

# State Health Reform Assistance Network

## Charting the Road to Coverage

ISSUE BRIEF  
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## States Expanding Medicaid See Significant Budget Savings and Revenue Gains

Early Data Shows Consistent Economic Benefits Across Expansion States

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Data regarding Medicaid expansion in 11 states—Arkansas, California, Colorado, Kentucky, Michigan, New Mexico, Oregon, Maryland, Pennsylvania, Washington state, and West Virginia—and the District of Columbia confirm that states continue to realize savings and revenue gains as a result of expanding Medicaid.

Findings show that every expansion state should expect to:

- Achieve savings related to previously eligible Medicaid beneficiaries now eligible for the new adult group under expansion
- Reduce state spending on programs for the uninsured
- Bring in additional revenue from existing insurer or provider taxes

Evidence from states that have expanded Medicaid consistently shows that expansion generates savings and revenue which can be used to finance other state spending priorities or offset much, if not all, of the state costs of expansion. Medicaid expansion is also bringing hundreds of millions of federal dollars annually to states, which ripples through state economies, creates jobs, and strengthens struggling and rural hospitals. Recent research shows that:

- State Medicaid spending grew more slowly in states that expanded than in those that did not. State Medicaid spending in expansion states grew by half as much as spending in non-expansion states between FY 2014 and FY 2015 (3.4% compared to 6.9%).<sup>1</sup>

### ABOUT STATE NETWORK

State Health Reform Assistance Network, a program of the Robert Wood Johnson Foundation, provides in-depth technical support to states to maximize coverage gains as they implement key provisions of the Affordable Care Act. The program is managed by the Woodrow Wilson School of Public and International Affairs at Princeton University. For more information, visit [www.statenetwork.org](http://www.statenetwork.org).

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<sup>1</sup> Kaiser Family Foundation. "Medicaid Enrollment & Spending Growth: FY 2015 & 2016." (October 2015). Available online at: <http://kff.org/medicaid/issue-brief/medicaid-enrollment-spending-growth-fy-2015-2016/>.

- Medicaid expansion states see more jobs in the health sector. On average, the states that expanded Medicaid in January 2014 saw jobs grow by 2.4 percent during 2014, while jobs in states that did not expand grew by only 1.8 percent in the same year.<sup>2</sup>
- Coverage expansions are contributing to a national reduction in hospital uncompensated care costs. Hospitals' uncompensated care costs are estimated to have been \$7.4 billion (21%) less in 2014 than they would have been in the absence of coverage expansions.<sup>3</sup> In 2014, expansion states saw a reduction in uncompensated care costs of 26 percent, compared to a 16 percent reduction in non-expansion states.
- As of September 2015, the percentage of rural hospitals at risk of closure is about twice as high in non-expansion states in comparison to expansion states (based on measures of financial strength, quality and outcomes, inpatient/outpatient share, and population risk).<sup>4</sup>

This report, an update to an April 2015 Robert Wood Johnson Foundation *State Health Reform Assistance Network* issue brief on the impact of Medicaid expansion,<sup>5</sup> examines the budget impact of expansion in a sample of 11 states from all regions of the country, as well as in the District of Columbia. Based on budget information provided by state officials, the authors documented state budget implications for state fiscal year (SFY) or calendar year (CY) 2014 and projected savings for SFY/CY 2015<sup>6</sup> in several categories of expenditures. State variations in Medicaid payment, Medicaid eligibility, and population size make it difficult to directly translate expansion state savings to states that have not yet expanded. However, every state can expect to see savings and revenue in many, if not most, of the categories outlined below. It is important to note that many states interviewed for this report had not examined potential savings in all categories, and as a result, this report reflects only partial savings estimates for most states. The two exceptions are Arkansas and Kentucky, both of which have done comprehensive assessments of expansion related savings and revenue gains. Based on feedback from states that did more comprehensive analyses, projected expansion related savings and revenue gains are expected to offset costs of expansion in many states for several years. Findings in Arkansas and Kentucky, for example, revealed state budget savings and revenue gains sufficient to offset state costs attributable to expansion at least through SFY 2021.

Savings and increased revenue seen in expansion states fall into three major categories:

- **State Savings From Accessing Enhanced Federal Matching Funds:** In the past, states often used waivers or specialized Medicaid eligibility categories to provide coverage to high-need enrollees, such as “medically needy” individuals, pregnant women, and individuals with disabilities. States historically have been responsible for 30 to 50 percent of the cost of covering such individuals. *With expansion, many individuals who were previously eligible for limited Medicaid benefits under pre-Affordable Care Act (ACA) eligibility categories are now eligible for full Medicaid coverage in the new adult group—which means the state will receive enhanced federal funding (100% in the first three years of expansion, phasing down to 90% in 2020) for providing full Medicaid benefits to these populations.*

<sup>2</sup> Families USA. “Medicaid Expansion States See Financial Savings and Health Care Jobs Growth.” (March 2015). Available online at: <http://familiesusa.org/blog/2015/03/medicaid-expansion-states-see-financial-savings-and-health-care-jobs-growth>.

<sup>3</sup> Office of the Assistant Secretary for Planning and Evaluation. “Economic Impact of the Medicaid Expansion.” (March 2015). Available online at: [https://aspe.hhs.gov/sites/default/files/pdf/139231/ib\\_MedicaidExpansion.pdf](https://aspe.hhs.gov/sites/default/files/pdf/139231/ib_MedicaidExpansion.pdf).

