

Medicaid in 2024: A Look at the Year Ahead

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Figure 1

Medicaid plays a central role in our health care system.

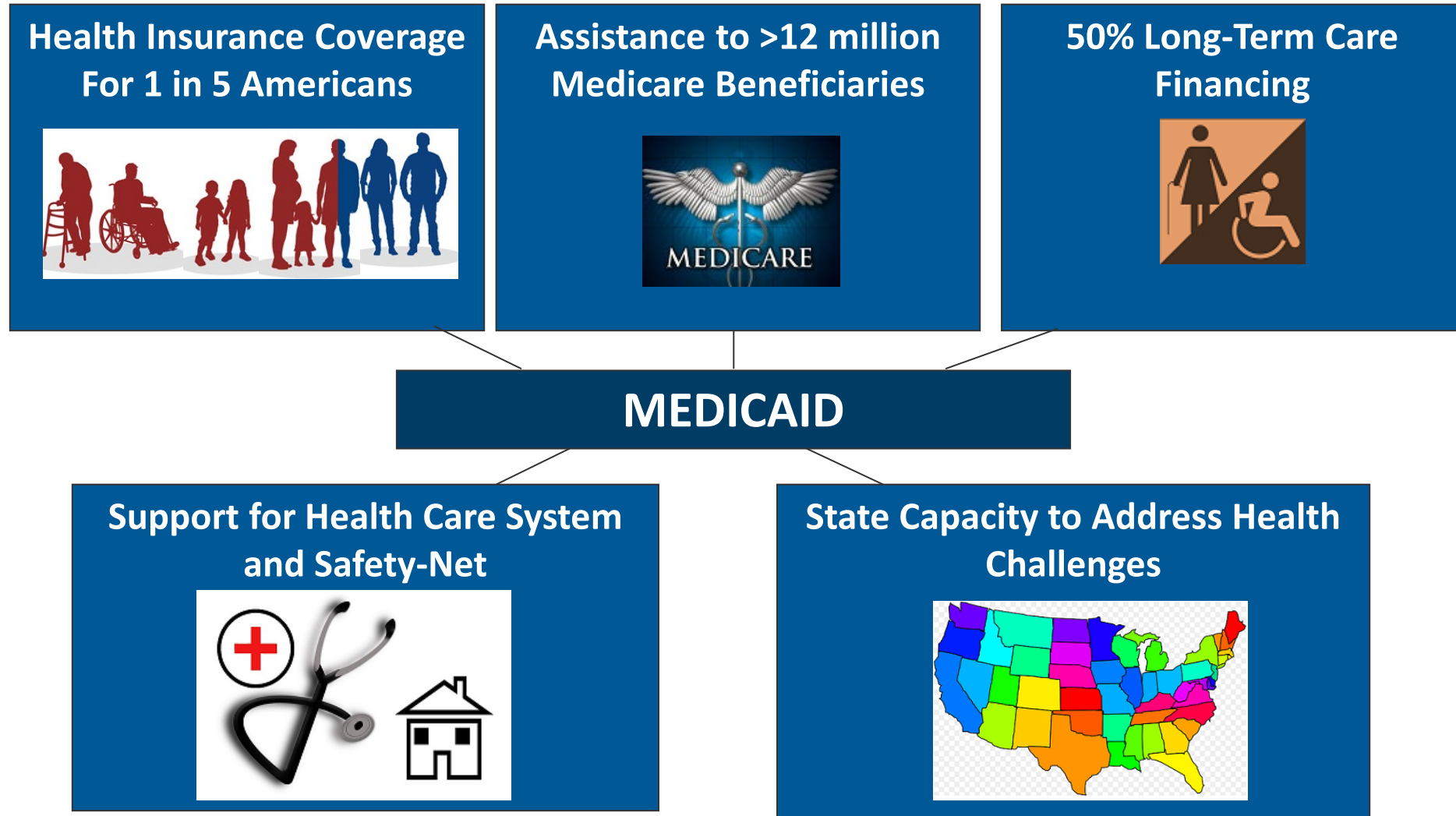


Figure 2

The basic foundations of Medicaid are related to the entitlement and the federal-state partnership.

