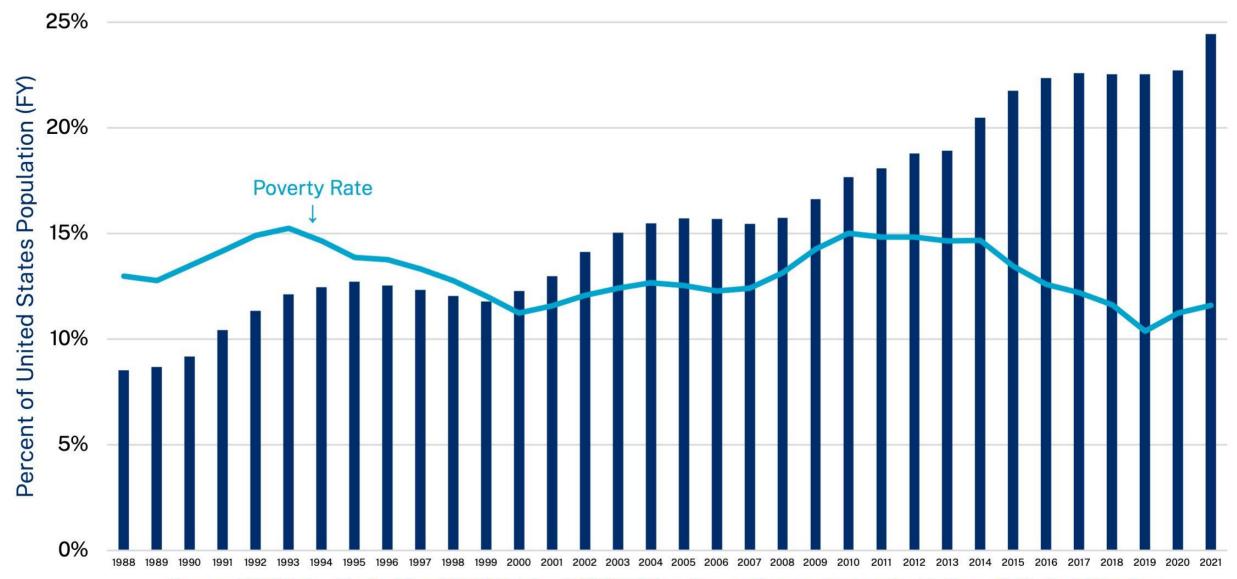


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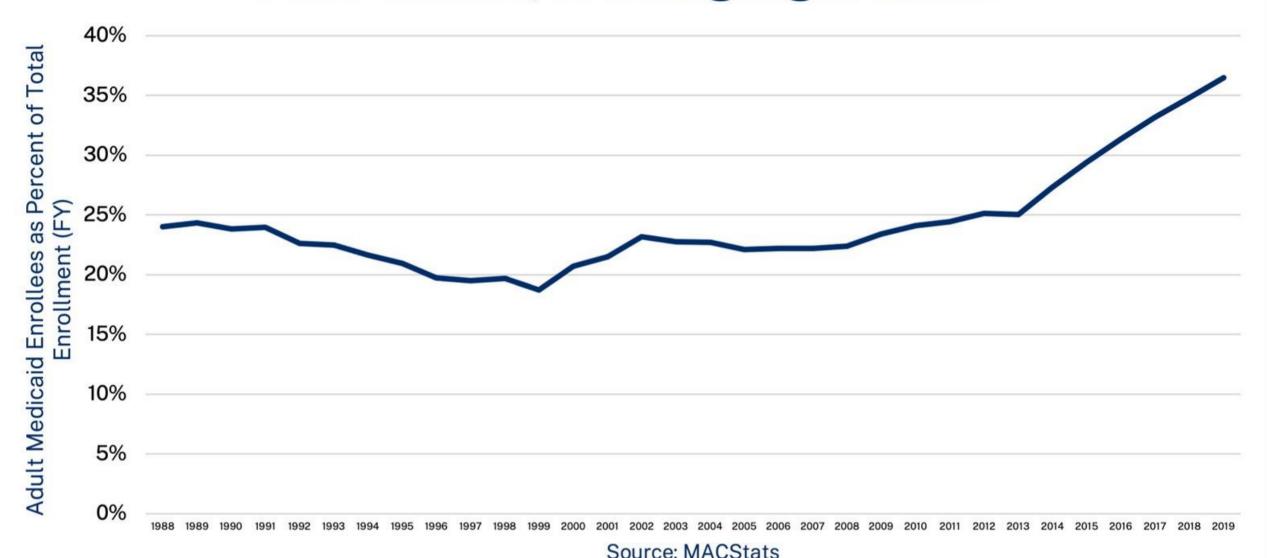
Medicaid is No Longer for the Poor

