Research summary: Benefits of Medicaid expansion

Expanding Medicaid increases access to care.

Medicaid expansion improves beneficiaries’ ability to access needed health care services.

- According to research published in Health Affairs, Medicaid expansion states experienced a 4.9 percentage point increase in the share of low-income adults with a usual source of care.¹ Separate research found an 11.6 percentage point increase in the proportion of low-income adults with chronic conditions who had regularly received care for those conditions, compared to non-expansion states.²

- Medicaid expansion in Arkansas and Kentucky led to a 16.1 and 10.7 percentage point increase in likelihood of having a checkup and, among diabetes, of glucose monitoring, respectively.³

- Research found a 41 percent increase in the number of preventive care visits to community health centers in expansion states, but no change in non-expansion states.⁴ Medicaid expansions are associated with increased visits to physicians in general practice (6.6 percentage points), overnight hospital stays (2.4 percentage points), and rates of diagnosis of diabetes (5.2 percentage points) and high cholesterol (5.7 percentage points).³

- Individuals enrolled in Medicaid experience a higher rate of behavioral health conditions than those with private insurance and may have difficulty accessing treatment. According to the Government Accountability Office, expansion states have increased behavioral health treatment availability compared to non-expansion states.⁶

- Recent research found a 5.1 percentage point drop in use of the emergency department as a usual source of care as a result of Medicaid expansion.⁷ In Oregon, for example, the rate of patient visits to the emergency department and the rate of non-emergent use of the emergency department have both declined since the state expanded Medicaid eligibility.⁸

Medicaid expansion has drastically reduced the number of uninsured.

- In 2014, states that expanded Medicaid saw a 38 percent decline in uninsurance rates, while states that had not expanded Medicaid saw only a 9 percent decline in uninsurance rates.⁹ Ten of the eleven states with the largest decrease in the rate of uninsurance had expanded Medicaid.¹⁰ Arkansas and Kentucky, for example, cut their uninsured rates in half (22.5 to 11.4 percent and from 20.4 to 9.8 percent, respectively) between 2013 and 2014.¹¹

- In Medicaid expansion states, uninsured rates were higher in 2013 for people in fair or poor health than for those in good to excellent health. In 2014, there was no significant difference in the rate of uninsurance by health status.¹²
In states that do not expand Medicaid, an estimated 6.7 million residents are likely to remain uninsured in 2016.\textsuperscript{13}

Expanding Medicaid improves the lives of working Americans.

Medicaid expansion benefits the working class.

- Sixty-two percent of those who would benefit from Medicaid expansion are in working families.\textsuperscript{14} Half are working themselves.\textsuperscript{15} Forty-eight percent work for small employers that are not required to offer health insurance under the Affordable Care Act.\textsuperscript{16} Over half of those in the coverage gap are middle-aged (ages 35 to 54) or near elderly (ages 55 to 64).\textsuperscript{17}

Medicaid expansion decreases the likelihood that patients delay care because of cost or have trouble paying medical bills.

- Research published in Health Affairs showed the share of low-income adults reporting unmet health care needs because of cost declined 10.5 percent since Medicaid expansion was implemented.\textsuperscript{18} Low-income adults also reported a 10.5 percent decline in problems paying family medical bills.\textsuperscript{19}

  - For example, after expanding Medicaid, Arkansas and Kentucky saw significant reductions in the number of patients skipping medication because of cost (9.9 percentage point reduction) and trouble paying medical bills (8.9 percentage point reduction) relative to Texas, a non-expansion state.\textsuperscript{20}

  - Seventy percent of adults enrolled in Medicaid said they would not have been able to access or afford this care prior to getting their new coverage.\textsuperscript{21}

Medicaid expansion improves the health of low-income patients.

- Low-income adults in states that expanded Medicaid face a 6.1 percent decrease in mortality (19.6 deaths per 100,000 adults.)\textsuperscript{22} Authors in Health Affairs estimated that between 7,115 and 17,104 deaths are attributable to the lack of Medicaid expansion in non-expansion states.\textsuperscript{23}

  - Researchers estimated that, as of January 2014, Medicaid expansion in states that opted out would have resulted in 712,037 fewer positive screenings for depression, 422,553 more diabetics receiving medication for their illness, 195,492 more mammograms among women age 50-64 years and 443,677 more pap smears among women age 21-64.\textsuperscript{24}

  - Between 2013 and 2014, the likelihood of reporting fair or poor health and the likelihood of having any functional limitations declined by 3.5 and 4.7 percentage points, respectively, among Medicaid enrollees. Among Medicaid enrollees with chronic conditions, the average number of conditions was smaller in 2014 than in 2013.\textsuperscript{25}

  - Longitudinal research has found that individuals eligible for Medicaid since childhood had better health outcomes, and less hospitalizations and emergency room visits in adulthood than their non-eligible peers.\textsuperscript{26}
Expanding Medicaid makes good economic sense.

