Medicaid and the Children’s Health Insurance Program (CHIP) provide health and long-term care coverage to nearly 1.3 million low-income children, pregnant women, adults, seniors, and people with disabilities in Maryland. Medicaid is a major source of funding for safety-net hospitals and nursing homes. The American Health Care Act (AHCA) would fundamentally change the scope of the program and end the guarantee of federal matching funds.

**Snapshot of Maryland’s population**

- **5.9 million** people live in Maryland.
- **23%** of Maryland’s population is low-income.
- Low-income: <200% FPL or $40,840 for a family of 3 in 2017.

**How has Medicaid affected coverage and access?**

- In 2015, **15%** of people in Maryland were covered by Medicaid/CHIP.
- Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in Maryland.
- Did Maryland expand Medicaid through the ACA?
  - Yes
  - No

**Medicaid in Maryland**

- **23%** of MD’s population is low-income.
- **205**% of the public would enroll themselves or a child in Medicaid if uninsured.
- Medicaid coverage contributes to positive outcomes:
  - Declines in infant and child mortality rates
  - Long-term health and educational gains
  - Improvements in health and financial security

**How does Medicaid work and who is eligible?**

- Each Medicaid program is unique:
  - Federal government sets core requirements, but states have flexibility regarding:
    - Eligibility - All states have taken up options to expand coverage for children; many states have expanded coverage for other groups.
    - Benefits - All states offer optional benefits, including prescription drugs and long-term care in the community.
    - Delivery system & provider payment - States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care to improve health outcomes.
    - Long-term care - States have expanded eligibility for people who need long-term care and are increasingly shifting spending away from institutions and towards community-based care.
    - State health priorities - States can use Medicaid to address issues such as the opioid epidemic, HIV, Zika, autism, dementia, environmental health emergencies, etc.

**Medicaid coverage contributes to positive outcomes:**

- Declines in infant and child mortality rates
- Long-term health and educational gains
- Improvements in health and financial security

And...

> **85%** of the public would enroll themselves or a child in Medicaid if uninsured.

**Eligibility levels are highest for children and pregnant women.**

- **322**% of the federal poverty level (FPL) as of January 1, 2017.
- **73**% of the median income for children and seniors with disabilities.

**Medicaid Enrollment**

- In MD, Medicaid covers:
  - 1 in 8 adults <65
  - 2 in 5 low-income individuals
  - 1 in 4 children
  - 3 in 5 nursing home residents
  - 2 in 5 people with disabilities

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

- Medicaid coverage contributes to positive outcomes:
  - Declines in infant and child mortality rates
  - Long-term health and educational gains
  - Improvements in health and financial security

**Medicaid enrollment**

- In March 2017:
  - **1.3** million Medicaid/CHIP enrollees in MD.
  - **0.9** million Medicaid/CHIP enrollees in the US.

- Monthly Medicaid/CHIP Enrollment (in millions):
  - Pre-ACA (2013):
    - MD: 0.9
    - US: 1.3
  - March 2017:
    - MD: 1.3
    - US: 0.9

**Poor mental health status**

<table>
<thead>
<tr>
<th>Health Status of the Population</th>
<th>Per 100,000 population in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor or fair health status</td>
<td>MD: 17.7</td>
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<tr>
<td></td>
<td>US: 10.4</td>
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<tr>
<td></td>
<td>MD: 26.7</td>
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<td></td>
<td>US: 14.7</td>
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<tr>
<td></td>
<td>Opioid Deaths</td>
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<td></td>
<td>MD: 11.0</td>
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<tr>
<td></td>
<td>US: 7.0</td>
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<tr>
<td></td>
<td>HIV Diagnoses</td>
</tr>
<tr>
<td></td>
<td>MD: 3.3</td>
</tr>
<tr>
<td></td>
<td>US: 2.2</td>
</tr>
</tbody>
</table>

**Health Status of the Population**

- **264**% of people in MD were covered by Medicaid/CHIP.
- 264% of the public would enroll themselves or a child in Medicaid if uninsured.
- Medicaid coverage contributes to positive outcomes:
  - Declines in infant and child mortality rates
  - Long-term health and educational gains
  - Improvements in health and financial security

And...

> **85%** of the public would enroll themselves or a child in Medicaid if uninsured.
How are Medicaid funds spent and how is the program financed?

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
- $1 in $2 dollars spent on long-term care
- More than $1 in $3 dollars provided to safety-net hospitals and health centers

On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

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

In FY 2016, Medicaid spending in MD was $10.5 billion.

In 2014, most Medicaid beneficiaries in MD were children and adults, but most spending was for the elderly and people with disabilities.

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

In MD the federal share (FMAP) is 50%. For every $1 spent by the state, the Federal government matches $1.

Expansion states receive an increased FMAP for the expansion population. MD received $1.8 billion in federal funds for expansion adults in FFY 2015.

What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

The American Health Care Act (AHCA) would reduce federal Medicaid funding through ACA repeal and federal caps.

The CBO estimates that the AHCA would reduce federal Medicaid spending by $834 billion nationally over the 2017-2026 period.

119,800
Medicare beneficiaries (15%) in MD rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

18%
of state general fund spending in MD is for Medicaid.

48%
of all federal funds received by MD is for Medicaid.

Reducing federal funds through a per capita cap or block grant:

- Shifts costs and risks to states, beneficiaries, and providers if states restrict eligibility, benefits, and provider payment.
- Locks in historic spending patterns and have an even greater impact on states that expanded Medicaid.
- Limits states’ ability to respond to rising health costs, increases in enrollment due to a recession, or a public health emergency such as the opioid epidemic, HIV, Zika, etc.
- Leads to more low income uninsured Americans.

A per capita cap would lock in state spending patterns and limit states’ ability to respond to changing program needs.

Per enrollee spending growth in the US, 2007-2013

Per enrollee spending growth in the US, 2007-2013

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