

Medicaid—CBO’s April 2018 Baseline

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 share of Medicaid services that the federal government pays for ranges between 61 percent and 62 percent, 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 Spending and Enrollment—CBO's April 2018 Baseline

By Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Average Annual Rate of Growth 2018-2028 (Percent)
Federal Medicaid Payments (Billions of dollars) ^a													
Benefits													
Acute care													
Fee for service	86	86	90	94	99	105	111	118	124	130	137	144	5.3
Managed care	164	167	176	185	197	212	227	243	259	275	292	309	6.3
Medicare premiums	10	11	11	11	12	13	14	15	16	17	18	19	6.2
Long-term care	88	91	94	97	101	106	110	115	121	126	132	138	4.3
Subtotal	348	354	371	388	409	436	462	491	520	549	579	610	5.6
Disproportionate Share Hospitals	9	10	10	8	5	5	5	5	6	7	8	10	0.0
Vaccines for Children	4	5	5	5	6	6	6	7	7	8	8	8	6.2
Administration	14	15	15	16	17	18	19	21	22	24	25	26	6.0
Total	375	383	401	417	437	465	493	524	554	587	620	655	5.5
Change in Federal Medicaid Payments (Percent)													
Benefits													
Acute care													
Fee for service		0	5	4	5	6	6	6	5	5	5	5	–
Managed care		2	5	5	6	8	7	7	7	6	6	6	–
Medicare premiums		5	0	5	9	7	7	7	7	7	7	7	–
Long-term care		3	4	3	4	4	4	5	5	5	5	5	–
Subtotal		2	5	4	6	6	6	6	6	6	6	5	–
Disproportionate Share Hospitals		13	3	-19	-40	4	4	4	4	20	20	20	–
Vaccines for Children		6	4	6	7	7	7	6	6	6	6	6	–
Total		2	5	4	5	6	–						
Federal Benefit Payments by Eligibility Category (Outlays in billions of dollars)													
Aged	50	52	53	55	58	60	63	66	70	73	77	81	4.6
Blind and Disabled	115	117	123	129	135	143	151	160	170	179	190	200	5.5
Children	70	72	76	80	85	90	96	101	107	112	118	124	5.6
Adults	113	114	120	124	132	142	152	163	174	184	195	205	6.0
Total	348	354	371	388	409	436	462	491	520	549	579	610	5.6
Average Monthly Enrollment by Eligibility Category (Millions of people) ^b													
Aged	6	6	7	7	7	7	7	7	7	8	8	8	2.1
Blind and Disabled	9	9	9	9	9	9	10	10	10	10	10	10	0.8
Children	33	33	33	33	33	33	34	34	34	34	34	34	0.3
Adults	27	27	27	26	27	27	28	28	28	29	29	29	0.8
Total	76	76	75	75	76	77	78	79	80	80	81	81	0.7
Memorandum:													
Total Enrolled Within a Fiscal Year	97	97	96	96	97	99	100	101	102	102	103	104	0.7
Average Federal Spending on Benefit Payments per Enrollee (Dollars) ^c													
Aged	7,940	8,020	8,160	8,290	8,470	8,660	8,860	9,100	9,360	9,630	9,910	10,200	2.4
Blind and Disabled	12,430	12,620	13,250	13,820	14,410	15,120	15,840	16,640	17,420	18,210	19,050	19,880	4.6
Children	2,120	2,170	2,300	2,440	2,570	2,700	2,840	2,990	3,150	3,310	3,480	3,660	5.4
Adults	4,210	4,230	4,500	4,690	4,930	5,210	5,490	5,800	6,110	6,410	6,720	7,050	5.2

Components may not add up to totals because of rounding.

a. On average, before fiscal year 2014, federal Medicaid payments represented approximately 57 percent of total Medicaid payments. The Affordable Care Act, which expanded Medicaid coverage starting in 2014, provides enhanced federal matching rates for certain populations, leading to an average federal share for Medicaid that ranges from 61 percent to 62 percent, depending on the year.

b. 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 at any point during the fiscal year is shown in the memorandum line.

c. 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.