Report Details Costs and Benefits of Utah’s Medicaid Options

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Utah could save millions of dollars and provide health insurance to about 123,000 people if the state expands Medicaid. That was the conclusion of an independent cost-benefit analysis commissioned by the state.

The report from the nonpartisan Public Consulting Group based in Boston examines the impact of Utah’s options: no expansion, full expansion or partial expansion. Each option requires some investment by the state. Full expansion would provide coverage to all individuals with incomes at or below 138 percent of the poverty level. The report finds that initial costs to the state would be offset by tax revenue and savings to aid programs, with total initial savings estimated at $131 million. Lincoln Nehring, Senior Health Policy Analyst for Voices for Utah Children, says this bolsters the case that Medicaid expansion is affordable for the state.

“What I hope this does is allows us to move forward, and understand that we can use those Medicaid dollars to form a Utah solution to do this,” Nehring says. “There is no excuse now not to do the Medicaid expansion. The question is how do we do the expansion, and there are a lot of different ways we can do that.”

The total cost would increase for the state over time, however. That’s in part why Utah’s Republican-controlled Legislature has opposed a Medicaid expansion.

Governor Gary Herbert’s office has emphasized that this report is only one part of the overall review and analysis before he makes his decision expected this fall. The Governor’s Medicaid Expansion Options Community Workgroup convenes at the capitol.

“As you work together on this issue, we ask that you remember our lives,” Davis says. “We aren’t asking for anything special. We just want to be able to see a doctor when we are sick... and our only path is with Medicaid.”
The cost benefit analysis did not quantify the benefits or savings from improved health as a result of more citizens being insured.