Local Government Responsibilities In Health Care

U.S. Advisory Commission
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Washington, DC 20575

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EXECUTIVE SUMMARY

Local governments have a large and growing role in national health care, and they must be included in any plans for implementing reforms. Whether policies and standards are set by the federal and/or state governments, local governments deliver many health services, especially those directed at vulnerable populations.

Unless local officials are involved early in planning for implementation of health care reforms, unnecessary delays and problems may result, with serious effects on people who depend on local governments for health care services.

In this report—-local ***Government Responsibilities in HeolfhCore—ACIR*** reviews local expenditures for health care, their relation to health care reform, and the needs for additional information.

Highlights

- Local governments spend an estimated $85 billion per year on health care services—about one of every eight dollars spent by local governments. The biggest expenditures are for:
  - **(1)** locally owned and operated hospitals, $32.8 billion (1992);
  - (2) employee health care, $31.1 billion (1993);
  - (3) retiree health care, **$2.6** billion (1993);

(4) public health services, $13.7 billion (1992); and

(5) local share of Medicaid, $4.6 billion (1993).

- Local government spending on health is growing rapidly. In just one year (1991 to 1992), spending on hospitals and public health increased 9.1 percent and 8.9 percent, far exceeding the overall 4.9 percent increase in local government spending.

- Counties, cities, and special districts in 41 states and the District of Columbia own and operate 1,405 acute care hospitals. In addition, local governments in 25 states operate 195 institutions that provide hospital-related services. These governments spent over $30 billion in 1991, or an average of $21.3 million per hospital owned.

- Local public hospital spending is financed predominantly from charges—$22.8 billion or about 75 percent in 1991. The charges are paid by Medicare, Medicaid, other third-party payers, and self-payers. The remaining $7.2 billion was financed by a combination of local own-source revenues and federal or state intergovernmental transfers.

- Local governments spent $13.7 billion on public health services in 1992. State aid financed about $6.4 billion of local public health spending.

- Counties are the principal providers of public health services, at an estimated cost of $9.1 billion in 1991. Cities followed at $2.9 billion and special districts at $.6 billion.

- Counties have some responsibility for Medicaid financing in 22 states. Counties in 15 states spent $4.6 billion on Medicaid in 1993. The local shares range from about 50 percent in Arizona and New York to 1 percent or less in five states.

- Local governments have more than 10 million full-time and part-time employees. These governments provided health insurance for approximately 9.1 million employees in 1993, at an estimated cost of about $31 billion.

- Local governments provide health insurance for an estimated 1.6 million retirees at a cost of about $2.6 billion.

There are wide variations between states in the health care services local governments provide and in how they are financed. For example, in Texas, 160 local governments own and operate hospitals, at a cost of $2.2 billion; Maryland has no locally owned hospitals.

It will be important in considering national health care reform to recognize the importance of the local government health care role as well as the different effects that changes will have on local governments depending on the type and size of government and the state in which they are located.

PREFACE AND ACKNOWLEDGMENTS

National debates about health care reform are focused primarily on the roles of the federal and state governments in financing, administering, and regulating health care systems. The roles of local governments have received little attention. In part, this is because it is hard to evaluate how reform proposals will affect the large numbers of local governments with their diverse health care responsibilities, about which there is a lack of information. Nevertheless, health care reform will affect local governments, and they will play a role in effective implementation. This report reviews the information that ACIR has collected about local expenditures for health care, and discusses the need for additional information.

The report was written by Philip M. Dearborn, Director of Government Finance Research at the Advisory Commission on Intergovernmental Relations. He was assisted by Jill Gibbons, ACIR Finance Analyst.

The Commission would like to thank all those who reviewed and commented on the report, or provided other information, especially: *Cathie Eitelberg*, Government Finance Officers' Association; *Dave Garrison*, U.S. Department of Health and Human Services; *John Goetz*, Moodys Investors Service; *Thomns Joseph*, National Association of Counties; ***Ann*** *Kempinski*, American Federation of State, County, and Municipal Employees; *Sue Madden*, Public Health Foundation; *Marie Monrad*, American Federation of State, County, and Municipal Employees; *Doug Peterson*, National League of Cities; *Nancy Rawding*, National Association of County Health Officials; *Lisa Rovin*, **U.S.** Department of Health and Human Services; ***Mary*** *Uyeda*, National **As**sociation of Counties; and *Henry Wulf*, U. **S.** Bureau of the Census.

Joan Casey edited the report. The charts were prepared by Mark Schreiner, an Intern at ACIR. Stephanie Richardson and Cheryl Fortineau assisted in preparing the report for publication.

The Commission and its staff take full responsibility for the contents of the report, which was approved by the Commission on June 17, **1994.**

William E. Davis 111
Executive Director

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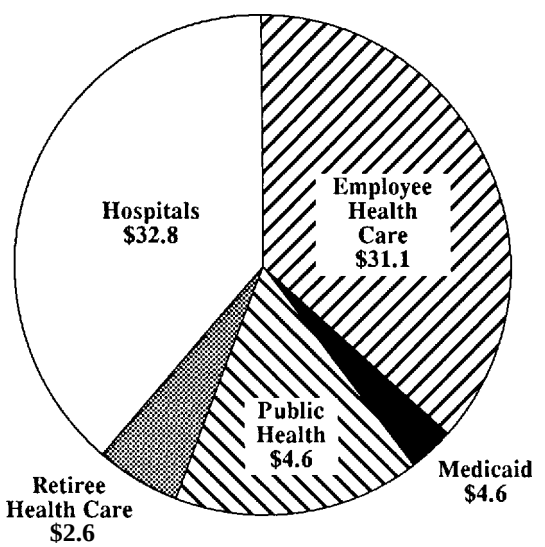
INTRODUCTION

Local governments spend an estimated ***$85*** billion per year on health care, based on the latest years for which information is available (see Chart 1). This means about one of every eight dollars spent by local governments is for health-related activities, including (1) protecting the health of the community, (2) providing health care for low-income and uninsured residents, (3) providing health benefits for their employees and retirees, and (4) helping states finance Medicaid.

Chart 1

Local Governments Spent $84.8 Billion for Health

(in billions of dollars)



Local spending on health services is a large and rapidly growing budget component. Spending on two key services, hospitals and public health, increased **9.1** percent and **8.9** percent, respectively, from **1991** to **1992.** These were the two fastest growing services of local governments, far exceeding the overall **4.9** percent increase in spending (see Chart **2** and Appendix Table 1). State governments' average health insurance premiums were reported to have risen about 10 percent in **1993,** and local governments probably experienced a similar increase.'

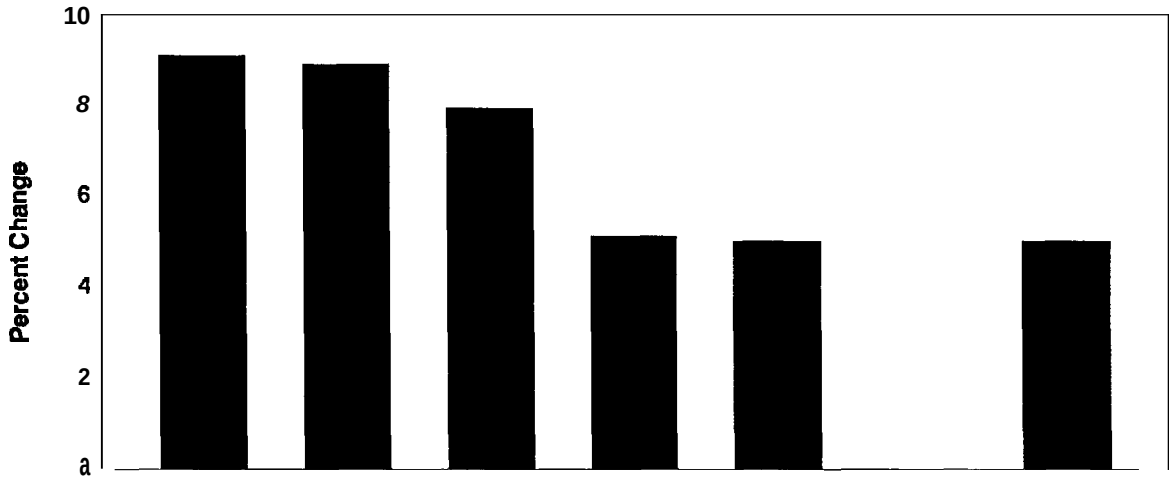
Local governments have a large and growing role in national health care, and they must be included in any plans for implementing reforms to that system. While overall policies and standards may be set by the federal and state governments, it is local governments that deliver many health services, especially those directed at vulnerable populations.

