



# Center for Health Economics and Policy

INSTITUTE FOR PUBLIC HEALTH AT WASHINGTON UNIVERSITY

## **Analysis of the Fiscal Impact of Medicaid Expansion in Missouri February 2019**

### **Introduction**

Researchers at the Center for Health Economics and Policy recently analyzed the fiscal impact of a potential Medicaid expansion in Missouri from a state budgetary perspective. This report was commissioned by the Missouri Foundation for Health in the wake of other analyses at the national level and represents a non-partisan estimate of the direct impact of expansion on the Medicaid budget. The estimate is based upon a set of assumptions documented and discussed in the report, which also acknowledges various uncertainties and the role those uncertainties play in producing the estimate.

Overall, the findings indicate that a Medicaid expansion in Missouri is likely to be approximately revenue neutral, with the potential for cost savings in 2020 and with increased cost savings likely over the 2020-2024 time horizon. This is largely due to the opportunity to receive a 90% federal match on certain expenditures already being incurred by relatively high-cost populations which are currently receiving a 65% match. These savings are likely to be on the same order as the increased costs to cover the new “expansion population” of relatively healthy, low-income adults.

To complete this analysis, the Washington University researchers conducted reviews of all existing documentation of other states’ experiences, including reports at the national level by the Urban Institute, Robert Wood Johnson Foundation, the Commonwealth Fund, and the Centers for Medicare and Medicaid Services. The researchers relied upon published Missouri Medicaid enrollment and cost data as well as a prior fiscal analysis of Medicaid expansion conducted by the Department of Social Services in 2014. The analysts also carried out independent analyses of American Community Survey data and Medical Expenditure Panel Survey data. Parts of the analysis were informed by a discussion with analysts at The Urban Institute. The key assumptions were vetted by health policy staff at the Missouri Foundation for Health, the Missouri Hospital Association, the Missouri Primary Care Association, and others.

[Read the white paper.](#)