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Report: Utah would cut \$12M in Medicaid spending by halving school dropout rate

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Utah would save \$12 million in Medicaid spending and more than \$61 million in broader health care costs if the state's high school dropout rate was cut in half, according to a new report. (Shutterstock)

SALT LAKE CITY — Utah would save \$12 million in Medicaid spending and more than \$61 million in broader health care costs if the state's high school dropout rate was cut in half, according to a new report.

The report, released Wednesday by Washington, D.C.-based advocacy group Alliance for Excellent Education, suggests that cutting the national dropout rate by half would result in \$7.3 billion less in annual Medicaid spending, as well as lower levels of heart disease, obesity, alcoholism and tobacco use.

High school graduates are 50 percent less likely to use Medicaid when compared to high school dropouts, according to researchers who contributed to the Alliance's report.

"An educated citizen is a healthy, productive and happier citizen," Bob Wise, president of the Alliance for Excellent Education, said in a prepared statement. "And, as this report shows, healthier citizens are also a great benefit to Utah's economic health."

According to the report, Utah's \$12 million in estimated Medicaid savings would be comprised of \$1.5 million in preventative costs related to heart disease, \$3.1 million for obesity, \$2.3 million for alcoholism and \$3.2 million linked to reduced smoking.

Matt Slonaker, Medicaid policy and collaborations director for the Utah Health Policy Project, a health policy and consumer advocacy organization, said Utah spends roughly \$2 billion on Medicaid each year from a combination of both state and federal funding sources.

He described a \$12 million savings as "more than a drop in the bucket" but also noted that a 50 percent cut in the dropout rate would be a significant shift.

"How much money would we have to invest in education to get there?" he said. "It might be more than \$12 million."

But Slonaker also said the report isn't suggesting that states prioritize education funding at the expense of Medicaid, but instead demonstrates the societal benefits that result from increased educational attainment. Fewer students graduating, particularly 50 percent fewer, he said, would likely result in less poverty, crime and a greater access to health care.

"I think common sense indicates that that significant a reduction in the dropout rate would have spillover effects into all aspects of society," he said. "But the questions become how much time, money and effort would it take to get to that point."

While statewide graduation rates for 2013 are not yet available, the graduation rate in 2012 was 78 percent, continuing an upward trend that has seen the rate climb 9 percent since 2008.

But a racial performance gap also exists in the state, with black and Hispanic students graduating at rates of 61 percent and 62 percent respectively, compared to an 82 percent graduation for white

students.

In 2011, Utah had the fourth-worst Hispanic graduation rate in the country. Updated national numbers have not yet been released by the U.S. Department of Education.

A statewide graduation rate of 90 percent is among the goals established for the state in Gov. Gary Herbert's [Prosperity 2020 initiative](#), which also includes 66 percent of Utah's adults earning a degree or certification by the year 2020. Officials with the Utah State Office of Education say to achieve the 90 percent benchmark, statewide graduation rates need to increase by roughly 2 percent each year.

Judy Park, associate state superintendent, said the statewide graduation rate for the 2012-13 year will not be available until December, but officials expect the rate to increase again this year.

"We have every reason to believe they'll continue to increase," she said.

Park said she couldn't speak to the specifics of the Alliance For Excellent Education's findings but added that research is fairly conclusive that completing high school leads to increased employment and higher salaries, which in turn would increase an individual's access to quality health care.

She said a high school diploma is important in that failure to complete high school can impede a student from continuing on to higher education and professional trading.

"A high school diploma is a kind of gatekeeper," she said. "That is just essential for kids continuing to improve in their education."

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