



Medicaid is the largest single source of health insurance in the U.S., covering 1 in 5 Americans. The program's complex rules, however, have allowed powerful, politically influential corporations — including large hospital systems, nursing homes, and managed care organizations (MCOs) — to increase their payments and drive up state and federal costs.

Arnold Ventures is focused on policies that enhance Medicaid's efficiency, address perverse incentives, and do not impact coverage levels.

A well-functioning Medicaid program will ensure beneficiaries receive necessary care while protecting taxpayers from growing costs.

• Enhance Transparency and Curb Excessive Spending

- › Ensure full accounting of state and provider- level spending, including that associated with provider taxes, supplemental payments, directed payments, and intergovernmental transfers.
- › Address financing arrangements that inflate total spending and do not add meaningful value to beneficiaries.

• Modernize Program Oversight and Administration

- › Improve procurement, contracting, and accountability of MCOs and other entities contracting with Medicaid.
- › Reduce the administrative burden for states operating Medicaid programs, including eligibility, IT systems, and waivers.
- › Utilize improved oversight and data infrastructure to enhance efforts to identify and prevent fraud, waste, and abuse and to simplify enrollment and participation for people and providers in the program.

• Improve Care for Medicaid Beneficiaries

- › Foster innovation and rigorously evaluate outcomes for impact on total program costs, utilization, and access to coverage, especially those programs administered through 1115 waivers.
- › Expand programs that are found to improve outcomes, including those for people who are dually eligible for Medicare and Medicaid.

Why We Need to Improve Medicaid Care and Coverage, and Protect Taxpayers

1 in 5

Americans rely on Medicaid for health insurance¹

70%

of Medicaid costs are paid by the federal government²

10%

of the Federal budget is Medicaid funding³

50%

of Medicaid spending is through managed care organizations⁴

1. <https://www.kff.org/health-policy/101-medicaid/?entry=table-of-contents-how-has-medicaid-evolved-over-time>

2. https://www.macpac.gov/wp-content/uploads/2024/12/MACSTATS-Dec2024_WEB-508.pdf

3. <https://www.macpac.gov/wp-content/uploads/2024/12/2024-MACStats-Press-Release.pdf>

4. *ibid.*

[Arnold Ventures](#) is a philanthropy that supports research to understand the root causes of America's most persistent and pressing problems, as well as evidence-based solutions to address them. By focusing on systemic change, AV is working to improve the lives of American families, strengthen their communities, and promote their economic opportunity. Since Laura and John Arnold launched their foundation in 2008, the philanthropy has expanded, and Arnold Ventures' focus areas include education, criminal justice, health, infrastructure, and public finance, advocating for bipartisan policy reforms that will lead to lasting, scalable change. The Arnolds became signatories of the Giving Pledge in 2010.