

6 REASONS THE MEDICAID MARKET IS RIPE FOR INNOVATION

1 LARGE PATIENT VOLUME

Medicaid covers
1 IN 5 AMERICANS



California's state Medicaid program, Medi-Cal, is the largest in the nation and covers

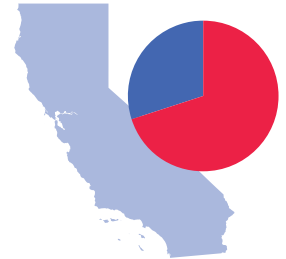
1 IN 3 CALIFORNIANS

2 KEY MARKET FOR MANY INSURERS

Medi-Cal patients account for more than

70% OF ENROLLMENT

for 5 of the 10 largest insurers in California.



3 SIGNIFICANT SOURCE OF SPENDING

Nationally, annual Medicaid spending exceeds
\$550 BILLION



In California, Medi-Cal spending will approach

\$100 BILLION

this year, including federal matching funds.

4 INCENTIVES TO INNOVATE



California has numerous active pilot programs and more than

\$10 BILLION

of new funding to incentivize approaches to delivering care that improve quality and lower costs.

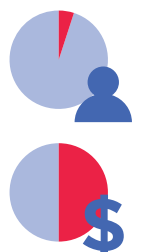
5 PRESSURE TO DELIVER VALUE

Both nationally and in California, about
80% OF MEDICAID PATIENTS are enrolled in managed care plans, which receive a fixed sum per patient rather than per service, motivating plans to optimize the value of the care they deliver.



6 BIG OPPORTUNITY FOR IMPACT

5% OF PATIENTS account for more than
50% OF MEDICAID SPENDING leaving significant room for innovations that improve outcomes and reduce costs for complex patients.



To learn more about the Medicaid market and for sources for all of these statistics, visit www.chcf.org/medicaid-market.

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