
A Look at Variation in Medicaid Spending Per Enrollee by Group and Across States

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Medicaid is the primary program providing comprehensive health and long-term care coverage to approximately one in five low-income Americans. States administer Medicaid programs within broad federal rules, but have flexibility in designing programs, which creates variation in spending and enrollment as well as spending per enrollee across eligibility groups and states. Understanding variation in Medicaid spending per enrollee can help inform the implications of [various policy proposals](https://www.kff.org/compare-2024-candidates-health-care-policy/#medicaid) – such as expanding coverage for Medicaid enrollees or closing the coverage gap, as favored by the Biden-Harris Administration, or restructuring Medicaid financing into a block grant or a per capita cap as well as limiting Medicaid eligibility and benefits, policies that have in the past been favored by former President Trump.

This data note provides an overview of total Medicaid (state and federal shares) spending per enrollee for full-benefit Medicaid enrollees by eligibility group and state in 2021. Data from 2021 is the most current final version of Medicaid data at the time of this analysis. Full-benefit Medicaid enrollees are those that qualify for a full range of Medicaid services such as doctor’s visits, hospitalizations, prescription drugs, and home health services. A small number of total enrollees (9% of all enrollees in 2021) qualify for only a limited set of Medicaid benefits such as family planning or treatment of an emergency medical condition and are not included in this analysis. References to Medicaid enrollees in this data note refer to full-benefit enrollees. See methods for more details. Detailed state-level [data](https://www.kff.org/state-category/medicaid-chip/) (<https://www.kff.org/state-category/medicaid-chip/>) are also available on State Health Facts.

certain eligibility groups stems from variation in spending per enrollee across the eligibility groups. Spending per enrollee was highest for seniors, those ages 65 and older (\$18,923), and individuals with disabilities (\$18,437) (Figure 1). Those groups had per-enrollee spending approximately six times higher than child enrollees (\$3,023), which had the lowest spending of any eligibility group (Figure 1). Differences in spending per enrollee reflect differences in health care needs and utilization. For example, seniors and those eligible on the basis of disability tend to have higher rates of chronic conditions (<https://www.ncoa.org/article/get-the-facts-on-healthy-aging>), more complex health care needs (https://www.who.int/news-room/fact-sheets/detail/ageing-and-health#:~:text=Common%20health%20conditions%20associated%20with,Factors%20influencing%20healthy,%20ageing.and are more likely to utilize long-term services and supports (LTSS).)), and are more likely to utilize long-term services and supports (LTSS) (<https://www.kff.org/medicaid/issue-brief/who-uses-medicaid-long-term-services-and-supports/>), than other enrollees. Most seniors and some individuals with disabilities enrolled in Medicaid are also dually eligible for Medicare. For dual-eligible individuals, Medicare is the primary payer for acute care services while Medicaid pays for services that Medicare does not, including vision, dental, and most LTSS. Medicaid spending per enrollee accounts for less than half (<https://www.kff.org/other/state-indicator/medicare-spending-per-medicare-medicaid-enrollee-in-traditional-medicare/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>), of all spending for full-benefit dual-eligible individuals that are 65 and older.