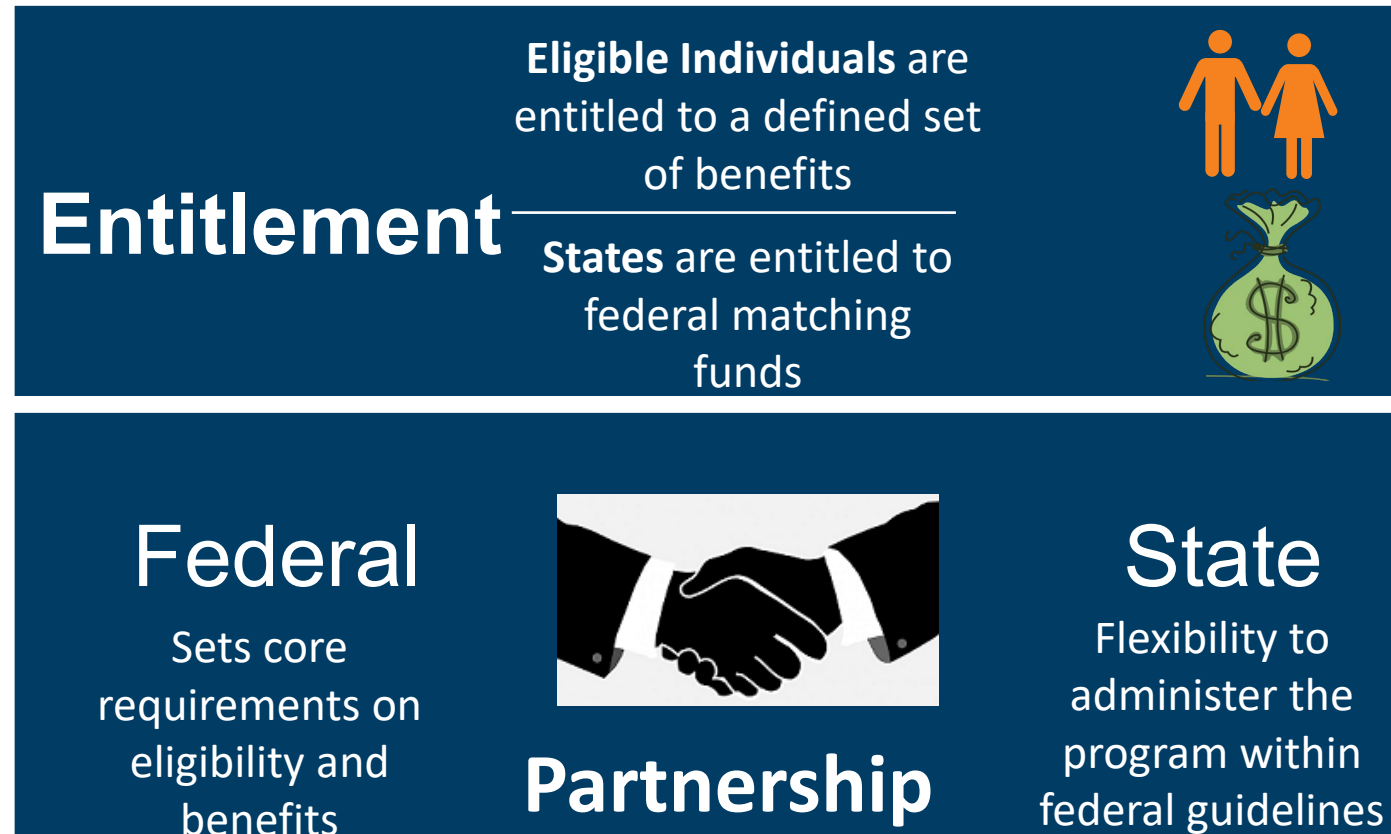
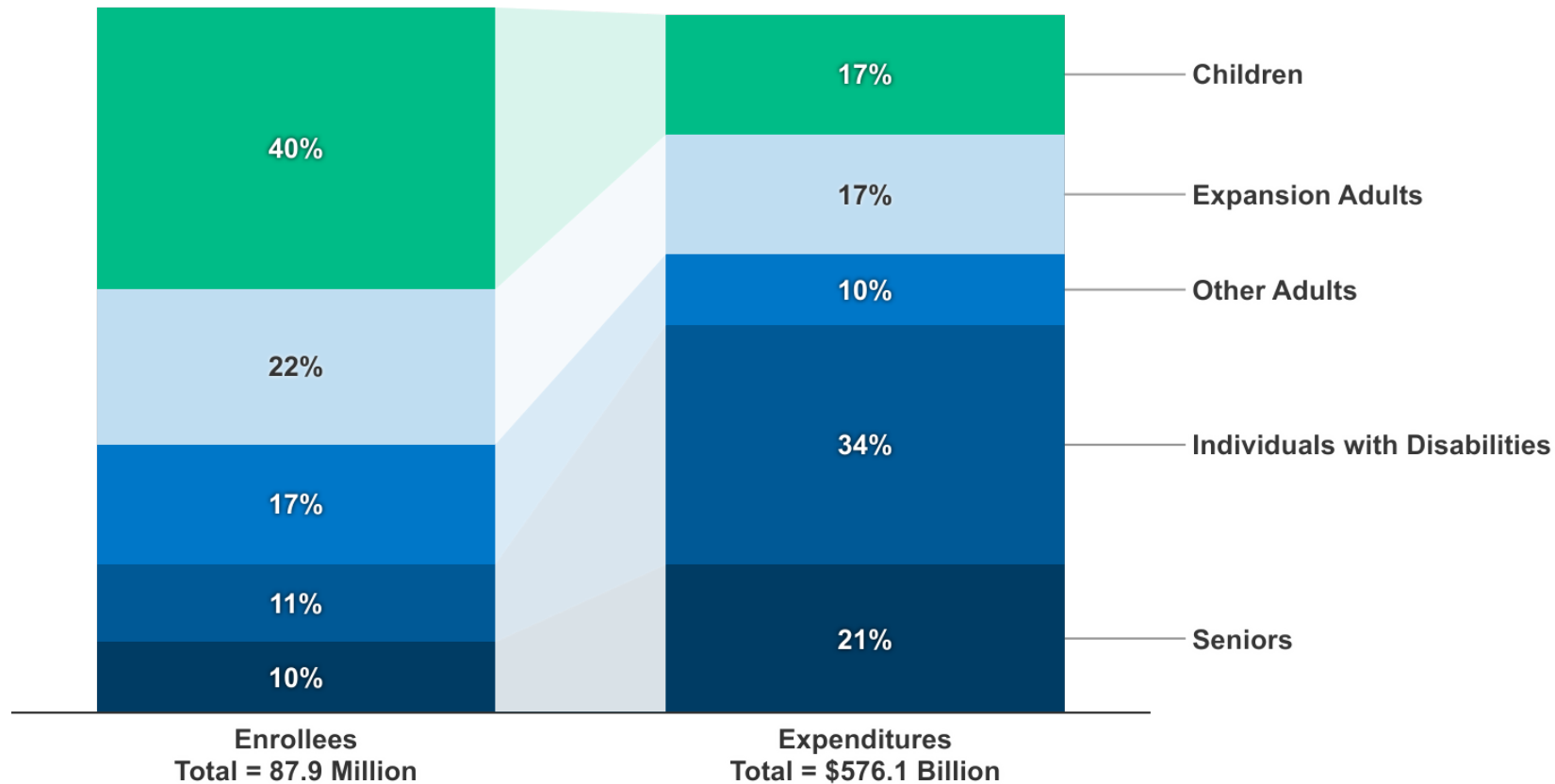


Figure 3

Medicaid spending is mostly for the elderly and people with disabilities.



NOTE: Totals may not sum to 100% due to rounding.

SOURCE: KFF estimates based on analysis of data from the Preliminary CY 2019 Transformed Medicaid Statistical Information System (T-MSIS).

