



Weekly Checkup

Uncertainty of Medicaid Projections and the Impact on State Budgets

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Under the current baseline in the [2015 Actuarial Report](#) on Medicaid, total spending on the program between 2015-2024 is expected to total \$6.8 trillion; the state share is estimated to be \$2.67 trillion. However, these estimates are based on current projections which contain uncertainties. In fact, the report notes that expenditures for newly eligible adults in 2015 were 49 percent higher than what the 2014 report estimated they would be, resulting in additional costs of \$13 billion. While the costs for these individuals are still being fully paid for by the federal government this year, states will begin to share in these costs next year. With states already spending more than a quarter of their budget on Medicaid, and most required to balance their budget (unlike the federal government), any unexpected additional costs would further [squeeze state budgets](#) and crowd out funding for other programs. If projections from the 2015 report are off by just 3 percent, Medicaid expenditures borne solely by the states between 2015-2024 would be \$2.75 trillion, or \$80 billion more than currently projected. This additional expense would be equal to 4.71 percent of total state expenditures in 2014.

State Share of Additional Medicaid Costs Under Various Scenarios

