



## **MOST Policy Initiative releases science note on Medicaid Expansion**

Jefferson City, Mo. (JULY 31, 2020): On August 4th, Missouri voters will decide if Medicaid should be expanded to cover more Missouri individuals.

A [science note](#) compiled by [MOST Policy Initiative](#) highlights the primary scientific findings associated with Medicaid Expansion. Medicaid is a joint federal and state program established in 1965 to provide health insurance to low-income families, seniors, and individuals with disabilities. Under Medicaid expansion, adults (age 19-65) with a household income less than 138% of the federal poverty level would be eligible to receive Medicaid coverage.

To date, 37 states, and Washington, D.C. have expanded Medicaid through legislation or ballot initiatives, including Arkansas, Illinois, Iowa, and Kentucky. States that have adopted Medicaid expansion report that their populations have increased access to medical care and resources, including mental health treatment, relative to non-expansion states. These states have also reported that Medicaid expansion is associated with decreased mortality rates, including mortalities resulting from opioid overdoses.

“None of the states that expanded their Medicaid programs have reversed it,” said Brian Kinkade, vice president of Children’s Health and Medicaid Advocacy with the Missouri Hospital Association. “I think that’s pretty strong evidence that states have found expansion to be a positive experience. It’s good for their citizens and good for their state budget.”

The greatest benefit clearly will be to the estimated 231,000 adults and 40,000 children who will gain access to coverage, said [Tim McBride](#), Ph.D., professor and health policy analyst at Washington University in St. Louis Brown School of Social Work, Public Health, and Social Policy.

“There are a myriad of benefits they will gain. The research shows the Medicaid expansion will reduce their out of pocket costs, improve access to care, and improve health outcomes and mental health status, as well as other non-health outcomes. The research has also shown that the expansion has reduced housing evictions, for example, and medical debt,” said Dr. McBride.

According to Kinkade, Missouri’s rural communities and rural hospitals would benefit greatly from an expansion. “The rural hospitals, in particular, are under a lot of financial strain right now. Having more patients covered with insurance will be good for those rural hospitals financially,” he said.

“The more patients who are uninsured or underinsured makes it difficult for the hospital who are already strained. If the uninsured can’t pay their bills, then the hospital has to shift that cost to someone else and that doesn’t happen very efficiently—to some extent, they shift costs to other payers who have insurance and makes their care more expensive,” said Kinkade.



“Folks who don't have insurance don't often have the resources to pay for the care they receive. More people who have insurance will tend to be healthier financially and that's important, not just for the hospital but for the community,” he said.

Under Medicaid expansion, the federal government would cover 90% of expenditures for newly eligible enrollees, leaving the state to cover 10% of new expenditures. Due to uncertainty in several assumptions relating to the fiscal consequences of Medicaid expansion, including the number of new enrollees and cost per enrollee, there is uncertainty surrounding the net fiscal impact of Medicaid expansion.

According to [non-partisan analysis by researchers at the Institute for Public Health at Washington University](#), Medicaid expansion would most likely result in approximately \$39M of net savings to the state. However, this outcome could range from \$95M of savings (best-case) to \$42M of costs (worst-case). Other macroeconomic feedback effects, such as increased economic activity and employment, have been modeled and suggest net positive fiscal outcomes for states that have expanded Medicaid, but these factors vary from state to state.

Dr. McBride said there are areas of agreement between his analysis and the state's analysis. The number of people he estimates would be covered is 230,000 adults isn't that different from Missouri's estimate of 286,000.

They also agree Missouri will save money in the areas of pregnant women and uncompensated care.

“We believe that after the expansion starts, some permanently and totally disabled individuals who become newly eligible would not go through the arduous process of applying for Medicaid as disabled, but would apply as expansion- eligible based simply on income,” he said.

MOST Policy Initiative is a nonprofit organization aimed to improve the health, sustainability, and economic growth of Missouri communities by providing objective, non-partisan scientific information to Missouri's decision makers. For more information, contact Rachel Owen, MOST Director – [rachel@mostpolicyinitiative.org](mailto:rachel@mostpolicyinitiative.org).

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