To meet their responsibilities, local governments will need to adjust their budgets and operational plans. Unless local officials are involved in planning for implementation early in the process, delays and unnecessary problems may result, and people who depend on local governments for health care services may be affected.

There are wide variations between states in the health care services local governments provide and in how they finance those services. For example, in Texas, 160 local governments own

Chart **2**

Local Hospital and Public Health Spending Leads All Other Increases from 1991 to 1992



and operate hospitals with $2.2 billion in hospital expenditures; in Maryland, there are no locally owned hospitals.[2] In considering national health care reform, the importance of the local government health care role must be recognized, as well as the different effects that changes may have on local governments depending on their type and size and the state where they are located.

This report examines the five principal areas of local government spending on health care: (1) locally owned and operated hospitals; (2) employee health care; (3) retiree health care; (4) public health services; and (5) local share of Medicaid. Ideally, the sources of funding for these expenditures would also be shown, but the available information does not permit an estimate of how local governments finance each of these services. Based on the most recent information available, the estimated annual expenditures for these programs are as follows:

Hospitals (1992)	$32.8 billion
Employee Health Care (1993)	31.1
Retiree Health Care (1993)	2.6
Public Health (1992)	13.7
Medicaid (1993)	4.6
Total	$84.8 billion

The nature of each of these services and their implications for health care reform will be considered separately. Some of the data and research questions for which answers are needed will also be discussed.

Number, Type, and Expenditures

Local governments (counties, cities, and special districts) in 41 states and the District of Columbia own and operate **1,408** acute care hospitals, as defined by the American Hospital Association. In addition, local governments in 25 states operate 195 institutions that provide hospital-related services but are not classified as hospitals.[3] Local government direct hospital expenditures totaled over $30 billion in 1991, the latest year for which detailed information is available, including $2 billion of capital spending, or an average of $21.3 million per hospital owned (see Table 1 and Appendix Tables 2, 3, and 4).[4]

Table 7

Hospitals Owned and Operated by Local Governments, 1991

Type of Government	Number of Hospitals	Expenditures (millions)	Average per Hospital (millions)
County	618	$13,643	$22.1
Special Dislrict	528	9,342	17.7
City	262	7,035	26.9
Total	1,408	$30,020	$21.3

Source: U.S. Department of Commerce, Bureau of the Census, 1992 *Census of Governments* (unpublished), and *Government Finances 1990-91* (Washington, DC, 1993).

Although cities operated the fewest hospitals, they tended to be larger institutions with average expenditures per hospital of $26.9 million, compared to $22.1 million for county hospitals and $17.7 million for special districts. There are wide variations among states. In New York, the 21 city-owned hospitals, including **14** in New York City, averaged $151.8 million in expenditures per hospital. In contrast, 26 county hospitals in Nebraska averaged just **$3.5** million per hospital.[5] As would be expected, the states with large geographical areas and low population densities tend to have a lower average spending per hospital, but there are some exceptions. For example, the **45** county hospitals in Texas each averaged $26.5 million in spending, while 5 county hospitals in Massachusetts averaged $11.9 million.[6]

Overall, a relatively small number of large local hospitals accounts for a large share of total local spending. Of the 1,408 hospitals, 111 county and city hospitals, or 7.9 percent, account for $14.7 billion, or 48.9 percent of the total local hospital expenditures. New York City hospitals account for $3.1 billion, over 10 percent, and Los Angeles County hospitals account for another $1.4 billion, or almost 5 percent of all local hospital spending (see Chart 3 and Appendix Table 5).[7]

Revenues

The revenues to finance local hospital spending came predominantly from charges, which totaled $22.8 billion, or about 75 percent

Chart **3**

Counties Operate The Most Hospitals Cities Spend the Most Per Hospital

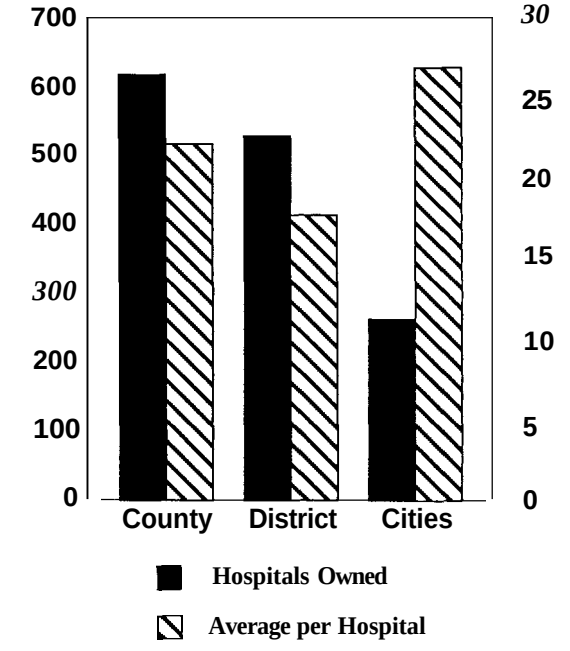


Table 2

Local Government Hospital Expenditures Financed from Charges, 1991

(millions)

Type of Government	Expenditures	Charges	Percent Recovered from Charges
County	$13,643	$9,691	71.0%
Special District	9,342	9,043	96.8
City	7,035	4,102	58.3
Total	$30,020	$22,836	76.1

Source: **U.S.** Department of Commerce, Bureau of the Census, ***Government Finances 1990-91*** (Washington, DC, 1993).

of the costs in 1991 (see Table 2).[8] No details are available about who paid the charges, but they would include Medicare, Medicaid, other third-party payers, and self-payers. Disproportionate share payments from Medicare and Medicaid were undoubtedly a significant portion of some hospitals' charges, but no information is available about the payments or which hospitals received them. The remaining **$7.2** billion in spending was apparently financed from local own-source revenues, although some revenues could have come from federal or state intergovernmental transfers, which cannot be identified from Census data?

Special districts depend almost entirely (96.8 percent) on charges to finance their hospitals, but, usually, they serve a local region and are self-supporting (see Appendix Table 6).[10] City-operated hospitals recover on average ***58*** percent of their costs from charges, but this is distorted by the data from hospitals in New York State, which average only 32 percent. In **24** states, the aggregate charges for city-operated hospitals equal more than **90** percent of costs.[11]

Relation to Health Care Reform

Several features of local government hospital services may be relevant to health care reform:

- Local governments own and operate a large number of hospitals.
- Local responsibilities vary widely among states, with nine states having no local government hospitals and ten states having more than 50 local hospitals each.
- Locally owned and operated hospitals vary widely in **size,** with a few very large urban hospitals and a large number of smaller hospitals.
- Most hospitals, especially those owned by special districts, rely almost entirely on charges, but a few apparently rely on general government taxes and revenues. It is not possible to determine who pays the charges.

