

# FACTS about Medicaid Expansion in Kentucky

Kentucky's Medicaid program has historically provided healthcare coverage for Kentucky's most vulnerable populations, including the elderly, individuals with a disability, pregnant women and low-income children.

Under the Affordable Care Act, states were given the option of expanding Medicaid coverage to individuals and families with income up to 138 percent of the Federal Poverty Level. This equates to an individual making up to \$16,105 per year or a family of four making \$32,913 in annual income.

Those who oppose expansion argue that Medicaid is detrimental to the poor and a strain on the state's coffers. In fact, strengthening Medicaid will benefit the state's economy, the insured, jobseekers, hospitals and other healthcare providers. Below are some facts about Medicaid expansion in Kentucky:

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**FICTION:** Expanding Medicaid is a financial strain in the state's budget.

**FACT:** Medicaid expansion is expected to generate a net positive fiscal impact to the state's economy of \$919.1 million. If the state had decided not to expand Medicaid, it would have incurred about \$100 million in costs, including the cost of coverage for those who were previously eligible for Medicaid, but had not enrolled.

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**FICTION:** There is no additional benefit to the state's economy.

**FACT:** Medicaid expansion is estimated to have a significant positive cumulative impact of \$30.1 billion on Kentucky's economy through SFY 2021. The economic impact is a result of direct spending on health care and its multiplier causing indirect and induced spending to occur.

Healthcare providers across the state have received \$1.16 billion in payments to cover the cost of care for Medicaid expansion recipients. Many hospitals are reporting significant reductions in uncompensated care costs. Expansion has also opened up new job opportunities in Kentucky that present the potential for long-term economic gains. By 2021, the number of new jobs created by expansion is expected to grow to approximately 40,000, with an average salary of \$41,000. The wages and salaries for these jobs are expected to exceed \$11.3 billion.

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**FICTION:** Medicaid expansion does not improve coverage and access to care.

**FACT:** *Kentucky's Medicaid expansion enrollment materially exceeded estimates for SFY 2014, enrolling hundreds of thousands of Kentuckians. This resulted in a 42 percent drop in our uninsured rate, the second largest one-year reduction in the nation. Early indications are that these newly insured individuals are using their benefits, seeking a number of preventive services and screenings.*

**FICTION:** Healthcare quality under Medicaid expansion will remain unchanged or even decline.

**FACT:** *Broadening access to health insurance has enabled Kentuckians to take a more active role in managing their healthcare needs. Initial data indicates that Medicaid expansion enrollees are accessing preventive services available to them. For example, 90,000 Medicaid expansion members had cholesterol screenings and 80,000 had preventive dental services. As the experience of other Medicaid expansion states and research has shown, insurance coverage and the resulting ability to access care are deeply correlated to improvements in a population's long-term health.*

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**FICTION:** Medicaid expansion will increase healthcare costs.

**FACT:** *The cost of care of the uninsured was a shared burden borne by providers and the insured in the form of uncompensated care and increased premiums. Medicaid expansion is decreasing uncompensated care. Having more individuals insured and seeking preventive services will ultimately help place overall healthcare costs for Kentuckians on a sustainable growth trajectory.*

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**FICTION:** Medicaid is just a handout to the poor who don't want to work.

**FACT:** *Medicaid is healthcare coverage for Kentucky's most vulnerable populations, including children, pregnant women, the elderly and disabled. With Medicaid expansion, Kentucky is now able to provide healthcare coverage to those who work, but do not have access to healthcare coverage through their employer or cannot afford coverage. Medicaid provides payments for services straight to healthcare providers who treat these individuals. It is not a direct payment to the individual that can be used for some other purpose.*

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