



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 insurance<sup>1</sup>

**70%**

of Medicaid costs are paid by the federal government<sup>2</sup>

**10%**

of the Federal budget is Medicaid funding<sup>3</sup>

**50%**

of Medicaid spending is through managed care organizations<sup>4</sup>

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](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.*

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