The diversity across states means that changes made by the federal government in na-

tional health care delivery systems will have disparate effects on local government hospital services. For hospitals that rely heavily on charges, including disproportionate share payments, reform could substantially alter or reduce those charge payments. For hospitals that do not rely mainly on charges, federal legislation has the potential to increase such revenues and reduce local governments' need to provide support from general revenues, assuming that government-owned and nongovernment hospitals are treated the same way.

Information Needed

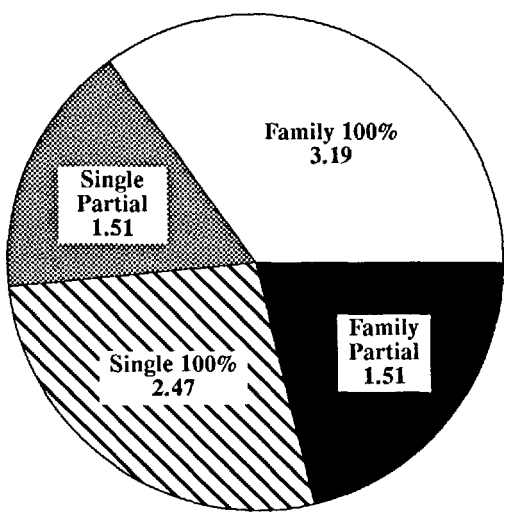
More information is needed about the financing of local government hospitals, particularly about the sources of charges and noncharge revenues. There also is no information readily available about how much local governments may borrow to purchase or construct hospitals.

Better information is needed about the roles of local public hospitals, including why they are an important component of the health care systems in some states and localities, while others elect not to provide them. Data on the characteristics of patients served, especially the numbers of indigent and uninsured, would be helpful in evaluating the role of locally owned and operated hospitals and how health care reform will affect them.

Coverage of Employees

Local governments had 9.4 million full-time and 1.4 million part-time employees in 1990. The U.S. Department of Labor estimates that in 1992 about 90 percent of these full-time employees and about 43 percent of part-time employees—about 9.1 million local government employees—had health insurance provided by their employer (see Chart 4).[12] Local governments were estimated to pay the total cost of family coverage for 35 percent of those covered and of individual coverage for another 27 percent. For the remaining 38 percent of employees, local governments paid a portion of the costs.[13]

Chart 4
Local Government Employee Health Coverage
(9.12 Million Employees Covered)



The average annual premium estimated for covered state employees in 1993 was $5,039 for families and $2,244 for individuals.[14] Assuming that local government premium costs were comparable, the total 1993 cost for employee health insurance was probably about $31 billion (see Table 3).

Recent developments in local government employee coverage may have significance for health care reform. Between 1990 and 1992, the percentage of employees covered by traditional fee-for-service plans dropped from 61 percent to 43 percent. The drop was split between preferred provider plans, up 10 percentage points to 27 percent, and health maintenance organizations (HMOs), up 7 percentage points to 29 percent. The remaining 1 percent had other types of plans.[15]

Self-Insurance Plans

About 21 percent of state and local government employees receiving health insurance in 1990 were covered by governments that self-insure.[16] There are several types of self-insurance arrangements, including (1) pay-as-you-go, (2) a government-owned trust fund from which benefits are paid, and (3) care in government-owned facilities. Commercial carriers or other contractors often administer these self-insurance programs.

Table 3

Local Government Estimated Costs for Employee Health Insurance

Coverage	Employer Share	Employees Covered (millions)	1993 Average Annual Cost Per Employee	Total Cost (millions)
Family	100%	3.19	$5,039	$16,074
Individual	100%	2.47	2,244	5,543
Family	Partial	1.95	3,371	6,574
Individual	Partial	1.51	1,896	2,863
Total		9.12		$31,054

Source: ACIR computations based on U.S. Department of Labor, Bureau of Labor Statistics, *Employee Benefits in State and Local Governments, 1990* (Washington, DC, 1992); and Segal Company, *1993 Survey of State Employee Health Benefit Plans* (Atlanta, 1994)

A smaller number of local government employees is covered through insurance pools sponsored by state municipal leagues or other local government organizations. The total number of employees enrolled is not available, but the National League of Cities (NLC) estimates that 86,755 public employees and their dependents are covered by municipal league health pools in 14 states.[17] These pools provide coverage for employees of 2,677 local governments, 1,903 of which have less than 25 employees. Only 12 governments have more than 500 employees. NLC estimates that 68 percent of those covered live outside metropolitan areas.

Although only a relatively small number of employees is covered, the pools are significant because they offer reasonable coverage for smaller and rural local governments. The median annual cost for individuals was $2,064; for families, $5,568. These amounts are about the same as the average estimated premiums for state government employees.[18]

Maine's Municipal Employees Health Trust, for example, covers more than 7,500 enrollees from more than 300 local governments. Over 80 percent of the enrollees are estimated to come from jurisdictions with fewer than 75 employees. All employees in the participating governments who work 20 hours a week or more are eligible to join the trust pool. The benefits are comparable to those typically offered by comprehensive plans, and the plan provides both fee-for-service and managed care options.[19]

Relation to Health Care Reform

In implementing national health care reform, it will be important to recognize that most local governments provide access to insurance coverage for their employees and pay a substantial share of the costs. This means that mandatory employer coverage and substantial employer cost-sharing may affect local governments less than some other employers. It also means that existing arrangements that meet employee health care needs should be disrupted as little as possible.

Information Needed

Additional information would be desirable about the characteristics of (1) local government health care coverage of part-time and temporary employees; (2) types, sizes, and regional variations in coverage; and (3) the health care coverage portion of local government budgets.

Coverage of Retirees

In addition to employees, many local governments provide health care coverage for their retirees. An estimated 58 percent of state and local retirees received employer-financed coverage, with about half receiving full payment.[20] In 1990, there were 4.0 million beneficiaries of state and local retirement systems.[21] Assuming that the ratio of local government beneficiaries to state government beneficiaries is about the same as the ratio for employees, then 71 percent or 2.8 million are local government retirees, of whom about 1.6 million probably receive health care benefits. For state government retirees over age 65 with Medicare coverage, the average cost in 1993 was $1,452 for individuals and $2,868 for families.[22]

Assuming that half of the local government retirees with coverage receive full payment and the rest receive 50 percent, with an annual average cost of $2,160, the total annual cost to local governments would be about $2.6 billion. This understates the cost somewhat, because it does not reflect higher costs for early or disabled retirees who are not eligible for Medicare. Police and fire service retirees are especially likely to fall into these categories.

Information Needed

Better information is needed about coverage of retired employees, especially the costs for those who do not qualify for Medicare, and the numbers receiving individual and family coverage. It also would be desirable to have better information about the differences in costs among local governments resulting from variations in early retirement policies, such as those for police and fire personnel.

Spending on Public Health

Local governments spent $13.7 billion on public health services in 1992, or almost as much as the $15.6 billion of direct health expenditures by state governments. State aid financed $6.4 billion of local health spending, leaving local governments to finance $7.3 billion. Because of a 13 percent decrease in state aid in 1992, local net expenditures increased 39 percent, from $5.3 billion in 1991 to $7.3 billion in 1992 (see Table 4).[23]

The definition of public health used by the Census Bureau includes outpatient services (nonhospital), research and education, categorical health programs, treatment and immunization clinics, nursing, environmental health, ambulance service, mosquito abatement, and school health (if not a school expenditure). However, because of differences in the way local governments classify expenditures, it is not possible to determine exactly what is included as public health expenditures.

