

What is Medicaid?

Medicaid is a joint, federal and state, health insurance program that provides coverage to certain categories of low-income citizens such as children, pregnant women, elderly and disabled. It was originally signed into law by President Lyndon B. Johnson on July 30, 1965. In 2015, the Medicaid program served roughly 70 million Americans nationwide.

How much is spent on Medicaid?

In 2015, the total Medicaid expenditure nationwide was approximately \$532 billion. West Virginia accounted for about \$3.7 billion of that total which is about 7%. The state's Medicaid costs remained the same in 2016, \$3.7 billion, and the federal government's share was \$3.06 billion or more than 70% of West Virginia's total Medicaid expense. (Source: WV DHHR's Bureau for Medical Services 2015 Annual Report).

How is Medicaid funded?

The federal contribution to a state's Medicaid cost is known as "Federal Medical Assistance Percentage" or FMAP, which is based on a state's per-capita income. In 2017, West Virginia's FMAP was 71.80%, meaning the state put in 28.2% and the federal government contributed 71.8%. In 2018 that ratio increased to 73.24%. This will reduce West Virginia's Medicaid responsibility by \$14.4 million.

How did the Affordable Care Act affect Medicaid?

Under the Affordable Care Act (ACA), states had the option to expand Medicaid up to 133% of the Federal Poverty Level (Expansion Population). The expansion would cover mostly adults, including childless adults but they could not be Medicare eligible or dual eligible. West Virginia expanded its Medicaid population to approximately 170,000 new members because of the expansion under ACA.