

Medicaid Spending by State During Fiscal Year 2020

5 Slide Series, Volume 100

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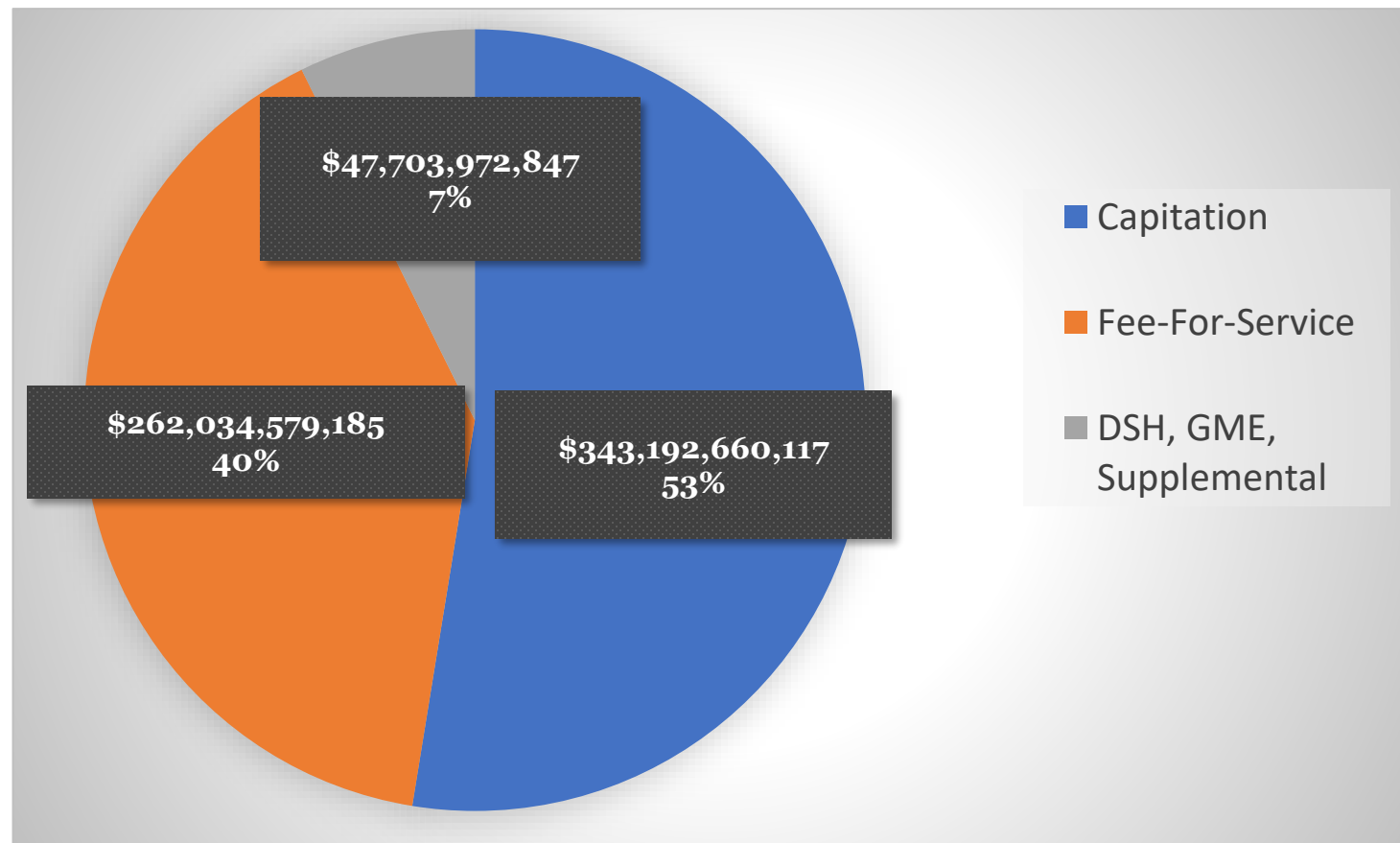
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Strategic Health Policy & Care Coordination Consulting

Overview

- This edition of our Series presents Medicaid expenditures by state during federal fiscal year (FFY) 2020, conveying how capitation contracting is used.
- **Nationwide, more than half of Medicaid spending (52.6%) occurred via capitation payments.** This proportion has increased sharply across the past decade as states have embraced and expanded use of a comprehensive care coordination model.
 - During FFY2010, only 27% of Medicaid spending occurred via capitation. In 22 states, capitation represented the majority of 2020 Medicaid spending.
 - In nine states, capitation payments accounted for more than 70% of total Medicaid expenditures during FFY2020.
 - In four states – Hawaii, Iowa, Kansas and New Mexico – capitation contracting represented more than 80% of the state’s overall 2020 Medicaid expenditures, with Hawaii leading all states at 90.3% Medicaid spending occurring via capitation. At the other end of the continuum, four states had no capitation contracting/spending during FFY2020.
- Fee for service claims payments represented 40.1% of nationwide Medicaid costs during FFY2020.
- Special financing expenditures unrelated to any individual’s health care – including disproportionate share hospital (DSH) payments, graduate medical education (GME), and supplemental payments – collectively represented 7.3% of FFY2020 Medicaid expenditures.