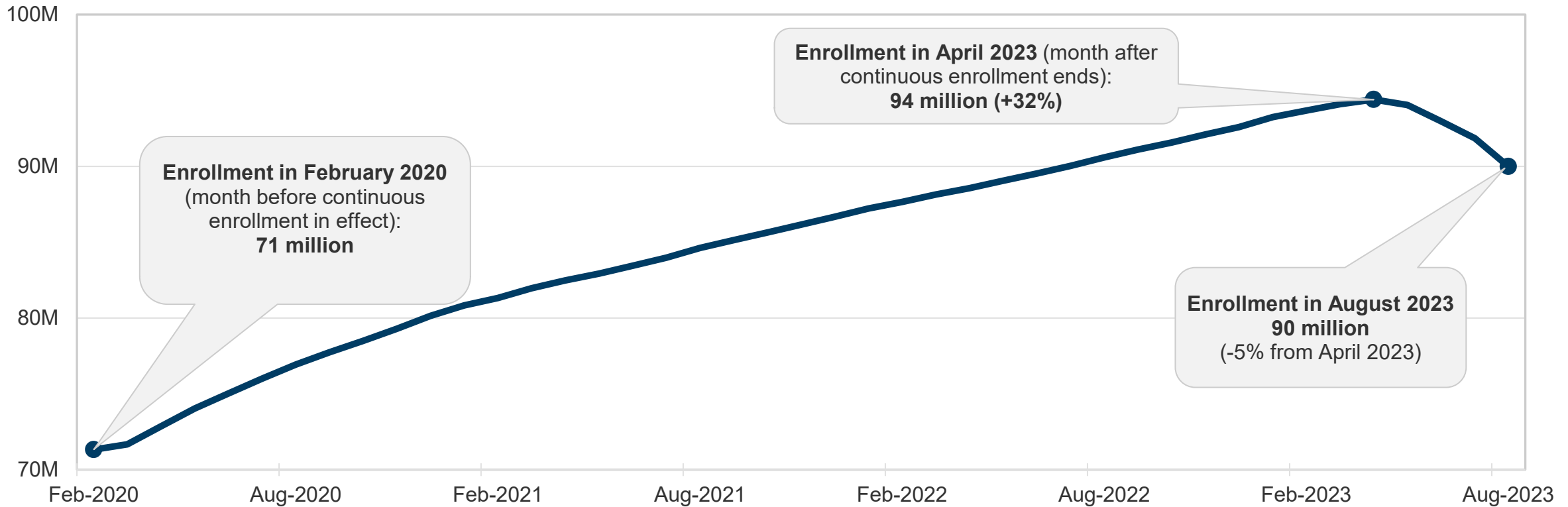
What are the key Medicaid issues to watch in 2024?

- Coverage and financing
 - Unwinding of continuous enrollment provision and enhanced FMAP
- Access
 - Efforts to increase access to behavioral health
 - Efforts to address SDOH
- LTSS
 - Reimbursement rates
 - Workforce
- External factors
 - Broader coverage and fiscal issues
 - Elections

Figure 5

Medicaid enrollment increased during the pandemic under continuous enrollment but has declined since April.

Total Medicaid/CHIP Enrollment, February 2020 to August 2023



NOTE: M = Millions

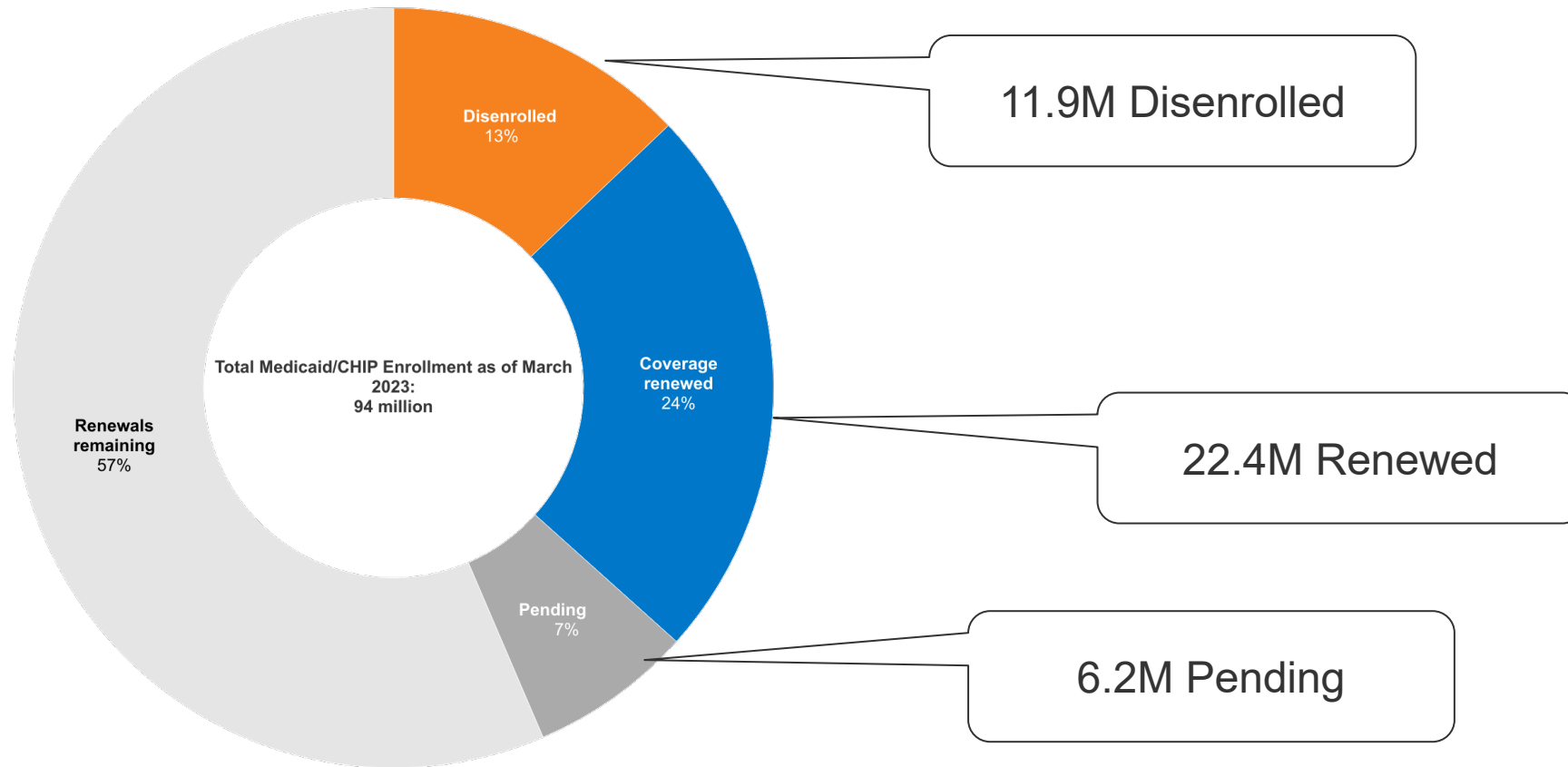
SOURCE: KFF analysis of CMS Performance Indicator data.



