



Medicaid Fact Sheet

Medicaid is an essential part of American health care. It helps improve the health and financial security of 76 million Americans every day, including more than 2 million veterans. Medicaid is the largest health care program in the country, serving as the primary health coverage for 1 in 5 Americans.

By covering a broad array of health services and limiting out-of-pocket costs, Medicaid is an integral part of the nation's health care system.

But how does the modern Medicaid program work? **Here are 10 key facts** on how it brings coverage, access to care, and security to tens of millions of Americans when they need it most.

Facts:

1. Medicaid was signed into law, alongside Medicare, in [1965](#) as a program to provide health coverage to low-income individuals and families across the country.
2. [Medicaid is a state-federal partnership](#). States have flexibility, subject to federal standards, to determine eligible populations and covered services, while the federal government provides a funding match guarantee.
3. Medicaid is also a partnership between the public and private sectors. While some states administer Medicaid directly through state Medicaid agencies, 39 states and the District of Columbia choose to partner with private health plans to deliver Medicaid benefits in what is known as Medicaid managed care. These Medicaid managed care programs [serve more than 55 million people](#) across the country.
4. [Medicaid serves a diverse population](#). Medicaid plays a vital role in providing health coverage to low-income individuals, pregnant women, children, veterans, and people with disabilities.
5. Rather than providing health care directly, [Medicaid pays hospitals, doctors, nursing homes, managed care plans, and other health care providers](#) for covered services that they deliver to Medicaid enrollees.
6. [Medicaid enrollment has proven to be strongly tied to an array of improving public health outcomes](#), including declines in infant mortality, reduced teen mortality, reduced disability, lower rates of hospitalization, and improved long-run educational attainment.
7. Medicaid plays a particularly vital role in covering children. In 2018, Medicaid and the Children's Health Insurance Program (CHIP) provided coverage for [over 45 million children](#) across the country. This represents about 75% of low-income children in most states.
8. Since the passage of the Affordable Care Act (ACA) in 2010, 37 states and the District of Columbia have increased access to health care coverage for more individuals through expansion of their Medicaid programs. States that choose to expand the program receive additional federal financial support for the program. Medicaid expansion programs have resulted in [an additional 13 million Americans](#) gaining coverage.
9. Medicaid is a critical support program for the elderly. Medicaid covers [more than 60% of all nursing home residents](#) and pays for 40% of long-term services and supports.
10. Medicaid is what is called a "countercyclical" program, meaning, as unemployment rises and incomes fall during economic downturns, [Medicaid enrollment and spending rise](#). This makes it a critical part of the country's safety net.

