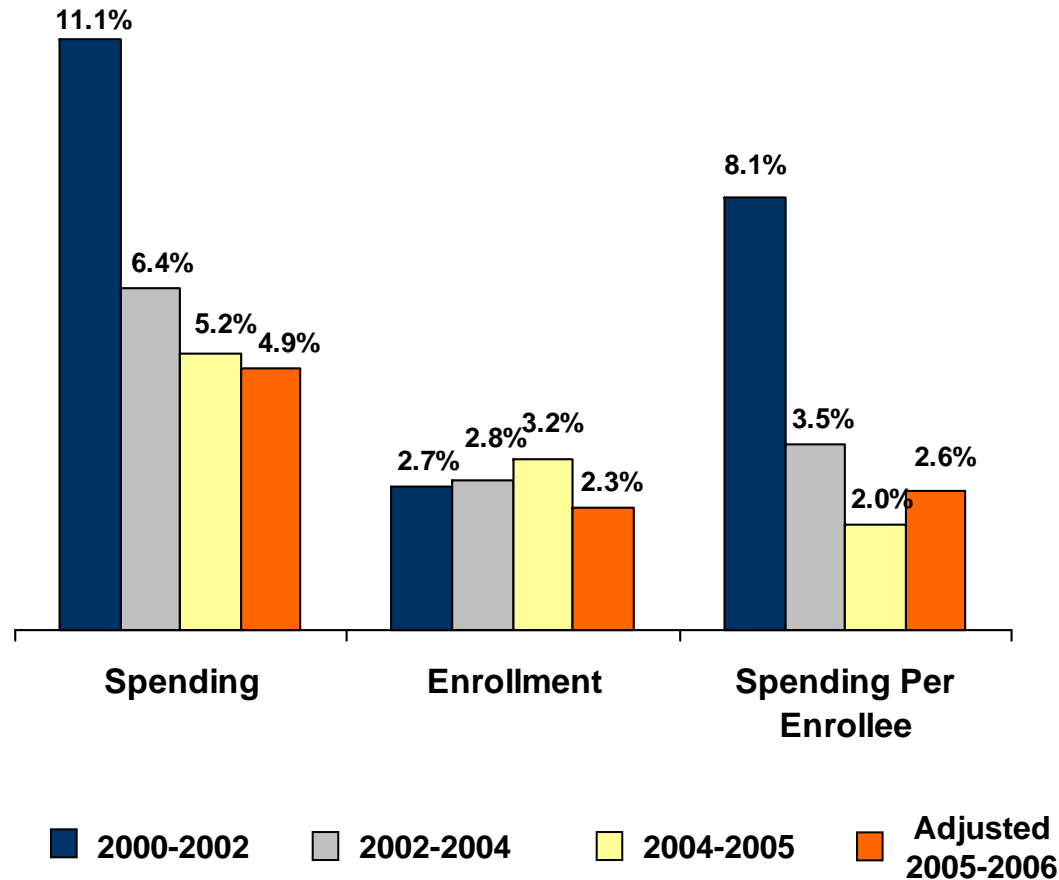
Growth in Medicaid Spending Per Enrollee 2000-2006



SOURCE: Urban Institute, 2008. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Adjusted expenditures exclude all prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

Figure 4

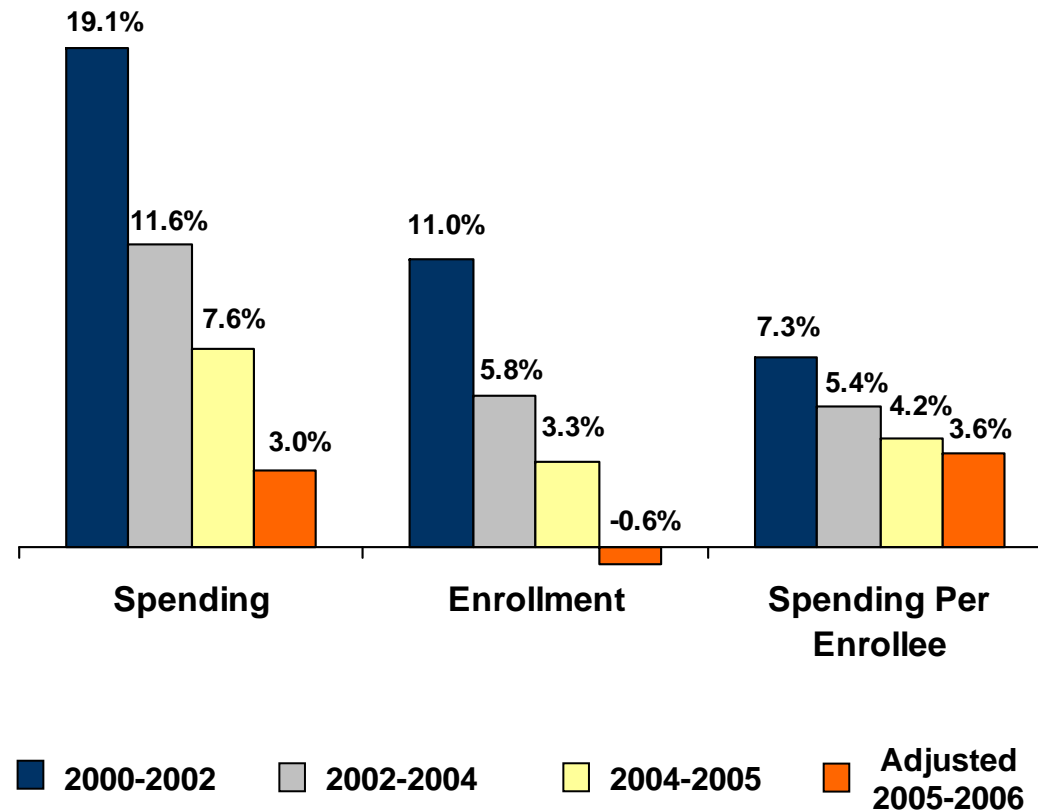
Decomposition of Medicaid Spending Growth for Aged and Disabled by Group, 2000-2006