**Medicaid expansion grows state economies and creates jobs.**

- The Urban Institute estimated that non-expansion states are missing out on more than $420 billion in federal dollars between 2013 and 2022.\(^{27}\) From 2017 through 2026, for every $1 a state spends on Medicaid expansion, it draws in $7 to $8 from the federal government.\(^{28}\)

- The influx of federal money reverberates through the state economy. In Kentucky, for example, Medicaid expansion is estimated to contribute to $30.1 billion to the economy by 2021 and have a net positive impact of $919.1 million on the state budget.\(^{29}\)

- On average, expansion states saw job growth at 2.4 percent in 2014 while non-expansion states saw 1.8 percent job growth.\(^{30}\) The Bureau of Labor Statistics estimates that Medicaid expansion will spur 22 million jobs by 2022.\(^{31}\) In Kentucky alone, expansion created 12,000 new jobs in 2014 and is expected to create 40,000 jobs by 2021.\(^{32}\)

- Research has shown that Medicaid expansion has not resulted in significant changes in employment, job switching, or full- versus part-time status.\(^{33}\) Another study published in Health Affairs similarly found that Medicaid expansion did not have an effect on employment.\(^{34}\)

**Medicaid expansion saves state budget dollars.**

- According to the Kaiser Family Foundation’s annual survey of Medicaid directors, twelve states reported that revenues had increased in 2015 or 2016 due to Medicaid expansion.\(^{35}\) In New Mexico, for example, Medicaid expansion generated over $300 million to the state’s general fund.\(^{36}\)

- The decline in uncompensated care costs incurred by hospitals allows states to invest fewer resources into charity funding programs. Arkansas saved $17.2 million in state funding; California saved $1.4 billion; Kentucky saved $13.5 million; and New Jersey saved $74 million.\(^{37}\)

- Fifteen states have realized savings because federal funds may now be used in lieu of state funds to pay for inmates’ care.\(^{38}\) Colorado, Michigan, and Ohio, for example, have saved between $5 and $13 million since 2014.\(^{39}\) Continuity in health care coverage may reduce recidivism by enabling access to substance use and mental health treatment services after prisoners are released.\(^{40}\)

- Thirteen states reported budget savings related to behavioral health because individuals who previously received state-funded behavioral health services may now receive those services under Medicaid.\(^{41}\) Michigan, for example, attributed $180 million in savings in 2014 to a drop in demand for state-funded community mental health programs after Medicaid expansion.\(^{42}\)

- In expansion states, state general fund spending on Medicaid increased on average by 3.4 percent in 2015 compared to 6.9 percent in non-expansion states.\(^{43}\) The Kaiser Family Foundation attributed the slower growth of general fund spending to the 100 percent federal match for the expansion population.\(^{44}\) Over two-thirds of expansion states reported that the average per-member-per-month costs were at or below projections for the newly eligible population.\(^{45}\)

**Medicaid expansion protects hospitals.**

- Across hospitals in states that expanded Medicaid, charity care provided by hospitals declined 30 percent on average in 2014.\(^{46}\) In non-expansion states, the average amount of charity care
over the same period increased 10 percent. Hospitals in non-expansion states stand to lose $167.8 billion in Medicaid revenue between 2013 and 2022 that was originally intended to offset major cuts to their Medicare and Medicaid reimbursement in the Affordable Care Act.

- Admissions of uninsured patients plummeted 48 percent in expansion states and only two percent in non-expansion states.

- Many rural hospitals are the largest employers in their county and report they are facing layoffs or even closure because of revenue declines. The closure of the sole hospital in the community reduces per-capita income by $703 or 4 percent and increases the unemployment rate by 1.6 percentage points.

**Medicaid expansion helps lower insurance premiums in the Marketplace**

- Marketplace premiums are about 7 percent lower in states that expanded Medicaid compared to non-expansion states.

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19 Shartzer, Long & Anderson, supra note 1.
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