

The Virgin Islands Consortium

What You Need To Know About Medicaid

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There are [potentially big changes](#) coming to Medicaid, as Senate Republicans have introduced a bill, to be voted on soon, that would essentially gut the entitlement program, which the USVI is heavily dependent on.

[The New York Times](#) has put together a list describing Medicaid, who it covers, who pays for it, its cost and other pertinent information. We've included them below.

What is Medicaid?

It's a public health insurance program largely for low-income people, though some middle-class disabled and elderly people also qualify. States and the federal government

share the cost.

Whom does Medicaid cover?

? Nearly one in five Americans, 74 million people, are on Medicaid.

? Federal law guarantees Medicaid coverage to pregnant women, children, elderly and disabled people under certain income levels.

? It covers more than a third of the nation's children and pays for half of all births.

? It also covers almost two-thirds of nursing home residents, including many who are middle class and spent of all their savings on care before becoming eligible.

? States also have the option of covering other groups, like children and pregnant women whose household incomes are higher than the federal thresholds, or young adults up to age 26 who were once in foster care.

? The Affordable Care Act allowed a new optional group: any adults with income up to 138 percent of the poverty level, which would be \$16,643 for an individual this year. Thirty-one states now offer Medicaid to this group.

When was it created?

? In 1965, as part of President Lyndon B. Johnson's "Great Society."

? There was little political debate; the bigger fight was over creating Medicare, the program to cover the elderly, which Medicaid is often confused with.

Is Medicaid an entitlement program?

Yes. Anyone who meets the eligibility rules has a right to Medicaid coverage, and for now, states are guaranteed open-ended financial support from the federal government.

How much does it cost?

? Medicaid cost \$553 billion in fiscal year 2016. Of that amount, \$348.9 billion came from the federal government; the states paid \$204.5 billion.

? Medicaid accounts for 9 percent of federal domestic spending. For states, it is the biggest source of federal funding and the second-largest budget item, behind education.

? The biggest costs in Medicaid are for the elderly and the disabled, often because of long-term care in nursing homes.

? Washington pays 50 to 75 percent of Medicaid costs for most eligible groups, with poor states receiving more money.

? Under the Affordable Care Act, the federal government initially covered all of the costs for the roughly 11 million people insured under the law's expansion of Medicaid, who are

largely adults without disabilities.

? Under the law, Washington picks up 95 percent of state costs for the expansion of Medicaid this year, whittling down to 90 percent in 2020.

What changes are in store?

? Both the House and Senate health bills would fundamentally change the way the federal government pays its share of Medicaid costs, setting a per-person limit on spending that would adjust annually for inflation.

? The bills would also effectively end the Medicaid expansion, by sharply reducing how much the federal government pays for that population starting in 2020.

? The result of these changes, according to independent analyses, would be major reductions in federal Medicaid spending over time.

? Enrollment would drop, too, according to the nonpartisan Congressional Budget Office, with states making it harder to qualify for the program and getting rid of certain benefits to make up for tightened federal spending.