Figure 6

States have reported renewal outcomes for roughly one-third of people enrolled prior to the start of the unwinding period.

Cumulative Medicaid Renewal Outcomes Reported as a Share of March 2023 Medicaid/CHIP Enrollment:

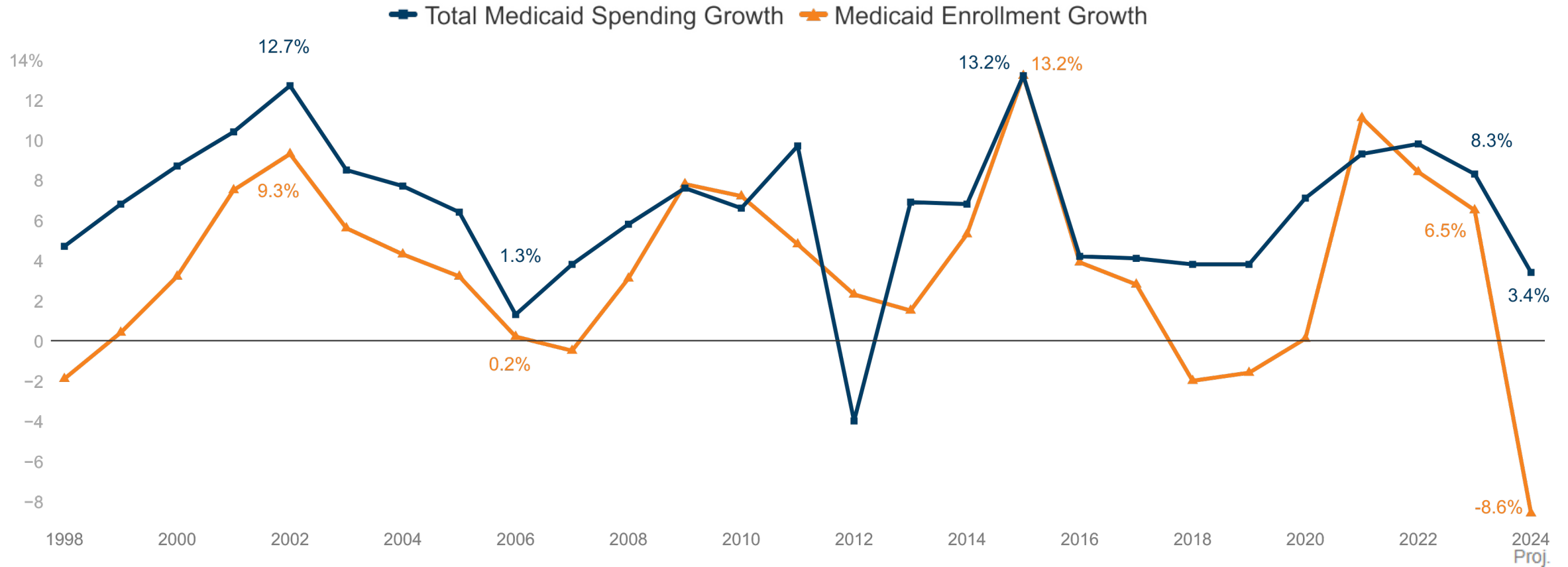


NOTE: Based on the most recent state-reported unwinding data available from state websites and CMS reports. Time periods differ by state.

SOURCE: KFF Medicaid Enrollment and Unwinding Tracker. Data as of December 7, 2023. CMS Performance Indicator Data (March 2023 Medicaid/CHIP Enrollment).

Figure 7

Enrollment is expected to decline in FY 2024 as the unwinding continues, leading to slowing total spending growth.