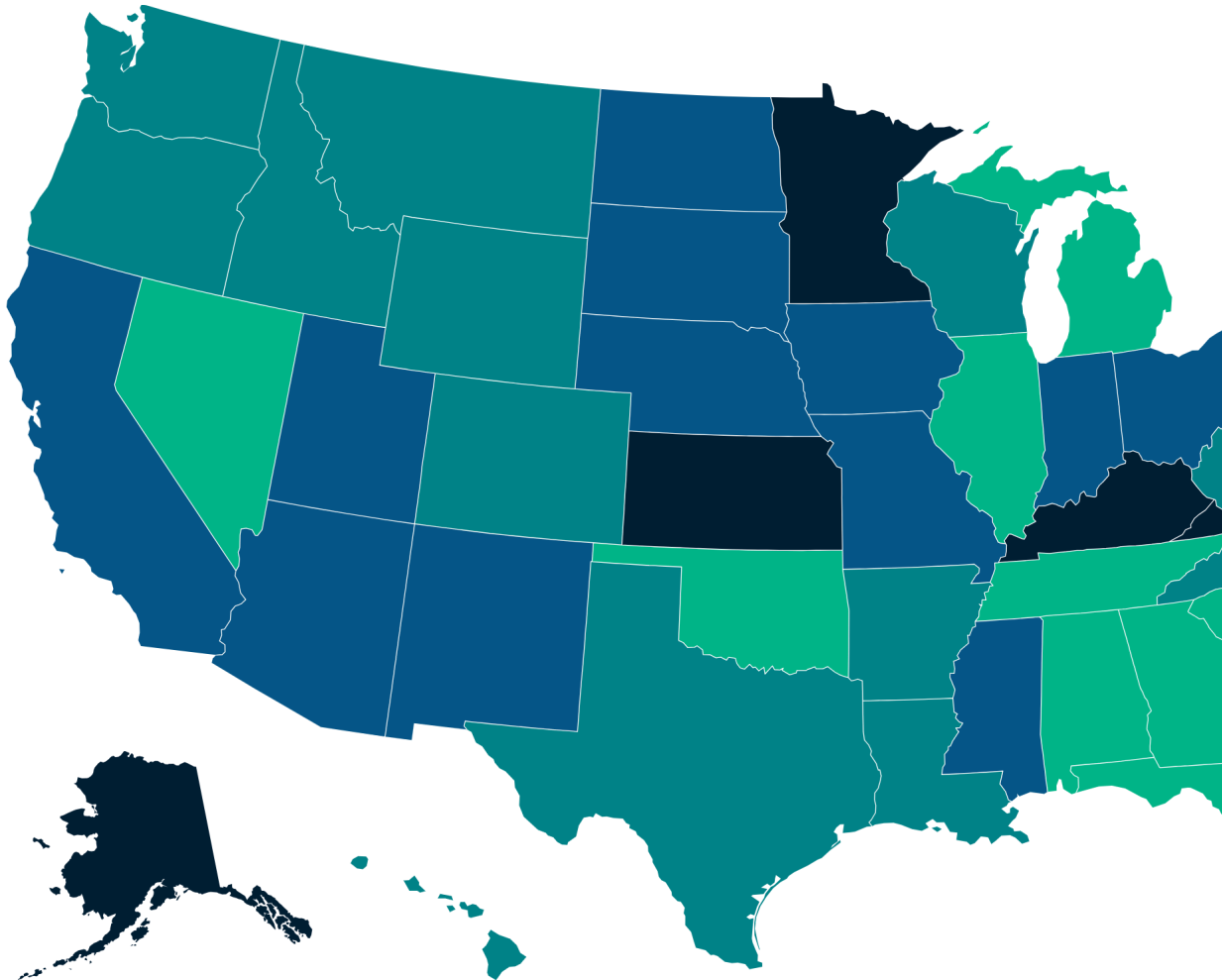
Spending per full-benefit enrollee by eligibility group, 2021

Children/Young Adults

Note: Data include full-benefit enrollees who were enrolled in at least one month of Medicaid in 2021. They may not have actually used any services during this period, but they are reported as enrolled in the program. National per-enrollee spending numbers do not include West Virginia or Mississippi enrollment or spending data due to data quality concerns flagged by the DQ Atlas in 2021.

Flexibility for states to determine eligibility levels, benefits, and provider payments in the Medicaid program leads to wide variation in per-enrollee spending across states (Figure 2). Other factors contributing to variation in per-enrollee spending include variation in state populations and demographics, ability and effort to raise revenue, and variation in health care costs and markets. Across states, Medicaid spending per enrollee ranged from \$3,750 to \$12,425, with a median spending of \$7,784 (Figure 2). Tennessee, Florida, Oklahoma, and Nevada reported some of the lowest spending per enrollee, while Washington, D.C., Virginia, Massachusetts, and Minnesota reported the highest spending per enrollee. Approximately one-fifth of states had spending greater than \$9,000 per enrollee (Figure 2).

