

Pocket Facts & Summary

Medicaid: *Yesterday, Today, and Tomorrow*

- Congress created Medicaid in 1965 in the same legislation that created Medicare. Forty years later, Medicaid covered more than 53 million people nationwide at a cost of well over \$300 billion—larger in both size and cost than Medicare.
 - No single event in the history of Medicaid drove the growth of the program. Instead, incremental policy changes over the course of more than 40 years have slowly expanded the program.
 - Beginning in 1984, Congress undertook a massive expansion of the program every year through 1990, incrementally expanding services to pregnant women and children in particular.
 - As a result of the expansion, Medicaid provided services to 18 percent of the U.S. population in 2005, up from nine percent in 1985.
 - From 1986-2002, Texas Medicaid spending increased from less than \$2 billion to almost \$13 billion annually.
 - In 2006 Texas Medicaid will top \$18 billion and is projected to cover roughly 2.8 million people a month.
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This publication is intended to put growth in spending and caseload in context with policy changes at the federal and state levels over the life of the Medicaid program. Future publications will explore options for reform; however, it is essential to understand how past public policy decisions have shaped the program today.

See Back For Study Information

Medicaid: Yesterday, Today, and Tomorrow
*A Short History of Medicaid Policy
and Its Impact on Texas*

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Published March 2006 by the Texas Public Policy Foundation

Available online at:

<http://www.texaspolicy.com/pdf/2006-03-RR-medicaid-mks.pdf>
or by calling (512) 472-2700.