Table 4

Changes in Public Health Expenditures, 1991-1992 State and Local Governments

(thousands)

Type	1991	1992	Percent Change
State Direct	$14,119,717	$15,638,464	10.8%
Local Direct	12,585,887	13,706,016	8.9
Total	26,705,604	29,344,480	9.9
State Aid	7,292,105	6,359,903	-12.8
Net Local	5,293,782	7,346,113	38.8
Net State	21,411,822	21,998,367	2.7

Source: U.S. Department of Commerce, Bureau of the Census, *Government Finances 1990-91* (Washington, DC, 1993).

For example, emergency medical services, ambulance transportation, and prisoner health care are usually classified by local governments as expenditures for public safety, not as public health. Similarly, expenditures for long-term care, mental health services, substance abuse, and preventing health risks through regulation may be reported in other categories. There are no reported amounts for health services provided by independent local school districts, and such services may be recorded as public health expenditures of the general government or as educational expenditures, depending on which government provides the service.

The share of direct public health expenditures paid by local governments varies widely from state to state. In Rhode Island, less than 2 percent of public health spending is local: the rest is state direct expenditure. At the other extreme, Wisconsin's local governments spend over 79 percent of the total (see Appendix Table 7).[24] In seven states, local governments spend less than 10 percent of total public health expenditures, but in seven other states, local govern-

ments spend over 60 percent of the total.[25] For the District of Columbia, because of its unique status, all spending is classified as local.

Among local governments, counties are the principal providers of public health services, although in New England and some other states, cities and special districts play an important role. Based on 1991 information, county governments spent $9.1 billion, or 73 percent of total local public health spending, followed by cities with $2.9 billion and special districts with $.6 billion (see Appendix Table 8).[26]

Revenues

The sources of funds for local public health spending are state aid and locally raised revenues. It is not possible to determine how much state aid may be passthrough federal aid, or how much local funding is from charges or other nontax sources. State aid in 1991 financed 58 percent of local public health expenditures, but in 1992, it dropped to 46 percent (see Appendix Table 9).[27] This dramatic change was caused primarily by a reassignment of financing responsibilities in California that saw state aid decline from $2.5 billion in 1991 to $1.0 billion in 1992. In general, state aid for public health averages about 50 percent, with wide differences among states. In eight states, state aid for health purposes exceeded local government reported expenditures, apparently because some aid went to nonprofit or quasi-government providers.[28]

Using a very narrow definition of local public health expenditures that totaled only $4.1 billion in 1989, the Public Health Foundation reported that states were the source for 28.1 percent and the federal government for 15.5 percent of local public health financing. The remaining expenditures were financed from local general revenues (33.6 percent) and other sources, apparently charges (22.8 percent).[29] The foundation considers local health departments in some states, Virginia for example, to be technically or legally state agencies, even though they are reported by the Census Bureau to be local agencies.

Assuming that the financing ratios reported by the Public Health Foundation would be about the same for the larger local expenditures reported by Census, local governments would have received about $2.3 billion from federal aid in 1992.

Information Needed

A vital part of health care reform proposals relates to improving public health prevention services. While local governments are obviously important providers of these services, their role is hard to evaluate without more specific data. Information is needed about the specific purposes of public health expenditures and how they relate to state and federal grants for health. It also would be desirable to know the sources of local funds spent for public health services.

Extent of Local Responsibility

Local governments are not responsible under federal law for any portion of Medicaid funding. However, states may require local governments to share in financing the nonfederal share of Medicaid program costs.[30] Counties have partial responsibility for Medicaid financing in 15 states, and are reported to have some Medicaid responsibilities in seven other states (see Appendix Table 10).[31] Total Medicaid expenditures by local governments in the 15 states from which data could be obtained was $4.6 billion in 1993. The local share of nonfederal spending in these states varies from a high of about 50 percent in Arizona and New York to 1 percent or less in Ohio, Colorado, Pennsylvania, South Dakota, and Wisconsin (see Table 5).[32] If the other seven states require local payments, it appears the amounts would also be negligible, based on the reported responsibilities.

New York counties and New York City accounted for $3.85 billion, or 83.9 percent, of total local Medicaid spending. Arizona and North Carolina followed, with $180 million and $165 million, respectively, for local Medicaid costs. The five states where local governments spend 1 percent or less on nonfederal Medicaid costs accounted for $29.6 million, or about .1 percent of the total.[33]

Cost-Sharing Formulas

The local cost-sharing formulas for Medicaid vary widely. New York counties pay 50 per-

Table **5**
Local Government Medicaid Payments
(thousands)

State	Total Local Payments	Nonfederal Medical	Local Percent of Total
Arizona	$180,938	$325,344	55.6%
Colorado	1,638	356,529	0.5
Florida	114,527	1,535,277	7.5
Iowa	65,871	297,434	22.1
Minnesota	128,423	820,172	15.7
Montana		69,363	
New Hampshire	41,767	198,489	21.0
New York	3,853,543	7,708,736	50.0
North Carolina	164,941	712,367	23.2
North Dakota	6,422	70,117	9.2
Ohio	1,841	1,555,971	0.1
Pennsylvania	18,058	1,906,388	0.9
South Dakota*	503	56,476	0.9
Utah	7,148	97,540	7.3
Wisconsin	7,540	721,829	1.0
Total	$4,593,160	$16,432,032	28.0

* Counties in South Dakota contribute to ICF/MR and mental health residents in state inpatient facilities. The state considers this a county welfare program not part of Medicaid.

Source: Library of Congress, Congressional Research Service, *Medicaid Source Book* (Washington, DC, 1993), and information from state Medicaid offices.

cent of the nonfederal share for all medical services and 28 percent for long-term care services. In other states, county Medicaid payments typically are for administrative costs, long-term care, or mental health services, and not for general services. Counties in Colorado, Montana, and Ohio are responsible only for a portion of administrative costs related to eligibility determination. Minnesota and North Carolina counties contribute 100 percent of the nonfederal share for administrative costs, but also are responsible for 10-15 percent of the nonfederal share for all other client services.[35]

In five states, including New York, counties are responsible for long-term or nursing home care. Arizona counties pay 100 percent of the nonfederal share of long-term care for the elderly and disabled, as well as a variable portion of acute care services. Florida counties pay 35 percent of the costs for nursing home residents and inpatient hospital stays between 13 and **45** days. Counties in New Hampshire and Pennsylvania pay 60 percent and 10 percent, respectively, for nursing home costs.

County payments in the remaining states for which responsibilities could be confirmed—Iowa, South Dakota, Utah, and Wisconsin—are tied specifically to mental health services. Wisconsin and Utah counties pay 100 percent and **16** percent, respectively, of the nonfederal share for mental health services. Iowa counties match federal funds for costs associated with intermediate care facilities for the mentally retarded (ICF/MR) as well as 50 percent of the nonfederal share of certain mental health "erihancements." South Dakota counties also pay a portion of the ICF/MR and for inpatient mental health residents.[36]

Relation to Health Care Reform

Changes in the nonfederal share of Medicaid costs as a result of health care reform have little potential for affecting local governments, except in a few states. Because local governments in some states have responsibility for a portion of costs related to specific services, such as nursing homes or mental health, federal changes in cost sharing for these services could affect their shares of these Medicaid costs.

CONCLUSION

Local governments play a major role in providing health care services and need to be considered in implementing any reform of national health care systems. While it is possible to estimate overall health care spending by local governments, the exact nature of many responsibilities cannot be determined from existing data, including their vital role in providing health care to vulnerable populations.

It is clear, however, that changes in the national health care system may have very different effects on local governments, depending on whether they operate hospitals, provide generous health care coverage to employees and retirees, are responsible for delivery of most public health services, or share in Medicaid costs. For some local governments, there may be few effects, but for many others, the effects may be substantial.