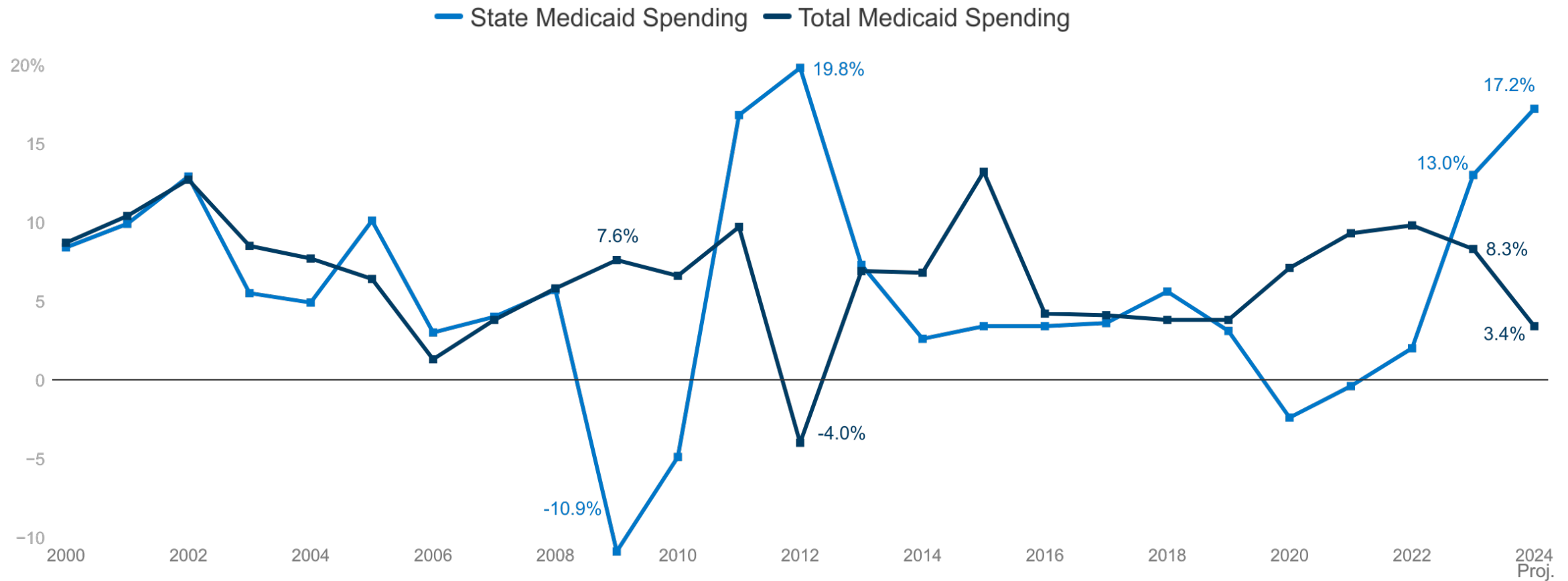


NOTE: Growth percentages refer to state fiscal year (FY). FY 2024 projections based on enacted budgets.

SOURCE: KFF annual Medicaid budget survey, November 2023. See Methods of “Medicaid Enrollment and Spending Growth Amid the Unwinding of the Continuous Enrollment Provision: FY 2023 & 2024” for more information.

Figure 8

The state share of Medicaid spending is expected to increase as the enhanced federal matching funds phase out.

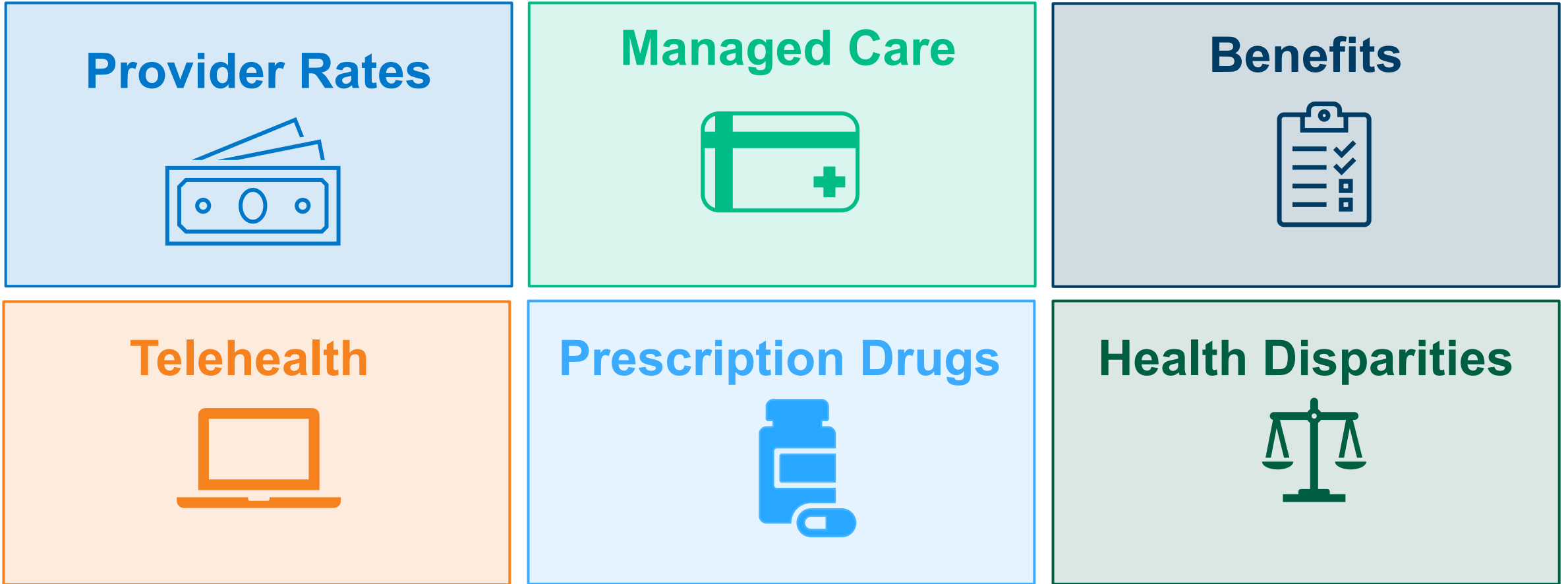


NOTE: Growth percentages refer to state fiscal year (FY). FY 2024 projections based on enacted budgets.

SOURCE: KFF annual Medicaid budget survey, November 2023. See Methods of “Medicaid Enrollment and Spending Growth Amid the Unwinding of the Continuous Enrollment Provision: FY 2023 & 2024” for more information.

Figure 9

Our annual Medicaid budget survey captures key themes related to access.

