



Medicaid: America's Healthcare Safety Net

More than one out of every four Americans was uninsured prior to the creation of Medicaid in 1965. Enacted at the same time, Medicaid and Medicare passed the U.S. House of Representatives (307-116) and the U.S. Senate (70-24). These cornerstones of our nation's healthcare system were signed into law by President Lyndon Johnson on July 30 in Independence, Mo., hometown of President Harry S. Truman. Medicaid was created to provide essential, comprehensive healthcare services to Americans who had no other means of affording the healthcare they needed, including older Americans, people with disabilities and low-income children.

30 Ways Medicaid Matters to Americans:

1. More than one out of every seven Americans receives healthcare through Medicaid.¹
2. Every \$1 million in federal Medicaid spending results in 17.1 new jobs. Cutting federal spending on Medicaid, then, means cutting jobs.²
3. Medicaid provides care at a much lower per-person cost than private health insurance.³
4. Americans covered by Medicaid report they are in better health and have better well-being than Americans who are uninsured.⁴
5. Americans covered by Medicaid are less likely to have unpaid medical bills and mounting medical debt, and more likely to see their doctor regularly and fill prescriptions.⁵
6. More than 50 percent of adults receiving healthcare through Medicaid are working or in school during the period they are covered.⁶
7. Medicaid is a primary source of long term care coverage for three million Americans.⁷
8. Medicaid covers healthcare services that other programs, including Medicare, do not cover, such as home health aide and personal attendant services, as well as nursing home care.
9. Thanks to Medicaid, seniors and people with disabilities are able to remain at home, live with their families, and stay within their communities because of Medicaid's home- and community-based programs.
10. Medicaid makes nursing home care affordable to seniors and their families, care that can average \$70,000 a year.⁸
11. Nearly one half of the nation's nursing home bill is paid by Medicaid, guaranteeing quality long term care is available to seniors as they age.⁹

12. Seniors who receive care through both Medicaid and Medicare have substantially lower out-of-pocket healthcare costs than seniors with Medicare alone.¹⁰
13. Medicaid along with the States Children's Health Insurance Program (SCHIP) has driven the uninsured rate of the nation's children down to the lowest level on record.¹¹
14. One in three children in the United States is covered by Medicaid.¹²
15. Medicaid is the largest source of healthcare coverage for children in the country.¹³
16. Medicaid benefits for children are comprehensive, with an emphasis on promoting children's healthy development and maximizing their health and function.¹⁴
17. More than one in three births is covered by Medicaid, helping to ensure a healthy start for mothers and newborns.¹⁵
18. Medicaid is a major source of preventive healthcare, such as immunizations and preventive healthcare for children.
19. Families of children with special health needs who are covered by Medicaid or SCHIP have lower financial burdens than families of children covered by private insurance.¹⁶
20. Medicaid expansions for children in the late 1980s and early 1990s contributed to a 5.1 percent reduction in childhood mortality, resulting in more than 2,000 children's lives saved each year.
21. Under Medicaid, adults with heart disease were nearly two-thirds more likely to take appropriate medications than privately insured adults and roughly twice as likely as uninsured adults.¹⁷
22. Together, Medicaid and SCHIP are providing healthcare to millions of Americans who have lost their jobs during the economic recession. Estimates show that 1 million more Americans must rely on Medicaid for their healthcare coverage for each 1 percentage point increase in the unemployment rate.¹⁸
23. The average per person annual cost for an adult covered by Medicaid is 20 percent less than private insurance.¹⁹
24. Mothers who are enrolled in Medicaid have access to healthcare comparable to women enrolled in private insurance.²⁰
25. More than 25 percent of African Americans, 25 percent of Latino Americans and 11 percent of white Americans receive their healthcare through Medicaid. One half of these groups are children.²¹
26. Nearly one out of five people with disabilities rely on Medicaid for health coverage and funding for services and supports that help them live independent lives in their own communities.²²

27. Medicaid is the primary funder of community mental health services for children and adults with serious mental health disorders.²³
28. Freedom of choice, home- and community-based care state waivers were created in 1981. These waivers increased the flexibility of individuals to select their own care provider.²⁴
29. In 1981, all states were required to pay hospitals that were providing healthcare to a larger numbers of low-income patients with additional funding to support these services. Adjustments such as this have ensured the intent of Medicaid as a safety net has been maintained.
30. Under the Affordable Care Act, Medicaid will expand secure healthcare coverage to roughly 16 million Americans.²⁵

¹ Source: U.S. Census Bureau.