National Distribution of FY2020 Medicaid Expenditures



Source: CMS FMR reports, Menges Group tabulations

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In 9 States, Capitation Payments Represented 70% or More of Total FFY2020 Medicaid Expenditures

State/Jurisdiction	FFY2020 Medicaid Expenditures	Capitation Payments	Capitation % of Total	Rank, Percentage of Medicaid Expenditures Occurring Via Capitation
Hawaii	\$2,330,861,339	\$2,105,043,904	90.3%	1
Iowa	\$5,822,570,106	\$5,229,229,360	89.8%	2
Kansas	\$3,829,902,734	\$3,387,902,696	88.5%	3
New Mexico	\$6,287,136,348	\$5,044,606,455	80.2%	4
Arizona	\$14,380,097,500	\$11,387,062,235	79.2%	5
Washington	\$13,616,067,808	\$10,747,764,301	78.9%	6
Pennsylvania	\$34,964,896,749	\$25,728,732,528	73.6%	7
Tennessee	\$11,538,272,557	\$8,353,616,960	72.4%	8
Delaware	\$2,383,475,292	\$1,689,529,716	70.9%	9

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In 13 Additional States, Capitation Represented More than Half of FFY2020 Medicaid Expenditures

State/Jurisdiction	FFY2020 Medicaid Expenditures	Capitation Payments	Capitation % of Total	Rank, Percentage of Medicaid Expenditures Occurring Via Capitation
Illinois	\$22,387,970,467	\$14,997,786,706	67.0%	10
Kentucky	\$11,905,613,440	\$7,694,822,270	64.6%	11
Louisiana	\$12,559,462,713	\$7,990,119,209	63.6%	12
Florida	\$25,287,463,190	\$15,929,216,538	63.0%	13
Ohio	\$25,194,454,160	\$15,618,453,626	62.0%	14
Michigan	\$19,110,820,883	\$11,768,481,808	61.6%	15
Virginia	\$13,512,390,024	\$8,203,512,075	60.7%	16
New York	\$70,674,153,157	\$42,814,252,445	60.6%	17
New Jersey	\$16,411,726,557	\$9,639,763,224	58.7%	18
Texas	\$41,798,895,649	\$24,495,429,656	58.6%	19
Oregon	\$10,660,624,000	\$6,184,106,128	58.0%	20
Rhode Island	\$2,810,004,409	\$1,547,821,940	55.1%	21
Wisconsin	\$9,345,285,225	\$4,691,440,915	50.2%	22

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In 18 States (plus DC), Capitation Represented 20% - 50% of FFY2020 Medicaid Expenditures

State/Jurisdiction	FFY2020 Medicaid Expenditures	Capitation Payments	Capitation % of Total	Rank, % of Medicaid Expenditures Occurring Via Capitation
Nebraska	\$2,290,915,253	\$1,126,227,584	49.2%	23
Mississippi	\$5,596,349,573	\$2,698,286,243	48.2%	24
Maryland	\$11,901,582,041	\$5,717,538,267	48.0%	25
South Carolina	\$6,651,671,712	\$3,144,674,457	47.3%	26
Minnesota	\$13,611,654,951	\$6,429,810,191	47.2%	27
Nevada	\$4,119,506,708	\$1,881,949,263	45.7%	28
Utah	\$3,084,967,869	\$1,372,372,675	44.5%	29
California	\$97,209,600,476	\$43,108,803,279	44.3%	30
West Virginia	\$4,145,950,758	\$1,811,307,609	43.7%	31
New Hampshire	\$2,252,876,680	\$977,518,136	43.4%	32
Indiana	\$14,269,009,974	\$5,901,721,980	41.4%	33
Massachusetts	\$17,967,352,114	\$7,155,503,134	39.8%	34
Arkansas	\$6,619,665,977	\$2,380,315,153	36.0%	35
Georgia	\$11,298,595,472	\$3,894,395,152	34.5%	36
North Dakota	\$1,274,342,537	\$269,419,472	21.1%	37
District of Columbia	\$4,336,762,398	\$913,310,806	21.1%	38
North Carolina	\$14,778,330,531	\$3,078,505,572	20.8%	39
Idaho	\$2,486,061,085	\$514,976,167	20.7%	40
Missouri	\$10,905,114,581	\$2,217,305,264	20.3%	41

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In 10 States, Capitation Represented Less Than 10% of FFY2020 Medicaid Expenditures

State/Jurisdiction	FFY2020 Medicaid Expenditures	Capitation Payments	Capitation % of Total	Rank, Percentage of Medicaid Expenditures Occurring Via Capitation
Colorado	\$9,571,342,660	\$844,137,182	8.8%	42
Oklahoma	\$4,971,314,398	\$99,723,956	2.0%	43
Wyoming	\$610,632,960	\$1,535,929	0.3%	44
Alabama	\$6,096,166,669	\$8,661,446	0.1%	45
Alaska	\$2,019,250,659	\$715,210	0.0%	46
Connecticut	\$8,488,113,264	\$14,330	0.0%	47
Maine	\$3,208,972,015	\$0	0.0%	48
Montana	\$1,992,926,465	\$0	0.0%	48
South Dakota	\$926,188,243	\$0	0.0%	48
Vermont	\$1,616,960,203	\$0	0.0%	48

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5 Slide Series Overview

Our 5 Slide Series is typically a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements. The Menges Group has developed a variety of datasets that we use to support our 5 Slide Series and client projects.

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