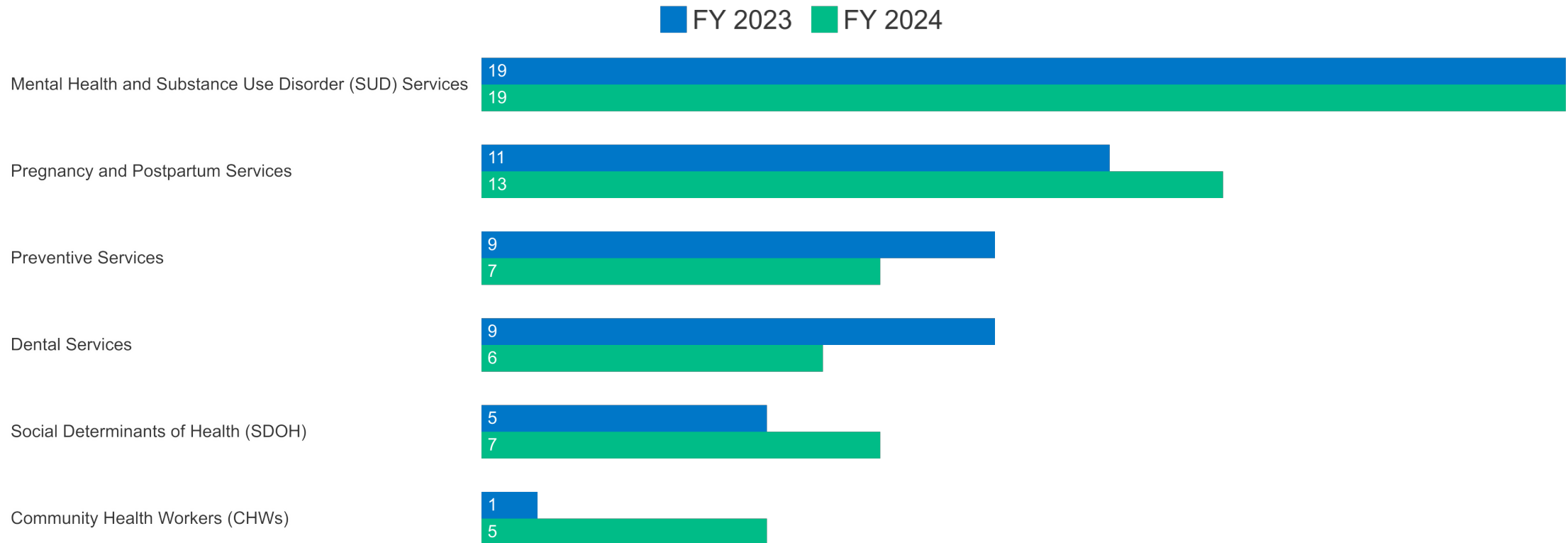


SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 10

Almost all reported benefit changes were expansions, with mental health / SUD expansions the most common.

Select Categories of Benefit Enhancements or Additions, FYs 2023 - 2024



NOTE: SUD = substance use disorder. FL, MN, and SC did not respond to the 2023 survey.

SOURCE: KFF annual Medicaid budget survey, November 2023

Key Medicaid Strategies to Address Behavioral Health Workforce Shortages in Place or Planned as of FY2022

Increasing Rates

Nearly two-thirds of responding states reported rate increases

Reducing Burden

Most responding states reported at least one strategy to reduce provider administrative burden

Extending Workforce

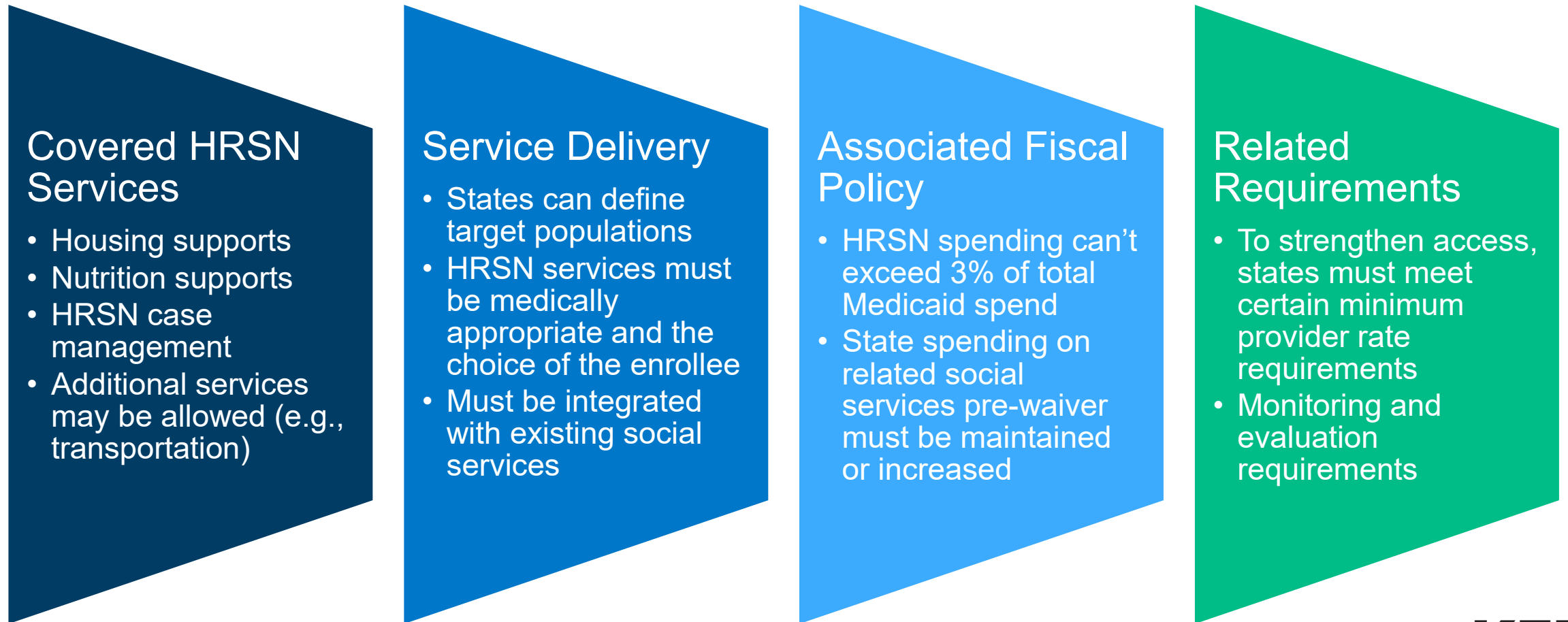
Almost all responding states report at least one strategy to extend the workforce

Incentivizing Participation

For example, most responding states reported prompt payment policies.

Figure 12

In 2022, CMS presented a framework for states to use Section 1115 waivers to address health-related social needs (HRSN).



