

Benefits of Medicaid Expansion in Florida

Expanding Medicaid increases access to affordable health care, improves health and financial security for families, and positively impacts state and local economies.¹ **For Florida, expanding Medicaid makes sense on all levels – the state’s fiscal health, the productivity of Florida’s workforce, and the physical and mental health of families, friends and neighbors.**

1. Medicaid expansion would result in \$200 million in state budget savings.

Thirty-six states have expanded Medicaid to cover adults with household income up to 138 percent of the federal poverty level (FPL), or \$29,435 for a family of three. FPI’s analysis shows that if Florida followed suit, the state would see net budget savings of roughly \$200 million in fiscal year 2022-23.² FPI’s estimate is based, in part, on projections from the Florida Office of Economic and Demographic Research and data from the experience of other Medicaid expansion states.

2. By expanding Medicaid, Florida would be able to access more federal dollars to expand access to critical services.

Florida currently receives a 61 percent federal match rate for state dollars spent on Medicaid. Under the Affordable Care Act, the federal government pays 90 percent of the cost of Medicaid expansion. That means for every \$1 Florida invests in expansion coverage, the federal government will invest \$9.

Florida Medicaid coverage groups that would benefit from higher federal match rates include the medically needy, pregnant women and adults with disabilities. In addition, federal dollars could replace millions of state dollars currently spent on mental health and substance abuse services, inmate hospital care and state and local dollars spent for uncompensated care.

3. Medicaid expansion not only benefits the state budget, but also the pocketbooks of hardworking Floridians

National comparisons have found that the cost of health insurance premiums in expansion states was about 7 to 11 percent lower than non-expansion states.³

4. Medicaid expansion saves lives.

A recent study projects that there are 674 "excessive deaths" annually in Florida for persons ages 55 to 64 who are at or below 138 percent of the FPL, which would have been averted with expansion.⁴

¹ Antonisse, L. et al, The Effects of Medicaid Expansion Under the ACA: Updated Findings from A Literature Review, Kaiser Family Foundation, August 15, 2019. Accessed via: <https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-august-2019/>

² Florida Policy Institute, “Potential Budget Savings and Revenue Gains from Medicaid Expansion in Florida,” June 2019. Accessed via: <https://www.floridapolicy.org/posts/potential-budget-savings-and-revenue-gains-from-medicaid-expansion-in-florida>

³ Sen, A. et al., How does expansion of public health insurance affect risk pools and premiums in the marketplace for private health insurance? Evidence from Medicaid and the ACA, Health Economics, Vol. 27, Issue 12, pp. 1877-1903, December 2018. Accessed via: <https://onlinelibrary.wiley.com/doi/abs/10.1002/hec.3809>; Sen, A. et al., The Effect of Medicaid Expansion on Marketplace Premiums, ASPE Issue Brief, September 2016. Accessed via: <https://aspe.hhs.gov/pdf-report/effect-medicaid-expansion-marketplace-premiums>

⁴ Miller, S. et al., Medicaid and Mortality: New Evidence from Linked Survey and Administrative Data, Working Paper No. 26081, National Bureau of Economic Research, August 2019. Accessed via: https://www.nber.org/papers/w26081?utm_campaign=ntwh&utm_medium=email&utm_source=ntwg10; Miller, S., et al., State Level Mortality Estimates Based on Miller et al., 2019 NBER Working Paper 26081. Accessed via: http://www-personal.umich.edu/~mille/ACAMortality_ByState.pdf