<sup>4</sup> iVantage Health Analytics. “Vulnerability to Value: Rural Relevance under Healthcare Reform.” (2015). Available online at: [http://cdn2.hubspot.net/hubfs/333498/2015\\_Rural\\_Relevance\\_Study\\_iVantage\\_04\\_29\\_15\\_FNL.pdf?\\_\\_hssc=31316192.5.1430489190714&\\_\\_hstc=31316192.d0dce9fb5dcfb09eef9f204e5d14c27.1429107453775.1430489190714.2&hsCtaTracking=dd32f7fe-5998-4036-9323-7ca31df2f112%7Cc2f8e10f-6a96-4635-a8bc-e460abdc35fe](http://cdn2.hubspot.net/hubfs/333498/2015_Rural_Relevance_Study_iVantage_04_29_15_FNL.pdf?__hssc=31316192.5.1430489190714&__hstc=31316192.d0dce9fb5dcfb09eef9f204e5d14c27.1429107453775.1430489190714.2&hsCtaTracking=dd32f7fe-5998-4036-9323-7ca31df2f112%7Cc2f8e10f-6a96-4635-a8bc-e460abdc35fe).

<sup>5</sup> State Health Reform Assistance Network. “States Expanding Medicaid See Significant Budget Savings and Revenue Gains.” (April 2015). Available online at: <http://statenetwork.org/wp-content/uploads/2015/04/State-Network-Manatt-States-Expanding-Medicaid-See-Significant-Budget-Savings-and-Revenue-Gains-April-20152.pdf>.

<sup>6</sup> Some states analyzed savings by state fiscal year and others by calendar year. Please see the tables in the appendix of this report for details on the time period for savings figures in each state.

- **State Savings From Replacing General Funds With Medicaid Funds:** Historically, many states have supported programs and services for the uninsured—mental and behavioral health programs, public health programs, and health care services for prisoners—with state general fund dollars. *With expansion, many of the beneficiaries of these programs and services are able to secure Medicaid coverage in the new adult category, which means states can fund these services with enhanced federal—not state—dollars.*
- **Revenue Gains:** Nearly all states raise revenue through assessments or fees on providers and/or health plans. *As provider and health plan revenues increase with expansion, this translates into additional revenue for states.*

The appendix (page 7) provides detailed tables on the savings and revenues identified for each state highlighted in this report, along with a more complete description of the areas in which states identified expansion-related savings and new revenues. It is important to note that many of the states in this report have not yet completed their analyses of expansion savings and revenue gains, so more savings may be identified as states continue to assess the impact of expansion.

### Examples of state savings from accessing enhanced federal matching funds

States highlighted in this report identified savings from the use of new enhanced federal matching funds. **Every expansion state should expect to see savings as individuals who were previously eligible for limited Medicaid benefits under pre-ACA eligibility categories transition to full Medicaid coverage in the new adult group, with enhanced federal funding.**

#### Savings From Covering Pregnant Women in the New Adult Group

Many women who are enrolled in the new adult group and become pregnant will remain in the new adult group, where the states receive the enhanced federal match for their services, at least until women renew their coverage. Savings occur even if states maintain their previous Medicaid eligibility levels for pregnant women. While not every state in this report captured these savings in their budget estimates, all expansion states should experience savings in this area.

- **Maryland** estimated savings of \$8.2 million in SFY 2015, as women enrolled in the new adult group who became pregnant remained enrolled in the new adult group.
- **West Virginia** estimated that it saved \$3.8 million in spending for services to pregnant women in CY 2014.
- **Washington state** saved \$6.8 million in pregnant women related spending in SFY 2014 (six months of savings), and projected savings of \$31.5 million in SFY 2015.
- **Arkansas** saved \$15.2 million in pregnant women related spending in SFY 2015, representing a 50 percent decrease in spending. The state projects savings of \$24.4 million in pregnant women related spending in SFY 2016.

#### Savings From Covering Medically Needy/Spend Down Enrollees in the New Adult Group

High-need and high-cost individuals who previously would have only qualified for Medicaid by “spending down” their incomes to the medically needy eligibility group instead were able to enroll in the new adult group, where the federal government provides enhanced match for their services. This is a significant area of savings for states with medically needy programs, given the high per-beneficiary cost of this population. Savings occur without any reductions in medically needy eligibility levels.

- **Washington state** expected savings of \$11.5 million in SFY 2014 and \$35 million in SFY 2015, as medically needy individuals who previously would have had to “spend down” to be eligible for Medicaid enrolled in the new adult group.

- **Kentucky** saved \$2.4 million on coverage for medically needy enrollees in SFY 2014 (six months of savings) and expected to save \$14 million in SFY 2015.

#### Savings From Covering High-Need Enrollees in the New Adult Group

With expansion, low-income individuals who previously would have had to pursue a disability determination to qualify for Medicaid are able to enroll into the new adult group based on income alone. As a result, early expansion states are reporting sharp drops in the number of individuals seeking disability determinations. In the near-term, states see savings from the reduced administrative costs of conducting disability determinations, and in the longer-term, from fewer individuals in the disability category (where the state receives regular FMAP).

- **Kentucky** saved \$1.7 million in SFY 2014 (six months of savings) and expected to save \$7.9 million in SFY 2015 related to spending on disabled enrollees, as enrollees who previously would have had to pursue a disability determination to be eligible for Medicaid under the disabled category enroll in Medicaid through the new adult group.
- **Arkansas** saved \$17.1 million in SFY 2015 related to spending on disabled enrollees. Spending on the state's Supplemental Security Income (SSI) disabled group had historically grown annually by about 5 percent prior to expansion. In SFY 2015, SSI disabled group spending decreased by 0.02 percent, and the state reduced spending by 6 percent on its non-SSI disabled population. Arkansas projects savings of \$45.4 million in spending on disabled enrollees in SFY 2016.
- **Oregon** has seen a dramatic drop in the number of individuals seeking disability determinations, from 7,000 in CY 2013 to 1,400 in CY 2014.

One other key area of savings related to accessing enhanced federal match are savings related to adults enrolled in Medicaid waivers enrolling through the new adult group:

- **California** expected to save \$250 million through 2015, as childless adults previously enrolled through a 2010 “early expansion” waiver transitioned to the new adult group.
- **Colorado** saved \$136.6 million in CY 2014 and expected to save \$148.4 million in CY 2015 as adults and parents previously enrolled through Medicaid waivers transition to the new adult group.
- **Maryland** saved \$50 million in SFY 2014 and estimated savings of \$101 million in SFY 2015 as childless adults receiving a limited benefits package through a Medicaid waiver transitioned to the new adult group.

