

GAO Highlights

Highlights of [GAO-15-460](#), a report to congressional requesters

Why GAO Did This Study

Studies on healthcare spending generally find that a small percentage of individuals account for a large proportion of expenditures, and Medicaid—a federal-state health financing program for low-income and medically needy individuals—is no exception. Medicaid expenditures for fiscal year 2013 totaled about \$460 billion, covering about 72 million enrollees, some of whom were also eligible for Medicare. More information about Medicaid enrollees who are not also eligible for Medicare (i.e., Medicaid-only enrollees) and who account for a high proportion of expenditures could enhance efforts to manage expenditures and facilitate improvements to care.

GAO was asked to provide information about the characteristics of high-expenditure Medicaid-only enrollees and their expenditures. GAO (1) examined the distribution of expenditures among Medicaid-only enrollees, (2) determined whether the proportions of high-expenditure Medicaid-only enrollees in selected categories changed or remained consistent from year to year, and (3) determined whether the distribution of high-expenditure Medicaid-only enrollees' expenditures among selected categories of service varied across states.

GAO analyzed data from the Medicaid Statistical Information System Annual Person Summary File for fiscal years 2009, 2010, and 2011, the most recent years for which data from almost all states were available.

View [GAO-15-460](#). For more information, contact Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov.

May 2015

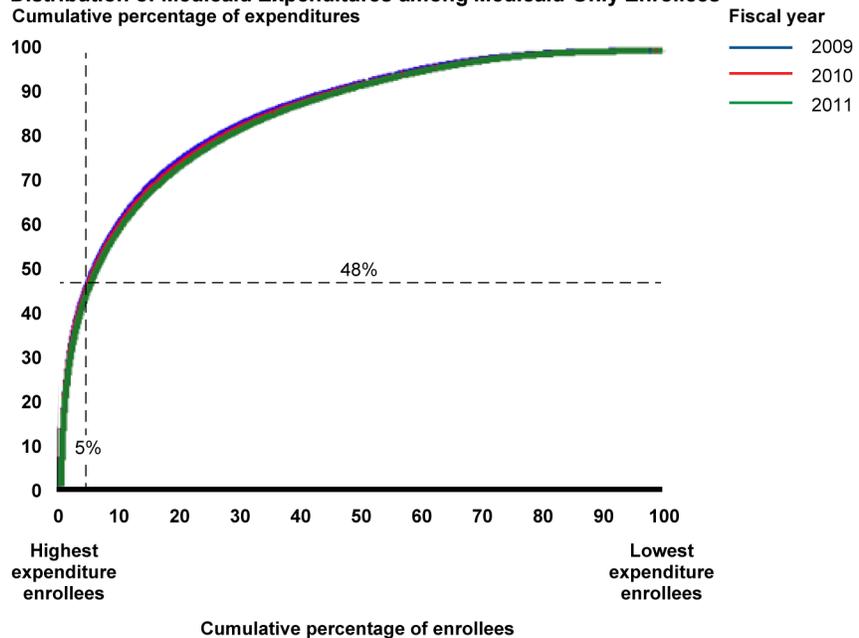
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A Small Share of Enrollees Consistently Accounted for a Large Share of Expenditures

What GAO Found

A small percentage of Medicaid-only enrollees—that is, those who were not also eligible for Medicare—consistently accounted for a large percentage of total Medicaid expenditures for Medicaid-only enrollees. In each fiscal year from 2009 through 2011, the most expensive 5 percent of Medicaid-only enrollees accounted for almost half of the expenditures for all Medicaid-only enrollees. In contrast, the least expensive 50 percent of Medicaid-only enrollees accounted for less than 8 percent of the expenditures for these enrollees.

Distribution of Medicaid Expenditures among Medicaid-Only Enrollees
Cumulative percentage of expenditures



Source: GAO analysis of data from the Centers for Medicare & Medicaid Services. | GAO-15-460

Notes: Data were from all states and the District of Columbia, but excluded Idaho in fiscal year 2010, as well as Florida and Maine in fiscal year 2011, as GAO determined these data were either unreliable or unavailable. The dashed lines in the figure show that the 5 percent of Medicaid-only enrollees with the highest expenditures nationwide accounted for 48 percent of total Medicaid expenditures for Medicaid-only enrollees in fiscal year 2011.

Of the Medicaid-only enrollees who were among the 5 percent with the highest expenditures within each state, the nationwide proportions of these enrollees in different eligibility groups (such as the disabled or children) and with certain conditions (such as asthma) or services (such as childbirth or delivery) were also consistent from fiscal years 2009 through 2011.

The distribution of high-expenditure Medicaid-only enrollees' expenditures among categories of service in fiscal year 2011 varied widely across states. Expenditures for managed care and premium assistance varied most widely (from 0 to 75 percent).

The Department of Health and Human Services provided technical comments on a draft of this report, which were incorporated as appropriate.