

## Introduction to Medicaid Snapshot

Medicaid was signed into law by President Lyndon B. Johnson in 1965 to provide Federal funding for States that choose to provide health care coverage to persons with low income or disabilities.[1] Federal laws determine mandatory program coverage. States, under Federal authority, determine optional coverage based on population needs.[2] Today, Medicaid covers additional services such as long-term care for the elderly,[3, 4] and all States, the District of Columbia, and the U.S. territories have Medicaid programs.

Medicaid represents one-sixth of the American health economy.[5] It is second only to Medicare among health programs, and is the largest when measured by enrollment. An estimated 72.5 million Americans, or about one of every five, were enrolled in Medicaid for at least 1 month in 2013.[6] In 2014, the Affordable Care Act provided States the flexibility to expand Medicaid coverage to individuals under age 65 in families with income below 133 percent of the Federal Poverty Level.[7] Through the Centers for Medicare & Medicaid Services (CMS) waiver application, States have the option to further expand coverage to populations beyond what can be covered under the State plan.[8, 9]

Federal and State laws determine Medicaid eligibility requirements.[10, 11] To be eligible for Medicaid individuals must meet the following requirements:

- Financial;
- Residency;
- Immigration status; and
- Document of U.S. citizenship.[12]

Historically, the Medicaid delivery system is fee-for-service (FFS).[13] As of July 1, 2015, more than two-thirds of Medicaid beneficiaries received most or all of their services from managed care plans.[14] Both Medicaid FFS programs and Medicaid managed care face significant challenges from improper payments.[15, 16] States and CMS continue to develop and implement better methods of preventing, detecting, and recovering losses from fraud, waste, and abuse.

## For More Information

The electronic version of this E-Bulletin, other E-Bulletins, and information on other program integrity topics are posted to the Medicaid Program Integrity Education page at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

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# References

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