

Medicaid's Role and State Budgets

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KAISER COMMISSION ON
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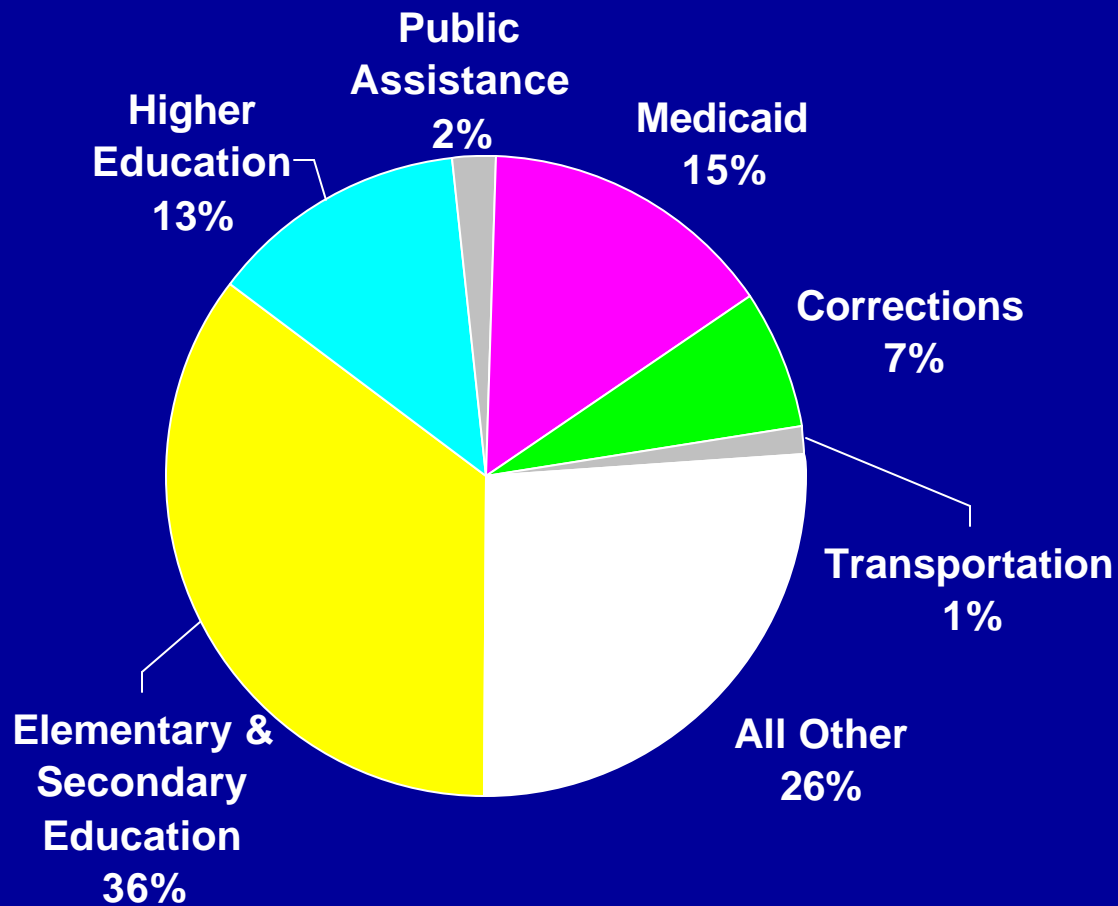
Figure 2

Medicaid Today

- **Provides long-term care and health care coverage for over 50 million people**
 - Provides comprehensive, low-cost health insurance for 38 million people in low-income families; covers one in four American children
 - Finances care for over 12 million elderly and persons with disabilities, including over 6 million Medicare beneficiaries (“dual enrollees”) who rely on Medicaid for long-term care, prescription drugs, and help with Medicare cost-sharing
- **Entitles individuals to coverage and states to open-ended federal financing**
- **Serves as important source of financing in health care system**
- **Provides 43% of federal funds to states through federal matching payments**

