



Public Consulting Group

SUMMARY OF COST/BENEFIT ANALYSIS

May 23, 2013

Goal

- Analyze the costs and benefits of potential expansion options for the state's Medicaid program under the Affordable Care Act (ACA)
- Provide estimates of the future for Utah's Medicaid program under five scenarios

Scenario 1

- **Mandatory Only**

- No optional expansion – only includes the expected increases in Medicaid enrollment due to the mandatory changes to the program required by ACA and to an increase in the number of currently eligible individuals that enroll in the program

Scenario 2

- **Full Optional Expansion, Full Benefits**
 - Medicaid expanded for adults to 138% federal poverty level (FPL) with Traditional Medicaid Benefits

Scenario 3

- **Full Optional Expansion, Benchmark Benefits**
 - Medicaid expanded for adults to 138% FPL with benefits that meet the ACA's Essential Health Benefits requirements

Scenario 4

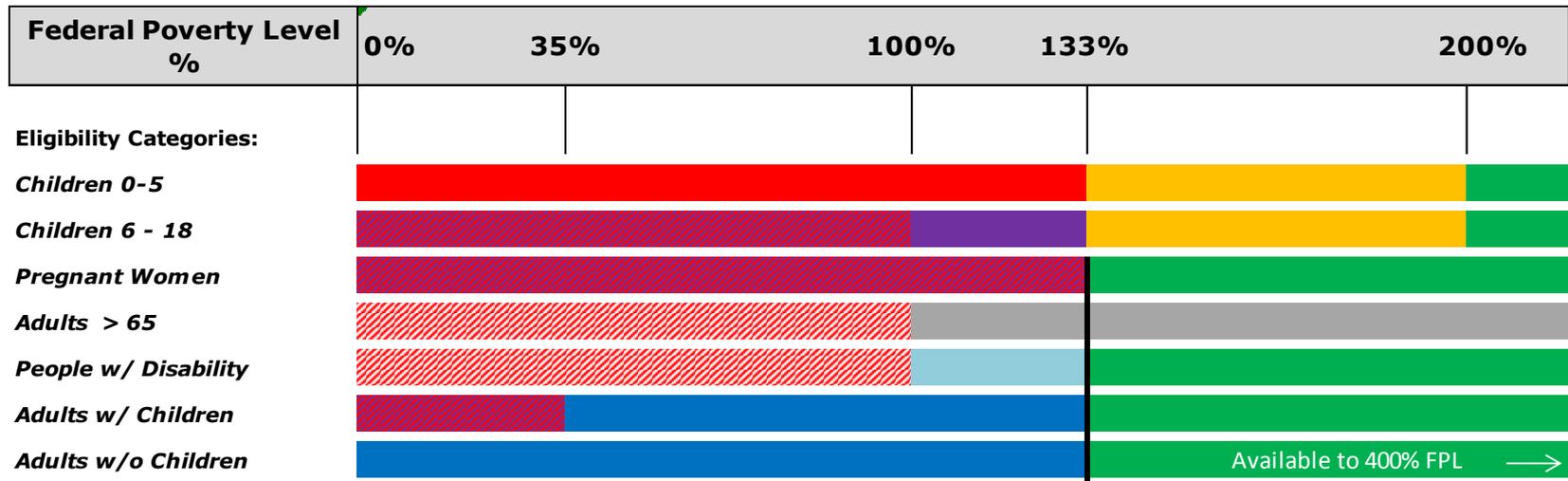
- **Partial Optional Expansion, Full Benefits**
 - Medicaid expanded for adults to 100% FPL with Traditional Medicaid Benefits

Scenario 5

- **Partial Optional Expansion, Benchmark Benefits**
 - Medicaid expanded for adults to 100% FPL with benefits that meet the ACA's Essential Health Benefits requirements

Optional Medicaid Expansion

Countable Income Limits and Assets for Medicaid, CHIP and Tax Credit Eligibility Optional Medicaid Expansion



Note: Most MAGI programs will also have a 5% income disregard

← Effective Tax Credit Eligibility Minimum for Adults

- = current Medicaid eligibility
- = current Medicaid eligibility with an asset test
- = current CHIP eligibility
- = mandatory income changes to existing programs
- = mandatory removal of Medicaid asset test
- = optional Medicaid expansion eligibility
- = optional Medicaid expansion eligibility under the adult categories if age 19-64
- = eligible for Tax Credits for use in the Exchange (up to 400% of FPL)
- = eligible for Medicare

Estimated Highlights

Over next ten years



- **Mandatory Only**

- Increase Medicaid enrollment by 60,202 adults and children
- Increase Medicaid service and administration costs by \$762 million (due to federal matching money, the state share of this increase will be \$213 million)
- Generate an additional \$20 million in state tax revenues
- Generate an additional \$16 million in county tax revenues
- Generate \$516 million statewide in economic impact, create 747 new jobs

