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***Report: Missouri Can't Afford NOT to Expand Medicaid
Expansion Would Generate an Estimated \$100 Million Annually***

As lawmakers begin the state legislative session, Medicaid expansion should be a top priority. Not only would expanded Medicaid eligibility boost Missourians' access to health care, but as shown in a new report by the Missouri Budget Project, expansion would actually generate an estimated \$100+ million per year in state general revenue savings.

"Missouri can't afford NOT to expand Medicaid," said Amy Blouin, Executive Director of the Missouri Budget Project. "Expansion will actually save \$81 million out of the box, and eventually \$100 million per year – money that can be used for education or other services cut during the Great Recession."

Because the federal government would pick up many costs the state is currently paying through its existing Medicaid program, expansion would actually **save** the state money because the federal government would pick up 90 percent of the total cost of providing many Medicaid services:

- Pregnant women, with incomes below 138% of the federal poverty level, are currently covered by Missouri's Medicaid program. However, the state currently pays 37 percent of the cost of healthcare for these women. Expanded Medicaid would lower the state cost to just 10 percent.
- Similarly, Missouri currently provides mental health services to an estimated 40,000 Missourians with 100% state funds. These individuals would be eligible for Medicaid, with the federal government contributing 90% of the cost.
- Prisoners in the custody of the Department of Corrections. These childless adults must receive medical care, and it is now fully funded by the state department of corrections.

These savings – combined with the contribution of the state's federal reimbursement allowance, described in the full paper – mean that even once the state is responsible for a 10 percent match, the **savings will still outpace the cost**. State general revenue will contribute only 6.7 percent of the cost of expansion, and the savings generated will exceed that state revenue contribution.

"The math is simple and clear," continued Blouin. "Missouri must act quickly to take full advantage of the resources being offered to make MO HealthNet more efficient and effective

for consumers. The eventual \$100+ million savings could be used to fund the K-12 education formula or restore some services cut during the Great Recession.”

[Click here for the full report \(PDF\), *Medicaid Makes \(Dollars &\) Sense: Savings Improve Missouri's Fiscal Picture*](#)

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The Missouri Budget Project is a nonprofit public policy analysis organization that analyzes state budget, tax, and economic issues.