NOTES

[1] The Segal Company, 1993 *Survey of State Employee Health Benefit Plans* (Atlanta, 1994), p. 1.
[2] U.S. Department of Commerce, Bureau of the Census (Census), *Government Finances, 1990-91* (Washington, DC, 1993), p. 89.
[3] Census, 7992 *Census of Governments* (Washington, DC, 1994), unpublished.
[4] Ibid. and *Government Finances 1990-91*, p.45.
[5] Census, *County Government Finances, 1990-91* and *City Government Finances, 1990-91* (Washington, DC, 1993), Table 5.
[6] *County Government Finances, 1990-91*, Table 5.
[7] Ibid. and *City Government Finances, 1990-91*, Table 5.
[8] *Government Finances, 1990-91*, p. 45.
[9] Ibid.
[10] Ibid.
[11] Ibid., Table 29.
[12] U.S. Department of Labor, Bureau of Labor Statistics (BLS), News Release, February 1994, pp. 6-7.
[13] BLS, *Employee Benefits in State and Local Governments,* 1990 (Washington, DC, 1992), Table 97.
[14] ACIR computations based on BLS, *Employee Benefits in State and Local Governments;* and Segal, 1993 *Survey of State Employee Health Benefit Plans.*
[15] BLS, News Release, p.1.
[16] BLS, *Employee Benefits in State and Local Governments.*
[17] National League of Cities, *An Introduction to State Municipal League Health Pools* (Washington, DC, March 1994), p. 1.
[18] ACIR computations based on *An Introduction to State Municipal League Health Pools.*
[19] Maine Municipal Employees Health Trust, *Basic Benefits Outlines and Rate Sheets* (Augusta, March 1994), p. 1.
[20] BLS, *Employee Benefits in State and Local Governments,* Table 58.
[21] Census, *Finances of Employee Retirement Systems of State and Local Governments, 1989-90* (Washington, DC, 1992), p. 30.
[22] Segal, 7993 *Survey of State Employee Health Benefit Plans,* p. 1.
[23] Census, *Government finances, 1990-91*, p. 45,
[24] Census, *Government Finances,* 1991-92/*Preliminary* Washington, DC, 1994), p. 51.
[25] Local governments in Delaware, Hawaii, Maine, Massachusetts, New Mexico, Rhode Island, and Vermont spend less than 10 percent of the total. Local governments in California, Iowa, North Carolina, Ohio, Oregon, Pennsylvania, and Wisconsin spend more than 60 percent of the total.
[26] Census, *Government Finances, 1990-91*, p. 45
[27] Census, *Stare Government Finances,* 1991 and 1992 (Washington, DC, 1993), p.30.
[28] Alaska, Delaware, Hawaii, Maryland, Nebraska, North Dakota, Oklahoma, and Wyoming.
[29] Public Health Foundation, *Public Health Agencies,* 1991: *An Inventory of Programs and Block Grant Expenditures* (Washington, DC, 1991), p. 4.
[30] In 1991, ACIR recommended transferring local Medicaid administrative and program costs to the states. ACIR, *Medicaid: Intergovernmental Trends and Options* (Washington, DC, 1992), p. 4.
[31] U.S. Library of Congress, Congressional Research Service, *Medicaid Source Book: Background Data and Analysis* (Washington, DC, 1993), p. 142; and National Association of Counties (NACo), *Medicaid Cost Share Formulas,* 1994 (Washington, DC, 1994). States with partial Medicaid responsibility are Arizona, California, Colorado, Florida, Indiana, Iowa, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, South Dakota, Utah, Virginia and Wisconsin.
[32] ACIR telephone survey of state Medicaid offices, May 1994.
[33] ACIR computations based on information from state Medicaid offices.
[34] In 1991, ACIR recommended transferring the cost of long-term care to the federal government under Medicare. *Medicaid: Intergovernmental Trends and Options,* p. 4.
[35] NACo, *Medicaid Cost Share Formulas,* 1994.
[36] Ibid.

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APPENDIX

Appendix Table 1
Local Government Expenditures
(thousands)

Functions	1991	1992	Percent Change
Hospitals	$30,020,230	$32,763,018	9.1%
Health	12,585,887	13,706,016	8.9
Corrections	9,549,735	10,299,607	7.9
Cash Assistance	11,579,659	12,445,781	7.5
Other	60,853,414	64,625,209	6.2
Interest	28,840,718	30,538,367	5.9
Judicial and Legal	9,458,228	9,999,159	5.7
Solid Waste	10,176,810	10,695,447	5.1
Public Education	215,645,345	226,695,276	5.1
Police	27,986,386	29,398,934	5.0
Other Welfare	13,513,022	14,192,999	5.0
Financial Administration	8,002,408	8,393,509	4.9
Utilities	70,782,014	74,129,500	4.7
Retirement	9,826,143	10,254,023	4.4
Housing	14,888,493	15,429,918	3.6
Fire	13,796,137	14,266,864	3.4
Sewerage	18,842,867	19,230,004	2.1
Higher Education	13,188,706	13,424,522	1.8
Libraries	4,160,502	4,221,731	1.5
Highways	26,025,310	26,117,042	0.4
Parks	13,186,590	12,954,377	-1.8
Total	$622,908,604	$653,781,303	5.0%

Source: U.S. Department of Commerce, Bureau of the Census, *Government Finances,* 7990-97 and *Government Finances, 1991-92* (Washington DC, *1993).*

Appendix Table 2
Local Government Hospitals Owned and Operated, 1992

State	County	City	Special District	Total
Alabama	2	9	35	46
Alaska		5		5
Arizona	3			3
Arkansas	21	6		27
California	31	4	55	90
Colorado	8	2	18	28
Connecticut				0
Delaware				0
District of Columbia		2		2
Florida	6	1	23	30
Georgia		1	86	87
Hawaii				0
Idaho	19	2	9	30
Illinois	7	9	22	38
Indiana	48	3		51
Iowa	42	22		64
Kansas	31	14	22	67
Kentucky	13	2	3	18
Louisiana	49	6		55
Maine		1	2	3
Maryland				0
Massachusetts	5	13	1	19
Michigan	16	14	8	38
Minnesota	13	34	18	65
Mississippi	49	7		56
Missouri	15	6	16	37
Montana	5		5	10
Nebraska	26	6	7	39
Nevada	4	1	4	9
New Hampshire				0
New Jersey	7			7
New Mexico	8		3	11
New York	7	21		28
North Carolina	22	1	7	30
North Dakota				0
Ohio	15	1	7	23
Oklahoma	24	32		56
Oregon	3	1	16	20
Pennsylvania				0
Rhode Island				0
South Carolina	20		6	26
South Dakota	6	5		11
Tennessee	21	9		30
Texas	45	12	103	160
Utah	2	2	2	6
Vermont				0
Virginia			4	4
Washington			38	38
West Virginia				11
Wisconsin	10	4		14
Wyoming	8		8	16
Total	618	262	528	1,408

Source: U.S. Department of Commerce, Bureau of the Census, 1992 ***Census of*** *Governments* (unpublished).