² Source: http://www.americanprogress.org/issues/2011/02/crippling_care_c3.html

³ Source: First Focus Report: Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations, Leighton Ku and Christine Ferguson, Department of Health Policy School of Public Health and Health Services , The George Washington University.

<http://www.firstfocus.net/library/reports/medicaid-works-a-review-of-how-public-insurance-protects-the-health-and-finances-of-children-and-other-vulnerable-populations>

Source: The Oregon Health Insurance Experiment, Evidence from the First Year, National Bureau of Economic Research, July 2011, Amy Finkelstein, et al.

⁴ Source: The Oregon Health Insurance Experiment, Evidence from the First Year, National Bureau of Economic Research, July 2011, Amy Finkelstein, et al.

⁵ Source: The Oregon Health Insurance Experiment, Evidence from the First Year, National Bureau of Economic Research, July 2011, Amy Finkelstein, et al.

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⁷ KFF. Medicaid Long Term Care Services and Supports: Fact Sheet. <http://www.kff.org/medicaid/upload/2186-08.pdf>

⁸ Source: Ellen O'Brien, "Medicaid's coverage of nursing home costs: Asset shelter for the wealthy or essential safety net?," Georgetown University, Long-Term Care Financing Project, lrc.georgetown.edu, May 2005

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¹⁰ Source: First Focus Report: Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations, Leighton Ku and Christine Ferguson, Department of Health Policy School of Public Health and Health Services , The George Washington University.

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¹¹ Georgetown Center for Children and Families

¹² Source: Kaiser Commission on Medicaid and the Uninsured. Fact Sheet: Medicaid Matters: Understanding Medicaid's Role in Our Health Care System, March 2011. <http://www.kff.org/medicaid/upload/8165.pdf>

¹³ Source: Kaiser Commission on Medicaid and the Uninsured. Fact Sheet: Medicaid Matters: Understanding Medicaid's Role in Our Health Care System, March 2011. <http://www.kff.org/medicaid/upload/8165.pdf>

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- ¹⁶ Source: First Focus Report: Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations, Leighton Ku and Christine Ferguson, Department of Health Policy School of Public Health and Health Services , The George Washington University. <http://www.firstfocus.net/library/reports/medicaid-works-a-review-of-how-public-insurance-protects-the-health-and-finances-of-children-and-other-vulnerable-populations>
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- ¹⁸ Diane Rowland, Health Care and Medicaid – Weathering the Recession, New England Journal of Medicine, March 26, 2009
- ¹⁹ Source: First Focus Report: Medicaid Works: A Review of How Public Insurance Protects the Health and Finances of Children and Other Vulnerable Populations, Leighton Ku and Christine Ferguson, Department of Health Policy School of Public Health and Health Services , The George Washington University. <http://www.firstfocus.net/library/reports/medicaid-works-a-review-of-how-public-insurance-protects-the-health-and-finances-of-children-and-other-vulnerable-populations>
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- ²¹ Source: Kaiser Commission on Medicaid and the Uninsured. Fact Sheet: Medicaid's Role for Black Americans , May 2011. <http://www.kff.org/minorityhealth/index.cfm>
- ²² United States Department of Labor Office of Disability Employment Policy website at <http://www.dol.gov/odep/faqs/people.htm>
- ²³ Judge David L. Bazelon Center for Mental Health Law, Fact Sheet: Medicaid, Lifeline for Children and Adults with Serious Mental Illness at <http://www.bazelon.org/LinkClick.aspx?fileticket=ARq331Ujs3Q%3d&tabid=242>
- ²⁴ http://www.kff.org/medicaid/timeline/pf_80.htm
- ²⁵ Congressional Budget Office: <http://www.cbo.gov/ftpdocs/113xx/doc11379/amendreconProp.pdf>