



Coverage and Costs: What's Driving Medicaid Spending in Utah?

THE AFFORDABLE CARE ACT significantly changed national health care policy by expanding Medicaid coverage eligibility to a broader population. Since then, there have been several proposed changes to the program both nationally and in Utah. There are probably more to come.

Coverage and Costs addresses Utah's Medicaid program, the factors driving Medicaid costs, and both recent and proposed changes. This is the third in a series of Utah Foundation reports analyzing the cost of health care in Utah. Part 1 examined the total cost of health care in Utah and the factors driving the cost of medical care. Part 2 estimated the affordability of health insurance for Utah individuals and families. Find the whole series at utahfoundation.org.



KEY FINDINGS OF THIS REPORT

- In 2016, per capita Medicaid spending in Utah was the lowest in the nation at \$703. At the other end of the spectrum, Medicaid spending in New York was \$3,169 per capita.
- In 2014, Utah spent \$5,326 per enrollee (in combined state and federal funds), one of the lowest expenditure levels in the nation. North Dakota spent \$10,721, the highest in the nation.
- National Medicaid spending is expected to grow at an average annual rate of 5.8% through 2026 – slower than Medicare, but faster than private insurance and far faster than the rate of inflation.
- The federal government pays for 70% of qualifying Medicaid programs in Utah, the ninth highest reimbursement rate in the nation. Reimbursement levels are determined in large part by each state's per capita income, and Utah's is among the lowest in the nation because of the state's high proportion of children.
- While Utah's Medicaid spending increased in 2017, there was a slight decrease in enrollment. This is due in part to an increase in the average enrollment of older Utahns and individuals with disabilities, who are more expensive to care for.
- Although children make up 63% of Utah's Medicaid enrollment, they account for less than one-third of total spending.
- In Utah, individuals with disabilities make up less than 15% of enrollment, but account for nearly half of all spending.
- In 2016, Medicaid accounted for 18.7% of Utah's overall state budget, the eighth lowest in the nation.
- The primary factors driving Medicaid spending growth include increases in health care and prescription drug costs, increases in overall enrollment, increases in enrollees who are older or have disabilities, and downturns in the economy.

For more information on this report or to arrange an interview with Research Analyst Sam Brucker, the principal author of this report, or Utah Foundation President Peter Reichard, please contact Dan Bammes, Communications Director, at 801-355-1400 or dan@utahfoundation.org.

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