# Examining Medicaid Expansion:
## *Presumptions & Misconceptions*

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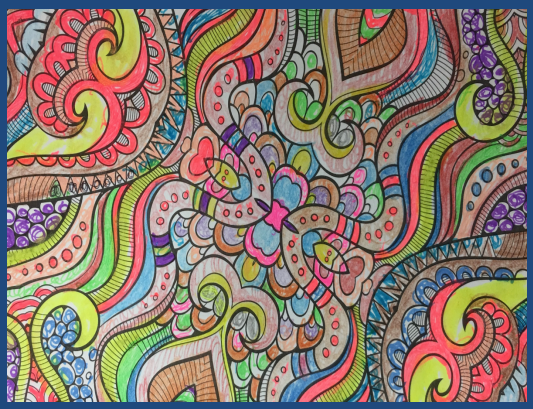

July 28, 2020
Boone County Medical Society
Roundtable #2 Medicaid Expansion

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# Medicaid Expansion Amendment 2

1. "Is this still a thing?"
2. We are the last 13 states
3. Presumptions
4. Misconceptions

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# 1. “Is this still a thing?”

- Timeline
  - 2010 ACA passed
  - 2012 Medicaid optional
  - 2014 Medicaid expansion option started
- Since 2014 – until 2022
  - We’ve missed out on $7 billion of our federal tax

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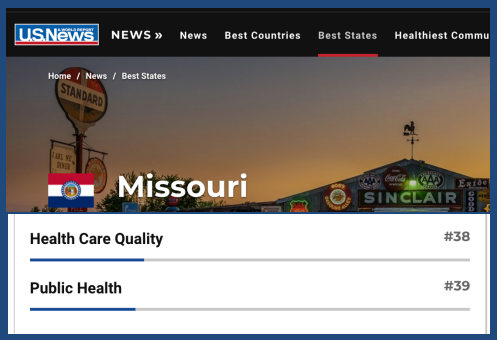
# 2. We are the last 13 states

- 37 states have expanded Medicaid since 2014
  - We are among the last 13
  - We are also the bottom 13 for health outcomes

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# 3. Presumptions?

- Beyond speculation, we have Peer-Reviewed Data:
  - 404 studies of Medicaid Expansion since 2014
    - 100% demonstrate positive health impact
    - 2 dozen studies on fiscal impact – 100% positive

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# 3. Presumptions?

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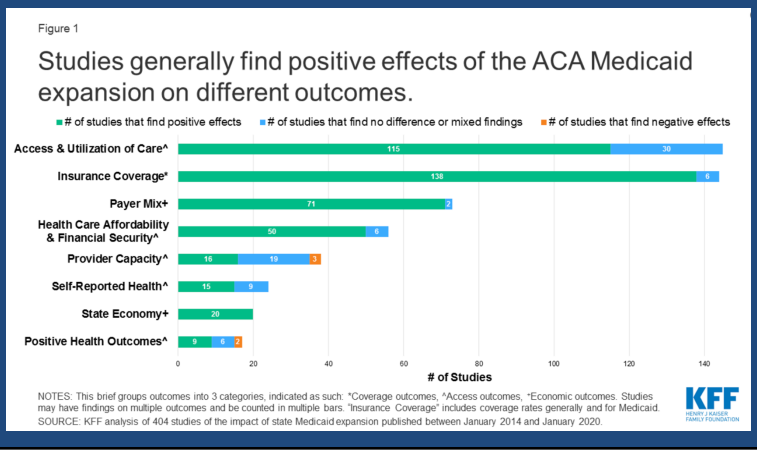


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# 3. Presumptions?

- Beyond speculation, we have Peer-Reviewed Data:

The Commonwealth Fund

ISSUE BRIEF
May 2020

**The Impact of Medicaid Expansion on States' Budgets**

"Our analysis of NASBO data …
During 2014–17, Medicaid expansion was associated with a 4.4 % to 4.7 % reduction in state spending on traditional Medicaid."