SOURCE: "A Look at Recent Medicaid Guidance to Address Social Determinants of Health and Health-Related Social Needs," <https://www.kff.org/policy-watch/a-look-at-recent-medicaid-guidance-to-address-social-determinants-of-health-and-health-related-social-needs/>

Figure 13

Examples of States with Approved Section 1115 HRSN Provisions

State	Target Populations	Housing Supports	Nutrition Supports
AZ	Enrollees who are or are at risk of becoming homeless & meet clinical and social risk criteria (e.g., certain behavioral or chronic conditions)	<ul style="list-style-type: none"> • Post-transition rent/housing (≤6 months) • Utility costs • Pre-tenancy & tenancy sustaining services • Housing transition navigation services • One-time transition & moving costs • Housing deposits • Home accessibility modifications & remediation services 	
MA	Enrollees who meet health and risk criteria, e.g. have behavioral health needs & homeless, justice-involved, or facing eviction	<ul style="list-style-type: none"> • Pre-tenancy & tenancy sustaining services • Housing transition navigation services • One-time transition & moving costs • Housing deposits • Devices to maintain healthy temperatures & air • Home accessibility modifications 	<ul style="list-style-type: none"> • Nutrition counseling & education • Meals delivered to the home ≤6 months) • Medically-tailored food prescriptions (for up to 6 months) • Cooking supplies
OR	Enrollees experiencing major life transitions (e.g. release from incarceration or living in region with extreme weather events)	<ul style="list-style-type: none"> • Post-transition rent/housing (≤6 months) • Utility costs • Pre-tenancy & tenancy sustaining services • Housing transition navigation services • One-time transition & moving costs • Housing deposits • Devices to maintain healthy temperatures & air • Home accessibility modifications 	<ul style="list-style-type: none"> • Nutrition counseling & education • Medically-tailored meals (≤6 months) • Fruit & vegetable prescriptions (≤6 months) • Meal or pantry stocking



Figure 14

There are 6 million people who used Medicaid LTSS, 72% used Only HCBS, but that varied across the states.

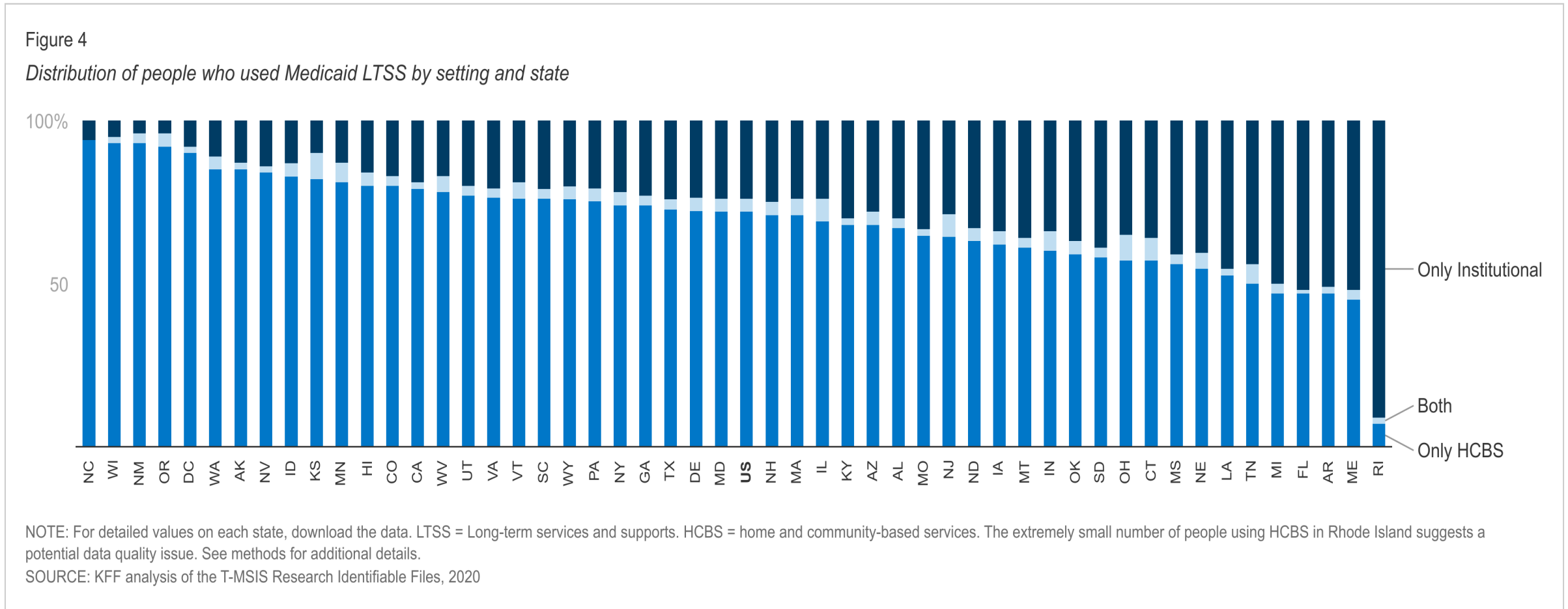
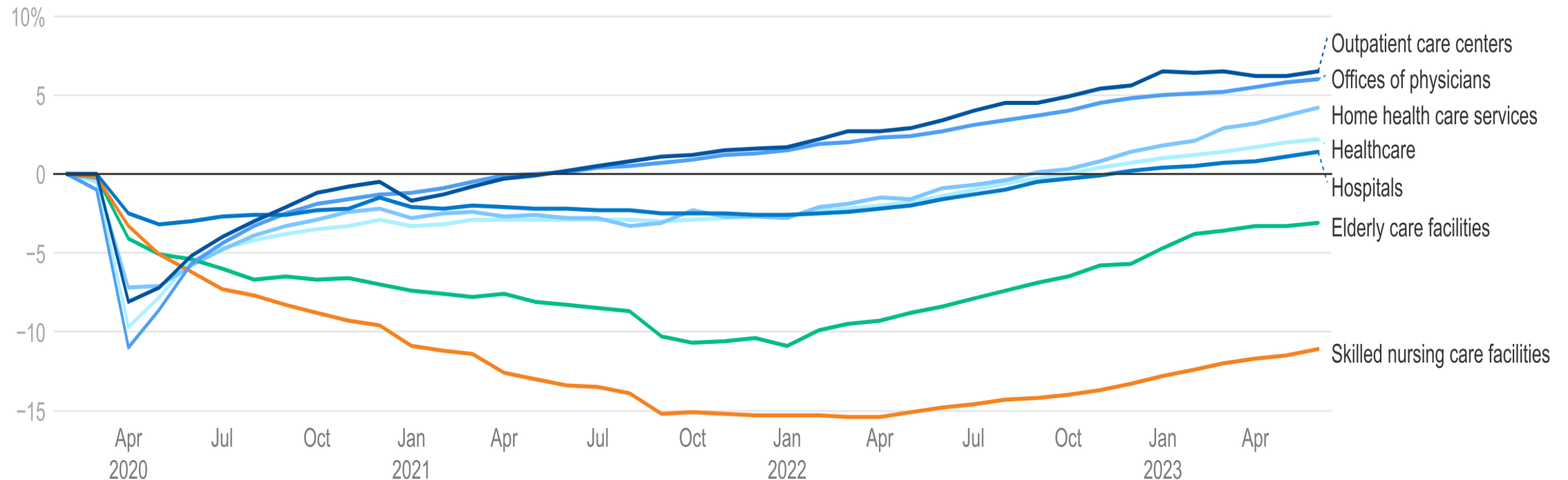