Estimated Highlights

Over next ten years



- **Full Optional Expansion, Full Benefits**

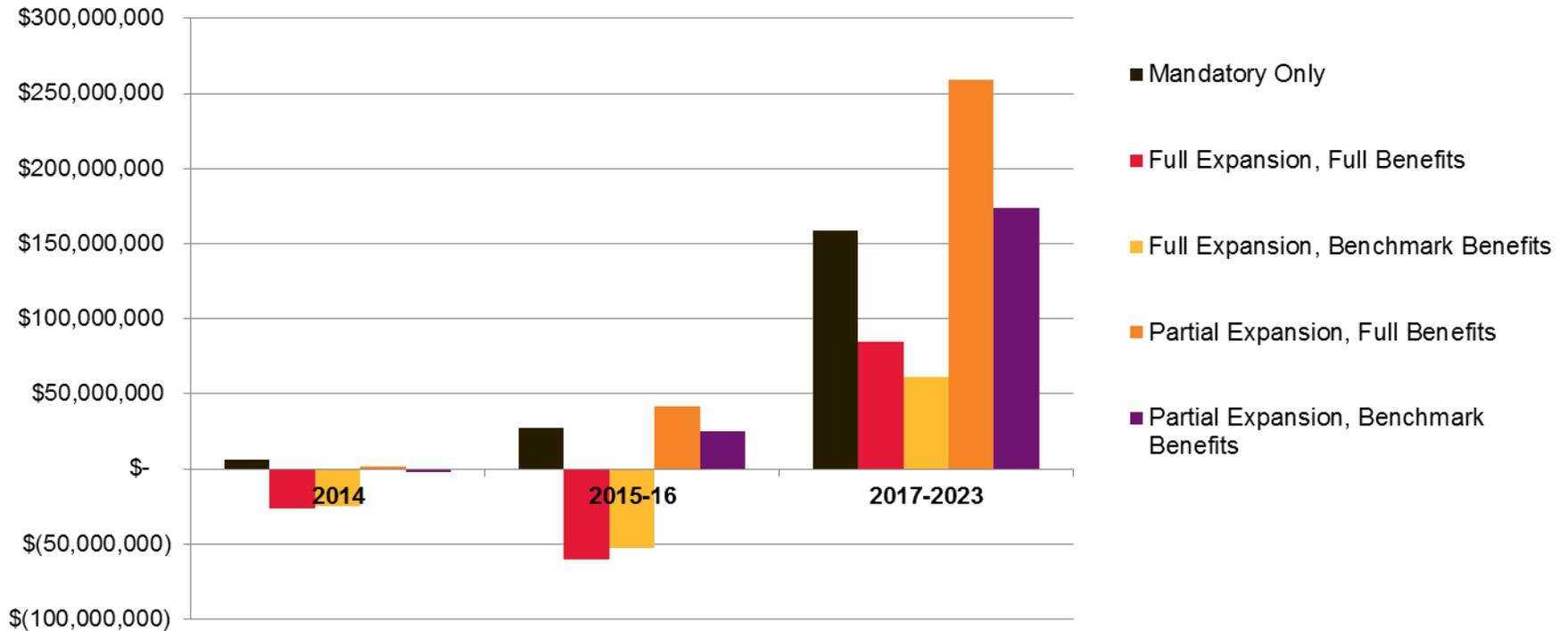
- 123,586 additional adults would enroll in Medicaid
- Medicaid service and administration costs will increase by \$3.2 billion (due to federal matching money, the state share of this increase would be \$260 million)
- Generate an additional \$113 million in state tax revenues
- Generate an additional \$90 million in county tax revenues
- Generate \$2.9 billion statewide in economic impact, create 4,160 new jobs

Total Cost/Savings to State

Total Cost/(Savings) to Utah State Government for Mandatory Expansion Added to Optional Expansion Scenarios			
	One Year Total 2014	Three Year Total 2014-2016	Ten Year Total 2014-2023
Mandatory Only	\$6,630,005	\$37,159,703	\$212,649,486
Mandatory + Scenario 2	\$(15,487,381)	\$(23,360,192)	\$324,518,126
Mandatory + Scenario 3	\$(15,487,381)	\$(23,360,192)	\$282,952,369
Mandatory + Scenario 4	\$9,599,234	\$89,177,627	\$555,573,108
Mandatory + Scenario 5	\$5,295,798	\$65,555,765	\$486,118,387

Total Impact to State

Total Impact to State Government by Period



Public Assistance Savings

- Savings to current public assistance programs:
 - State and County Mental Health and Substance Abuse Services
 - Primary Care Network
 - Inmate Inpatient Services
 - High Risk Pool Savings

Savings to Other Entities

- Individuals gaining insurance and no longer generating uncompensated care
 - Hospitals and community health centers estimated to save \$814 million in uncompensated care, over next ten years

Opportunity Costs

- Mortality and Access to Care
- Oregon Health Study
- Cost Effectiveness of Health Insurance

(Pages 47-51)

Questions?

