

Facts About Medicaid in Pennsylvania

Medicaid-At-A-Glance

Medicaid provides safety net health care to the elderly, the disabled, low-income children, and families who are eligible financially and have no insurance. The Pennsylvania Medicaid program is called **Medical Assistance**.



- Covers 15 percent of **Pennsylvanians**, or more than 2 million individuals.
- In **Pennsylvania**, 25 percent of all children are insured by the Medicaid program.¹
- In **Pennsylvania**, Medicaid funds one of every three births (31%).²
- Medicaid finances the care of 64 percent of all **Pennsylvanians** being cared for in nursing homes.³
- Medicaid provides health coverage to a larger share of the population in rural areas than in urban areas; Medicaid is a critical source of income for rural health care providers who contribute to the economic development in rural communities.⁴

In Pennsylvania, senior citizens and people with disabilities comprise one-third (35%) of Medicaid recipients, and account for more than 73 percent of the state's Medicaid spending.⁵ The majority of these people has chronic and complex medical conditions and cannot secure jobs.

- Medicaid is the largest form of a federal grant to states. In **Pennsylvania**, the federal government pays 55 percent of Medicaid costs. **The American Reinvestment & Recovery Act (ARRA)** of 2009 provided temporary additional federal matching funds to help states maintain their Medicaid program. In **Pennsylvania**, this temporary enhanced federal Medicaid matching percentage is 65 percent. This ends in 2010, unless extended by Congress.
- Medicaid accounts for about 22 percent of the state's budget.⁶
- On average, Medicaid comprises 11 percent of a hospital's net patient revenue.⁷
- Medicaid spending generates economic activity at the state level. Medicaid funding supports jobs and generates income and tax revenues within the health sector and other sectors of the economy due to the multiplier effect.
- Medicaid's economic impact is intensified because of federal matching dollars.

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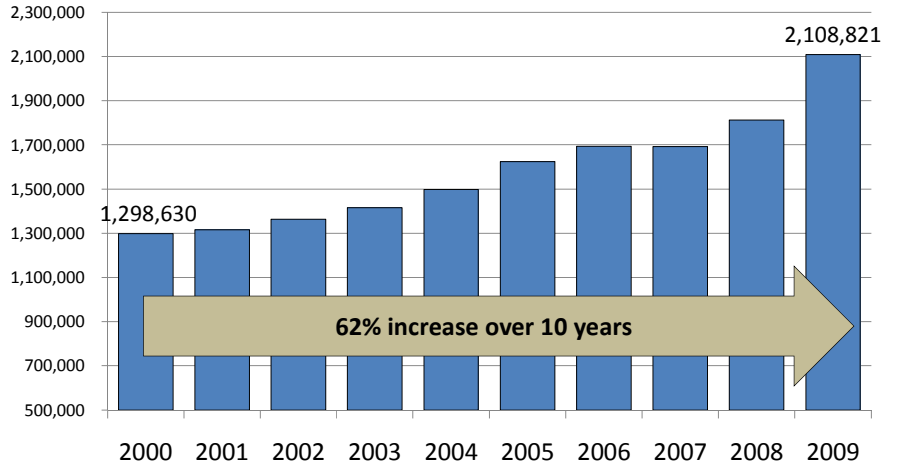
Medicaid enrollment rises when the economy is weak due to rising unemployment and declining incomes—requiring state funding of these increases in enrollment to sustain access to health care.

- Cutting Medicaid during an economic downturn will worsen the state economy.
- In addition, Medicaid’s ability to reduce the burden of uncompensated care, especially in an economic downturn, relieves the pressure on other parts of the state’s budget.

Summary:

- Medicaid means health care for Pennsylvania’s most vulnerable populations of people—the elderly, persons with disabilities, pregnant women, and children.

Medicaid enrollment continues to grow in Pennsylvania . . .



Source: PA Department of Public Welfare

- Federal and state Medicaid spending contributes to local economies.
- All regions of Pennsylvania benefit from Medicaid funding; some of Pennsylvania’s rural counties have higher percentages of Medicaid enrollment than do urban counties.
- Cutting this safety-net health program will have a devastating impact on millions of vulnerable people and the state’s economy.

Cutting Medicaid spending during an economic crisis can worsen the economy—Medicaid spending provides health coverage and generates economic activity.

¹U.S. Census Bureau, Health Insurance Table #HIA-5, 2007

²Kaiser Family Foundation, www.statehealthfacts.org

³PA Department of Health, Long-Term Care Facilities Annual Questionnaire, Report #1, 2008

⁴Kaiser Family Foundation, Pennsylvania Medicaid Fact Sheet, www.kff.org/MFS, updated December 2009

⁵UNC Rural Health Research & Policy Analysis, “State Profiles of Medicaid & SCHIP in Rural and Urban Areas,” 2007

⁶Office of the Governor, Commonwealth of Pennsylvania, 2010-2011 Budget

⁷HAP analysis of Pennsylvania Health Care Cost Containment Council data