



MEDICAID: EXPANSION VS. STATUS QUO - WHAT'S THE PRICE?

FACT SHEET

THE DEVELOPMENT OF THIS FACT SHEET MADE POSSIBLE THANKS TO A GENEROUS GRANT FROM THE **WILLIAM T. KEMPER FOUNDATION**

FACT SHEET COMPILED BY EVAN WASHECHEK WITH ASSISTANCE FROM TATE COOPER AND JACK STILL

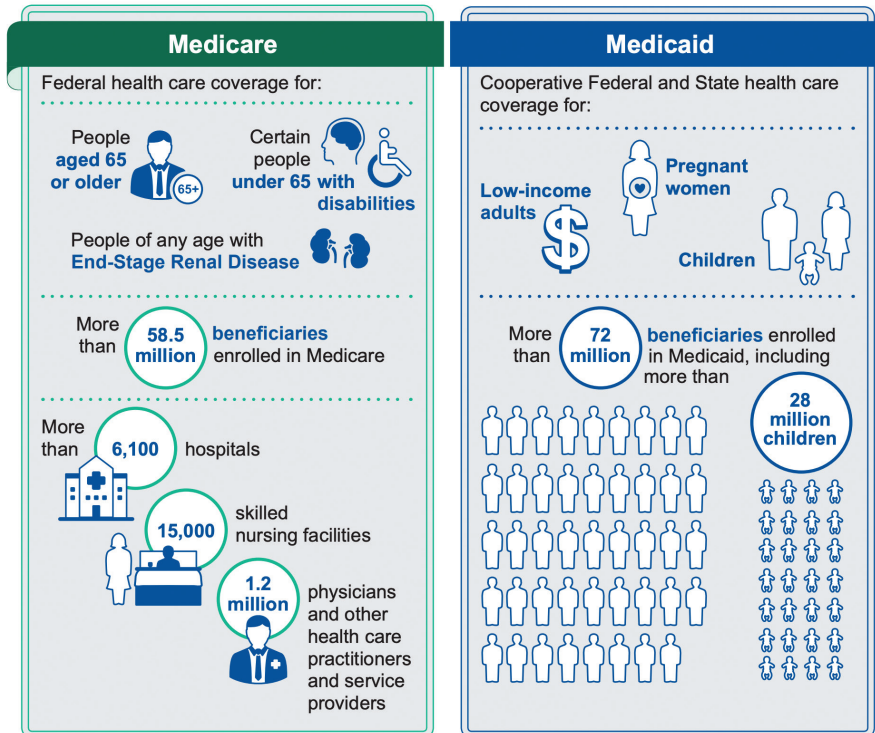


What is Medicaid?

Medicaid is a nationwide government program that helps give healthcare access to certain portions of the American population. Generally, the program “provides health coverage to millions of Americans, including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities” (<https://www.medicare.gov/medicaid/index.html>)

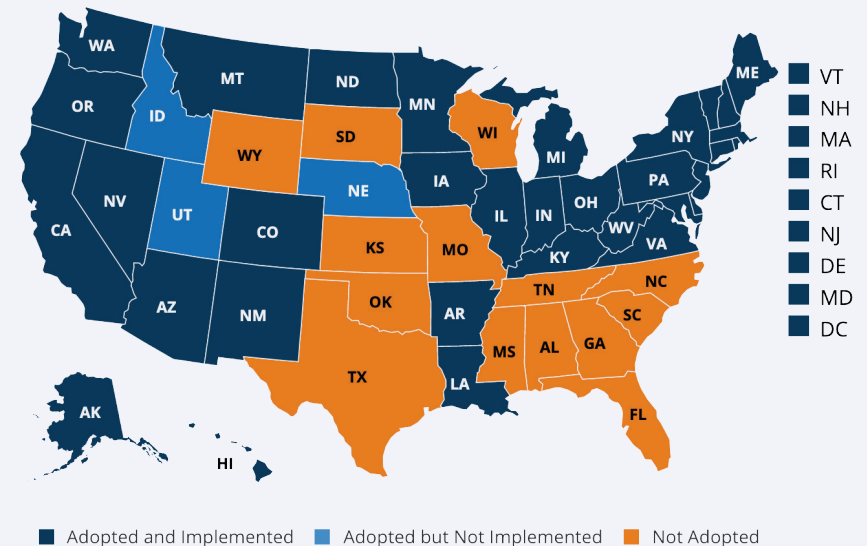
“The federal government guarantees matching funds to states for qualifying Medicaid expenditures; states are guaranteed at least \$1 in federal funds for every \$1 in state spending on the program. This open-ended financing structure allows federal funds to flow to states based on actual costs and needs as economic circumstances change” (KFF).