Appendix Table 3

Hospital Expenditures 1991

(thousands)

State	County	City	Special District	Total
Alabama	51,135	105,243	649,972	806,350
Alaska		31,479		31,479
Arizona	205,089	2,828	5,952	213,869
Arkansas	154,365	41,207		195,572
California	2,883,437	297,465	1,689,357	4,870,259
Colorado	27.302	170.763	156.682	354,747
Connecticut		201573		20,573
Delaware				0
District of Columbia		357,065		357,065
Florida	754,387	36,848	1,307,570	2,098,805
Georgia	9,342	45,431	2,292,801	2,347,574
Hawaii				0
Idaho	98,431	1,483	53,427	153,341
Illinois	500,000	73,281	182,336	755,617
Indiana	747,997	150,718	38	898,753
Iowa	261,095	120,735		381,830
Kansas	125,335	72,754	44,442	242,531
Kentucky	122,617	86,972	36,438	246,027
Louisiana	638,351	103,337		741,688
Maine	6	19.163	17,991	37,160
Maryland	264			264
Massachusetts	59,275	444,729		504.004
Michigan	292,643	294,287	80,089	667,019
Minnesota	249,604	196,124	338,972	784,700
Mississippi	496,946	167,242	6	64,188
Missouri	157,196	149,974	102,460	409,630
Montana	10,468		19,538	30,006
Nebraska	92,443	52,520	17,186	162,149
Nevada	174,240	27.887	14.794	216.921
New Hampshire		514		514
New Jersey	270,425	3,041		273,466
New Mexico	102,403		8,880	111,283
New York	741,526	3,187,614		3,929,140
North Carolina	647,533	25,571	386,686	1,059,790
North Dakota	245			245
Ohio	524,419	26,221	79,335	629,975
Oklahoma	103,795	328,576		432,371
Oregon	6,407	18.593	95,297	120,297
Pennsylvania	72,655	13,208		85,863
Rhode Island				0
South Carolina	649,687		53,273	702,960
South Dakota	4,251	15,235		19.486
Tennessee	805,701	100,554		906,255
Texas	1,191,145	106,830	910,531	2,208,506
Utah	16,391	1,705	3,448	21,544
Vermont		6		6
Virginia	21	12,099	240,338	252,458
Washington	5,247		462,204	467,451
West Virginia	28,301	113,938		142,239
Wisconsin	296,862	10,992		307,854
Wyoming	64,157	11	92,238	156,406
Total	13,643,139	7,034,816	9,342,275	30,020,230

Source: **U.S.** Department of Commerce, Bureau of the Census, *Government Finances 1990-91* (Washington, DC, 1993).

Appendix Table 4

Local Government Average Expenditure per Hospital, 1991

(thousands)

State	County	City	Special District	Average per Hospital
Alabama	$25,568	$11,694	$18,571	$17,529
Alaska		6,296		6,296
Arizona	68,363			71,290
Arkansas	7,351	6,868		7,243
California	93,014	74,366	30,716	54,114
Colorado	3,413	85,382	8,705	12,670
Connecticut				
Delaware				
District of Columbia		178,533		
Florida	125,731	36,848	56,851	69,960
Georgia		45,431	26,660	26,984
Hawaii				
Idaho	5,181	742	5,936	5,111
Illinois	71,429	8,142	8,288	19,885
Indiana	15,583	50,239		17,623
Iowa	6,217	5,488		5,966
Kansas	4,043	5,197	2,020	3,620
Kentucky	9,432	43,486	12,146	13,668
Louisiana	13,028	17,223		13,485
Maine		19.163	8,996	12,387
Maryland				
Massachusetts	11,855	34,210	0	26,527
Michigan	18,290	21,021	10,011	17,553
Minnesota	19,200	5,768	18,832	12,072
Mississippi	10,142	23,892		11,861
Missouri	10,480	24,996	6,404	11,071
Montana	2,094		3,908	3,001
Nebraska	3,556	8,753	2,455	4,158
Nevada	43,560	27.887	3.699	24,102
New Hampshire				
New Jersey	38,632			39,067
New Mexico	12,800		2,960	10,117
New York	105,932	151,791		140,326
North Carolina	29,433	25,571	55.241	35,326
North Dakota				
Ohio	34,961	26,221	11,334	27,390
Oklahoma	4,325	10,268		7,721
Oregon	2,136	18.593	5.956	6,015
Pennsylvania				
Rhode Island				
South Carolina	32,484		8.879	27,037
South Dakota	709	3,047		1,771
Tennessee	38,367	11,173		30,209
Texas	26,470	8,903	8,840	13,803
Utah	8.196	853	1.724	3,591
Vermont				
Virginia			60,085	63,115
Washington			12,163	12,301
West Virginia	4,043	28,485		12,931
Wisconsin	29,686	2,748		21,990
Wyoming	8,020		11,530	9,775
Total	$22,076	$26,850	$17,694	$21,321

Source: **U.S.** Department of Commerce, Bureau of the Census, *Government Finances 1990-91* (Washington, DC, 1993).

Appendix Table 5

County and City Governments with Hospital Expenditures Exceeding $10 Million in 1991

State	County	Expenditure	City	Expenditure
Alabama	Jefferson	$51,135		
Arizona	Maricopa	156,410		
	Pima	41,765		
Arkansas	Washington	33,646		
California	Alameda	166,630	San Francisco	296,532
	Contra Costa	66,123		
	Fresno	91,986		
	Kern	87,464		
	Los Angeles	1,406,297		
	Merced	97,835		
	Monterey	72,365		
	Riverside	93,045		
	San Bernandino	133,212		
	San Joaquin	120,663		
	San Luis Obispo	36,809		
	San Mateo	64,411		
	Santa Clara	163,226		
	Sonoma	93,791		
	Stanislaus	47,547		
	Ventura	59,603		
	Yolo	19,458		
Colorado			Colorado Spring	89,901
			Denver	80,862
District of Columbia			District of Columbia	357,065
Delaware				
Florida	Dade	442,050	Jacksonville	18,171
	Escambia	15,977		
	Hillsborough	224,197		
	Polk	32,019		
Georgia	De Kalb	23,617		
	Fulton	76,878		
Hawaii				
Idaho				
Illinois	Cook	468,796		
Indiana	Hamilton	37,869	Indianapolis	127,348
	Porter	69,376		
Iowa	Polk	56,070		
Kansas				
Kentucky				
Louisiana	Calcasieu	24,259	Baton Rouge	22,232
	Jefferson	218,335	Terrebone Parish	49,611
	St. Tammany	72,237		
Maine				
Maryland				
Massachusetts	Middlesex	17,678	Boston	230,806
	Norfolk	19,288	Cambridge	50,158
	Worcester	10,418	Quincy	63,189
			Springfield	15,362
Michigan	Berrien	17,148	Flint	173,629
	Ingham	94,223		
	Kent	22,930		
	Oakland	10,464		
	Saignaw	21,890		
	Wayne	104,621		
Minnesota	Hennepin	176,616		
Mississippi	Jackson	79,364		
Missouri			Kansas City	27,766
			St. Louis	18,450
Montana				
Nebraska	Douglas	18,552	Lincoln	44,666

Appendix Table **5** *(cont.)*

County and City Governments with Hospital Expenditures Exceeding $10 Million in 1991

State	County	Expenditure	City	Expenditure
Nevada	Clark	148,362		
New Hampshire				
New Jersey	Bergen	110,236		
	Burlington	13,205		
	Camden	20,464		
	Essex	52,369		
	Hudson	54,262		
	Middlesex	43,544		
	Union	31,442		
New Mexico	Bernalillo	17,408		
	Dona Ana	54,008		
New York	Erie	126,718	New York	3,118,581
	Monroe	37,082		
	Nassau	241,635		
	Rockland	55,838		
	Westchester	236,132		
North Carolina	Catawba	39,251		
	Cumberland	87,332		
	Pitt	147,036		
North Dakota				
Ohio	Cuyahoga	276,376		
	Hamilton	52,082		
	Portage	54,450		
	Summit	17,562		
	Trumbull	20,683		
Oklahoma	Comanche	58,192	Norman	46,248
Oregon				
Pennsylvania	Allegheny	72.161	Philadelphia	15,493
South Carolina	Charleston	23,574		
	Lexington	79,583		
	Richland	163,951		
	Spartanburg	137,280		
South Dakota				
Tennessee	Hamilton	172,333	Nashville	49,836
	Montgomery	40,250		
	Shelby	201,408		
	Sumner	31,788		
Texas	Bexar	163,999	Austin	88,405
	Dallas	230,511		
	El Paso	61,451		
	Galveston	29,576		
	Harris	307,261		
	Lubbock	81,928		
	Nueces	62,859		
	Tarrant	105,237		
Utah				
Vermont				
Virginia			Norfolk	11.394
Washington				
West Virginia				
Wisconsin	Marathon	23,876		
	Milwaukee	244,297		
Totals		$9,687,285		$4,995,705
Number of Hospitals	89		22	

Note: Includes only counties with population over 100,000, and cities over 75,000.
Source: U.S. Department of Commerce, Bureau of the Census, *County Government Finances 1990-91* and *City Government Finances 1990-91* (Washington, DC, 1993).

