

REPORTS BUILD STRONG CASE FOR MEDICAID EXPANSION IN ALABAMA

Reports: Economic Impact

David Becker, PhD, UAB School of Public Health, and Manatt, a national consulting firm, provide strong evidence to support expanding Medicaid.

- Overall, the economic impact to the state of the additional federal funds would be **\$11.4 billion** over four years. (Becker study)
- In that same time frame, another **\$316 million** would be saved through a higher federal match rate and by paying for services that are currently funded with 100% state funds. These are savings that could be reinvested in the health care system. (Manatt)
- Alabama will receive \$9 in federal funds for every \$1 the state spends **indefinitely**. (Becker study)
- Additional state and local taxes would offset **\$715 million** of the cost.
- After considering state savings and new tax revenue, the estimated cost for Medicaid expansion is **\$239 million** over four years. (Becker report)

“In contrast to most economic development projects supported with state and local incentives, Medicaid expansion would provide benefits across all of Alabama’s 67 counties.” (Becker report)

The Benefits of Medicaid Expansion

- By expanding Medicaid, Alabama could provide health care coverage to an estimated **340,000 adults** who don’t currently have health insurance.
- The rate of adults without health insurance dropped from 35 percent to 16 percent in expansion states (2008 – 2016).
- Hospitals are **84 percent** more likely to close in non-expansion states.
- Medicaid expansion leads to earlier cancer detection, fewer deaths, and better outcomes for patients.
- Expansion states have increased access to substance abuse treatment and other mental health services.

Alabama’s Hospitals Are Struggling

- 88 percent of rural hospitals operate in the red; 75 percent of all Alabama hospitals operate in the red.
- **13 hospitals** have closed in the last 8 years, **7** of which were rural.
- Alabama hospitals spend more than \$500 million each year caring for the uninsured.

If nothing happens, other hospitals will be forced to cut services, eliminate staff or in the worst case, close.



Medicaid Expansion: Alabama Can’t Afford to Pass it Up!

Alabama is one of only 14 states that have not expanded Medicaid. This means our federal tax dollars are going to other states to pay for their health care coverage, while Alabama’s health care delivery system struggles. With the challenges facing our health care system, particularly rural hospitals, it’s an opportunity we cannot afford to pass up.