SOURCE: Urban Institute, 2008. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Adjusted expenditures exclude all prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

Figure 5

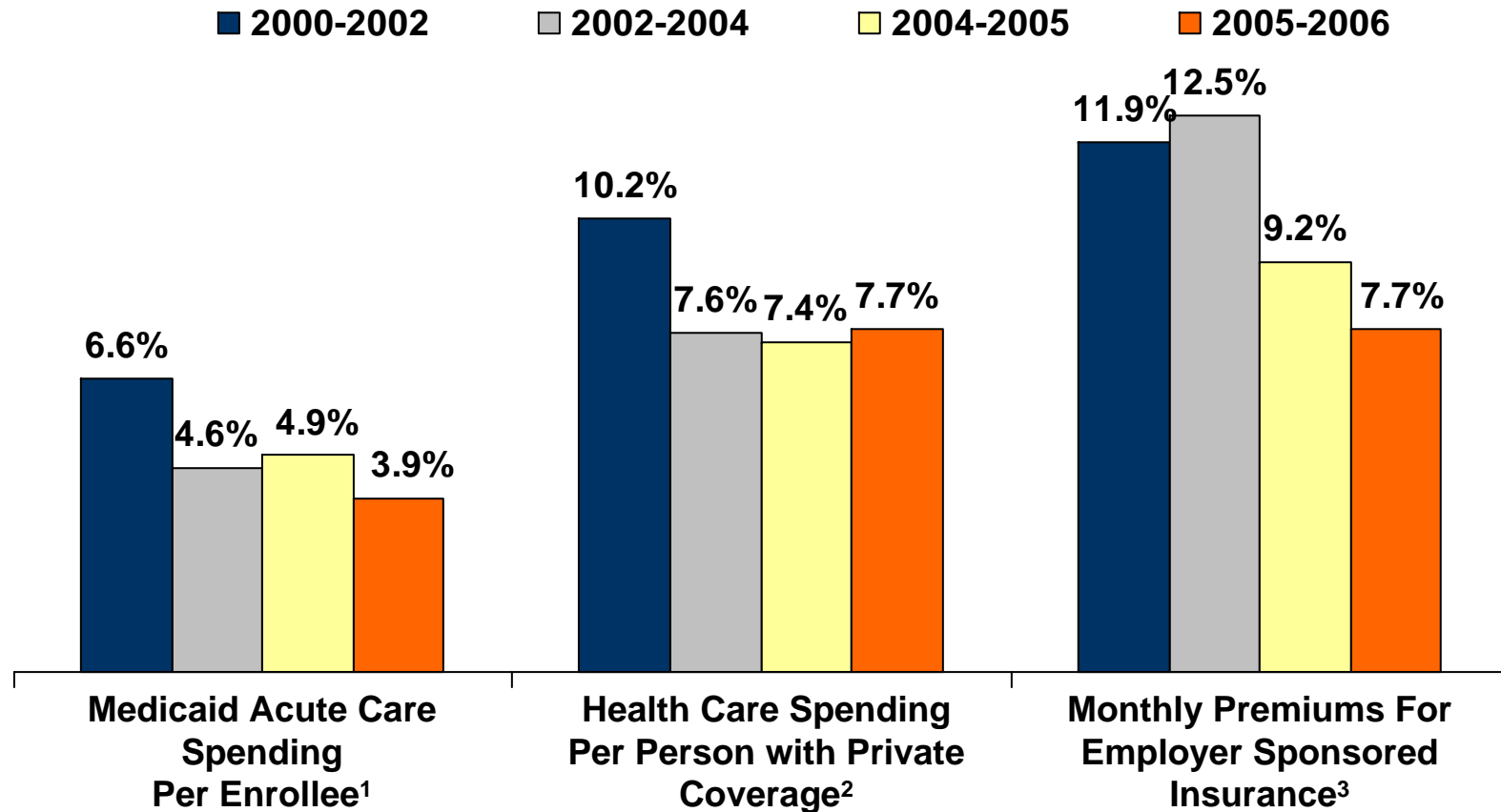
Decomposition of Medicaid Spending Growth for Families and Children , 2000-2006



SOURCE: Urban Institute, 2008. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64), Medicaid Statistical Information System (MSIS), and KCMU/HMA enrollment data. Adjusted expenditures exclude all prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.

