MEDICAID FINANCING FOR THE UNINSURED: HOW THE REVENUES AND COSTS ARE COMPUTED

1. It is estimated that 342,000 total “newly eligibles” in IL will enroll by 2017: mostly adults without dependent children who have not qualified for Medicaid, but who have income under 133% federal poverty level

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>199,000</td>
</tr>
<tr>
<td>2015</td>
<td>298,000</td>
</tr>
<tr>
<td>2016</td>
<td>328,000</td>
</tr>
<tr>
<td>2017</td>
<td>342,000</td>
</tr>
</tbody>
</table>

   Assumes a stable population after 2017 (10% will never enroll)

2. It is estimated that the “newly eligibles” will receive the same service package as the adults in FamilyCare; however, since this population’s medical history is unknown, 10% was added to accommodate for potential differences in health status

   The cost for FamilyCare clients is $412 per member/per month (PMPM)
   The cost for the “newly eligibles” is therefore $454 PMPM, inflated by 2% per year

3. The federal government will pay 90%-100% of the costs for this new population.

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal match</th>
<th>Federal revenues</th>
<th>State portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>100%</td>
<td>$1,081,863,840</td>
<td>-0-</td>
</tr>
<tr>
<td>2015</td>
<td>100%</td>
<td>$1,656,168,574</td>
<td>-0-</td>
</tr>
<tr>
<td>2016</td>
<td>100%</td>
<td>$1,858,408,187</td>
<td>-0-</td>
</tr>
<tr>
<td>2017</td>
<td>95%</td>
<td>$1,877,271,898</td>
<td>$98,803,784</td>
</tr>
<tr>
<td>2018</td>
<td>94%</td>
<td>$1,894,661,364</td>
<td>$120,935,832</td>
</tr>
<tr>
<td>2019</td>
<td>93%</td>
<td>$1,911,995,499</td>
<td>$143,913,640</td>
</tr>
<tr>
<td>2020</td>
<td>90%</td>
<td>$1,887,324,590</td>
<td>$209,702,732</td>
</tr>
</tbody>
</table>

4. The new funds being provided by the Federal government will replace spending by hospitals, clinics, other providers, state GRF and local governments who have absorbed huge healthcare costs for the uninsured as uncompensated care.