< \$6,000 (9 states) \$6,000 - \$7,500 (13 states) \$7,500 - \$9,000 (19 states) > \$9,000 (10 states)



Note: National per-enrollee spending for full-benefit Medicaid enrollees was \$7,593. Data include full-benefit enrollees who were enrolled in at least one month of Medicaid in 2021. They may not have actually used any services during this period, but they are reported as enrolled in

Within each eligibility group, there is also considerable variation in spending per enrollee across states (Figure 3). Individuals with disabilities had the widest variation across states for per-enrollee spending, ranging from \$4,602 in Florida to \$52,602 in Connecticut (Figure 3). States have considerable flexibility to decide the populations and services covered for LTSS (<https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/>), which drives large variation in per-enrollee (<https://www.kff.org/medicaid/issue-brief/how-many-people-use-medicaid-long-term-services-and-supports-and-how-much-does-medicaid-spend-on-those-people/>). spending for seniors and people with disabilities, who are more likely

enrolled-in-medicaid-and-chip/), which contributes to somewhat less variation in per-enrollee spending for children.

Many—but not all—states that have relatively high or low overall per-enrollee spending tend to see those same patterns across eligibility groups in the state (Figure 3). Some states with the lowest overall per-enrollee spending (e.g. Tennessee, Oklahoma) fall among the states with the lowest per-enrollee spending for all eligibility groups (Figure 3). Others, such as Florida and Nevada are more mixed across eligibility groups. For example, Florida, has low per-enrollee spending across all eligibility groups except for children, where it has one of the highest per-enrollee spending. Similarly, some states with the highest overall per-enrollee spending (e.g. Washington, D.C., Virginia) fall among the states with the highest per-enrollee spending for all eligibility groups. However, states like Minnesota and Massachusetts are less consistently high across all eligibility groups (Figure 3).

