



Media Advisory For Immediate Release

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Media Contact:

Matt Slonaker
Medicaid Policy and Collaborations Director
Utah Health Policy Project
Office: 801-433-2299
Cell: 406-360-2981
Email: matt@healthpolicyproject.org

Jason Stevenson
Education and Communications Director
Cell: 617-290-8188
Email: stevenson@healthpolicyproject.org

Initial Response to Public Consulting Group's Study on the Medicaid Expansion

Today, May 23rd, the Department of Health released the Public Consulting Group study on the fiscal and economic impacts of the Medicaid expansion in Utah. Legislators, policy analysts, and community members have been waiting to review the study's findings since its proposed release date in January 2013.

In short, the PCG study reveals:

- (1) At the end of 2014, up to 42,866 Utahns will be newly enrolled as a result of a traditional Medicaid expansion; by 2015, the number could grow by 109,420 people. In total, 123,500 Utahns could gain coverage through Medicaid expansion.
- (2) Significant savings to state and county government at around \$20 million over the first three years (2014-2016), and \$131 million overall.
- (3) Reductions in uncompensated care absorbed by Utah's health system: PCG estimates an annual savings of \$814 per newly insured individual; adding 100,000 individuals to Medicaid would yield annual savings of \$81,400,000 for Utah hospitals and clinics. In 2011, PCG estimates that the Utah health system spent \$331 million on uncompensated care
- (4) Expanding Medicaid will produce 3,552 new jobs, generate \$286 million in additional state economic activity, and contribute over \$20 million in state and local revenue by year 2022 (under a tradition benefit package expansion)

"We now have the facts and figures to support the existing moral argument to expand health insurance to Utahns with no other alternative for coverage," says Matt Slonaker, Medicaid Policy and Collaborations Director at UHPP. "The question for expanding Medicaid is simple: Do we want to make health care more affordable for Utah workers and their families, or are we going to continue to ask a family that earns \$30,000 a year to do the impossible and pay \$15,000 for private insurance?"



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Over the next few days UHPP will conduct a thorough analysis of the 144-page study. But from our initial reading, we think it offers a strong fiscal defense of Medicaid expansion options in Utah. In addition, any alternatives to a traditional Medicaid expansion will need to be compared to the detailed cost-savings and economic benefits described in this study.

“Even though this PCG study used a more conservative “take-up” or enrollment rate than similar studies by the Kaiser Family Foundation and the Utah Legislative Fiscal Analyst, the net cost savings to Utah’s state and county governments are still significant—totaling \$20 million in the first three years of expansion and \$131 million overall,” says Matt Slonaker.

“While Utah will invest additional state funds in administering a Medicaid expansion, this study demonstrates that those investments are dwarfed by the new savings and economic activity created by expanding coverage to more than 100,000 Utahns,” says Matt Slonaker.

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