Exhibit 3. Results from Difference-in-Differences Analysis of the Impact of Medicaid Expansion on States' Traditional Medicaid Spending

| | All states | Excluding states that expanded during 2015–17 |
|---|---|---|
| Effect of expansion | –4.4%*<br>(2) | –4.7%*<br>(2) |

Notes: Coefficients from difference-in-differences regression of natural log of state spending on traditional Medicaid on a variable equal to one in expansion states in years after expansion, state and year fixed effects, and controls for the natural log of personal income per capita and the unemployment rate. Robust standard errors clustered at state level in parentheses. * $p < 0.05$.
See Appendix A for full details.

commonwealthfund.org Issue Brief, May 2020

Commonwealth Fund May 2020
https://www.commonwealthfund.org/sites/default/files/2020-05/Ward_Impact_Medicaid_expansion_state_budgets_ib_final.pdf

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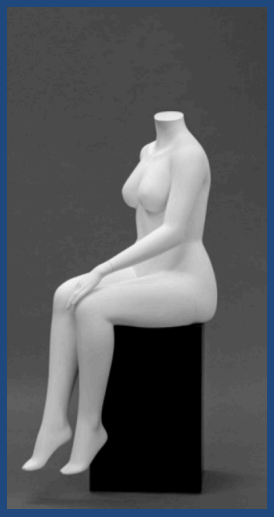
# 4. Medicaid Misconceptions



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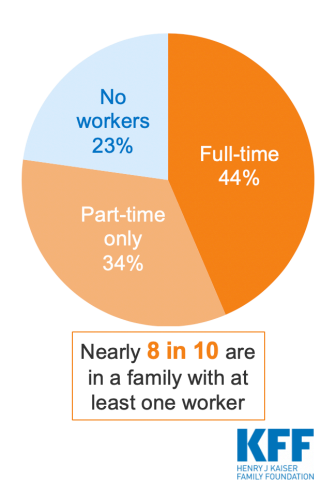
# Medicaid Misconceptions

1. "Just get a job."

- Who are the uninsured adults who would become eligible for Medicaid if Missouri expanded?
- In Ohio, 84% working enrollees reported it was easier to work and there were fewer missed days of work




SOURCE: "Who Could Medicaid Reach with Expansion in Missouri?" (Kaiser Family Foundation, January 23, 2020), http://files.kff.org/attachment/fact-sheet-medicaid-expansion-MO

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# Medicaid Misconceptions

2. "It incentivizes people not to work."

Who gets Medicaid in MO?

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# Medicaid Misconceptions

2. "It incentivizes people not to work."

## Who gets Medicaid in MO?

Who is missing?

Children | Pregnant | Blind | Disabled, Aged | Parents

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# Medicaid Misconceptions

2. "It incentivizes people not to work."

## Who gets Medicaid in MO?

Current system incentivizes…

Children | Pregnant | Blind | Disabled, Aged | Parents

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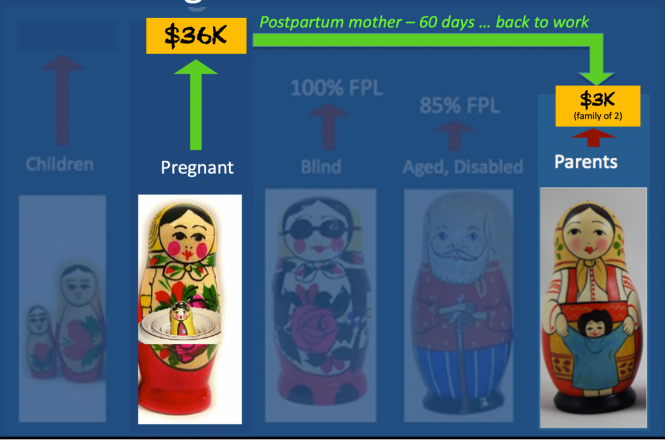
# Medicaid Misconceptions

## 2. "It incentivizes people not to work."

### Who gets Medicaid in MO?

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# Medicaid Misconceptions

## 2. "It incentivizes people not to work."

"Medicaid expansion may promote work, as expansion states had a statistically significant increase in labor force participation and an increase in employment for the population below 138 percent FPL, compared to non-expansion states. However, it is important to note that the findings vary significantly by race and gender."

