

Summary of Our Medicaid Expansion Impact Report

5 Slide Series, Volume 98

August 23, 2021

The Menges Group

Strategic Health Policy & Care Coordination Consulting

We Conducted A Detailed Assessment of Medicaid Expansion's Impacts

- We produced this report on our own, with the goal of objectively portraying the impacts Medicaid Expansion has generated.
- We tabulated the progression of Medicaid costs, uninsured persons, employment, deaths, personal bankruptcies, and hospitals' revenue.
- Expansion states were compared with non-Expansion states, typically between 2013 (the last year prior to the beginning of Expansion) and 2019.
- States that had already covered the Medicaid Expansion population prior to 2014 were typically excluded from our comparisons.

The full report can be downloaded at www.themengesgroup.com

The Menges Group

Key Findings

Our findings paint a highly – but not completely – favorable picture regarding Medicaid Expansion’s impacts.

- **More than nine million persons** who would otherwise be uninsured have health coverage under the Expansion.
- The state share of Medicaid costs rose 19.5% from 2013-2019 across states that expanded Medicaid, versus a 26.4% increase in states that had not expanded Medicaid as of 2019. Those states electing to expand Medicaid found a path to cover far more persons and experience modest state-fund Medicaid cost increases in the process, relative to the Non-Expansion states. **This finding suggests that expanding Medicaid has proven to be “better than free” in terms of state Medicaid costs.**
- A key element of the Medicaid Expansion is its **considerable overall cost, which we estimate to be \$80 billion in FFY2019** (for the new enrollees joining Medicaid due to the ACA’s passage). **This amount equates to \$418 per working age adult** in the USA.

Key Findings (continued)

- **Overall death rates did not appear to have been reduced by Medicaid Expansion through 2019.** We looked specifically at cancer deaths, and these deaths also did not appear to have been affected by Medicaid Expansion. However, COVID deaths in the 18-64 age group are lower in the Expansion states (despite being higher in the 65+ age group in the Expansion states). We view it to be likely that **Medicaid Expansion contributed to this reduced COVID death rate in the 18-64 age cohort** (which includes almost all Medicaid Expansion enrollees).
- **Medicaid Expansion has not inhibited employment** – and may have led to a slight employment gain. These employment dynamics were assessed in six ways, with all six analyses yielding this same result.
- **Personal bankruptcies have decreased** across Expansion and non-Expansion states since 2013, with this reduction being particularly sharp across the Expansion states.
- **Hospitals in Expansion states have experienced considerable revenue increases** that appear to be attributable to Medicaid Expansion.

We Also Estimated the Fiscal Impacts in the Remaining 13 Non-Expansion States if They Adopt Medicaid Expansion

- From a state government perspective, **most Non-Expansion states will experience a net savings in the first two years of adopting Medicaid Expansion, and a net cost thereafter.**
- This is due to the enhanced Federal match being offered as an incentive to encourage remaining Non-Expansion states to adopt Expansion. We project net state fund costs for these states after Year 2. However, these estimates did not factor in our report's key finding that implementing Medicaid Expansion appears to be yielding state-fund Medicaid savings (rather than costs) in the outyears.
- Our tabulations indicate that **the *residents* of all 13 of the remaining Non-Expansion states would collectively be considerably better off financially if Medicaid Expansion were adopted.**

Fiscal Impacts if non-Expansion States Adopted Expansion (continued)

- Collectively, the residents of these states are currently in an adverse position because they are contributing to the cost of other states' Expansions through their Federal taxes (we estimate this annual cost to non-Expansion state residents to be \$28.6 billion) – but are receiving no health coverage or federal funds infusion in return.
- The broader economic gain from implementing Medicaid Expansion to the residents across the 13 states that have not yet done so is estimated at \$51 billion per year in each of the first two years, and \$44 billion per year thereafter. ***This figure of \$44 billion in economic gains is approximately seven times the 13 states' government cost of \$6 billion per year.***

5 Slide Series Overview

Our 5 Slide Series is typically a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements. The Menges Group has developed a variety of datasets that we use to support our 5 Slide Series and client projects.

To be added to our list to receive these as they are published (or to be removed), please email us at pcall@themengesgroup.com. If you have questions about the content or data sources we have available, please email us at jmenges@themengesgroup.com or call 571-312-2360.

Address: 4001 9th Street N., Suite 227, Arlington, VA 22203

Website: www.themengesgroup.com

The Menges Group