

Medicaid Expansion Delay Costs Millions Each Day



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Needlessly Postpones Insurance Coverage for Hundreds of Thousands of Virginians

The budgets released by the Senate Finance and House Appropriations Committees on Feb. 3 both include proposals to delay expanding Medicaid until at least mid-2014. But the federal government's deal to pay for 100 percent of the cost of expanded starts on January 1, 2014. Each day that Virginia delays expansion means that the state will lose about \$5 million in federal funds and hundreds of thousands more in lost state budget savings and lost tax revenue from the new jobs that would be created from the influx of federal funds.

In addition to the state budget impacts, delaying Medicaid expansion will prevent nearly 400,000 uninsured Virginians from having access to quality, affordable health care.

Here's a quick rundown of the costs of delay and the Virginians who will remain uninsured.

Key findings:

Delaying Expansion Would Cost Virginia \$5 Million Each Day

Virginia will forgo about \$5 million each day that Medicaid expansion is delayed. The state can expand Medicaid to 138 percent of the Federal Poverty Level beginning January 1, 2014. At that time, the state would be able to draw down about \$5 million per day in federal funds. This money requires no state match through 2016 and cannot be recaptured if the state delays expansion.

Forgone Federal Funds Could Support 20,000 Workers

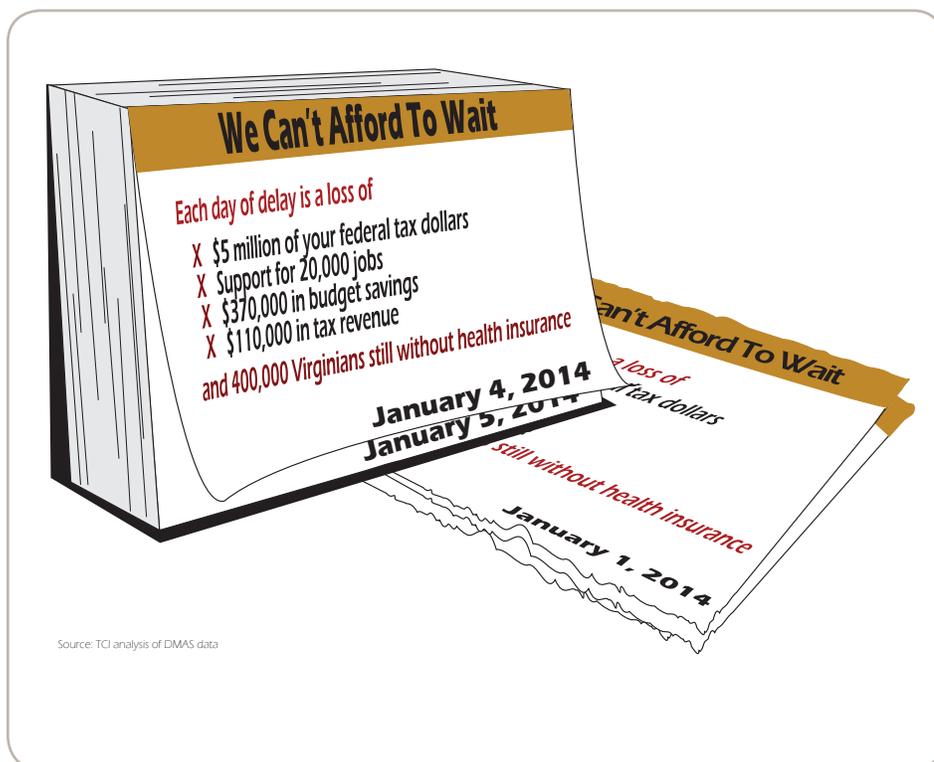
The federal funds that Virginia would forgo by delaying expansion could support 20,000 health care sector jobs in the early years and nearly 30,000 jobs in out years. This means that every day Virginia would be forgoing wages and benefits for 20,000 workers.

\$480,000 of State Savings and Revenues Would Also Be Lost Each Day

The state will lose on \$370,000 per day in savings and \$110,000 per day in tax revenues by delaying expansion. The savings come from reducing payments for indigent care, supplanting general fund dollars with federal funds, and slowing the increase in state employee health insurance premiums. The tax revenues would be generated from the new health care sector jobs that would be created.

Delay Would Postpone Coverage for 400,000 Uninsured Virginians

Putting off expansion would delay 400,000 uninsured Virginians from gaining access to quality, affordable health care. This includes more than 33,000 uninsured and underinsured veterans and their family members as well as about 160,000 working Virginians who do not have health insurance.



The Commonwealth Institute

The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of state public policies with particular attention to the impacts on low- and moderate-income persons.