MEDICARE AND MEDICAID BASICS



What States Have Expanded?

Currently, 36 states and Washington, D.C. have expanded Medicaid.



Political Future in MO and KS

- Healthcare for Missouri coalition is collecting signatures on a petition to place Medicaid expansion on the November 2020 ballot
- Governor Kelley has stated one of her priorities is to pass Medicaid Expansion for Kansas in the 2020 legislative session

Funding

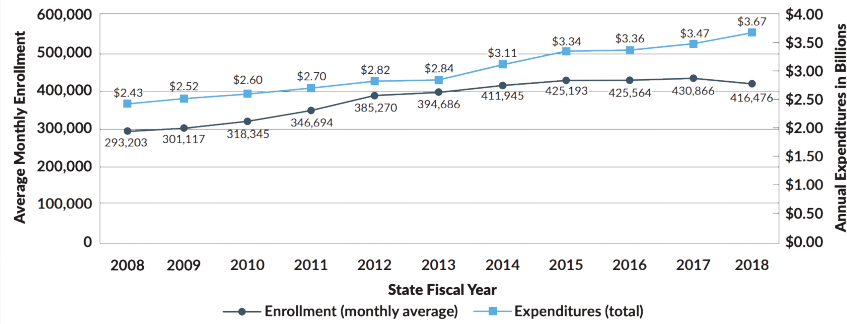
The Medicaid program is funded by the federal government and each state. “The federal government pays states for a specified percentage of program expenditures, called the Federal Medical Assistance Percentage (FMAP). States must ensure they can fund their share of Medicaid expenditures for the care and services available under their state plan.” States are permitted to set their own Medicaid provider payment rates within federal guidelines (Medicaid.gov).

<https://www.medicare.gov/medicaid/finance/>

State Data

Kansas

Figure 1. Medicaid and CHIP Average Monthly Enrollment and Annual Expenditures in Kansas, Fiscal Years 2008–2018



Note: Enrollment represents the average monthly enrollment for the state fiscal year. All Medicaid and CHIP beneficiaries are included. Expenditures include total state and federal spending for the fiscal year.
 Source: KHI Analysis of Kansas Medical Assistance Report (MAR), 2008–2018, Division of Health Care Finance, Kansas Department of Health and Environment.

Source: Primer for Kansas Medicaid
https://www.khi.org/assets/uploads/news/14859/2019_medicaid_primer_r_web.pdf

Figure 3. Estimated Cost of Medicaid Expansion Over 10 Years, by Calendar Year (in Millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Combined Federal and State Spending on New Enrollees	\$722.6	\$740.6	\$759.2	\$778.1	\$797.6	\$817.5	\$838.0	\$858.9	\$880.4	\$902.4	\$8,095.3
State Gross Cost of New Enrollees	\$105.0	\$112.0	\$114.8	\$117.6	\$120.6	\$123.6	\$126.7	\$129.8	\$133.1	\$136.4	\$1,219.5
New State Revenues, Offsetting Savings, Administrative Costs	(\$57.6)	(\$64.5)	(\$66.1)	(\$67.7)	(\$69.4)	(\$71.1)	(\$72.8)	(\$74.6)	(\$76.5)	(\$78.4)	(\$698.7)
State Net Cost	\$47.4	\$47.5	\$48.7	\$49.9	\$51.2	\$52.5	\$53.8	\$55.2	\$56.6	\$58.0	\$520.8