Appendix Table **6**

Local Government Hospital Charge Payments as a Percentage of Total Hospital Expenditures 1991

State	County	City	Special District	Total
Alabama	35.0%	101.4%	98.6%	94.9%
Alaska		90.9		90.9
Arizona	64.9	43.2	51.2	64.3
Arkansas	97.7	106.6		99.6
California	39.5	56.2	128.3	71.3
Colorado	95.7	72.3	89.2	81.6
Connecticut		103.1		103.1
Delaware				**0.0**
District of Columbia		17.8		17.8
Florida	93.9	51.9	86.7	88.6
Georgia		99.7	91.0	90.8
Hawaii Idaho	104.2	100.0	106.7	105.0
Illinois	22.8	96.9	95.6	47.6
Indiana	100.8	52.5		92.7
Iowa	87.0	107.1		93.3
Kansas	96.7	106.6	89.7	98.4
Kentucky	95.7	96.7	100.8	96.8
Louisiana	98.3	114.7		100.6
Maine		98.3	103.1	100.6
Maryland				0.0
Massachusetts	75.5	68.8		69.6
Michigan	85.0	90.8	100.4	89.4
Minnesota	63.5	90.8	56.8	67.4
Mississippi	103.3	110.5		105.1
Missouri	85.5	80.4	99.2	87.1
Montana	81.2		87.5	85.3
Nebraska	85.8	106.9	103.6	94.5
Nevada	89.1	95.0	95.9	90.3
New Hampshirc				0.0
New Jersey	51.4			50.8
New Mexico	95.0		85.0	94.2
New York	58.0	32.3		37.2
North Carolina	101.9	100.0	94.2	99.1
North Dakota				0.0
Ohio	75.4	82.0	101.1	78.9
Oklahoma	88.5	100.2		97.4
Oregon	84.3	100.6	94.1	94.6
Pennsylvania	20.4			18.0
Rhode Island				0.0
South Carolina	93.3		107.2	94.4
South Dakota	97.9	88.5		90.6
Tennessee	101.1	89.8		99.9
Texas	45.4	90.9	87.7	65.1
Utah	100.2	100.0	113.4	102.3
Vermont				0.0
Virginia		86.5	85.9	86.0
Washington			95.4	94.3
West Virginia	98.6	99.8		99.5
Wisconsin	63.5	91.2		64.5
Wyoming	118.2		79.4	95.3
National	71.0%	58.3%	96.8%	76.1%

Source: U.S. Department of Commerce, Bureau of the Census, ***Government Finances 1990-91*** (Washington, DC, 1993)

Appendix Table 7

Local and State Government Public Health Direct Expenditures, 1992

(thousands)

State	Local	State	**Total**	Percent Local
Alabama	$170,710	$382,895	$553,605	30.8%
Alaska	50,203	100,575	150,778	33.3
Arizona	121,838	311,303	433,141	28.1
Arkansas	61,656	124,276	185,932	33.2
California	3,524,250	1,599,984	5,124,234	68.8
Colorado	119,203	179,533	298,736	39.9
Connecticut	73,790	286,592	360,382	20.5
Delaware	6,689	107,683	114,372	5.8
District of Columbia	167,682	0	167,682	100.0
Florida	231,651	1,324,556	1,556,207	14.9
Georgia	319,794	216,350	536,144	59.6
Hawaii	13,475	209,161	222,636	6.1
Idaho	27,716	55,796	83,512	33.2
Illinois	279,431	869,774	1,149,205	24.3
Indiana	89,093	289,554	378,647	23.5
Iowa	122,021	73,326	195,347	62.5
Kansas	103,936	84,030	187,966	55.3
Kentucky	142,835	110,271	253,106	56.4
Louisiana	43,346	340,244	383,590	11.3
Maine	7,902	98,563	106,465	7.4
Maryland	220,301	339,614	559,915	39.3
Massachusetts	60,279	792,357	852,636	7.1
Michigan	991,626	759,631	1,751,257	56.6
Minnesota	292,081	262,520	554.601	52.7
Mississippi	53,512	125,082	1781594	30.0
Missouri	129,640	324,749	454,389	28.5
Montana	28,051	73,021	101,072	27.8
Nebraska	33,390	45,050	78,440	42.6
Nevada	36,953	54,103	91,056	40.6
New Hampshire	15,905	100,451	116,356	13.7
New Jersey	214,452	402,629	617,081	34.8
New Mexico	16,006	179,979	195,985	8.2
New York	1,210,891	1,311,122	2,822,051	43.0
North Carolina	623,590	199,661		
North Dakota	7,303	22,209	29,512	24.7
Ohio	1,023,274	396,301	1,419,575	72.1
Oklahoma	59,273	191,525	250,798	23.6
Oregon	257,644	126,047	383,691	67.1
Pennsylvania	805,014	310,031	1,115,045	72.2
Rhode Island	1,827	146,268	148,095	1.2
South Carolina	81,374	383,275	464,649	17.5
South Dakota	8,101	44,332	52,433	15.5
Tennessee	127,465	317,892	445,357	28.6
Texas	643,020	513,427	1,156,447	55.6
Utah	86,146	61,562	147,708	58.3
Vermont	2,809	42,225	45,034	6.2
Virginia	252,226	448,297	700,523	36.0
Washington	253,196	654,915	908,111	27.9
West Virginia	54,786	98,858	153,644	35.7
Wisconsin	424,947	112,051	536,998	79.1
Wyoming	13,713	34,814	48,527	28.3
Total	$13,706,016	$15,638,464	$29,344,480	46.7%

Source: US. Department of Commerce, Bureau of the Census, ***Government Finances 1990-91*** (Washington, DC, 1993).