Figure 15

Employment in LTSS remains below pre-pandemic levels.

Figure 7

Cumulative % change in health sector employment by setting, February 2020 - June 2023



NOTE: All data is seasonally adjusted. Data for the latest two months are preliminary. Elderly care facilities are continuing care retirement communities and assisted living facilities for the elderly.

SOURCE: Imani Telesford, Emma Wager, Paul Hughes-Cromwick, Krutika Amin, and Cynthia Cox. Peterson-KFF Health System Tracker. July 20, 2023. <https://www.healthsystemtracker.org/chart-collection/what-impact-has-the-coronavirus-pandemic-had-on-healthcare-employment/>

Figure 16

States reported fee-for-service rate increases for nursing facilities and HCBS providers more than for other provider categories.

FFS Provider Rate Increases Adopted for FY 2024

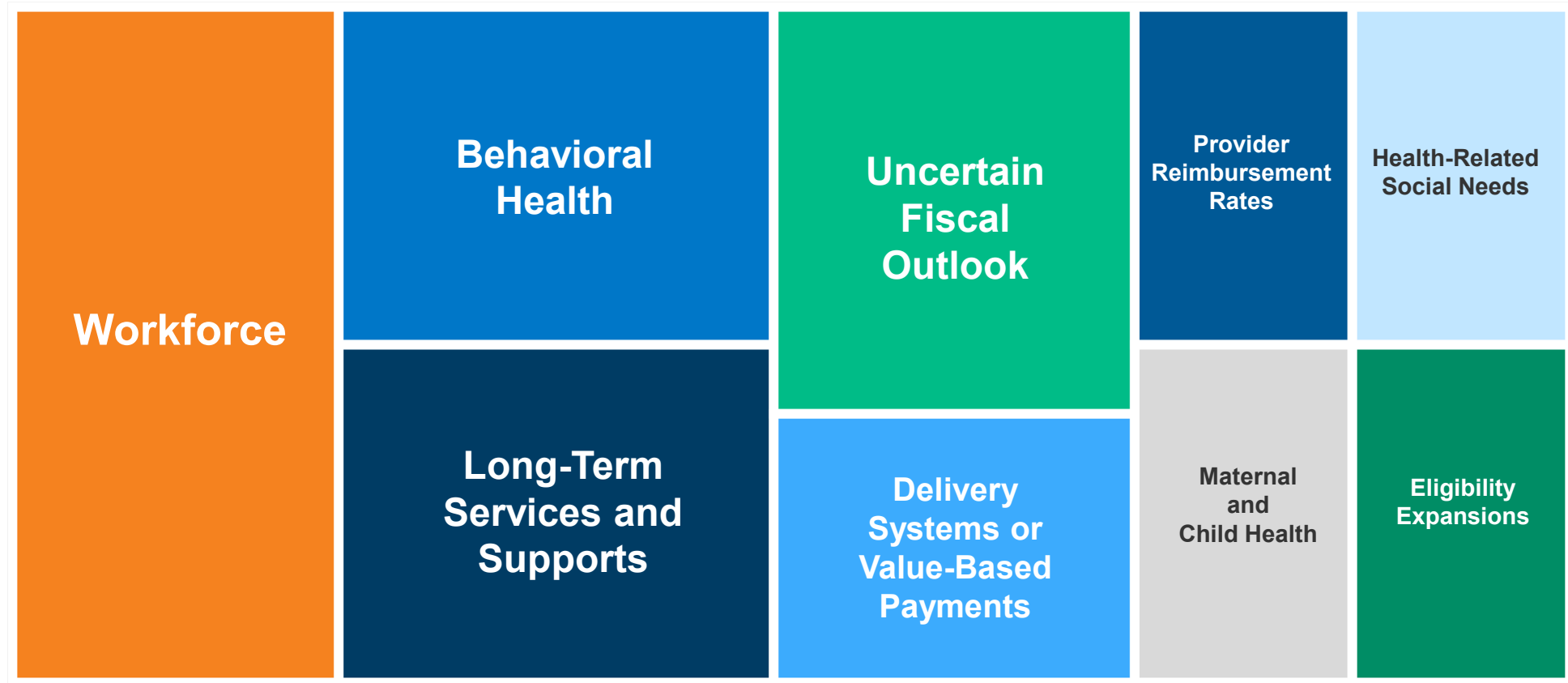


NOTE: HCBS = home and community-based services. Provider payment restrictions include rate cuts for any provider or freezes for nursing facilities or inpatient hospitals. FL, MN, and SC did not respond to the 2023 survey.

SOURCE: KFF annual Medicaid budget survey, November 2023

Figure 17

Beyond unwinding the continuous enrollment provision, states reported other key challenges and priorities.



SOURCE: KFF annual Medicaid budget survey, November 2023