

# THE MEDICAID EXPANSION: ECONOMIC IMPACTS

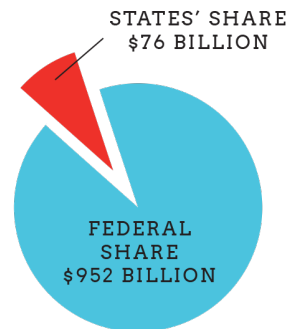
## TENNESSEE

More low-income adults could receive health care under Medicaid—but first each state must decide whether to expand the program. In states that expand, the federal government will cover the

majority of Medicaid costs. In addition, Medicaid spending has been linked to job creation, increased wages and business activity and increased state revenue.

### THE FEDERAL GOVERNMENT WILL COVER NEARLY ALL EXPANSION COSTS OVER 2014-2022

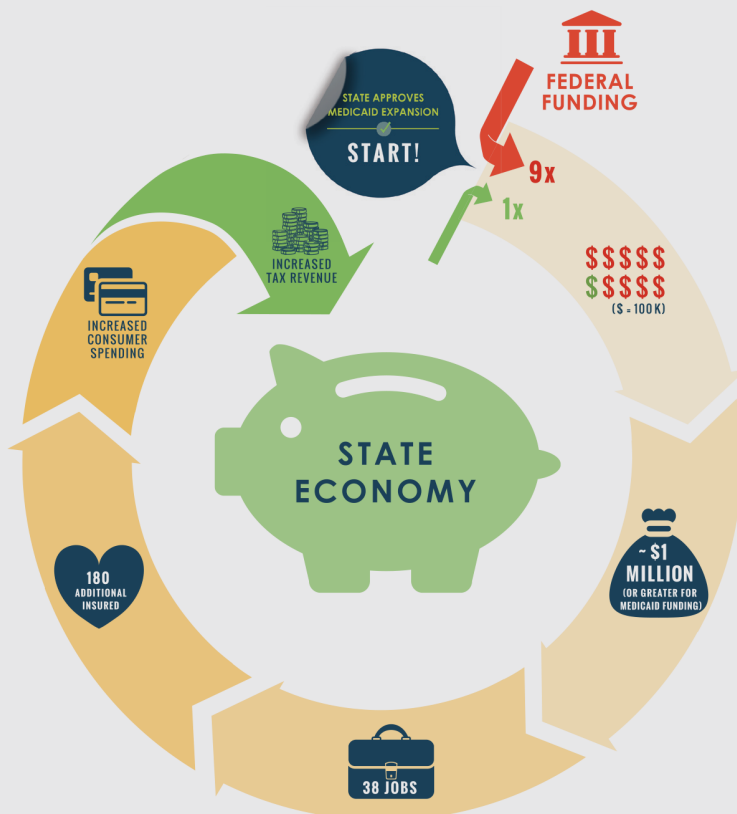
<b>2014-2016</b>	The federal match rate for newly eligible adults is 100 percent.
<b>2016 AND BEYOND</b>	The federal match rate never drops below 90 percent. Every \$1 that states spend on Medicaid is matched by \$9 from the federal government.



## STATE FACTS

- TENNESSEE** will save **\$Â 494 million a year** on uncompensated care.
- The estimated cost for **TENNESSEE** to expand Medicaid coverage to newly eligible individuals is **\$1.7 billion**.

## THE MULTIPLIER EFFECT



The Medicaid expansion will boost states' economies. Dollars spent on Medicaid cycle through state economies in the form of wages and business activities.

## THE MEDICAID EXPANSION WILL REDUCE STATE COSTS

- The Medicaid expansion will reduce uncompensated care costs in the US by more than \$18 billion if all states opt in between now and 2022.
- The cost of expanding Medicaid to provide coverage to newly eligible individuals is more than \$8 billion.
- The incremental impact of expanding Medicaid to cover newly eligible individuals is a net gain \$10 billion to states between now and 2022.