



## Medicaid: Efficient, Transparent and Effective

Medicaid has significantly increased health care coverage for working class Americans, while benefiting state economies, fueling innovation in health care quality and improving the health of people along the way. Medicaid is also extremely popular among its beneficiaries and the public. [86 percent](#) of Medicaid's beneficiaries report positive experiences with their coverage and [63 percent](#) of Americans view the program as very important. Two key drivers of Medicaid's success are the program's exceptional levels of efficiency and transparency.

### Medicaid is cost effective

Even though Medicaid provides [coverage](#) that is at least as comprehensive and affordable as private insurance, Medicaid continues to be a lean program and in some cases, actually saves states money.

- It costs Medicaid [significantly less](#) than private insurance to cover people of a comparable health status. Medicaid [costs](#) 27 percent less for children and 20 percent less for adults than private insurance.
- Medicaid spending per enrollee has grown more slowly than costs in the private insurance market. Over the past 30 years, the [average annual growth rate](#) per enrollee for Medicaid spending has been 4.2 percent, compared to a rate of 7.0 percent in the private insurance market.
- Medicaid generates long-term economic benefits. Children eligible for Medicaid eventually earn more as adults and pay more in taxes. This [increased tax revenue](#) means the government recoups 56 cents of every dollar spent on Medicaid by the time these children reach age 60.
- Medicaid saves states money by reducing the financial strain of entirely state-funded services that serve uninsured people. For example, as more previously uninsured residents have gained coverage through the Medicaid expansion, funding for hospitals to help with uncompensated care costs and mental health services has [declined](#).

### Medicaid improves the health of its beneficiaries

Medicaid plays an active role in improving health outcomes by increasing access to preventative care that was previously out of reach for millions of Americans.

- Medicaid enrollees are [more likely](#) than uninsured individuals to use preventive care, to have a regular office or clinic where they can access care and to receive treatment for depression and diabetes.
- [A recent study](#) comparing Medicaid expansion and non-expansion states found a correlation between Medicaid expansion and improved health outcomes among low-income adults. In addition to a significant increase in the share of adults reporting

excellent health, Medicaid expansion is associated with more frequent screenings for diabetes and fewer skipped medications due to cost.

- Medicaid significantly improves adults' mental health outcomes. [Clinical data](#) collected on groups with and without Medicaid demonstrate a 30 percent reduction in the rate of positive screens for depression among those with Medicaid coverage.

### **Medicaid's program integrity is similar to that of private insurance**

In addition to being a highly efficient program, Medicaid is accountable to taxpayers.

- A notable [study](#) in the *Journal of the American Medical Association* in 2012 found that Medicaid does not exhibit higher rates of fraud and abuse than Medicare or the private insurance market.
- Providers - not patients - are the [primary culprits](#) of the small amount of Medicaid fraud that does take place. Much of this occurs when doctors and hospitals bill for procedures that patients do not need or did not receive.
- Studies have [shown](#) that an effective way to curtail fraud and inefficiencies is to reduce waste on the provider side – not cut eligibility and coverage for beneficiaries.

### **Medicaid provides states the tools and resources needed to maintain the program's integrity**

Although rates of fraud and abuse in the Medicaid program are not higher than in the private sector and unlikely to be committed by beneficiaries themselves, states have a number of tools at their disposal to ensure program accountability.

- These tools include:
  - Access to a web-based portal that allows states to compare information and identify providers who may have committed Medicaid fraud in other states
  - Enhanced provider screening and enrollment requirements
  - Federal funding for data system enhancements that will help identify fraud and abuse
  - New and harsher penalties for committing Medicaid fraud and abuse
- By utilizing these resources, the government has realized a record-breaking [\\$10.7 billion](#) in recoveries of health care fraud over three years.
- Proposals to cap funding for Medicaid would [jeopardize](#) these successful initiatives by cutting funding for program integrity resources that are currently included in matched Medicaid funding.

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