



News Release

Proposed Medicaid Cuts Would Cost Jobs, Harm Utah's Economy *Utah Could See as Many as 8,880 Jobs at Risk*

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Salt Lake City – Today the national consumer advocacy organization Families USA released a report illustrating how the Medicaid cuts in the Republican budget sponsored by Rep. Paul Ryan, if implemented today, would have a devastating impact on struggling state economies, putting hundreds of thousands of jobs and billions of dollars of economic activity at risk. As many as 8,880 Utahns could lose their jobs as a result of this damaging budget proposal.

Titled "Jobs at Risk: Federal Medicaid Cuts Would Harm State Economies," the report focuses mainly on how Medicaid cuts would damage every state's economy, although the report makes clear that the human toll of such cuts is far wider, affecting the health and well-being of low-income and middle-class families, children, seniors, and people with disabilities.

"Utah is beginning to see some economic recovery. With higher revenue projections we should be looking at ways to continue stabilizing our economy, not taking jobs away." Shanie Scott, Medicaid Policy Director for Utah Health Policy Project, said today. *"Medicaid is vital to the recovery of Utah, not only in keeping our population stable, but also to provide the safety net that hundreds of thousands of Utah families depend on to keep healthy and working."*

The budget proposal adopted by the U.S. House of Representatives, sponsored by Rep. Paul Ryan (R-WI), calls for cuts in federal Medicaid spending of 5% in 2013, 15% in 2014, and 33% in 2021.

Other Republican-sponsored proposals in Congress put global caps or deficit triggers on spending that would likely result in similarly sized cuts to Medicaid. If successful, a proposed repeal of the Affordable Care Act would cut Medicaid by an additional 13 percent, bringing the total cuts to 44% cut to Medicaid by 2021.

The Families USA report models the economic impact of the different cut scenarios outlined above.

- With a **5% cut in Medicaid spending** Utah would see a loss of business activity to the tune of \$140,818,000 and 1,350 jobs lost.
- A 15% cut in Medicaid spending would mean a loss of business activity would be \$422,454,000 or 4,040 jobs lost.
- Finally, with a 33% cut the loss of business activity would be \$929,398,000 or 8,880 jobs lost.

Carol Pastor is a single mother to two children. She had no insurance when she was diagnosed with breast cancer last year. *“My doctor asked what kind of insurance I had. My heart sunk. I did not have insurance; I am a single income earner with small children still at home. I was unable to afford insurance. When I found out I qualified for Utah’s Medicaid program, I felt hope or the first time since I had been diagnosed. **With Medicaid I am able to receive the medical care I need along with being able to work and continue to provide for my family,**”* says Carol.

The Families USA “Jobs at Risk” report is based on the latest version of an economic modeling tool known as the Regional Input-Output Modeling System, or RIMS II. Developed by the U.S. Department of Commerce, RIMS II has been used extensively for a variety of major projects calling for economic projections, such as military base closures, hospital and airport expansions, and the impact of natural disasters on regional economies. In preparing this report, Families USA worked closely with Richard Clinch, Director of Economic Research at the Jacob France Institute of the Merrick School of Business at the University of Baltimore.

The website <http://familiesusa2.org/assets/pdfs/Medicaid-Cuts-Hurt-State-Economies.pdf> has “Jobs at Risk” data for all 50 states and the District of Columbia.

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