Figure 3

State Medicaid Spending as a Percent of General Fund Expenditures, 2001



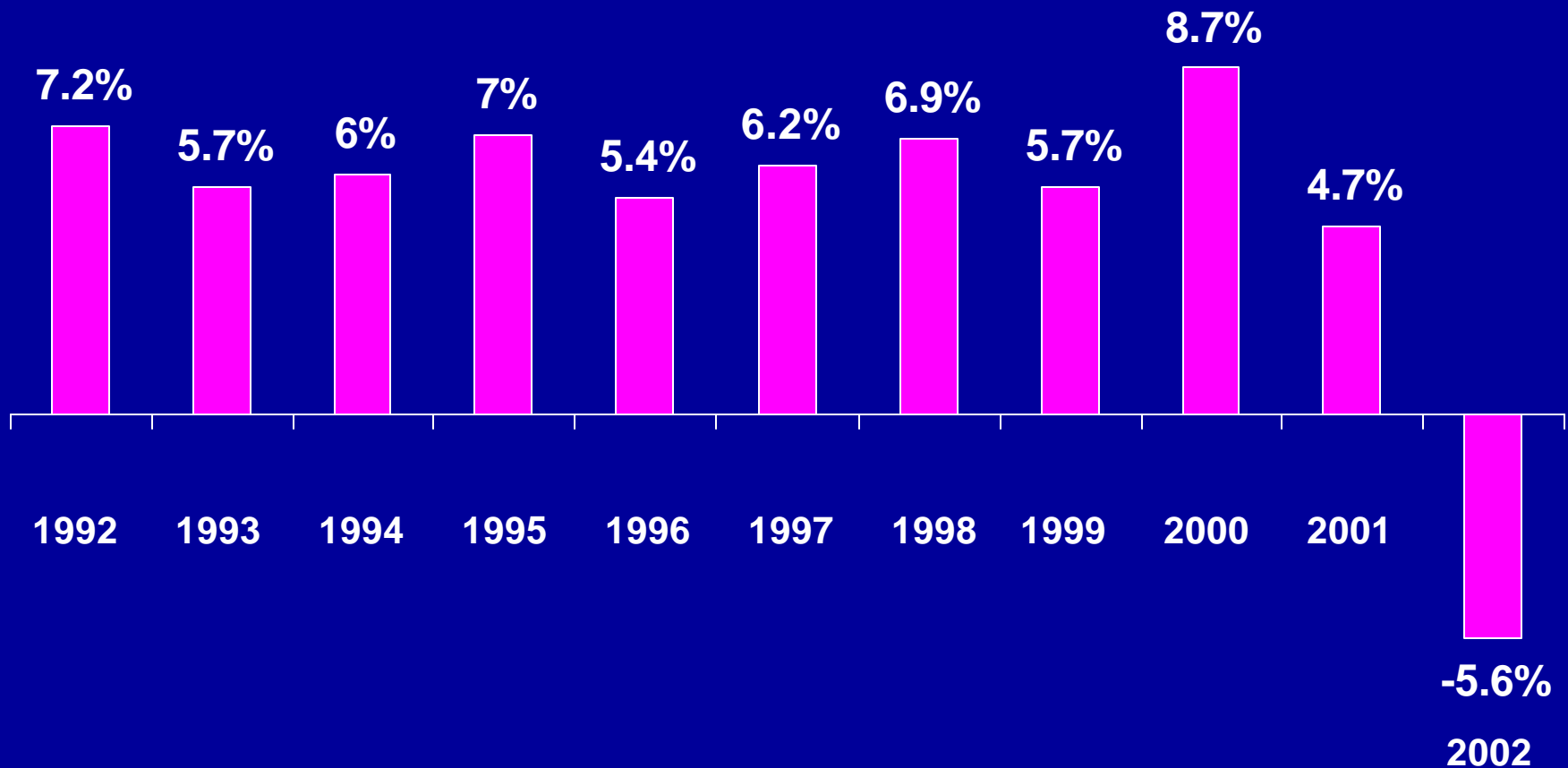
Total State General Fund Spending = \$489 billion

SOURCE: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002.

