



The Impact of Medicaid Expansion

Evidence from Nine States

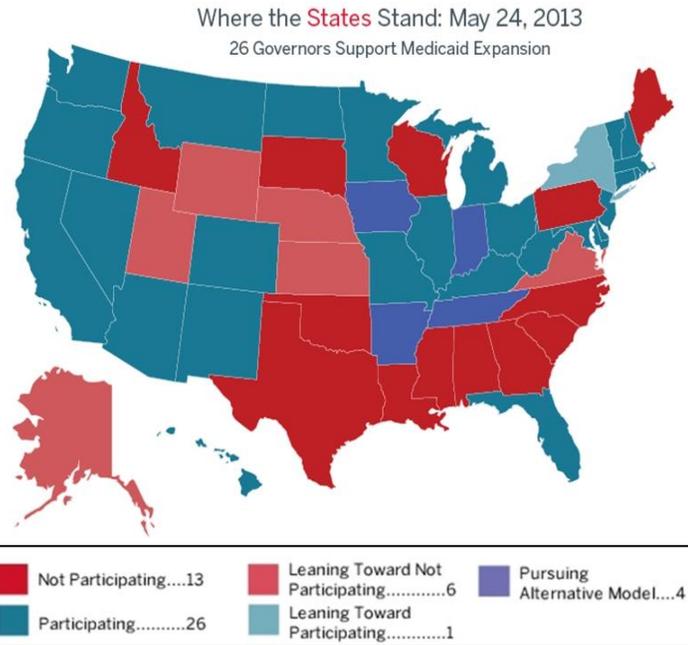
Utah Health Policy Project

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When the Supreme Court upheld the Affordable Care Act in June 2012, their decision made the Medicaid expansion optional for states. Despite the politicization of the issue, a growing number of ‘red-state’ governors have examined the costs and benefits and decided to join the 26 states opting for the expansion.

The May 23 release of the Public Consulting Group (PCG) economic impact report will let Utah move forward with a decision—just as so many of its neighboring Republican-led states have done. The study shows that expanding Medicaid in Utah has similar costs and benefits to other states, and that doing so would be a sensible choice for Utah’s governor and legislature to make.

Shown below are findings from reports commissioned by mostly Republican-led states that have opted into the expansion—and the results from Utah’s study.



Utah



“Certainly it would help the state budget.” - Gov. Gary Herbert

- >Expanding Medicaid reduces state and county budgets by around \$149 million
- >Community Health Centers and hospitals would realize savings in covering uncompensated care; estimated at \$814 per newly insured, or \$814 million over ten years
- >Generate \$2.2 billion statewide in economic impact, creating 3,151 new jobs¹

Arizona



“Agreeing to expand our Medicaid Program... [will] inject \$2 billion into our economy—save and create thousands of jobs.” - Gov. Jan Brewer

- >Inject \$8 billion in additional federal dollars into Arizona from 2014-2017
- >Create 21,003 new jobs
- >Enroll 434,855 Arizonans to Medicaid by 2017²

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

- >Reduce the number of uninsured by 800,000 to 1,295,000
- >Support 71,300 new jobs through investment of federal funding
- >Cut state Medicaid spending by \$100 million over each year³

Ohio



“Ohio will reverse this decision if the federal government does not provide the funds it has pledged to the expansion.” - Gov. John Kasich

- >Add \$17.5 billion in earnings to the Ohio economy from FY 2014-2022
- >Boost revenue from state sales and insurance taxes by \$1.8 billion
- >Increase general state revenue by \$857 million from FY 2014-2022
- >Save \$273 million on inpatient care to prisoners for FY 2014-2022⁴

1 PCG report: <http://health.utah.gov/documents/PCGUtahMedicaidExpansionAnalysis.pdf>

2 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.

3 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>.

Missouri



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

- >Add 24,008 new jobs in 2014
- >Generate \$856 million in additional state and local taxes from 2014 to 2020
- >Reduce uninsured population by 46 percent
- >Add \$9.6 billion to the gross state product
- >Enroll 160,000 residents in Medicaid coverage⁵

West Virginia



"We have weighed the options and believe expanding Medicaid is the best choice for West Virginia." - Gov. Earl Ray Tomblin

- >Enroll 91,000 low-income residents in Medicaid coverage
- >Inject \$5.2 billion in federal funding from 2014-2023
- >Provide insurance to 330,000 state residents⁶

Arkansas



"It's taking something that most Arkansans would never have approved and making it better, and making it fit for Arkansas." - Gov. Mike Beebe

- >Enable 250,000 low-income residents to purchase subsidized private insurance on the ACA exchange
- >Gives newly-insured residents better access to doctors and hospitals who accept commercial insurance plans
- >Saves state budget more than \$700 million⁷

Colorado



"This is going to support working Coloradoans and improve economic security for individuals and families and ultimately even for businesses." - Gov. John Hickenlooper

- >Generates \$4.4 billion in additional state economic activity
- >Creates 22,388 more jobs by fully expanding Medicaid
- >Reduces state Medicaid expenditures by \$133.8 million
- >Enroll 275,000 Coloradans in Medicaid by FY 2025-2026⁸

Montana



"This is an area where if you put partisanship aside, [expanding Medicaid] simply makes sense." - Gov. Steve Bullock

- >Add 56,000 new enrollees to Medicaid by 2014
- >Reduce uncompensated care costs for hospitals by \$104
- >Create and sustain 11,500 new jobs from FY 2014-2021
- >Generate \$3.8 billion in new workforce income
- >Reduce taxpayer burden for uncompensated care \$11 million per year⁹

4 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_numberedpdf.

5 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>

6 Margaret Newkirk & Mark Niquette, May 2013, Bloomberg: <http://www.bloomberg.com/news/2013-05-02/west-virginia-governor-backs-medicaid-expansion-for-poor.html>

7 <http://www.arktimes.com/arkansas/medicaid-expansion-could-save-arkansas-700-million/Content?oid=2552570>

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

9 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.