"The results indicate that the ACA did not restrict workers' labor market autonomy."

https://ccf.georgetown.edu/2018/07/05/research-update-how-has-medicaid-expansion-impacted-workers/

https://journals.sagepub.com/doi/pdf/10.1177/1091142116668254?casa_token=h_MdYGnVLVAAAAAA:cR3N-JpvFFzmt54YtGEIAQL5lZ4D0AKKvnyTFmrSC3HGhSGIQ1Sx8mc-wrIA2nAcTVFJtOnDmSR9Q

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DOI: 10.1177/1091142116668254
journals.sagepub.com/home/pfr
SAGE

**Economic Freedom and the Affordable Care Act: Medicaid Expansions and Labor Mobility by Race and Ethnicity**

**Kevin Callison[1] and Paul Sicilian[1]**

**Abstract**

A greater level of government involvement in the financing of health care is generally viewed unfavorably by organizations monitoring economic freedom. However, increased government provision of health insurance could be associated with improved economic freedom through enhanced labor market mobility. For example, job-lock alleviation accompanying a public insurance expansion could lead to increased innovation or a higher likelihood of self-employment. In this article, we use the Affordable Care Act (ACA)'s recent Medicaid expansions to examine the effect of an increase in public health insurance provision on labor market outcomes by gender and race/ethnicity. Our results lend support to the notion that state Medicaid expansions are associated with improved labor market autonomy for white men and white women; however, we find mixed results for black and

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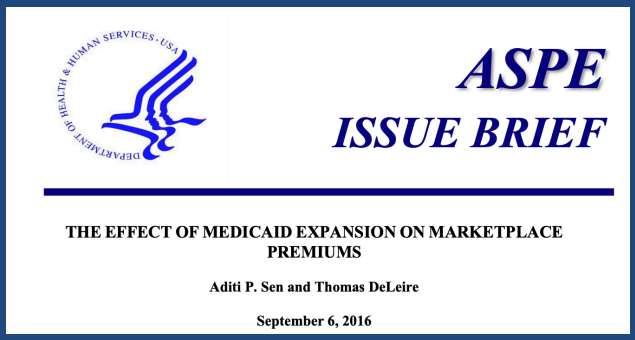
# Medicaid Misconceptions

3. "This will raise our premiums."

- States that expanded Medicaid
  - 7% reduction in Marketplace premiums




https://aspe.hhs.gov/system/files/pdf/206761/McaidExpMktplPrem.pdf

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# Medicaid Misconceptions

4. "We already have a safety net."

- CHCs ?
- EDs ?
- $ ?
- What's missing?

https://thoughtcatalog.com/mark-dery/2014/08/sick-roses-disease-and-the-art-of-medical-illustration/ Twenty-three-year-old Viennese woman, depicted before and after contracting cholera in the first epidemic in 1831. According to the original caption, the second image shows her only an hour after contracting the disease, and she died four hours later.

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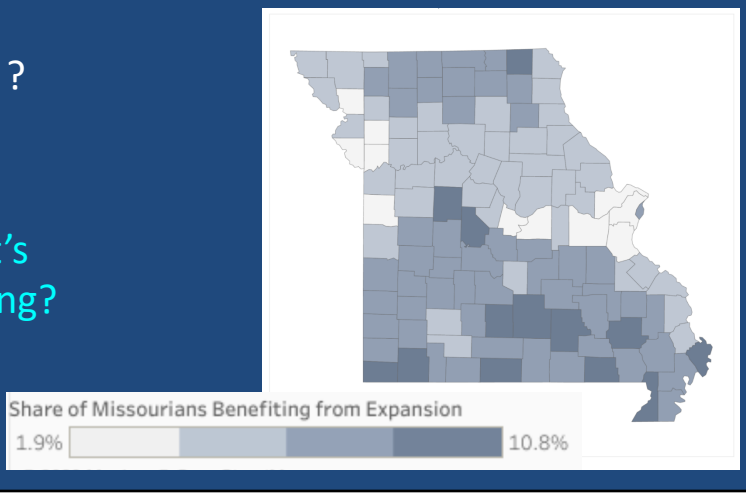
# Medicaid Misconceptions

4. "We already have a safety net."

- CHCs ?
- EDs ?
- $ ?
- What's missing?

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# Medicaid Misconceptions

5. "We'll lose the 90%:10% match rate

- This is not a programmatic option
- It would take an act of congress to change this but that hasn't worked for 10 years since the ACA passed
- States who have expanded Medicaid have reaped great economic advantage and do not want this changed. Zero states have reversed their decision.

