

Variation in Medicaid Spending Across Eligibility Groups

January 2018

OVERVIEW

When designing per capita caps in Medicaid, population groupings should recognize variation in healthcare needs and spending. Data from Anthem's affiliated Medicaid plans shows that spending across six groups varied by a factor of 10, while spending across 16 detailed groups varied by a factor of 34.

Medicaid is an important source of health insurance coverage, serving one in five Americans. Recently, policymakers considered financing reforms that would cap federal spending on a per-beneficiary basis, known as per capita caps. These caps would be set in the aggregate, based on spending among defined eligibility groups.

As policymakers debate Medicaid financing reforms, it is important to understand Medicaid spending today and how expenditures vary across and within eligibility groups. Variation in spending is indicative of the diverse set of healthcare needs among the Medicaid population, from well-child preventive care to management of chronic conditions to long-term care.

Topics

- Medicaid financing reform
- Analysis of spending variation among members in Anthem's affiliated plans
- Implications of findings for Medicaid reform

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