Enrollment Has Tripled over Last Three Decades as Enrollees Now Double People in Poverty



Source: MACStats - Medicaid and CHIP Databook 2021 Edition, Census Bureau, Centers for Medicare & Medicaid Services

Medicaid Enrollment Driven By Growth in Able-Bodied, Working-Age Adults



Diminished Capacity to Finance Medicaid

Now Only Two Workers Support a Medicaid Enrollee — Down from Five Workers Three Decades Ago

1988 5.1 to 1



2004 2.9 to 1



2021 1.9 to 1





Source: MACStats 2021 and Bureau of Labor Statistics

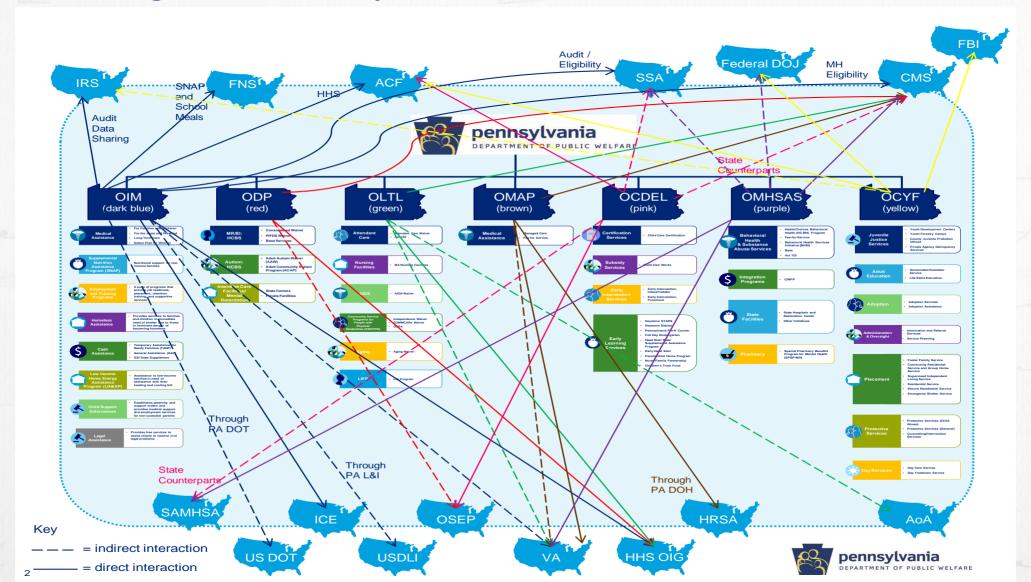
Medicaid Enrollment Projections for Under 65 Population, Per CBO (in millions)

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------|------|------|------|------|------|
| Population | 270 | 271 | 270 | 270 | 269 |
| Medicaid Enrollment | 71 | 73 | 71 | 64 | 61 |
| Blind & Disabled | 8 | 8 | 8 | 7 | 7 |
| Children | 33 | 34 | 32 | 30 | 28 |
| Adults | 30 | 32 | 31 | 28 | 26 |
| Multiple Coverage* | 18 | 19 | 17 | 14 | 13 |
| Medicaid as % of Population | 26% | 27% | 26% | 24% | 23% |