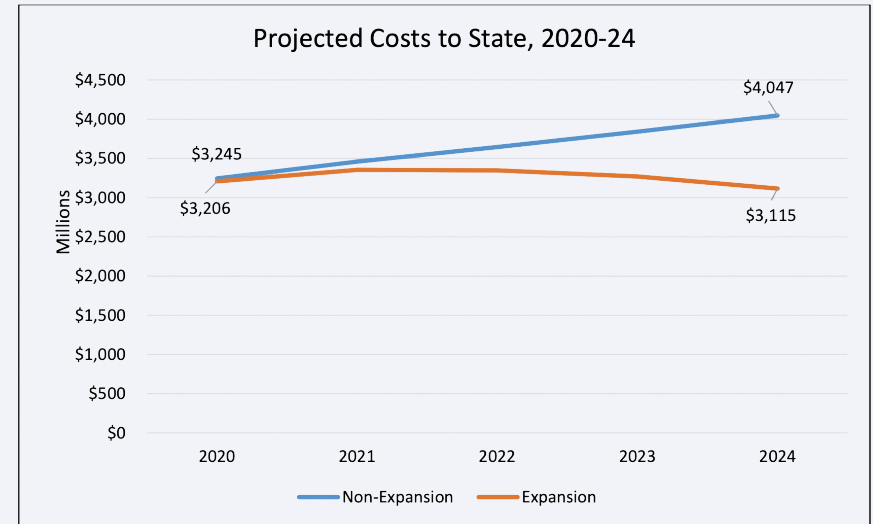
Note: State Fiscal Years run from July to June; this analysis presents results by Calendar Year, assuming a January 1, 2020, implementation. Numbers may not sum due to rounding. New State Revenues do not include taxes related to increased economic activity. Detailed assumptions are available at bit.ly/KSMedicaidEstimate.
 Source: KHI analysis of data from the 2017 American Community Survey, the Fiscal Year 2018 Kansas Medical Assistance Report, the Kansas Department of Health and Environment and the Kansas Department of Corrections.

Missouri

	Lower Bound	Best Estimate	Upper Bound
Total New Adult Eligible Population	270,000	315,000	360,000
Average Take-up Rate	68%	73%	78%
New Enrollee Cost, PMPM	\$350	\$425	\$525
% Never-Dual Who Forgo P&TD Pathway	40%	30%	20%
State Obligation with Expansion	\$3,150.4M	\$3,206.1M	\$3,287.3M
State Obligation without Expansion	\$3,245.0M	\$3,245.0M	\$3,245.0M
Net Change	-\$94.6M	-\$38.9M	+\$42.3M

Figure 2 shows that, beginning with the “best estimate” values for 2020, and continuing to assume a 4.5% growth rate in prices and utilization, by 2024 the annual savings due to expansion is estimated to be about \$932 million. The projection also includes an annual population growth rate of 0.66% for both scenarios.

Figure 2.



<https://publichealth.wustl.edu/wp-content/uploads/2019/02/Analysis-of-the-Fiscal-Impact-of-Medicaid-Expansion-in-Missouri-IPH.pdf>

Nebraska

Figure 40

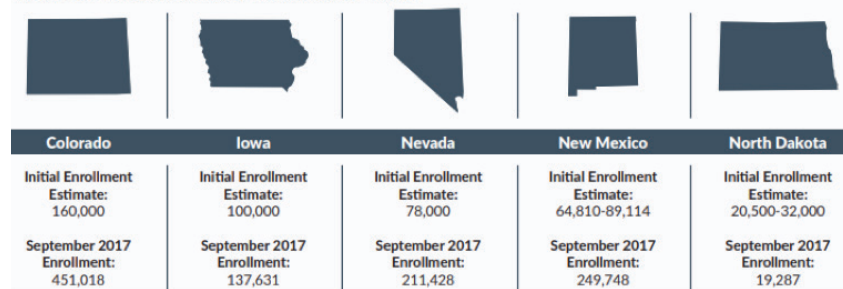
Nebraska Fiscal Impact of Medicaid Expansion by Fiscal Year

	FY 2019-20	FY 2020-21	FY 2021-22	Total
General Fund Cost	\$32,912,142	\$50,511,276	\$64,893,524	\$148,316,942
Program offset	\$13,135,837	\$18,284,705	\$26,101,892	\$57,522,434
Net Cost	\$19,776,305	\$32,226,571	\$38,791,632	\$90,794,508
Total Taxes Received	\$28,322,000	\$36,926,000	\$47,194,000	\$112,442,000
State Taxes Received	\$16,377,400	\$21,375,000	\$27,339,200	\$65,091,600
Local Taxes Received	\$11,944,600	\$15,551,000	\$19,854,800	\$47,350,400
Net to General Fund	(\$3,398,905)	(\$10,851,571)	(\$11,452,432)	(\$25,702,908)
Net to State & Local Govt	\$8,545,695	\$4,699,429	\$8,402,368	\$21,647,492

<https://neappleseed.org/wp-content/uploads/2018/10/Medicaid-Expansion-2018-Updated-Study.pdf>

Other States

Figure 3. Medicaid Expansion Enrollment Experiences in Select States Expanding on January 1, 2014, Initial Estimate Versus 2017 Actual Enrollment of "Newly Eligible" Adults



Source: KHI analysis of governors' statements and research reports, and <https://catalog.data.gov/dataset/medicaid-enrollment-new-adult-group>, accessed May 15, 2019.

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