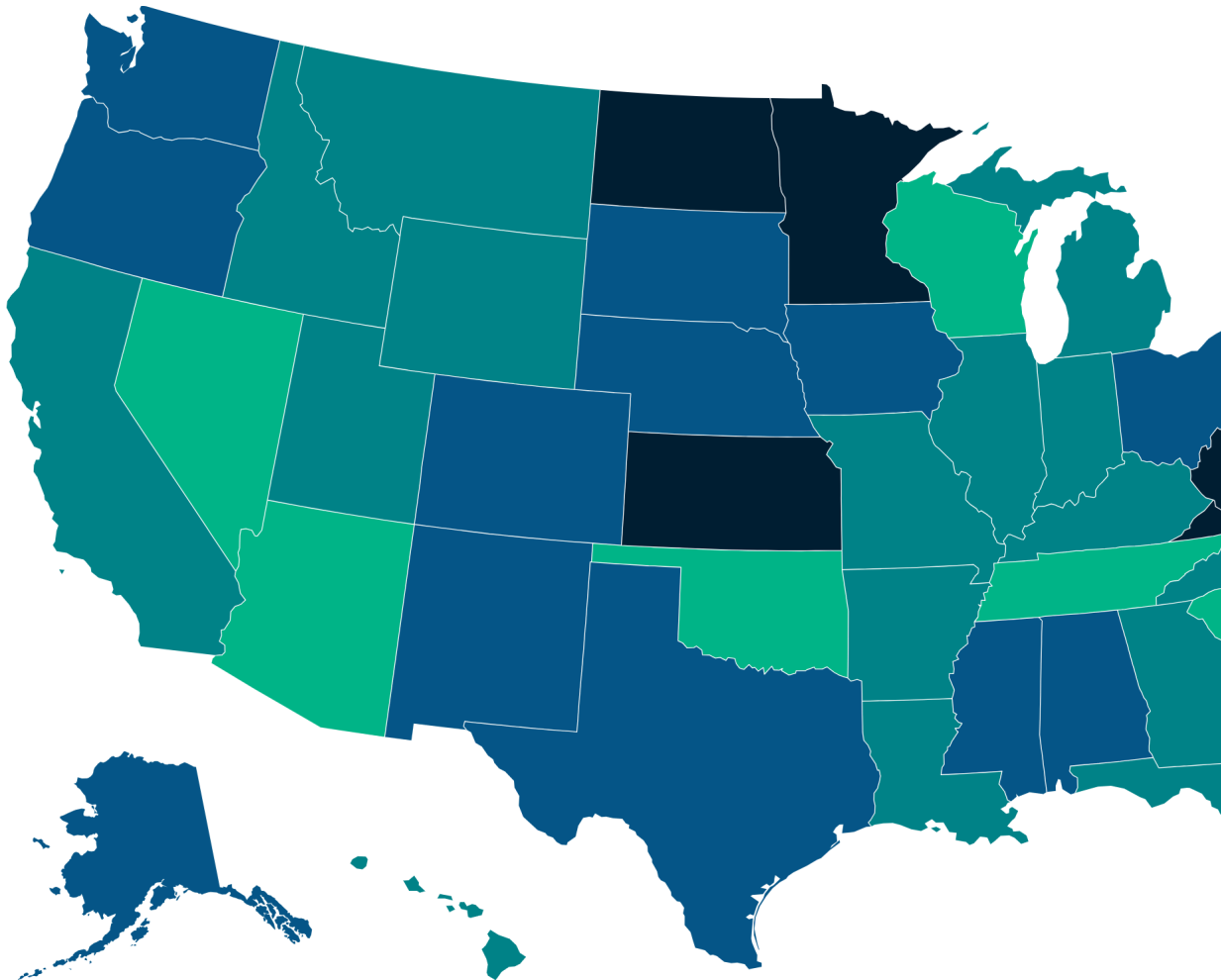
Seniors
Children

Individuals with Disabilities

ACA Expansion Adults

Adults

< \$13,000 (6 states) \$13,000 - \$19,000 (18 states) \$19,000 - \$25,000 (17 states) > \$25,000 (10 states)



Note: National per-enrollee spending for full-benefit senior Medicaid enrollees was \$18,923. Data include people who were enrolled in at least one month of full-benefit Medicaid in 2021. They may not have actually used any services during this period, but they are reported as enrolled in the program. Washington, D.C. (not reflected in the figure) spent \$33,126 per full-benefit senior enrollee. Spending data in 2021 for Mississippi and West Virginia was unusable

Even within a given state and eligibility group, there is wide variation in spending (Table 1). For example, among individuals with disabilities in Virginia, 25% had spending less than \$16,051 and 5% had spending more than \$127,703 – eight times higher (Table 1). Additionally, 25% of seniors in Alabama had spending less than \$2,061, and 25% had

Table 1

Within a State and Eligibility Group There is Wide Variation in Spending Per Enrollee

Spending per full-benefit enrollee by percentile in select states, CY 2021

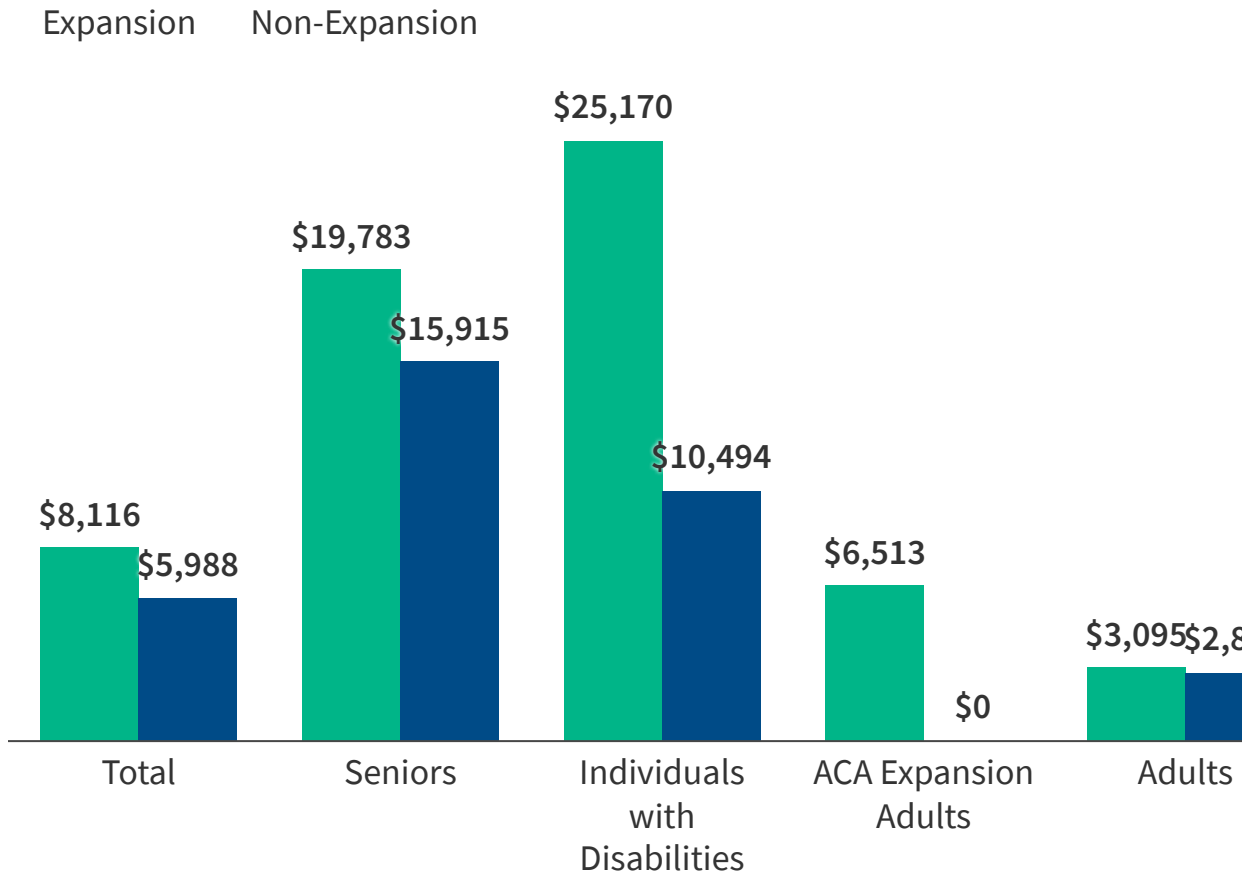
Percentile	Seniors in Alabama	Individuals with Disabilities in Virginia	ACA Expansion Adults in Washington	Adults in Colorado	Childre in Nort Carolin
>25%	\$2,061	\$16,051	\$4,043	\$863	\$1,48
>50% (State Median)	\$2,783	\$31,775	\$4,964	\$1,916	\$1,83
>75%	\$28,761	\$36,673	\$7,827	\$4,418	\$2,88
>95%	\$83,207	\$127,703	\$9,425	\$13,948	\$7,55