Figure 6

Growth in Medicaid Acute Care Spending per Enrollee vs. Private Health Spending and Premium Growth, 2000-2006



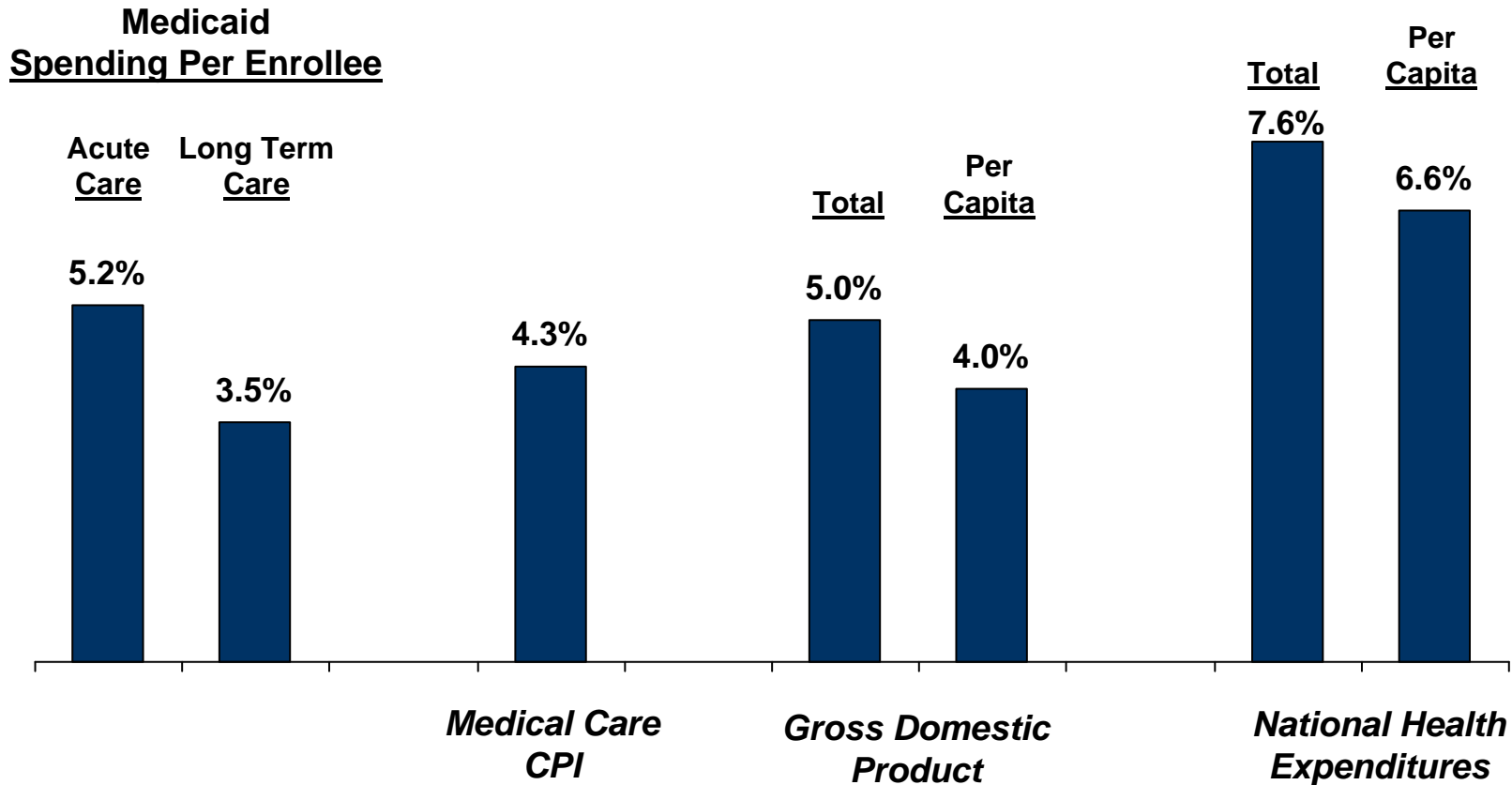
¹ Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of MSIS, CMS-64, and KCMU/HMA data, 2007. 05-06 data are adjusted to remove the effect of the shift in spending for Rx drugs for dual eligibles from Medicaid to Medicare.

² Ginsburg, Strunk, Banker, and Cookson, "Tracking Health Care Costs: Continued Stability But At High Rates in 2005", *Health Affairs*, October 3, 2006.

³ Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006.

Figure 7

Medicaid Expenditure Growth vs. Various Benchmarks, 2000-2006



SOURCE: Urban Institute, 2008. Estimates based on data from Medicaid Financial Management Reports (HCFA/CMS Form 64). Adjusted expenditures exclude all prescription drug spending for dual eligibles to remove the effect of their transition to Medicare Part D in 2006.