



MEMORANDUM

September 23, 2009

To: Reporters and Editors
From: Scott Mulhauser and Erin Shields for Finance Committee Chairman Max Baucus (D-Mont.)
Re: New, state-level data on net budget impact of Medicaid eligibility provisions in the America's Healthy Future Act

Using data from the U.S. Department of Health and Human Services, the Urban Institute, the Kaiser Family Foundation and the Congressional Budget Office (CBO), Senate Finance Committee Democratic staff has released new estimates of the state-by-state impact of provisions in the America's Healthy Future Act that expand Medicaid, reform and expand the Children's Health Insurance Program (CHIP) and increase prescription drug rebates in the Medicaid program. The America's Healthy Future Act would provide significant support to states to help finance the cost of increasing eligibility for the Medicaid program. Medicaid is a federal-state partnership and comprises one of the largest components of annual state spending.

Quick Facts on Medicaid under the America's Healthy Future Act:

- Every state would spend less on Medicaid compared to current spending levels over the next three years (2010-2012), equaling a total net decrease in state Medicaid spending of more than \$2.6 billion.
- Over the next ten years (2010-2019), total state spending on Medicaid would only increase an estimated 1.3 percent compared to baseline spending.
- According to the Congressional Budget Office (CBO), an estimated 11-12 million Americans would be newly-eligible to enroll in Medicaid under the America's Healthy Future Act without threatening the fiscal sustainability of state budgets.
- The America's Healthy Future Act would require states to expand Medicaid eligibility to include Americans living below 133 percent of the federal poverty level (\$14,404 for individuals and \$29,327 for a family of four in 2009), effective January 1, 2014.
- With significant federal government support and in the spirit of shared responsibility, states will have the ability to contribute to expanding Medicaid coverage to an estimated 11-12 million Americans, according to the CBO.