

Medicaid Expansion in Maine

BACKGROUND TO QUESTION 2 ON THE NOVEMBER 2017 BALLOT

Statewide impact

80,000 Mainers will gain access to health care

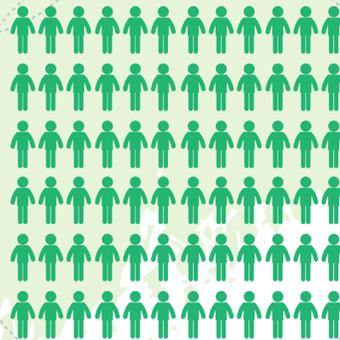
Making them more likely to visit a doctor for preventive care, able to take medications more regularly for chronic diseases like diabetes and heart problems, find and maintain jobs more successfully, and incur less debt due to unpaid medical bills.



\$700 Million of new economic activity every year
6,000 New jobs

700,000+ Mainers with private health insurance will likely save money on health care

Because hospitals could pay less in charity care and will not have to shift costs to people in the private market. Evidence from other states that expanded shows the cost of insurance sold through the private marketplace was **7% lower** than in non-expansion states.



On November 7, Maine voters will be asked whether they want to expand Medicaid healthcare coverage to cover an estimated 80,000 Mainers.

By way of background, states can now **expand** their Medicaid programs with **substantially higher levels of federal cost sharing** than under traditional Medicaid. To date, *31 states have accepted these federal funds* to expand their Medicaid programs. Over the last five years, the Maine legislature voted to expand Medicaid five times, but had insufficient votes to overcome a gubernatorial veto.

Based on substantial data and the experience of the other 31 states, it is clear that **Medicaid expansion will likely have a positive impact on health outcomes, the state's budget, and the overall economy.**

An estimated **80,000 Mainers** will **gain access** to health coverage.

They will:

- ✓ be more likely to visit a doctor for preventive care
- ✓ take medications more regularly for chronic diseases like diabetes and heart problems
- ✓ find and maintain jobs more successfully (67% are people who are in the labor market or looking for work) – this is particularly true for people with disabilities who are working.
- ✓ have less debt due to unpaid medical bills

These men, women, and families will live *healthier, more productive, and happier* lives.

Over **700,000 Mainers** who already have health insurance either through their employers or through individual purchases will be impacted as well.

They will:

- ✓ Gain from the over \$700 million of economic activity, and 6,000 new jobs, that the expansion will create and sustain every year. Most of the new jobs will be in the health sector, and pay higher than average wages.
- ✓ Save money on their private health premiums because hospitals will avoid \$217 M in uncompensated care costs and will not have to shift costs to people in the private market. Evidence from other states that expanded shows the cost of insurance sold through the private marketplace was 7% lower than in non-expansion states.
- ✓ Benefit from the security of knowing their local hospital will continue to exist and thrive. Right now at least one-third of Maine hospitals are losing money. The expansion would put rural hospitals back into the black by pumping \$900 million new dollars into Maine hospital budgets in the next ten years.

Can Maine afford it?

The expansion would be paid largely with federal funds, which would cover **90% of the costs** for most newly eligible people from state fiscal year 2021 on. The net cost of the state's 10% share comes to \$54 million in 2021 (after offsetting savings to the state budget from coverage for mental health and substance abuse services that are now paid for by state funds). This would represent only about **1.5% of the state general fund expenditures**.

	SFY 2018*	SFY 2019	SFY 2020	SFY 2021
Total General Fund Cost	\$27,085,221	\$57,957,513	\$70,412,633	\$81,495,007
General Fund Saving**	(\$13,500,000)	(\$27,000,000)	(\$27,000,000)	(\$27,000,000)
NET General Fund Cost	\$13,585,221	\$30,957,513	\$43,412,633	\$54,495,007
Federal Match***	\$234,203,512	\$496,378,215	\$512,298,054	\$531,066,138

* Partial year implementation

** Services now paid for by the General Fund which will be covered under the new Medicaid expansion and will no longer have to be charged solely to the General Fund.

*** Includes federal reimbursement for administration

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For more information, see the report *The Real Impact of Medicaid Expansion in Maine*, which can be accessed at <http://www.mejp.org/sites/default/files/Medicaid-Expansion-The-Real-Impact-Kilbreth-Sep2017.pdf>