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# Medi-Cal Financing: A Brief Look Back...and Ahead

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"MEDI-CAL EXPLAINED: AN OVERVIEW OF  
PROGRAM BASICS"

CALIFORNIA HEALTH CARE FOUNDATION  
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# Looking Back: Putting the Medi-Cal Budget in Context



# Since 2007-08, Medi-Cal Enrollment and Total Program Spending Have Doubled...

	2007-08	2018-19	Increase	% Increase
<b>Medi-Cal Enrollment</b>	<b>6.6M</b>	<b>13.2M</b>	<b>+6.5M</b>	<b>+98%</b>
<b>Total Medi-Cal Spending*</b>	<b>\$46.0B</b>	<b>\$98.5B</b>	<b>+\$52.5B</b>	<b>+114%</b>

\* 2007-08 expenditures are inflation-adjusted to 2018-19 dollars.

Note: Medi-Cal enrollment and spending figures reflect estimates as of the May 2008 Medi-Cal Estimate (for 2007-08) and the November 2018 Medi-Cal Estimate (for 2018-19).

Source: Budget Center analysis of Department of Finance and Department of Health Care Services data



# Since 2007-08, Medi-Cal Enrollment and Total Program Spending Have Doubled...But General Fund Spending Is Up Only Modestly

	2007-08	2018-19	Increase	% Increase
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<i>State General Fund</i>	<i>\$17.7B</i>	<i>\$20.7B</i>	<i>+3.0B</i>	<i>+17%</i>
<i>Federal Funds</i>	<i>\$27.4B</i>	<i>\$62.7B</i>	<i>+\$35.3B</i>	<i>+129%</i>
<i>Other Non-Federal Funds</i>	<i>\$0.9B</i>	<i>\$15.1B</i>	<i>+\$14.2B</i>	<i>+1,610%</i>

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<b>General Fund Spending on Medi-Cal as a Share of Total State General Fund Spending</b>	<b>13.63%</b>	<b>14.35%</b>	<b>0.7 of a percentage point</b>	<b>5%</b>

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# Looking Ahead: Some Key Medi-Cal Financing Issues



# Higher State Cost-Sharing, Impact of the Next Recession

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- The state's share of cost for the ACA "optional" expansion population will rise from the current 7% to 10% on 1/1/20.
- The state's share of cost for CHIP-funded children will increase from the current 12% to the historical rate of 35% by 10/1/20.
- A recession is inevitable. How much of the state's considerable reserves will be used to shore up Medi-Cal's budget? Will the federal government ride to the rescue?



# Pending Expiration of the “MCO Tax” and Two Major Federal Medicaid Waivers

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- The state’s MCO tax expires on 7/1/19. This tax leverages additional federal funding for Medi-Cal and provides a net annual General Fund benefit of \$1.5 billion.
- The state’s Section 1915(b) “specialty mental health services” waiver expires on 7/1/20.
- The state’s Section 1115 “Medi-Cal 2020” waiver expires on 1/1/21. This waiver funds efforts to improve access to care as well as transform how care is delivered.







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