#### Examples of state savings from replacing general funds with Medicaid funds

Several states highlighted in this report identified savings related to beneficiaries of state-funded health programs and services who secure Medicaid coverage under expansion. **All expansion states should expect to reduce state spending on programs for the uninsured as expansion increases the ranks of the insured in states.**

#### Savings From Behavioral Health Programs

The largest savings in this category come as individuals who previously relied on state-funded behavioral health programs and services—including mental health and substance use disorder services—are able to secure Medicaid coverage in the new adult group, which means states can fund these services with federal—not state—dollars without reducing services.

- **Michigan** projected savings of \$190 million in SFY 2015 by transitioning enrollees in a state-funded program that provided targeted services for the seriously mentally ill into the new adult group.
- **Kentucky** saved \$9 million in SFY 2014 (six months of savings) and expected to save \$21 million in SFY 2015 in state mental and behavioral health spending.

### Savings From Enrolling Inmates in Medicaid Upon Release From Jail or Prison

Medicaid's "inmate exclusion" prohibits payment of care of services for any individual who is an inmate of a public institution. However, Medicaid will cover services provided to an inmate during an inpatient stay of at least 24 hours in a medical institution such as an acute care facility.<sup>7</sup> To qualify, the inmate must be otherwise Medicaid-eligible. Expansion states are seeing health care related savings in their correction budgets for newly Medicaid-eligible prisoners who are treated in an inpatient medical facility outside of the state correctional system. Additionally, inmates are now eligible for Medicaid upon release from jail or prison and can receive coverage for a broad range of treatments for mental illness, substance use disorders, and chronic and communicable diseases. Studies indicate that providing treatment for mental health and substance use disorders may decrease recidivism and reduce the number of new entrants into jail and prison.<sup>8</sup> Since expansion, a number of states have enrolled inmates in Medicaid while they are still incarcerated, with coverage that takes effect soon after their release.<sup>9</sup> This approach facilitates continuity of care for inmates upon their return to the community.

- **Michigan** projected a reduction in state correctional spending of \$19 million in SFY 2015, as the federal government picks up the hospital inpatient costs for incarcerated individuals who are Medicaid-eligible through the new adult group.
- **Colorado** expects savings of \$5 million per year in state correctional spending.

Other states reduced state spending on public health programs and for uncompensated care:

- **Arkansas** was able to reduce state spending on community health centers and local health units by \$6.4 million for SFY 2015 without reducing services, because these facilities now receive Medicaid payments for services provided to previously uninsured patients who are eligible as new adults.
- **California** estimated that it will save \$750 million through 2015 due to decreased need for funding to counties for providing indigent care to adults previously ineligible for Medicaid. Many of these individuals transitioned to the expansion group.
- **Pennsylvania** estimated savings of \$108 million in SFY 2015, as beneficiaries of a state-funded medical assistance program transitioned to the expansion group.
- **Maryland** reduced state uncompensated care funding to hospitals by more than \$13.6 million in SFY 2015 because hospitals saw fewer uninsured patients.

### Examples of state revenue gains

Six of the 11 states and the District of Columbia highlighted in this report (Arkansas, California, Maryland, Michigan, New Mexico, and Washington state) found that expansion increased state revenue from existing assessments on insurers and providers. These gains occurred as local insurer and provider revenues increased, resulting in higher state collections on insurer and provider assessments. **All states except Alaska have existing insurer or provider taxes,<sup>10</sup> and can expect to see revenue gains because of Medicaid expansion.**

- **California** expected more than \$985 million in additional revenue through 2015 due to increased revenue from insurer and provider taxes.

<sup>7</sup> 42 U.S.C. 1396a(a)(29)(A).

<sup>8</sup> Washington State Department of Social and Health Services Research and Data Analysis Division. "Chemical Dependency Treatment, Public Safety: Implications for arrest rates, victims, and community protection." (February 2009).

<sup>9</sup> State Health Reform Assistance Network. "Medicaid Expansion and Criminal Justice Costs: Pre-Expansion Studies and Emerging Practices Point Toward Opportunities for States." (November 2015).

<sup>10</sup> National Conference of State Legislatures. "Health Provider and Industry State Taxes and Fees." (December 2015). Available online at: <http://www.ncsl.org/research/health/health-provider-and-industry-state-taxes-and-fees.aspx>.

- **New Mexico's** CY 2014 premium tax revenues were \$30 million greater due to increased revenue related to expansion adults, and the state projects continued revenue gains of \$30 million in CY 2015.
- **Maryland** estimated an additional \$26.6 million in revenue in SFY 2015 because of greater revenue from an insurer tax.
- **Michigan** expected revenue gains of \$26 million in SFY 2015 from the state's Health Insurance Claims Assessment.

## Conclusion

States that have expanded Medicaid continue to report financial benefits related to expansion. Expansion states generate savings and revenue that can be used for other state priorities or, starting in 2017, can offset the state costs of expansion. Beyond the state budget benefits, Medicaid expansion states are seeing broader benefits including job growth, deep reductions in uninsurance, and related decreases in hospital uncompensated care costs. In turn, the climbing rate of insured patients is helping to stabilize struggling hospitals, particularly rural facilities.

## Appendix

### DETAILED TABLES ON SAVINGS AND REVENUES IDENTIFIED IN EXPANSION STATES

The following charts summarize in detail the early results on savings and revenue gains for each of the states highlighted in this report. Note that the costs of newly eligible enrollees are paid entirely by the federal government in FY 2014 and 2015. Savings and revenue gains, on the other hand, accrued to state budgets.