Chaos in the Federal-State Relationship

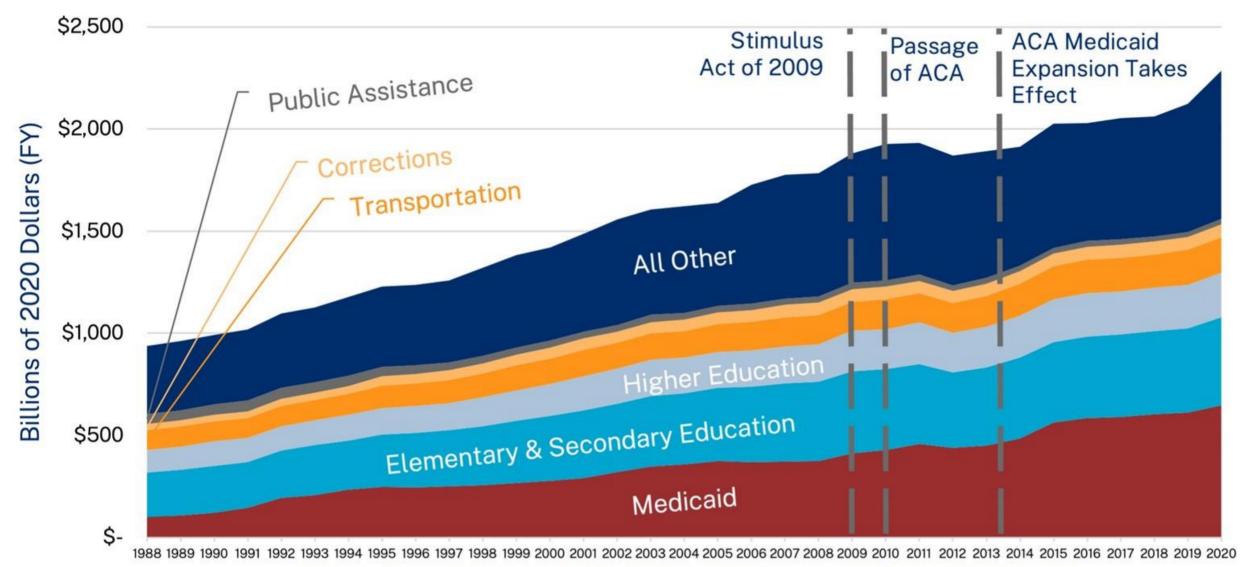
Below is a snapshot of what a state must deal with from the federal government: a myriad of conflicting rules and regulations from a massively disorganized bureaucracy.





State Spending Explosion Driven by Medicaid

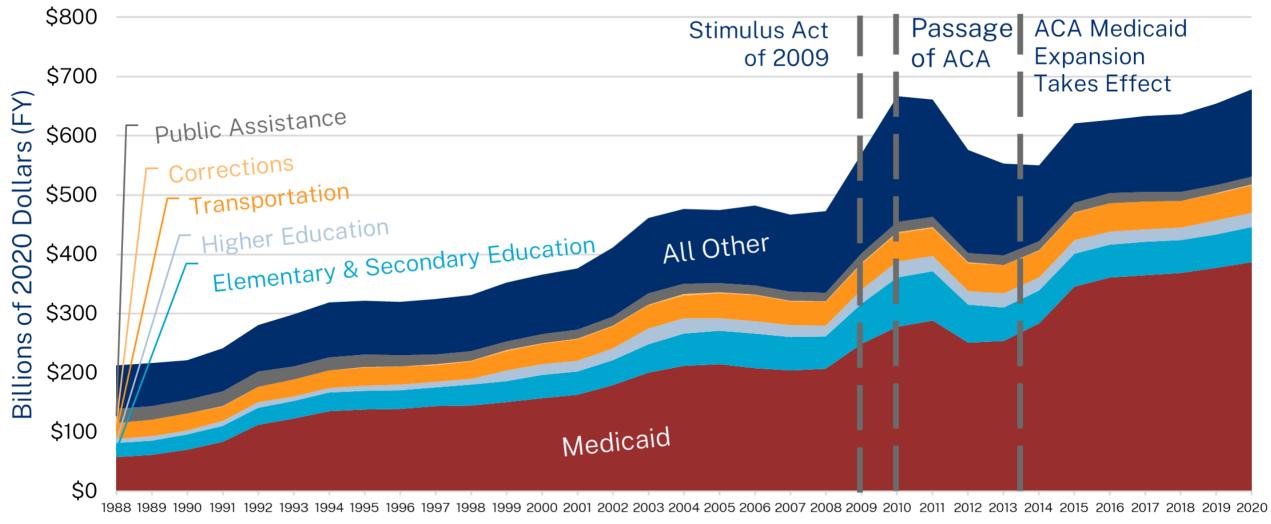
Real Medicaid Spending Up 500% Over Last Three Decades



Source: National Association of State Budget Officers' Annual Expenditure Report

An Explosion of Federal Money To States For Medicaid

Federal Funds For Medicaid Are Nearly 7 Times Greater Than Federal Funds For Elementary & Secondary Education

