



The Waterfall Effect: Transformative Impacts of Medicaid Expansion on States

Quick Fact Sheet

- The impact of the Medicaid expansion on state budgets is substantial. Overall, states will see over \$300 billion in budget gains between 2014 and 2019 that will add to their surpluses or significantly reduce budget deficits.
- As part of the overall state budget gains of \$300 billion, states will see budget increases in the delivery of public behavioral health services of nearly \$40 billion just between 2014 and 2019.
- For the first four years of the expansion (2014-2017), the federal government will pay for nearly 100 percent of entire Medicaid expansion effort. The federal match will eventually level off to 90 percent in 2020 and remain at that amount going forward.
- Several studies show that the new Medicaid expansion program will increase jobs and the state's tax base. States that choose **not** to opt in to the expansion will see their tax dollars go to other states that expand coverage.
- The injection of new Medicaid expansion dollars will benefit statewide and local economies through increased revenues going to several stakeholders and increasing the tax base. It is estimated that the federal government could spend nearly \$900 billion in states through the Medicaid expansion effort from 2014 to 2019.
- The new Medicaid expansion – if fully implemented – will provide health insurance coverage to nearly 7 million people who are uninsured with behavioral health conditions, many with serious mental illness, between 2014 and 2019.
- All newly-covered people under the expansion will receive comprehensive behavioral health benefits, as well as a robust medical benefits package, and the behavioral health benefits will be at parity, meaning those benefits are on par with medical and surgical benefits.
- The new Medicaid expansion is a good deal for states, their businesses and their citizens.

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