ARKANSAS <sup>11</sup>		SFY 2014 <sup>12</sup>	SFY 2015
<b>Cost of Newly Eligible Enrollees</b>	Number of Newly Eligible Enrollees	200,700	248,000
	Per Member Per Year (PMPY) Cost	\$5,200	\$6,100
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$362,660,000<sup>13</sup></b>	<b>\$1,378,600,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
<b>Source of Savings/Revenues</b>		<b>SFY 2014</b>	<b>SFY 2015</b>
<b>State Savings From Enhanced Federal Matching Funds</b>	ARHealthNetwork <sup>14</sup>	\$5,700,000	\$14,200,000
	Medically Needy <sup>15</sup>	\$1,650,000	\$15,600,000
	Disabled Adults <sup>16</sup>	\$2,250,000	\$17,100,000
	Pregnant Women <sup>17</sup>	\$4,900,000	\$15,150,000
	Family Planning <sup>18</sup>	\$780,000	\$1,550,000
	Breast & Cervical Cancer Treatment Program	\$2,200,000	\$4,350,000
	Tuberculosis Program <sup>19</sup>	\$10,000	\$20,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$17,500,000</b>	<b>\$67,970,000</b>
<b>Savings From Replacing State General Funds With Medicaid Funds</b>	Uncompensated Care Funding to Hospitals	N/A	\$17,200,000
	State Mental/Behavioral Health Spending <sup>20</sup>	N/A	\$7,100,000
	State Public Health Spending <sup>21</sup>	N/A	\$6,350,000
	Hospital Inpatient Costs of Prisoners	N/A	\$2,750,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$13,300,000</b>	<b>\$33,400,000</b>
<b>Estimated Revenue Gains</b>	Revenue From Insurer Assessment	\$4,700,000	\$29,700,000
	<b>Total Revenue Gains</b>	<b>\$4,700,000</b>	<b>\$29,700,000</b>
<b>Total Arkansas Estimated Savings and Revenues Related to Expansion</b>		<b>\$35,500,000</b>	<b>\$131,070,000</b>
<b>Arkansas' State-Only Medicaid Budget</b>		<b>\$1,541,000,000</b>	<b>\$1,537,000,000</b>
<b>Arkansas' Regular Federal Medical Assistance Percentages (FMAP)</b>		<b>70.10%</b>	<b>70.88%</b>

<sup>11</sup> All numbers are budget estimates, and are based on expansion experiences to date.

<sup>12</sup> SFY 2014 numbers represent six months of savings or costs, as the state fiscal year began on July 1, 2013.

<sup>13</sup> The total cost calculation reflects the average length of enrollment of each of these enrollees. Total costs are lower than the product of the number of enrollees and the average annual cost due to rapid enrollment growth during this time period.

<sup>14</sup> ARHealthNetwork was a Section 1115 waiver program under which the state and Medicaid helped subsidize limited benefit health packages provided by small businesses to their employees. The program was discontinued, and its enrollees transitioned into ACA coverage, in January 2014.

<sup>15</sup> Savings reflect medically needy individuals who gained coverage under the new adult group. Arkansas did not reduce or eliminate eligibility for medically needy spend down populations.

<sup>16</sup> These costs result from reductions in spending on Aged, Blind, and Disabled populations, and from reductions in disability enrollment growth.

<sup>17</sup> Savings reflect women who became pregnant while enrolled in the new adult group, who remained in the new adult group. Arkansas did not reduce eligibility levels for pregnant women.

<sup>18</sup> Arkansas discontinued its family planning waiver program in 2014 as a result of expansion.

<sup>19</sup> Arkansas used Medicaid funding to provide limited services to those with Tuberculosis, but discontinued this program in 2014 as a result of expansion.

<sup>20</sup> Savings resulted in reductions in state spending on community mental health centers.

<sup>21</sup> Savings resulted in reductions in state spending on community health centers and local health units.

CALIFORNIA		CY 2014	CY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	1,839,566	2,291,947
	PMPY Cost	\$5,421	\$6,742 <sup>22</sup>
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$9,971,763,000</b>	<b>\$15,453,318,000</b>
Source of Savings/Revenues		CY 2014	CY 2015
State Savings From Enhanced Federal Matching Funds	Low Income Health Program <sup>23</sup>	\$0	\$250,000,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$0</b>	<b>\$250,000,000</b>
Savings From Replacing State General Funds With Medicaid Funds	Realignment Funding for Medically Indigent Adults <sup>24</sup>	\$0	\$750,000,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$0</b>	<b>\$750,000,000</b>
Estimated Revenue Gains	Insurer Assessment	\$369,696,000	\$515,427,000
	Provider Assessment	\$0	\$100,000,000
	<b>Total Revenue Gains</b>	<b>\$369,696,000</b>	<b>\$615,427,000</b>
<b>Total California Estimated Savings and Revenues Related to Expansion</b>		<b>\$369,696,000</b>	<b>\$1,615,427,000</b>
California's State-Only Medicaid Budget (SFY) <sup>25</sup>		\$21,398,000,000	22,298,000,000
California's Regular FMAP		50.00%	50.00%

COLORADO		CY 2014	CY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	244,000	341,900
	PMPY Cost	\$5,000	\$5,600
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$1,220,000,000<sup>26</sup></b>	<b>\$1,930,000,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
Source of Savings/Revenues		CY 2014	CY 2015
State Savings From Enhanced Federal Matching Funds	Childless Adults Early Expansion Waiver	\$96,300,000	\$96,300,000
	Breast and Cervical Cancer Treatment Program	\$1,100,000	\$603,000
	Early Expansion for Parents	\$40,300,000	\$52,100,000
	Pregnant Women <sup>27</sup>	\$206,000	\$903,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$137,900,000</b>	<b>\$149,900,000</b>
Savings From Replacing State General Funds With Medicaid Funds	State Mental/Behavioral Health Spending <sup>28</sup>	N/A	N/A
	Hospital Inpatient Costs of Prisoners	\$5,000,000	\$5,000,000
	Old Age Pension—Targeted State Funded Program	\$4,500,000	\$5,400,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$9,500,000</b>	<b>\$10,400,000</b>
<b>Total Colorado Savings and Revenues Related to Expansion</b>		<b>\$147,400,000</b>	<b>\$160,300,000</b>
Colorado's State-Only Medicaid Budget		\$3,225,000,000	\$3,498,000,000
Colorado's Regular FMAP		50.00%	51.01%

<sup>22</sup> California operates on a cash budget. Some of the PMPY increase is explained by lags in payment that cross over years.

