

Medicaid—CBO’s Baseline as of March 6, 2020

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 62 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.

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

Medicaid—CBO's Baseline as of March 6, 2020

By Fiscal Year

March 19, 2020

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average Annual Rate of Growth 2020-2030 (Percent)
Federal Medicaid Payments (Billions of dollars) ^a													
Benefits													
Acute care													
Fee for service	93	100	104	109	115	121	128	135	142	149	156	164	5.1
Managed care	177	182	194	207	221	236	252	268	285	303	321	342	6.5
Medicare premiums	11	11	13	14	15	16	17	18	19	20	21	23	7.7
Long-term care	95	99	102	106	110	115	120	126	132	138	144	151	4.3
Subtotal	375	392	414	435	461	488	517	546	577	609	643	680	5.7
Disproportionate Share Hospitals	10	8	5	5	5	5	6	7	8	10	12	13	5.0
Vaccines for Children	4	4	5	5	5	5	6	6	6	7	7	8	7.2
Administration	18	19	20	21	22	23	24	25	27	28	29	31	5.0
Total	408	423	443	465	493	522	552	585	619	654	691	731	5.6
Year to Year Change in Federal Medicaid Payments (Percent)													
Benefits													
Acute care													
Fee for service		8.0	4.3	4.2	5.6	5.6	5.5	5.3	5.2	5.1	5.0	5.1	—
Managed care		3.0	6.9	6.4	7.0	6.8	6.6	6.4	6.4	6.2	6.1	6.4	—
Medicare premiums		7.4	10.5	7.8	6.9	7.1	6.8	6.5	6.4	6.3	6.1	5.9	—
Long-term care		3.5	3.6	3.1	4.3	4.5	4.6	4.6	4.6	4.7	4.8	4.9	—
Subtotal		4.5	5.5	5.1	6.0	5.9	5.9	5.7	5.7	5.5	5.5	5.7	—
Disproportionate Share Hospitals		-26.9	-39.6	6.0	6.0	5.6	5.2	20.8	20.8	20.7	19.5	9.9	—
Vaccines for Children		4.8	4.6	6.1	6.2	6.1	6.0	5.9	6.0	6.2	6.3	6.4	—
Total		4	5	5	6	6	6	6	6	6	6	6	—
Federal Benefit Payments by Eligibility Category (Outlays in billions of dollars)													
Aged	50	52	54	56	59	61	64	68	71	75	78	82	4.6
Blind and Disabled	118	125	132	137	144	152	161	170	179	190	201	212	5.4
Children	75	78	83	87	93	98	104	110	115	122	128	136	5.7
Adults	129	137	145	154	165	177	188	199	212	224	236	249	6.2
Total	372	392	414	435	461	488	517	546	577	609	643	680	5.7
Average Monthly Enrollment by Eligibility Category (Millions of people) ^b													
Aged	6	6	6	7	7	7	7	7	7	7	7	7	1.3
Blind and Disabled	9	9	9	9	9	9	10	10	10	10	10	10	0.5
Children	31	30	30	30	30	30	30	30	30	30	30	30	0.1
Adults	27	27	27	28	28	28	29	29	29	29	29	29	0.7
Total	74	73	73	73	74	75	75	76	76	76	76	77	0.5
Memorandum:													
Total Enrolled Within a Fiscal Year	95	94	94	94	95	96	97	97	98	98	98	99	0.5
Average Federal Spending on Benefit Payments per Enrollee (Dollars) ^c													
Aged	7,840	8,150	8,420	8,620	8,900	9,200	9,520	9,840	10,180	10,530	10,890	11,270	3.3
Blind and Disabled	12,440	13,260	13,990	14,580	15,320	16,100	16,910	17,740	18,610	19,530	20,500	21,510	5.0
Children	2,430	2,600	2,770	2,910	3,070	3,250	3,430	3,610	3,810	4,010	4,230	4,460	5.5
Adults	4,720	5,030	5,330	5,610	5,920	6,250	6,580	6,940	7,310	7,700	8,110	8,570	5.5

These budget projections reflect legislation, administrative actions, and regulatory changes through March 6, 2020. They are based on the economic forecast that CBO completed on January 7, 2020, and do not account for changes to the nation's economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

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 people made eligible by the act, leading to an average federal share for all Medicaid that averages about 65 percent.

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.