Appendix *Table 8*

Local Government Public Health Expenditures, 1991

(thousands)

State	County	City	Special District	Local Total
Alabama	$73,253	$7,384	$59,670	$140,307
Alaska	16,398	36,010		52,408
Arizona	98,731	6,298	114	105,143
Arkansas	43,318	6,386		49,704
California	2,260,541	330,411	276,424	2,867,376
Colorado	57,172	47,684	2,661	107,517
Connecticut		74,725		74,725
Delaware	5,215	431		5,646
District of Columbia		163,988		163,988
Florida	285,939	54,619	17,977	358,535
Georgia	302,772	2,831		305,603
Hawaii	4,880	9,647		14,527
Idaho	22,616	2,296		24,912
Illinois	128,119	111,892	4,402	244,413
Indiana	35,130	43,290		78,420
Iowa	94,395	24,009		118,404
Kansas	78,494	15,607	642	94,743
Kentucky	114,242	19,956	2,661	136,859
Louisiana	18,998	21,895		40,893
Maine	241	7,259		7,500
Maryland	174,864	56,404		231,268
Massachusetts	1,271	58,785		60,056
Michigan	844,512	102,378		946,890
Minnesota	190,338	26,009	15,217	231,564
Mississippi	46,583	2,394	557	49,534
Missouri	60,872	48,210	20,659	129,741
Montana	22,292	3,002		25,294
Nebraska	22,822	8,508		31,330
Nevada	31,615	4,488	168	36,271
New Hampshire	462	12,526		12,988
New Jersey	113,681	84,645	56	198,382
New Mexico	5,233	9,410		14,643
New York	658,754	616,326		1,275,080
North Carolina	614,103	5,554	6	619,663
North Dakota	3,466	3,114	214	6,794
Ohio	808,758	115,324	5,606	929,688
Oklahoma	28,858	24,572		53,430
Oregon	210,208	7,685	408	218,301
Pennsylvania	475,723	263,458	3,493	742,674
Rhode Island		2,808		2,808
South Carolina	67,962	2,437	2,661	73,060
South Dakota	3,787	3,458		7,245
Tennessee	87,090	30,794		117,884
Texas	215,570	212,526	144,646	572,742
Utah	70,739	1,629	2,579	74,947
Vermont		3,396		3,396
Virginia	142,216	98,122	518	240,856
Washington	206,056	19,172	5,056	230,284
West Virginia	39,851	2,441		42,292
Wisconsin	342,203	61,156		403,359
Wyoming	9,144	2,093	563	11,800
Total	$9,139,487	$2,879,442	$566,958	$12,585,887

Source: U.S. Department of Commerce, Bureau of the Census, Government finances 1990-91 (Washington, DC, 1993).

Appendix *Table* 9

State Aid to Local Governments for Public Health, 1992

(thousands)

State	Local Health Expenditures	State Aid	State Aid as Percentage of Local Expenditure
Alabama	$170,710	$11,224	6.6%
Alaska	50,203	70,310	140.1
Arizona	121,838	49,037	40.2
Arkansas	61,656	55,085	89.3
California	3,524,250	1,049,744	29.8
Colorado	119,203	26,495	22.2
Connecticut	73,790	16,434	22.3
Delaware	6,689	12,779	191.0
District of Columbia	167,682	0	0.0
Florida	231,651	91,934	39.7
Georgia	319,794	277,752	86.9
Hawaii	13,475	17,458	129.6
Idaho	27,716	5,947	21.5
Illinois	279,431	65,910	23.6
Indiana	89,093	43,765	49.1
Iowa	122,021	43,147	35.4
Kansas	103,936	64,888	62.4
Kentucky	142,835	92,905	65.0
Louisiana	43,346	2,462	5.7
Maine	7,902	5,566	70.4
Maryland	220,301	231,869	105.3
Massachusetts	60,279	35	0.1
Michigan	991,626	583,440	58.8
Minnesota	292,081	130,164	**44.6**
Mississippi	53,512	28,894	54.0
Missouri	129,640	8,409	6.5
Montana	28,051	11,615	41.4
Nebraska	33,390	98,419	294.8
Nevada	36,953	1,595	4.3
New Hampshire	15,905	626	3.9
New Jersey	214,452	72,219	33.7
New Mexico	16,006	1,620	10.1
New York	1,210,891	667,568	55.1
North Carolina	623,590	313,995	50.4
North Dakota	7,303	17,175	235.2
Ohio	1,023,274	342,527	33.5
Oklahoma	59,273	70,802	119.5
Oregon	257,644	164,108	63.7
Pennsylvania	805,014	683,122	84.9
Rhode Island	1,827		0.0
South Carolina	81,374	19,345	23.8
South Dakota	8,101	688	8.5
Tennessee	127.465	876	0.7
Texas	643102O	381,141	59.3
Utah	86,146	48,522	56.3
Vermont	2,809		0.0
Virginia	252,226	16,435	6.5
Washington	253,196	108,104	42.7
West Virginia	54.786	8,957	16.3
Wisconsin	4241947	327,115	77.0
Wyoming	13,713	17,676	128.9
Total	$13,706,016	$6,359,903	46.4%

Source: U.S. Department of Commerce, Bureau of the Census, Government Finances *1990-91*, and State Government Finances 1990-91 (Washington, DC, 1993).

Appendix Table 10

State Medicaid Cost Share Formulas

Arizona	Counties pay 100 percent of the nonfederal share of long-term care for the elderly and physically disabled and a variable portion of acute care services.
California	Counties contribute 2.5 percent of administrative costs.
Colorado	Counties pay 40 percent of the nonfederal share of administrative expenses related to eligibility determination.
Florida	Counties pay 35 percent of cost or $55 per month for each nursing home resident and 35 percent of cost for inpatient hospital stays between 12 and 46 days.
Indiana	County tax levies provide approximately 50 percent of the nonfederal share for Medicaid administrative costs at the county level. Counties contribute to a "Medical Assistance to Wards" fund used to pay the nonfederal share of Medicaid for wards of the county office or juvenile court who are not eligible for AFDC foster care.
Iowa	Counties match federal funds for ICF/MR and MM/MR/DD (approximately 36 percent of total in FY 1993) and 50 percent of nonfederal share for certain mental health "enhancements."
Michigan	Counties pay 10 percent of the nonfederal share for Medicaid mental health services delivered by county community mental health agencies. Counties with medical care facilities (nursing homes) provide a variable maintenance of effort payment for Medicaid patients in the facility.
Minnesota	Counties pay 100 percent of the nonfederal share of administrative expenses related to client services. Counties also loan funds to the state for a share of the state's benefit payments (4.53 percent of total in 1993).
Montana	Counties pay 18 percent of the nonfederal share for eligibility personnel costs.
Nevada	Counties pay 100 percent of the nonfederal share of long-term care for the aged, blind and disabled whose net monthly income exceeds $714 but is less than the maximum percent of the Supplemental Security Income Federal Benefit Rate (SSI/FBR). Counties are required to pay the total administrative costs for the federal match program.
New Hampshire	Counties pay 100 percent of the nonfederal share of the Medicaid Audit Unit. Counties pay 61.5 percent of the nonfederal share of long-term care and 50 percent of the nonfederal share of all other services (31.3 percent of total in 1993).
New Jersey	Counties fund the nonfederal share of administrative cost for eligibility determinations of non-SSI Medicaid applicants.
New Mexico	Counties contribute 7 percent of the total Medicaid budget through the use of intergovernmental transfers used by the state as Medicaid match.
New York	Counties pay 50 percent of the nonfederal share, except for long-term care, for which they pay 28 percent of the nonfederal share.
North Carolina	Counties pay 15 percent of the nonfederal share for all services (5.11 percent of total in 1993) and 100 percent of the administrative expenses related to eligibility determination.
North Dakota	Counties pay 13.1 percent of the nonfederal share except for ICF/MR, clinic services and waived home and community-based services for MR and A/D related recipients.
Ohio	Counties pay a maximum of 10 percent of the nonfederal share of Medicaid eligibility costs.
Pennsylvania	Counties pay 10 percent of the nonfederal share for county nursing homes plus $3 per invoice.
South Carolina	Counties provide $13 million to support Medicaid through a formula prescribed by law.
South Dakota	Counties pay $60 per month for each ICF/MR resident and $200 per month for each mental health resident in state inpatient facilities.
Utah	Counties match the amount paid by the state for mental health services (24.71 percent of the nonfederal share in 1993).
Virginia	Counties are responsible for part of the nonfederal share of eligibility determination costs.
Wisconsin	Counties pay the nonfederal share for certain mental health programs, such as community support services and targeted case management (39.6 percent of total in 1993).

Source: National Association of Counties, County Health Policy Project 1993, and information from State Medicaid Offices.

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