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Figure 4

Change in State Tax Revenue Collections, 1992-2002



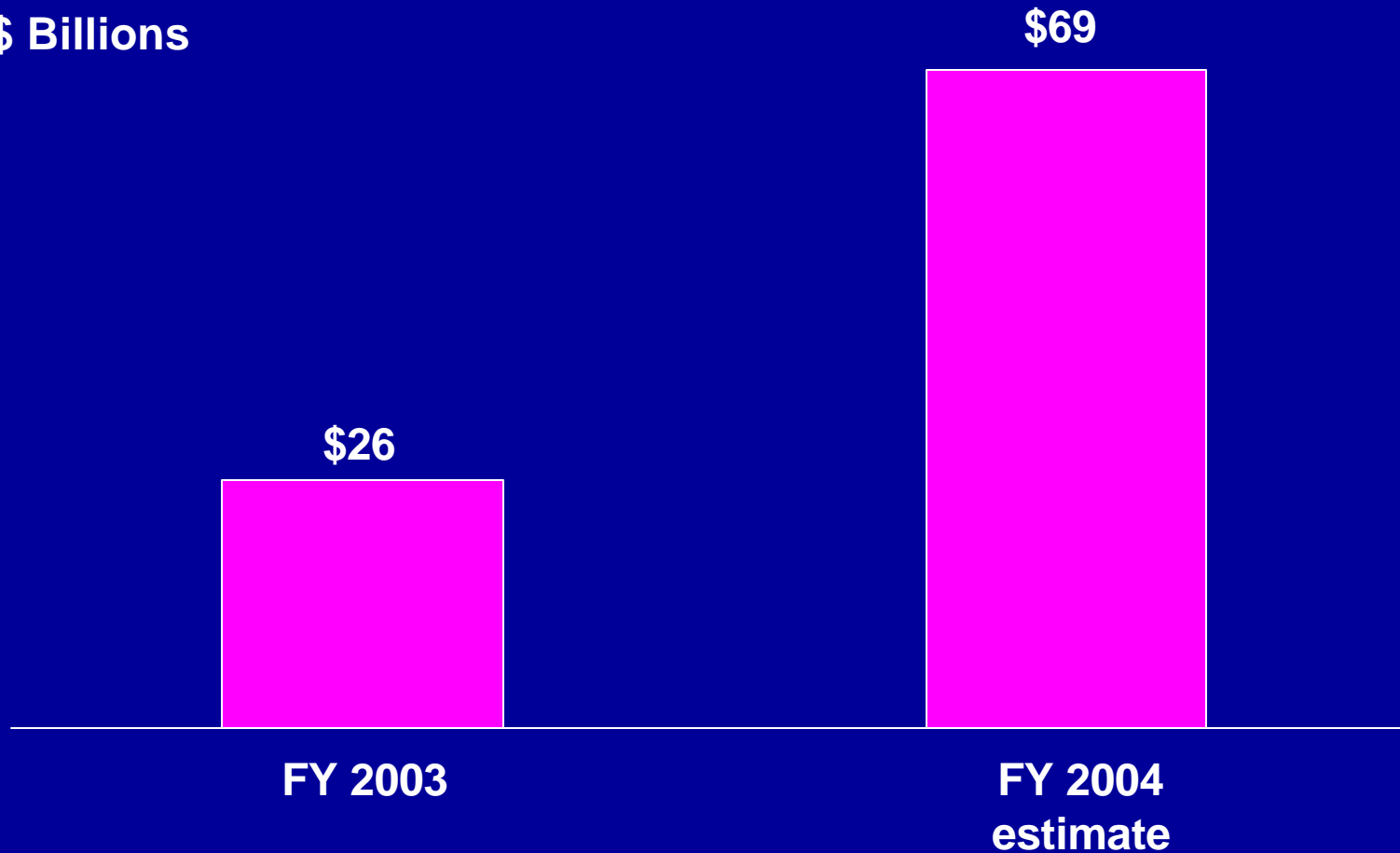
SOURCE: Rockefeller Institute of Government, Fiscal Year 2002 Tax Revenue Summary, May 2003. Changes are shown in nominal terms and are not adjusted for tax-related legislative changes.

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Figure 5

Total State Budget Shortfalls FY 2003 – FY 2004

\$ Billions



SOURCE: NCSL, State Budget Update: February 2003

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