<sup>23</sup> California, an "early expansion" state, expanded Medicaid in 2010 at the county level through a Section 1115 waiver. The program ended in December 2013, when enrollees transitioned to the new adult group.

<sup>24</sup> California state law requires that counties provide health care services to Medically Indigent Adults (MIAs) that are not eligible for Medicaid. The state then funds a portion of these costs through a broader funding mechanism called realignment. As many MIAs gained coverage through the new adult group, the state decreased realignment funding targeted to the MIA population at the county level.

<sup>25</sup> National Association of State Budget Officers. "State Budget Report: Examining Fiscal 2013-2015 State Spending." (2015). Available online at: <http://www.nasbo.org/sites/default/files/State%20Expenditure%20Report%20%28Fiscal%202013-2015%29S.pdf>. Figures represent total state Medicaid spending.

<sup>26</sup> 2014 numbers are actuals.

<sup>27</sup> Savings reflect general fund impact only.

<sup>28</sup> Colorado estimates a decrease of 2,000 utilizers of Medicaid-funded behavioral health services in SFY 2014, and a decrease of 4,000 utilizers in SFY 2015, relative to prior years.



KENTUCKY <sup>29</sup>		SFY 2014 <sup>30</sup>	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	311,000	393,000
	PMPY Cost	\$5,923	\$6,868
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$921,000,000</b>	<b>\$2,699,000,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
<b>Source of Savings/Revenues</b>		<b>SFY 2014<sup>31</sup></b>	<b>SFY 2015</b>
State Savings From Enhanced Federal Matching Funds	Medically Needy	\$2,400,000	\$14,000,000
	Disabled Adults	\$1,700,000	\$7,900,000
	Breast and Cervical Cancer Treatment Program	\$400,000	\$1,300,000
	State Transitional Assistance Program	\$1,900,000	\$9,000,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$7,400,000</b>	<b>\$33,300,000</b>
Savings From Replacing State General Funds With Medicaid Funds	State Mental/Behavioral Health Spending	\$9,000,000	\$21,000,000
	Hospital Inpatient Costs of Prisoners	\$5,400,000	\$11,000,000
	Public Health Programs	\$4,000,000	\$6,000,000
	Uncompensated Care Funding to Hospitals <sup>32</sup>	N/A	\$11,800,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$18,400,000</b>	<b>\$49,800,000</b>
<b>Total Kentucky Savings and Revenues Related to Expansion</b>		<b>\$25,800,000</b>	<b>\$83,100,000</b>
<b>Kentucky's State-Only Medicaid Budget</b>		<b>\$1,980,000,000<sup>33</sup></b>	<b>\$2,080,000,000<sup>34</sup></b>
<b>Kentucky's Regular FMAP</b>		<b>69.83%</b>	<b>69.94%</b>

MARYLAND		SFY 2014	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	205,496	218,121
	PMPY Cost	N/A	\$8,584
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>N/A</b>	<b>\$1,872,350,664</b>
<b>Source of Savings/Revenues</b>		<b>SFY 2014</b>	<b>SFY 2015</b>
State Savings From Enhanced Federal Matching Funds	Primary Adult Care Program <sup>35</sup>	\$50,000,000	\$101,000,000
	Breast and Cervical Cancer Treatment Program	\$402,887	\$926,264
	Pregnant Women	N/A	\$8,180,552
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$50,402,887</b>	<b>\$110,106,816</b>
Savings From Replacing State General Funds With Medicaid Funds	Uncompensated Care <sup>36</sup>	N/A	\$13,610,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$0</b>	<b>\$13,610,000</b>
Estimated Revenue Gains	Insurer Assessment	N/A	\$26,600,000
	<b>Total Revenue Gains</b>	<b>N/A</b>	<b>\$26,600,000</b>
<b>Total Maryland Estimated Savings and Revenues Related to Expansion</b>		<b>\$50,402,887</b>	<b>\$150,316,816</b>
<b>Maryland's State-Only Medicaid Budget</b>		<b>\$4,102,000,000</b>	<b>\$4,219,650,145</b>
<b>Maryland's Regular FMAP</b>		<b>50.00%</b>	<b>50.00%</b>

<sup>29</sup> Deloitte. "Commonwealth of Kentucky Medicaid Expansion Report." (February 2015). Available online at: [http://jointhehealthjourney.com/images/uploads/channel-files/Kentucky\\_Medicaid\\_Expansion\\_One-Year\\_Study\\_FINAL.pdf](http://jointhehealthjourney.com/images/uploads/channel-files/Kentucky_Medicaid_Expansion_One-Year_Study_FINAL.pdf).

<sup>30</sup> Kentucky's state fiscal year begins on July 1; SFY 2014 numbers reflect six months of costs.

<sup>31</sup> Kentucky's state fiscal year begins on July 1; SFY 2014 numbers reflect six months of savings.

<sup>32</sup> This line item reflects reductions in budgeted funding for the Kentucky Quality Care Charity Trust Funds to cover economically disadvantaged populations.

<sup>33</sup> 2014-2016 Budget of the Commonwealth. Operating Budget Volume I. (Part B). Page 158, available online at: <http://osbd.ky.gov/Archives/Pages/Budget-Period-2014-2016.aspx>.

<sup>34</sup> Id.

<sup>35</sup> Maryland's Primary Adult Care (PAC) program was an 1115 waiver that provided a limited benefits package to childless adults up to 116 percent of the federal poverty level (FPL). This program was discontinued in January 2014, and the entire PAC population transitioned to the ACA expansion group. SFY 2014 represents six months of savings. Figures are estimates from a 2012 Hilltop Institute study.

<sup>36</sup> Maryland builds uncompensated care costs into hospital rates as part of its all-payer model. The hospital rates set by the Maryland Health Services Review Commission were reduced by \$166 million in FY 2015 to account for savings from lower uncompensated care levels. Medicaid pays for roughly 20 percent of hospital charges in Maryland and has a blended federal matching rate of approximately 59 percent.

