



Weekly Checkup

Growth in Federal Spending on Medicaid Continues

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The newly released [Medicaid Actuarial Report](#) states that total Medicaid outlays in the 2015 fiscal year amounted to \$553.8 billion, increasing 11.6 percent between 2014 and 2015—the fastest growth in more than a decade. This is largely due to the ACA’s Medicaid eligibility expansion as expenditures for this population have been higher than expected. Adults previously eligible for the program had annual per enrollee costs of \$4,580, \$4,695 and \$4,986 in the years 2013, 2014, and 2015, respectively, while expenditures for newly eligible adults were \$5,511 (12 percent higher than other adults) in 2014 and \$6,356 (28 percent higher) in 2015.

Historically, Federal outlays accounted for 57 percent of program expenditures, on average, but have been climbing since the expansion took effect (since the Federal government has paid 100 percent of the cost of the expansion since 2014), reaching 63 percent in 2015. Growth in Federal outlays jumped from [5.9 percent](#) in 2013 to [13.6 percent](#) in 2014 and 16 percent in 2015. Beginning this year, states will start to shoulder a small percentage of the costs for these newly eligible individuals, which could cause a [budgetary problem](#). This will prove difficult for many states, since Medicaid already represents a [quarter of state budgets](#). The current spending trajectory is unsustainable for both state and federal governments.