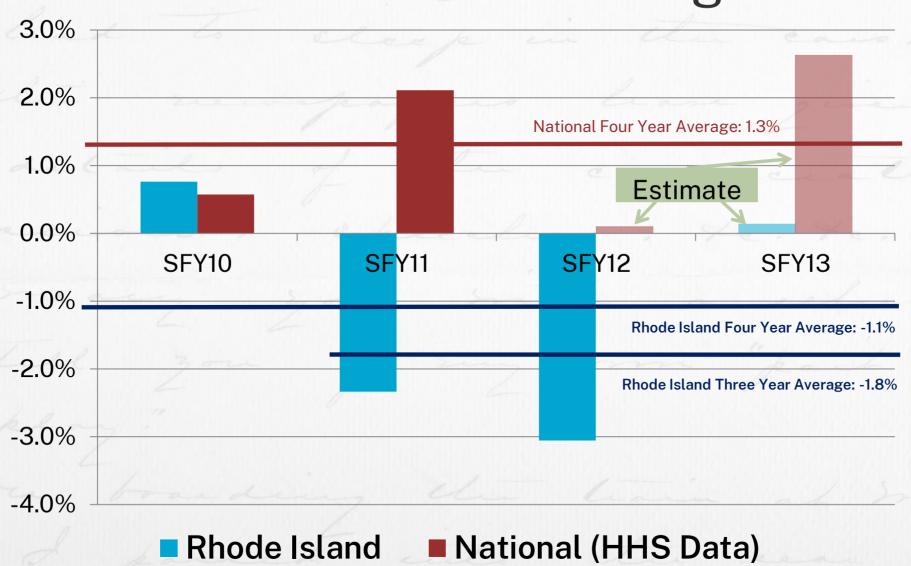


Source: National Association of State Budget Officers' Annual Expenditure Report



Rhode Island PMPM Cost Versus the Nation

RI Per-Person Cost Growth was Well Below National Average



RI Global Waiver Lessons Learned

- Multiple waivers create inefficiencies and poorer outcomes.
- The cap toppled the Medicaid culture of continually increasing spending.
- Bipartisan with a Republican governor and a Democratic legislature.
- While CMS approved the waiver, it also limited its total success. Limit the authority of CMS to reject innovative ideas that don't increase costs.
- Allowing states to keep a portion of savings will incentivize cost containment and innovation.
- Redesigning Medicaid takes dedication and hard work lots of it.



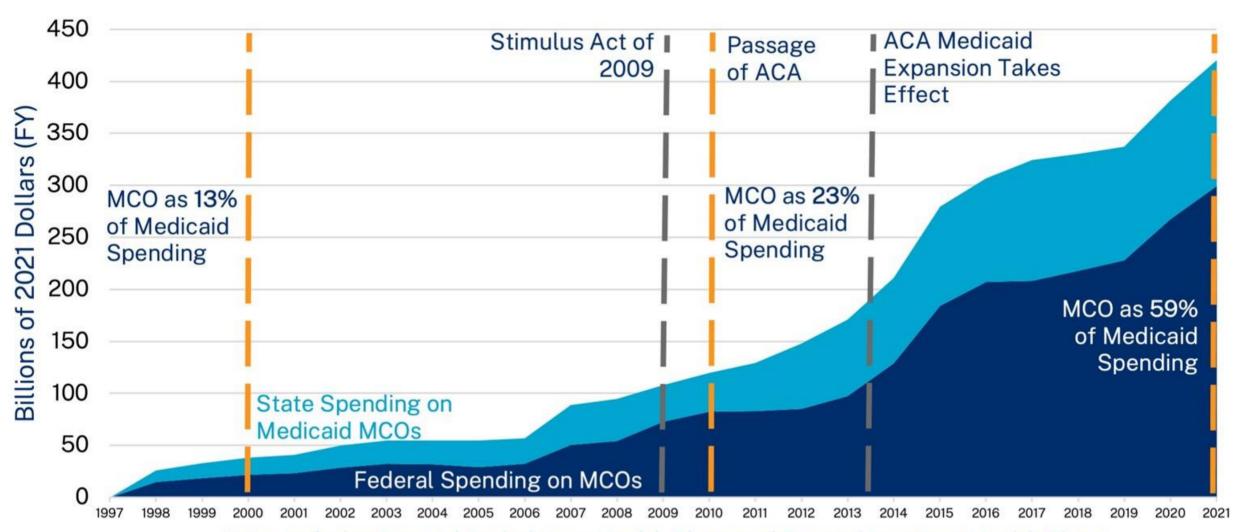


What do we know about Medicaid expansion?

- Enrollment much greater than expectations
- Per enrollee spending much greater than expectations
- ER use soared
- Improper payments soared
- Medicaid managed care spending soared
- Life expectancy declined, with greater declines in expansion states



Medicaid Managed Care Organization (MCO) Spending Growth Soared After Affordable Care Act



Note: Includes Prepaid Ambulatory Health Plans and Prepaid Inpatient Health Plans Source: CMS FMR 1997-2021, Health Management Associates





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