MICHIGAN		SFY 2014	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	275,000 <sup>37</sup>	588,000
	PMPY Cost	\$4,800	\$4,900
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$1,320,000,000</b>	<b>\$1,347,500,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
Source of Savings/Revenues		SFY 2014 <sup>38</sup>	SFY 2015
State Savings From Enhanced Federal Matching Funds	Adult Benefits Waiver Program <sup>39</sup>	\$17,000,000	\$34,000,000
	Family Planning <sup>40</sup>	\$700,000	\$1,400,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$17,700,000</b>	<b>\$35,400,000</b>
Savings From Replacing State General Funds With Medicaid Funds	Hospital Inpatient Costs of Prisoners	N/A	\$19,000,000
	State Mental/Behavioral Health Spending <sup>41</sup>	\$180,000,000	\$190,000,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$180,000,000</b>	<b>\$209,000,000</b>
Estimated Revenue Gains	Revenue From Insurer Assessment	N/A	\$26,000,000
	<b>Total Revenue Gains</b>	<b>\$0</b>	<b>\$26,000,000</b>
<b>Total Michigan Savings and Revenues Related to Expansion</b>		<b>\$197,000,000</b>	<b>\$270,400,000</b>
<b>Michigan's State-Only Medicaid Budget</b>		<b>\$2,200,000,000</b>	<b>\$2,300,000,000</b>
<b>Michigan's Regular FMAP</b>		<b>66.32%</b>	<b>65.54%</b>

NEW MEXICO		CY 2014	CY 2015
Source of Savings/Revenues		CY 2014	CY 2015
Estimated Revenue Gains	Revenue From Insurer Assessment <sup>42</sup>	\$30,000,000	\$30,000,000
	<b>Total Revenue Gains</b>	<b>\$30,000,000</b>	<b>\$30,000,000</b>
<b>Total New Mexico Savings and Revenues Related to Expansion</b>		<b>\$30,000,000</b>	<b>\$30,000,000</b>
<b>New Mexico's State-Only Medicaid Budget</b>		<b>\$1,100,000,000</b>	<b>\$1,100,000,000</b>

OREGON		CY 2014	CY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	328,000	315,000
	PMPY Cost	\$7,000	\$7,100
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$2,280,000,000</b>	<b>\$2,240,000,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
Source of Savings/Revenues		CY 2014	CY 2015
State Savings From Enhanced Federal Matching Funds	Adult Benefits Waiver Program <sup>43</sup>	\$137,500,000	\$137,500,000
	Family Planning <sup>44</sup>	N/A	N/A
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$137,500,000</b>	<b>\$137,500,000</b>
<b>Total Oregon Savings and Revenues Related to Expansion</b>		<b>\$137,500,000</b>	<b>\$137,500,000</b>
<b>Oregon's State-Only Medicaid Budget</b>		<b>N/A</b>	<b>N/A</b>
<b>Oregon's Regular FMAP</b>		<b>63.14%</b>	<b>64.06%</b>

<sup>37</sup> This is the SFY 2014 actual number of newly eligible enrollees.

<sup>38</sup> Michigan's SFY begins on October 1, and Michigan expanded Medicaid effective April 1, 2014; SFY 2014 numbers reflect six months of savings.

<sup>39</sup> Michigan's Adult Benefits Waiver Program provided limited benefits to childless adults with income 30 percent to 35 percent of the FPL, and was discontinued in 2014.

<sup>40</sup> Michigan discontinued its family planning waiver program in 2014.

<sup>41</sup> These savings resulted as Michigan transitioned enrollees in a state-funded program providing targeted services for the seriously mentally ill into the new adult group.

<sup>42</sup> New Mexico estimates an increase in revenue from premium taxes related to the additional managed care organization (MCO) premium revenue for the new adult group under expansion.

<sup>43</sup> This line item reflects savings from transitioning roughly 60,000 Oregon Health Plan Standard enrollees into the new adult group.

<sup>44</sup> While Oregon has not yet accounted for savings from reductions in spending on disabled populations in their budget projections, the state has seen a dramatic drop in disability determination applications, from 7,000 in 2013 to 1,400 in 2014.

PENNSYLVANIA		SFY 2014	SFY 2015 <sup>45</sup>
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	N/A	476,774
	PMPY Cost	N/A	\$9,271
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>N/A</b>	<b>\$2,209,969,216</b>
Source of Savings/Revenues		CY 2014	CY 2015
State Savings From Enhanced Federal Matching Funds	Select Plan for Women <sup>46</sup>	N/A	\$588,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>N/A</b>	<b>\$588,000</b>
Savings From Replacing State General Funds With Medicaid Funds	State-Funded General Assistance Population <sup>47</sup>	N/A	\$108,000,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>N/A</b>	<b>\$108,000,000</b>
<b>Total Pennsylvania Estimated Savings and Revenues Related to Expansion</b>		<b>N/A</b>	<b>\$108,588,000</b>
<b>Pennsylvania's State-Only Medicaid Budget<sup>48</sup></b>		<b>\$10,528,000,000</b>	<b>\$10,706,000,000</b>
<b>Pennsylvania's Regular FMAP</b>		<b>53.71%</b>	<b>52.25%</b>

