

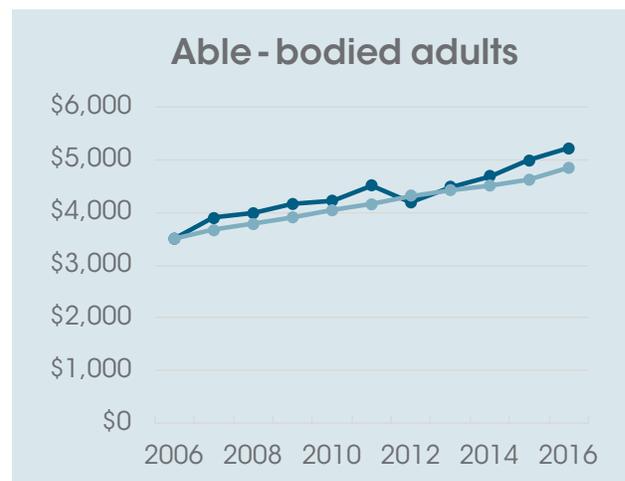
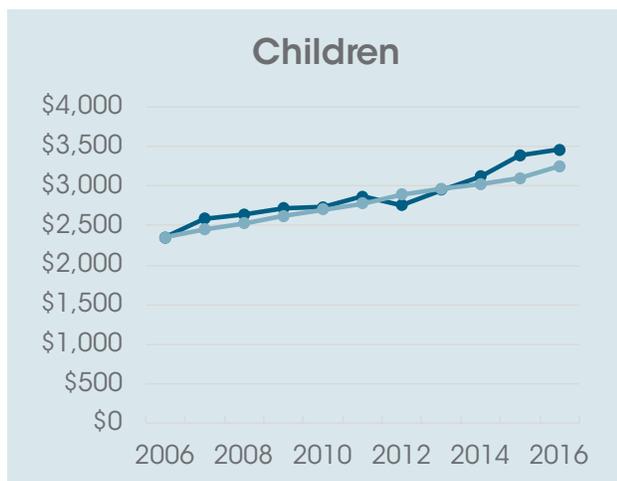
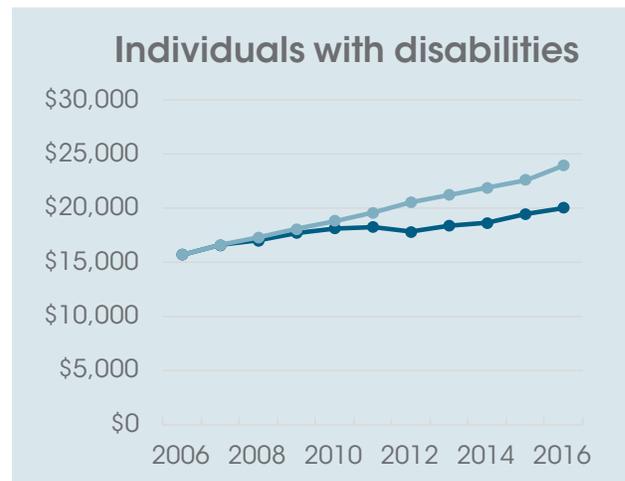
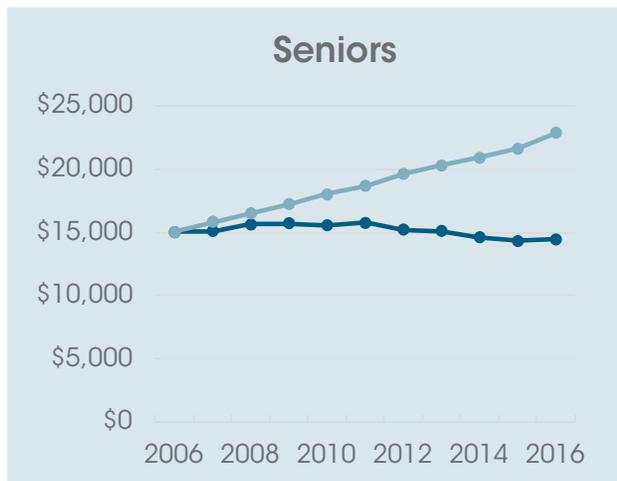


Medicaid Per Capita Caps

MEDICAID SPENDING IS SPIRALING OUT OF CONTROL

Medicaid is one of the largest and fastest-growing line items in the federal budget. Federal spending on Medicaid grew to \$367 billion in 2016, more than triple the \$118 billion spent in 2000. The Congressional Budget Office expects federal Medicaid spending to nearly double (again) during the next decade, reaching \$650 billion per year by 2027.

If the caps as currently structured were implemented a decade ago, they would have had little impact on total Medicaid spending. **Between 2006 and 2016, per capita Medicaid spending grew by an average of 2.4 percent per year nationally.** But per capita caps as structured under the AHCA would have grown by an average of 4.0 percent per year during that same time.



MEDICAID PER CAPITA CAPS

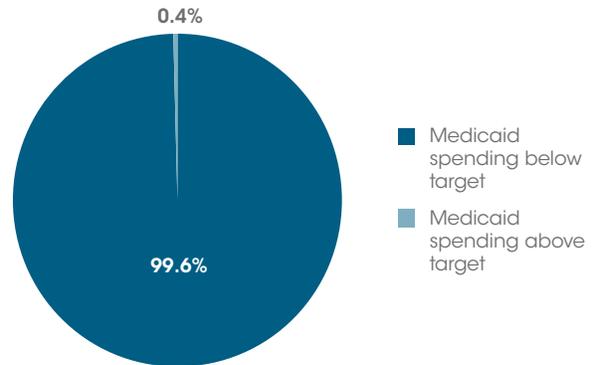
States need more flexibility to control costs

In order to protect resources for the most vulnerable, states will need new tools to help manage skyrocketing enrollment – the number one driver of Medicaid cost growth. **The AHCA, as passed by the U.S. House of Representatives, lays the groundwork for this new flexibility, giving states the option to create work requirements for able-bodied adults on Medicaid for the first time ever. But more work still needs to be done. The Senate should build upon this new flexibility and provide states with additional tools to ensure the program can become sustainable over the long run.**

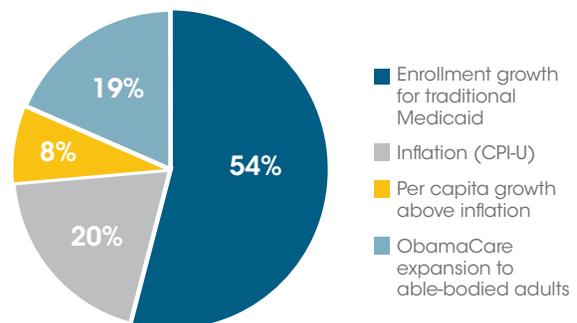
Congress should provide states with at least four additional reforms to give states the flexibility needed to protect limited resources for the truly needy:

- **Allow states to make eligibility and benefit changes prospectively, grandfathering existing enrollees**
- **Allow states to check assets for most enrollees**
- **Allow states to verify eligibility more frequently**
- **Allow states to lower the home equity exemption**

Virtually all Medicaid spending would have been below AHCA targets in 2005-2011



Enrollment growth is driving skyrocketing Medicaid spending



Every eligibility category has experienced massive enrollment growth, with the biggest growth among able-bodied adults. The number of able-bodied adults on Medicaid has grown by 284 percent since 2000. Skyrocketing enrollment among able-bodied adults – including ObamaCare’s Medicaid expansion – is driving nearly a third of the total cost growth in the Medicaid program.

Medicaid enrollment is growing among every eligibility group

