

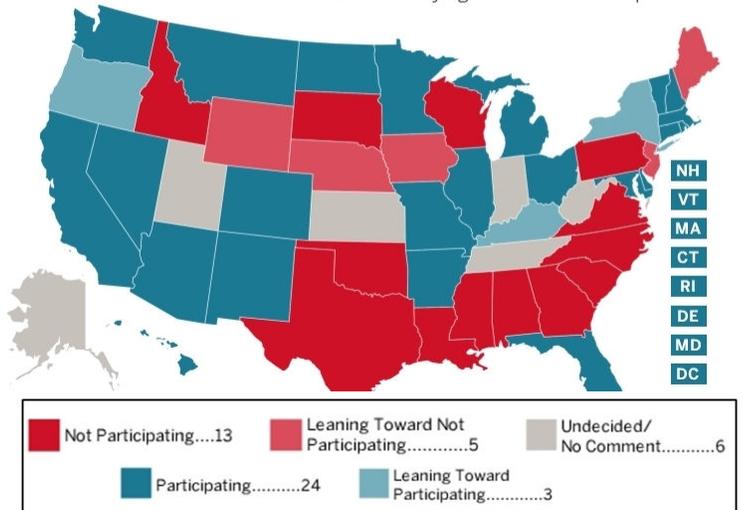


The Impact of Medicaid Expansion

Evidence from Six States

When the Supreme Court upheld the Affordable Care Act in June 2012, it made the Medicaid expansion optional to the states. For many states the choice has been difficult. Nonetheless, based on evidence of the costs and benefits of the expansion, a growing number of Republican-led states have joined the 24 states opting for the expansion. As Utah awaits the release of the Public Consulting Group (PCG) report on the Medicaid expansion, state leaders should consider the findings from other states' Medicaid expansion studies.

Where the States Stand - February 20, 2013
What states are saying about Medicaid expansion



Florida



"While the federal government is committed to paying 100 percent of the cost, I cannot in good conscience deny Floridians that needed access to health care."

-Gov. Rick Scott (FL)

- >Florida will participate in the expansion for 3 years before reevaluating the decision
- >800,000 to 1,295,000 reduction in uninsured
- >\$100 million reduction in annual state costsⁱ

Arizona



"Agreeing to expand our Medicaid program... ...[will] inject \$2 billion into our economy—save and create thousands of jobs."

-Gov. Jan Brewer (AZ)

- >\$8 billion additional federal dollars for 2014-17
- >0.9% increase in economic growth
- >21,003 new jobs
- >434,855 newly enrolled by 2017ⁱⁱ
- >Proposal includes a circuit-breaker that automatically reduces enrollment if federal reimbursement rates decrease

Ohio



"Ohio will reverse this decision if the federal government does not provide the funds it has pledged to the expansion"

-Gov. John Kasich (OH)

- >\$17,520 million increased earnings on the Ohio economy total FY 2014-2022
- >\$1,823 million increase state sales tax and insurance tax revenue
- >\$857 million increase in general state revenue total FY 2014-2022
- >\$1,431 million in net state fiscal gains of expansion total FY 2014-2022
- >\$273 million savings on inpatient care to prisoners total FY 2014-2022ⁱⁱⁱ

Missouri



"We're not going to let politics get in the way of doing the best thing for our state."

-Gov. Jay Nixon (MO)

- >24,008 new jobs in 2014
- >\$856 million in additional state and local taxes from 2014 to 2020
- >46.4% reduction in uninsured
- >\$9.6 billion added to the gross state product
- >160,000 newly enrolled in Medicaid^{iv}

Colorado



"Expansion will save \$280 million over 10 years without affecting the state's general fund."

-Gov. John Hickenlooper (CO)

- >\$4.4 billion in additional state economic activity
- >Average household earnings will be \$608 higher with full expansion
- >22,388 more jobs if the state fully expands Medicaid
- >\$133.8 million less of state general fund going toward Medicaid costs
- >275,000 newly enrolled in Medicaid by FY 2025-26
- >22,000 currently eligible but not enrolled children and parents^v

Montana



"If we fail to act, Montana taxpayers dollars will be used to provide healthcare to the citizens of states thousands of miles away"

-Gov. Steve Bullock (MT)

- >56,000 reduction in uninsured by 2014
- >\$104 million reduction in uncompensated care
- >11,500 average jobs created annually from FY2014-2021
- >Increase of about 129,000 more visits to primary care providers
- >\$11 million per year reduction of burden to taxpayers for uncompensated care^{vi}

Understanding the Impact

The leaders of these six states understand that the benefits of the Medicaid expansion—from economic impact and job growth, to coverage for otherwise uninsured individuals and reduced utilization of uncompensated care—far outweigh the extra costs.

ⁱ Florida's Medicaid Choice: Understanding Implications of Supreme Court Ruling on Affordable Health Care Act, Georgetown, Winter Park Health Foundation. <http://hpi.georgetown.edu/floridamedicaid/pdfs/florida-medicaid-choice-nov-2012.pdf>.

ⁱⁱ Arizona's Medicaid Options under the Affordable Care Act: Fiscal and Economic Consequences: Dave Wells, Ph.D., Grand Canyon Institute https://grandcanyoninstitute.org/sites/grandcanyoninstitute.org/files/GCI_Policy_Arizona_Medicaid_Options_Sept_2012.pdf.

ⁱⁱⁱ Expanding Medicaid in Ohio, preliminary analysis of likely effects. The Health Foundation of Greater Cincinnati, the Mt. Sinai HealthCare Foundation, and the George Gund Foundation http://a5e8c023c8899218225edfa4b02e4d9734e01a28.gripelements.com/pdf/publications/oh_medicaid_expansion_study_1_15_2013_final_numbered.pdf.

^{iv} The Economic Impacts of Medicaid Expansion on Missouri: University of Missouri School of Medicine, Dept. of Health Management and Informatics and Dobson DeVanzo & Associates, LLC, Vienna VA. <http://www.mffh.org/mm/files/MUMedicaidExpansionReport.pdf>

^v Medicaid Expansion: Examining the Impact on Colorado's Economy Charles Brown Consulting, Inc.

^{vi} An Estimate of the Economic Ramifications Attributable to the Potential Medicaid Expansion on the Montana Economy. The Bureau of Business and Economic Research, The University of Montana. http://csi.mt.gov/health/media/BBER_MedicaidExpansion.pdf.