Note: This table includes states whose within state per-enrollee spending variation was close to

Per-enrollee spending in states that expanded Medicaid was higher for all eligibility groups than in non-expansion states (Figure 4). Expansion states spent on average \$8,116 per enrollee – over \$2,000 more per enrollee when compared to non-expansion states, which spent \$5,988 per enrollee (Figure 4). Some have argued (https://paragoninstitute.org/wp-content/uploads/2024/07/Medicaid-Financing-Reform_FOR-RELEASE_V1.pdf) that adopting Medicaid expansion diverts funding from non-expansion enrollees (e.g. children, individuals with disabilities) to enrollees eligible only after expanding Medicaid (i.e. ACA expansion adults). However, across all categories, average per-enrollee spending is higher in expansion states. For instance, expansion states have an average spending of \$25,170 per enrollee eligible based on disability, while non-expansion states spend on average \$10,494 per enrollee in the same eligibility group. Similarly, expansion states spend \$19,783 per senior enrollee

Figure 4

Per-Enrollee Spending in States That Expanded Medicaid Was Higher for All Eligibility Groups Than in Non-Expansion States



Note: Data include full-benefit enrollees who were enrolled in at least one month of Medicaid in 2021. They may not have actually used any services during this period, but they are reported as enrolled in the program. Per-enrollee spending numbers do not include West Virginia or Mississippi enrollment or spending data due to data quality concerns flagged by the DQ Atlas in 2021.



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spending per full-benefit enrollee use the T-MSIS Research Identifiable Demographic-Eligibility and Claims Files (T-MSIS data). This data note is based on State Health Facts data from CY 2021.

Overview of methods: KFF defined full-benefit enrollees as those who participated in Medicaid for at least 1 month with full-benefits or those who received at least one month of benefits through an alternative package of benchmark equivalent coverage. They may have not actually used any services during this period, but they are reported as enrolled in the program and are eligible to receive services. References to dual-eligible enrollees do not include Medicare Savings Program (MSP) enrollees due to the restriction of data to full-benefit enrollees only.

Spending: Spending was calculated by summing the total spending of all claims per full-benefit enrollee in the T-MSIS claims files.

Key limitations: National per-enrollee spending numbers do not include West Virginia or Mississippi due to data quality concerns flagged by the DQ Atlas in 2021.

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