

## Is Medicaid busting the budget?

Connecticut's Medicaid spending has grown by an estimated **5.3%** this fiscal year over last. Pharmacy costs, in particular, are rising at between 14 and 16%.

**However**, the US average for Medicaid growth this year is **13.4%**.

Nationally, Medicaid spending is **increasing** – from 10.6% growth in FY'01 to 13.4% in FY '02.

**However**, Connecticut's rate **dropped** from 7.0% in FY '01 to 5.3% in FY '02.

Connecticut's Medicaid budget has a deficiency of **\$69.9 million** for the current year.

**However**, Connecticut **almost always runs a deficiency** in the Medicaid account – both in good years and bad. \$69.9 million is pretty typical.

Connecticut's overall budget grew by **4.3%** for this year, a bit less than the growth in Medicaid spending.

**However**, the US average for states' budget growth from last year is only **2.0%**.

Proposals for next year's budget include Medicaid increases of between **3.2%** and **6.0%** for Medicaid.

**However**, other states are proposing Medicaid increases averaging **6.0%**.

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**Bottom Line: Connecticut's Medicaid increases are modest compared to other states. Connecticut's overall budget is growing far faster than other states', but Medicaid is not to blame.**

*Sources:*

*The Fiscal Survey of States, and Medicaid and Other State Healthcare Issues: The Current Situation*, both May 2002, National Governor's Association, National Association of State Budget Officers ([www.nasbo.org](http://www.nasbo.org))

Appropriations Committee Budget 2002

2002 Governor's Midterm Budget proposal (<http://www.opm.state.ct.us>)

2002, SB-660, An Act Making Adjustments to the State Budget

Office of the State Comptroller