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# Medicaid Misconceptions

6. "This will raise our taxes"

- It's not 2010 anymore
- We're not voting on the federal ACA
- It already passed
- We have already been sending our fed taxes to other states who have reaped economic benefit

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# Medicaid Misconceptions

7. "If Missourians care about children, we only have to cover the children"

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# Medicaid Misconceptions

7. "If Missourians care about children, we only have to cover the children"

PEDIATRICS
OFFICIAL JOURNAL OF THE AMERICAN ACADEMY OF PEDIATRICS

**Spillover Effects of Adult Medicaid Expansions on Children's Use of Preventive Services**

Maya Venkataramani, Craig Evan Pollack and Eric T. Roberts
*Pediatrics* 2017;140;
DOI: 10.1542/peds.2017-0953 originally published online November 13, 2017;

**CONCLUSIONS:** In our study, we demonstrate that Medicaid expansions targeted at low-income adults are associated with increased receipt of recommended pediatric preventive care for their children. This finding reveals an important spillover effect of parental insurance coverage that should be considered in future policy decisions surrounding adult Medicaid eligibility.

https://pediatrics.aappublications.org/content/pediatrics/140/6/e20170953.full.pdf

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# Medicaid Misconceptions

8. "If Missourians care about pregnant moms, we only have to cover them once they are pregnant"

HSR HEALTH SERVICES RESEARCH
*Impacting Health Practice and Policy Through State-of-the-Art Research and Thinking*

Health Serv Res. 2018 Oct; 53(5): 3569–3591. PMCID: PMC6153180
Published online 2017 Dec 28. doi: 10.1111/1475-6773.12820 PMID: 29282721

State Medicaid Expansions for Parents Led to Increased Coverage and Prenatal Care Utilization among Pregnant Mothers

Laura R. Wherry, Ph.D.[1]

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6153180/

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# Medicaid Misconceptions

9. "It's a mediocre program; why expand it?"

- 37K enrollees
  - Chronic illnesses
- 172 sites across Missouri
  - FQHC
  - Hospital-affiliated org
  - Independent primary care
  - Local public health dept
- $165 savings
  - Per member per month, 2018

https://dss.mo.gov/mhd/cs/health-homes/pdf/pchh-progress-report-2018-2019.pdf

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# Medicaid Misconceptions

9. "It's a mediocre program; why expand it?"

- Expansion does not preclude innovation, transformation, payment model reformation
- Medicaid expansion enables us to realistically explore those improvements, without drowning in the expenses, distractions, and cost shifting related to uncompensated care for the uninsured.
- You know what's "mediocre"? Trying to doctor in a state with hundreds of thousands of uninsured patients.

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## Medicaid Misconceptions

10. "Why expand it if the reimbursement isn't high enough?"

- Inpatient care:
  - Hospital care and stability
- Outpatient care:
  - Patient Centered Health Home Initiative
  - PMPM ~ $60

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## Medicaid Misconceptions

11. "We don't have enough doctors and nurses"

- Without Medicaid expansion, we have lost 10 rural hospitals since 2014
  - Lost hospitals = lost healthcare personnel
- We are losing our healthcare workers to states who expanded Medicaid
  - Physician workforce shortages exacerbated
  - Raise your hand if you have received recruitments for lucrative jobs from the expansion states

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# Medicaid Misconceptions

## 12. "This will take away funding from education and transportation"

In a 2017 analysis in Health Affairs, Economists Sommers and Gruber examined data from the National Association of State Budget Officers (NASBO) concluding:

*"We found that the first two fiscal years of the ACA's Medicaid expansion led to large increases in federal spending on Medicaid, but expansion states did not experience any significant increase in state-funded expenditures, and there is no evidence that expansion crowded out funding for other state priorities."*

HEALTH AFFAIRSVOL. 36, NO. 5: ACA COVERAGE, ACCESS, MEDICAID & MORE: Federal Funding Insulated State Budgets From Increased Spending Related To Medicaid Expansion, Benjamin D. Sommers and Jonathan Gruber MAY 2017

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# Medicaid Misconceptions

## 13. "We can't afford it."

- Estimates cost neutral to net $1 billion return
- Why?

1. Cost savings on traditional Medicaid
   - Pregnant, Blind, Disabled, SMHW, spend-down
   - State:Fed match 35%:65 → 10%:90%
2. Cost savings on state-funded care for uninsured
   - Mental health, substance use programs, and inpatient costs for incarcerated
   - State 100% → 10%:90%:
3. Reduced uncompensated care
4. Increased state revenues from triggered economic activity

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# 4. Medicaid Misconceptions

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# Medicaid Expansion: Amendment 2

1. "Is this still a thing?"
2. We are the last 13 states
3. ~~Presumptions~~ Evidence
4. 13 Misconceptions addressed

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# Thank you

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