WASHINGTON STATE		SFY 2014 <sup>49</sup>	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	343,000 <sup>50</sup>	480,000
	PMPY Cost	\$8,300	\$6,100
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$1,420,000,000</b>	<b>\$2,830,000,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
Source of Savings/Revenues		SFY 2014	SFY 2015
State Savings From Enhanced Federal Matching Funds <sup>51</sup>	Medically Needy	\$11,500,000	\$35,000,000
	Breast and Cervical Cancer Treatment Program	\$700,000	\$3,600,000
	Family Planning	\$500,000	\$1,000,000
	Pregnant Women <sup>52</sup>	\$6,700,000	\$31,500,000
	Adult Waiver Populations <sup>53</sup>	\$34,000,000	\$69,100,000
	Presumptive Supplemental Security Income (SSI) – Expansion State Designation <sup>54</sup>	\$38,100,000	\$109,800,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$91,500,000</b>	<b>\$250,500,000</b>
Savings From Replacing State General Funds With Medicaid Funds <sup>55</sup>	State Mental/Behavioral Health Spending	\$13,400,000	\$51,200,000
	Hospital Inpatient Costs of Prisoners	\$700,000	\$1,400,000
	State Public Health Spending	\$2,600,000	\$5,800,000
	Other State Funded Programs <sup>56</sup>	\$4,000,000	\$9,700,000
	<b>Total Savings From Replacing State General Funds With Medicaid Funds</b>	<b>\$20,700,000</b>	<b>\$68,100,000</b>
Estimated Revenue Gains <sup>57</sup>	Revenue From Insurer Assessments	N/A	\$33,900,000
	<b>Total New Revenues</b>	<b>N/A</b>	<b>\$33,900,000</b>
<b>Total Washington Savings and Revenues Related to Expansion</b>		<b>\$112,200,000</b>	<b>\$352,500,000</b>
<b>Washington's State-Only Medicaid Budget</b>		<b>N/A</b>	<b>N/A</b>
<b>Washington's Regular FMAP</b>		<b>50.00%</b>	<b>50.03%</b>

<sup>45</sup> Pennsylvania expanded Medicaid on January 1, 2015. All figures represent six months of costs and savings.

<sup>46</sup> Pennsylvania's Select Plan for Women was an 1115 waiver that provides family planning services to women ages 18-44 up to 214 percent FPL. Starting July 1, 2015, family planning services are provided through the ACA Family Planning Services State Plan option. Savings are expected to reach \$2 million by FY 2016.

<sup>47</sup> Pennsylvania provided state-funded General Assistance medical coverage to individuals not eligible for Medicaid that met financial and non-financial criteria. This program ended on January 1, 2015. Savings for FY 2016 are expected to reach \$626 million.

<sup>48</sup> State share figures represent actual Medicaid expenditures from CMS-64 reporting form, as Medicaid budgets span multiple departments.

<sup>49</sup> Washington's state fiscal year begins on July 1; SFY 2014 numbers reflect six months of costs or savings.

<sup>50</sup> This line item reflects an average monthly caseload for the first six months of expansion.

<sup>51</sup> Kaiser Family Foundation. "The Effects of the Medicaid Expansion on State Budgets: An Early Look in Select States." (March 2015). Available online at: <http://kff.org/medicaid/issue-brief/the-effects-of-the-medicaid-expansion-on-state-budgets-an-early-look-in-select-states/>.

<sup>52</sup> Savings for pregnant women were sourced from interviews with state budget officials.

<sup>53</sup> This line item reflects savings from transitioning the state's Medical Care Services, Alcoholism and Drug Addiction Treatment and Support Act (ADATSA), and Basic Health Plan program enrollees into the new adult group.

<sup>54</sup> Savings reflect FMAP of 75 percent, increased from 50 percent.

<sup>55</sup> Kaiser Family Foundation. "The Effects of the Medicaid Expansion on State Budgets: An Early Look in Select States." (March 2015). Available online at: <http://kff.org/medicaid/issue-brief/the-effects-of-the-medicaid-expansion-on-state-budgets-an-early-look-in-select-states/>.

<sup>56</sup> Figure reflects savings for programs related to long-term care, developmental disability, and labor and industries programs outside of Medicaid.

<sup>57</sup> Id.

WASHINGTON, D.C.		SFY 2014 <sup>58</sup>	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	52,773	61,948
	PMPY Cost	\$3,976	\$5,267
	<b>Total Cost of Newly Eligible Enrollees<sup>59</sup></b>	<b>\$209,840,423</b>	<b>\$326,304,349</b>
Source of Savings/Revenues		SFY 2014	SFY 2015
Savings From Replacing State General Funds With Medicaid Funds	D.C. Alliance Program <sup>60</sup>	\$40,700,000	\$41,300,000
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$40,700,000</b>	<b>\$41,300,000</b>
<b>Total Washington, D.C. Estimated Savings and Revenues Related to Expansion</b>		<b>\$40,700,000</b>	<b>\$41,300,000</b>
<i>Washington, D.C.'s State-Only Medicaid Budget</i>		<i>\$714,600,000</i>	<i>\$685,500,000</i>
<i>Washington, D.C.'s Regular FMAP</i>		<i>70.00%</i>	<i>70.00%</i>

WEST VIRGINIA		SFY 2014	SFY 2015
Cost of Newly Eligible Enrollees	Number of Newly Eligible Enrollees	130,400	150,000
	PMPY Cost	\$983	\$4,350
	<b>Total Cost of Newly Eligible Enrollees</b>	<b>\$128,200,000</b>	<b>\$652,600,000</b>
	<b>Newly Eligible FMAP</b>	<b>100%</b>	<b>100%</b>
Source of Savings/Revenues		CY 2014 <sup>61</sup>	CY 2015
State Savings From Enhanced Federal Matching Funds <sup>62</sup>	Breast and Cervical Cancer Treatment Program	\$25,000	N/A
	Family Planning	\$6,000	N/A
	Pregnant Women	\$3,800,000	N/A
	<b>Total Savings From Enhanced Federal Matching Funds</b>	<b>\$3,831,000</b>	<b>N/A</b>
<b>Total West Virginia Savings and Revenues Related to Expansion</b>		<b>\$3,831,000</b>	<b>N/A</b>
<i>West Virginia's State-Only Medicaid Budget</i>		<i>\$933,000,000</i>	<i>\$956,800,000</i>
<i>West Virginia's Regular FMAP</i>		<i>71.09%</i>	<i>71.35%</i>

