Health Spending and the States
Some Background Facts

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Health spending (mostly Medicaid) large share of budgets

State and Local Spending Out of All Funds, 2015

- Education, 33%
- Health, 27%
- Other, 26%
- General Government, 5%
- Public Safety, 9%

State and Local Spending Out of Own Funds, 2015

- Education, 40%
- General Government, 6%
- Public Safety, 12%
- Health, 19%
- Other, 22%

Census Bureau, Author’s Calculations
Medicaid is an important source of health coverage for the population.
Status of State Medicaid Expansion Decisions

Source: KFF Henry J Kaiser Family Foundation
Figure 9. Percentage of adults aged 18–64 who were uninsured at the time of interview, by year and state Medicaid expansion status: United States, 2013–2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion states</th>
<th>Nonexpansion states</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.4</td>
<td>22.7</td>
</tr>
<tr>
<td>2014</td>
<td>13.3</td>
<td>19.6</td>
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<tr>
<td>2015</td>
<td>9.8</td>
<td>17.5</td>
</tr>
<tr>
<td>2016</td>
<td>9.2</td>
<td>17.9</td>
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<td>2017</td>
<td>9.1</td>
<td>19.0</td>
</tr>
</tbody>
</table>

Source: Georgetown University Health Policy Institute
Medicaid spending growth lower than private, Medicare

Increase in Real Per Enrollee Spending Since 1987

Private health insurance
Medicare
Medicaid
Some long-term pressure from aging

Source: CMS
Issues Facing States

Near-term

• Status of ACA, Medicaid Expansion
• Medicaid waivers: Allow states to impose premiums, impose work requirements
• State regulation of insurance markets?
• Opioid epidemic

Longer-term:

• Possibility of block grants – fixed or per capita caps
• Budget pressure from continued cost growth, aging, pension obligations