THE COST OF JUST SAYING “NO”

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WHAT “NO” MEANS

• No new State spending for expansion population in out years (10% of expansion population cost in 2020)
• Less opportunity to “Medicaid-ize” existing state services
• No new Federal funds for expansion population
• Less multiplier impact of Federal funds
COSTS INCURRED DESPITE SAYING “NO”

• State share of cost for “old eligibles” due to woodwork effect
• Diversion of Federal taxes (general revenues) paid by state taxpayers toward Federal share of expansion in expansion states
STATE COSTS OF EXPANDING MEDICAID
DIRECT STATE COSTS OF EXPANSION AS SHARE OF STATE BUDGETS, 2022

Holahan et al.
COSTS TO STATE BUDGETS NET OF UNCOMPENSATED CARE, 2022

Holahan et al.
COMPARED TO WHAT?
PER CAPITA FEDERAL FUNDS FOREGONE, 2016

Based on Holahan et al.

* Individual data labels: Aggregate Federal Funds in millions
Per Capita Federal Funds Foregone, 2022

* Individual data labels: Aggregate Federal Funds in millions

Based on Holahan et al.
NET STATE COSTS VS. FEDERAL FUNDS FOREGONE / STATE BUDGETS, 2022

Percent (%)

-3 -2 -1 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

Direct Costs
Federal Funds

All expansion
All undecided
Alabama
Alaska
Florida
Georgia
Idaho
Kansas
Louisiana
Maine
Mississippi
Missouri
Nevada
North Carolina
Oklahoma
South Carolina
South Dakota
Texas
Utah
Virginia
Wisconsin
Wyoming
PER CAPITA STATE DIRECT COSTS / PRIVATE INCENTIVES, 2022

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PER CAPITA FEDERAL FUNDS
FOREGONE/ HIGHWAY AND DEFENSE FUNDS, 2022

[Bar chart showing per capita federal funds foregone for various states, with categories for ACA Funds, Highway Funds, and Defense Funds.]
COSTS INCURRED DESPITE SAYING NO
WOODWORK EFFECTS
NEW MEDICAID ENROLLMENT ON WEBSITES THROUGH DECEMBER 2013
NET FEDERAL REVENUE FLOWS IF STATES DON’T EXPAND, 2022

Glied and Ma
WHO GAINS AND LOSES FROM NON-EXPANSION?

**LOSERS**
- Low income non-expansion state residents
- Non-expansion state residents who own or are employed by businesses associated with health care (and multipliers)
- State residents who own or are employed by businesses used by beneficiaries (and multipliers)

**GAINERS**
- Taxpayers in expansion states
- Non-expansion state residents who pay high state taxes but do not benefit from state economic growth
FURTHER INFORMATION

• Medicaid brief

• Holahan brief
  http://kaiserfamilyfoundation.files.wordpress.com/2013/01/8384.pdf

• ASPE expansion data

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