## Index of savings and revenue opportunities identified in expansion states

### STATE SAVINGS FROM ACCESSING ENHANCED FEDERAL MATCHING FUNDS

- Adults Enrolled Through Waivers.** Many states have used 1115 waivers to provide limited-benefit coverage to childless adults or parents who were not otherwise Medicaid-eligible. If they did not qualify for full Medicaid benefits under pre-ACA rules, these individuals are eligible for full Medicaid coverage in the new adult group, and the state is able to secure enhanced federal matching funds on their behalf.
- Breast and Cervical Cancer Treatment Program.** States may cover individuals who are in need of treatment for breast or cervical cancer through the Breast and Cervical Cancer Treatment Program.<sup>63</sup> To be eligible, individuals must be under age 65 and uninsured or not otherwise eligible for Medicaid. Individuals receive full Medicaid coverage during the period that they need cancer treatment. State expenditures are matched at the state's Children's Health Insurance Program (CHIP) enhanced federal match rate. In expansion states, individuals with incomes below 138 percent of the federal poverty level (FPL) who might previously have been found eligible through the Breast and Cervical Cancer Treatment Program, often end up being covered as a newly-eligible adult prior to their diagnosis.
- Disabled Individuals.** Prior to the expansion of Medicaid eligibility, individuals who were disabled were able to secure coverage under the category range of disability-based Medicaid categories. To be eligible

<sup>58</sup> The Washington, D.C. municipality operates on the federal fiscal year of October 1 through September 30.

<sup>59</sup> Total costs are slightly different than the product of the number of enrollees and the average annual cost due to rounding.

<sup>60</sup> The D.C. Healthcare Alliance program provided a locally-funded, limited benefits package to adults up to 200 percent FPL that were not eligible for Medicaid. Washington, D.C. expanded Medicaid early in 2010, at which time Healthcare Alliance recipients eligible for the expansion group transitioned to Medicaid.

<sup>61</sup> West Virginia's analysis of savings related to expansion reflects reductions in CY 2014 spending compared to CY 2013 spending.

<sup>62</sup> All savings figures are estimates based on assumptions regarding the reduction in these Medicaid populations and average cost per enrollee.

<sup>63</sup> 42 U.S.C. 1396a(a)(10)(A)(ii)(XVIII); 1396a(aa).

under these categories, individuals are required to be low-income and to seek either a federal or state disability determination. States receive their regular FMAP for these eligibility groups. In expansion states, individuals with incomes up to 138 percent of the FPL are eligible for Medicaid under the new adult group without a disability determination. As a result, individuals who previously sought a disability determination solely to secure health coverage no longer must do so in Medicaid expansion states, resulting in fewer individuals enrolled in the disabled category at the regular match.

- **Family Planning Services.** States may offer family planning services to individuals under the Family Planning optional eligibility category or under a waiver. To be eligible, individuals must not be pregnant and may have incomes up to the income eligibility limit for pregnant women. States receive an enhanced federal match of 90 percent for family planning services, and the state's regular federal match for family planning-related services such as treatment for sexually-transmitted diseases.<sup>64</sup> Individuals with incomes below 138 percent of the FPL who might have qualified for Family Planning coverage now often end up enrolled in the new adult group with the enhanced federal matching rate.
- **Medically Needy Spend Down Program.** States have the option of covering individuals through a medically needy program.<sup>65</sup> The medically needy are individuals who are eligible for an eligibility category such as the Aged, Blind, or Disabled but their incomes or resources exceed maximum allowable limits. Applicants may become Medicaid-eligible by "spending down" their income to the state's medically needy threshold and submitting incurred medical expenses to the state. States receive the regular federal match for medically needy programs. In expansion states, individuals with incomes above the medically needy threshold but below 138 percent of the FPL are eligible for the new adult group.
- **Pregnant Women.** Women who are enrolled in the new adult group and become pregnant remain in the new adult group and are eligible for enhanced federal match until such time that they report their pregnancy (generally at renewal). In addition, some states are evaluating whether to reduce income eligibility limits for pregnant women to 138 percent of the FPL given the availability of federal subsidies in health insurance marketplaces.
- **Tuberculosis Program.** A state may opt to cover non-disabled individuals who are infected with tuberculosis (TB).<sup>66</sup> Eligible individuals may receive coverage limited to their TB treatment such as TB-related prescriptions, physician services, and outpatient hospital treatment. Very few individuals are currently receiving coverage under this Medicaid category. In expansion states, individuals with incomes below 138 percent of the FPL who have TB will receive coverage under the new adult group.

#### STATE SAVINGS FROM REPLACING GENERAL FUNDS WITH MEDICAID FUNDS

- **Corrections Savings.** Medicaid's "inmate exclusion" prohibits payment of care of services for any individual who is an inmate of a public institution. However, Medicaid will cover services provided to an inmate during an inpatient stay of at least 24 hours in a medical institution such as an acute care facility.<sup>67</sup> In expansion states, state correction budgets may be reduced to the extent that newly Medicaid-eligible prisoners are treated in an inpatient medical facility outside of the state correctional system.

<sup>64</sup> Centers for Medicare and Medicaid Services, "Family Planning Services Option and New Benefit Rules for Benchmark Plans," SMDL#10-013, (July 2, 2010).

<sup>65</sup> 42 U.S.C. 1396a(a)(10)(C); 42 C.F.R. § 435.300-350.

<sup>66</sup> 42 U.S.C. 1395a(a)(10)(A)(ii)(XII).

<sup>67</sup> 42 U.S.C. 1396a(a)(29)(A).

- **State Mental Health and Substance Abuse Spending.** States have allocated state and local funding to support mental health and substance abuse treatment for uninsured individuals. In states that expand Medicaid, previously uninsured individuals who were recipients of these state funded mental health and substance abuse services are now eligible for full coverage under the new adult group.
- **Uncompensated Care Funds.** The expansion of Medicaid to adults with incomes up to 138 percent of the FPL has resulted in fewer patients who are unable to pay their medical bills because they are uninsured. As a result, expansion states are able to reduce or repurpose state expenditures for uncompensated care provided by hospitals and other health care providers.