



EXPANDING MEDICAID IN TEXAS: SMART, AFFORDABLE AND FAIR!

*Extending Medicaid to Low-Income Adults Will
Save Local Tax Dollars and Grow the Economy*

To Opt In or To Opt Out? That Is The Question

Opt In?

- **Gain \$100 billion** in federal funds over 10 years for a state cost of \$15 billion, returning billions to Texas taxpayers' pockets.
- **Gain \$7.7 billion** in federal funds in the next biennium (FY 2014-15)—nearly **\$300 million per month** in FY 2014 and **\$450 million per month** in FY 2015—for a state administrative cost of **\$300 million, 3.9%** of the total.
- **Free \$1.2 billion** in state General Revenue for FY 2014-15 identified in state health care programs that currently serve expansion-eligible adults, and **enough to fund the state match for the adult expansion to 2020+**.
- **Gain \$500 million** in dynamic new **state tax revenue** in FY 2014-15 and **\$1 billion** in FY 2016-17.
- **Gain \$700 million** in dynamic new **local tax revenue** in FY 2014-15 and **\$1.4 billion** in FY 2016-17.
- **Gain** an additional **\$55 million** in insurance premium tax revenue in FY 2014-15 and **\$217 million** in FY 2016-17.
- **Gain** about **60,000 jobs** in 2014, growing to nearly **200,000 jobs** by 2016, half in health care.
- **Add \$5.7 billion** to the state's GSP in 2014 and **\$13.4 billion** in 2015, growing to **\$18.8 billion** in 2016, accounting for 1.1% of GSP by 2016, boosting businesses and the state's economy, and a benefit to all Texas counties.
- **Save** up to **\$299-\$448 million** in potential federal tax penalties triggered by **uninsured** employees that become eligible for premium tax credits because the state opts out of Medicaid and a potential of another **\$255-\$384 million** or more for **insured** employees who could also take that option.
- **Avoid increased rating pressure** on Texas hospitals that **Moody's** has warned could happen due to the **scheduled decline of hospital federal funds for uncompensated care under the Affordable Care Act (ACA)**, which assumed states would expand Medicaid, unless the state replaces the funds.
- **Reduce** part of the **\$2.5 billion** in annual unreimbursed health care costs of local governments and **\$1.8 billion** of hospital costs for the uninsured that applies to adults below 138% of the federal poverty level (FPL).
- **Expand** funding resources for the **\$160 million** in state match required to continue the federal primary care provider rate increase of 2013-14 (or **\$253 million** to extend it to other physicians), which would increase the percentage of physicians accepting Medicaid and "fix" the "broken" Medicaid program.
- **Expand** funding resources for the estimated **\$889 million** in state match required in FY 2014-15 for the additional currently eligible children who are expected to enroll in Medicaid due to the ACA insurance exchange.
- **Reduce** the number of uninsured in Texas by **17% to 22%** by providing insurance to about **1 million adults** below 138% FPL, assuming a moderate enrollment level, and up to **1.4 million** assuming a high enrollment level.
- **Provide** insurance to those below 100% FPL (who will not be eligible for subsidized insurance).
- **Transfer** expansion-eligible adults from the broken "Locally Funded Emergency Room Treatment Program" and piecemeal, inefficient state health care programs to a system of managed care.
- **Prevent** the premature death of about **5,700 adults** in each year after the implementation year.

OPT OUT?



Download county data and one-pagers on the expansion impact by legislative district at www.texasimpact.org/Local-Taxpayers-Win-With-Medicaid

Download the full report at www.mhm.org

Download the executive summary and the state general revenue estimates at www.texasimpact.org

For more information about the report, "Smart, Affordable and Fair" call Texas Impact at 512/472-3903 or email medicaidreport@texasimpact.org



"Serving Humanity to Honor God"





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Opt Out?

- **Donate \$100 billion** to the federal government, including all of the tax dollars that Texans paid in under the ACA over the ten-year period.
- **Permanently lose the \$7.7 billion** in federal funds that Texas would gain in the next biennium—nearly **\$300 million for each month's delay in FY 2014 and about \$450 million per month in FY 2015**.
- **Use \$1.2 billion in state GR instead of federal funds available through the expansion** to continue financing piecemeal state programs for expansion-eligible adults who could benefit from Medicaid managed care.
- **Lose \$1.2 billion** in dynamic **new** state and local tax revenue in FY 2014-15 and **\$2.4 billion** in FY 2016-17.
- **Lose \$55 million** gain in **new** insurance premium tax revenue in FY 2014-15 and **\$217 million** in FY 2016-17.
- **Turn our backs** on about **770,000 unemployed Texans** when nearly **200,000 jobs** could become available.
- **Forego the \$5.7 billion in GSP growth** and its boost to businesses and local economies statewide.
- **Cost employers up to \$299-\$448 million** in potential federal tax penalties triggered by **uninsured** employees that become eligible for premium tax credits because the state opts out of Medicaid and a potential of another **\$255-\$384 million** or more for **insured** employees who could also take that option.
- **Cause increased rating pressure** for Texas hospitals that Moody's has warned could happen due to the scheduled **loss of hospital federal funds** for uncompensated care later in the decade and increased pressure to raise local taxes as a result.
- **Find \$160-\$253 million in GR for the next biennium, without the benefit of the adult expansion state revenues and savings**, to fund the continuation of the primary care provider rate increase.
- **Find \$889 million in GR, without the benefit of the adult expansion state revenues and savings**, to fund the additional children that the Health and Human Services Commission projects will enroll in Medicaid during the next biennium **regardless of the adult expansion decision** due to the Health Benefit Exchange.
- **Continue to burden** local governments and taxpayers, as well as hospitals, with **\$4.4 billion** in unreimbursed care costs when the Medicaid expansion could ease this burden and while donating Texans' ACA taxes and fees to the federal government.
- **Turn our backs** on up to **1.4 million** Texans who must use the broken "Locally Funded Emergency Room Treatment Program" and piecemeal, inefficient and limited state health care programs for their health care.
- **Shut out** expansion-eligible adults below 100% FPL from the possibility of having subsidized insurance while those above 100% FPL get subsidized insurance.
- **Leave up to 1.4 million uninsured adults to struggle unnecessarily with inadequate health care when managed care could be available at no net new cost to the state.**
- **Leave about 5,700 people to die a premature death every year.**

OPT IN?



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