

## Research Synthesis

There is a large body of academic research over the last five years detailing the benefits of Medicaid expansion as well as qualitative research about the Medicaid program, including expansion, to underscore motivations and barriers that individuals may have in supporting adoption of this policy. And over the last year, as Missouri has considered expanding Medicaid via ballot initiative, researchers have investigated how Medicaid expansion would benefit the state specifically. These studies provide us facts on the positive impacts of Medicaid expansion and insights into messaging that have proven successful in other states that have expanded Medicaid—and what we anticipate will work for Missouri too. While these studies and reports were executed before the COVID-19 pandemic, they still provide an important starting point from which we can establish proof points to leverage for our campaign.

This document synthesizes this research (see endnotes) to establish a baseline of insights that will inform parts of the Foundation's communications campaign and complement the qualitative state-based research underway to gain insights that may be important as individuals continue to be impacted by the COVID-19 pandemic.

## Medicaid Expansion: Just the Facts

**Medicaid expansion makes fiscal sense for Missouri.** According to the Missouri Budget Project, the Center for Health Economics and Policy at Washington University, Health Management Associations, and Regional Economic Models, Inc., Medicaid expansion will have a net positive outcome on Missouri's budget. This is largely due to:

- The federal government will cover the newly eligible population at a 90% federal match rate in perpetuity. This represents a large increase, as the current federal match for Medicaid in Missouri is 65%.
- Some existing Medicaid populations will move from a lower matching Medicaid eligibility to the higher matching rate through expansion, saving millions of dollars each year.
  - Example: participants in Medicaid who have received a disability determination but have not gone on Medicare would be covered as "newly eligible." And it is anticipated that 30% of that group will forgo a disability determination and choose the "newly eligible" pathway instead, saving Missouri \$150 million per year.
- The Per-Person Per-Month cost for an adult without disabilities is projected to decrease from \$676 to \$425 under expansion.
- New funds will become available for populations served with state-only outlays, freeing up funds for other policy priorities, like expanding opioid and addiction prevention programs.
  - Example: Missouri covers the cost of medical care for prisoners, but under expansion, Medicaid would pay for in-patient hospital visits instead, saving \$3.4 million in general revenue annually.
- Medicaid expansion will alleviate concerns about MO HealthNet's financial sustainability—after the first states expanded in 2014, overall Medicaid spending declined by 5% in expansion states and grew by 5% in non-expansion states.
- In the first year of Medicaid expansion, Missouri will see an estimated savings of \$39 million. Assuming a 4.5% growth rate in prices and utilization (as seen in other expansion states), by 2024 the annual savings due to expansion is estimated at \$932 million.
- Provider taxes and state sales tax will generate more revenue, employment opportunities will increase, and the health care infrastructure will be enhanced leading to a robust GDP growth year to year.

**Medicaid expansion provides new economic opportunities.** Not only will expansion create new jobs (one report estimated that from 2022-2026, there would be an increase of 16,330 jobs), it will also provide increased tax

revenue for the state to pursue other policies. One study estimated that Missouri would see over \$50 million in new income and sales tax revenue as a result. And as more Medicaid dollars are infused into the state and we see an uptick in health care infrastructure and services, Missourians' demand for other goods and services will also increase, thereby stimulating the economy.

**Federal dollars and increased revenue offset state costs.** Missouri's current eligibility requirements are among the most restrictive in the nation—adults with children can only qualify if they earn less than 22% of the FPL (\$3,793 annual income for a household of two). Under Medicaid expansion, this would increase to roughly \$17,000 annual income for a single adult. While there is concern that this shift in eligibility will lead to high initial startup costs, studies found that states that have expanded covered those costs with the 90% federal match and revenue increases. One report estimates that Missouri will receive over \$2.5 billion from the federal government in new funds.

**Medicaid expansion brings Missouri's tax dollars home.** Missouri sends taxpayer dollars to the federal government that go directly to other states that have already expanded. By expanding Medicaid, Missouri would bring those dollars back home. According to the Center for Health Economics and Policy:

- In 2015, Missouri residents sent a total of \$64.1 billion to the federal government in the form of income taxes, representing 1.95% of the U.S. total. In the same year, the state received \$6.28 billion back from the federal government for Medicaid, representing only 1.8% of the U.S. total. This 0.15% difference represents an economic loss of \$500 million that Missouri left on the table.

**Rural hospitals and communities will benefit from Medicaid expansion.** Since 2014, seven rural hospitals in Missouri have closed, depriving local communities of the care they desperately need. Medicaid expansion would protect and strengthen struggling rural hospitals and bring doctors and clinicians back to rural communities.

**Medicaid expansion will reduce Missouri's uninsured population.** In Missouri, 9.4% of the population is uninsured (roughly 564,000 people). Those in this group include hardworking individuals who make too much money to qualify for MO HealthNet but not enough to get a tax subsidy to buy a private health plan on the Marketplace—people in the coverage gap. This group includes childcare workers, restaurant employees, home health workers, students, veterans, pregnant women, children, seniors in nursing homes, and construction workers, to name a few. By expanding Medicaid, reports estimate that at a minimum, an additional 315,000 adults will be eligible for Medicaid. Of that newly eligible population, it is estimated that 230,000 adults and 40,500 children will enroll, cutting the state's uninsured population in half.

**The majority of people who would benefit from Medicaid expansion are working or caregivers.** Studies show that 8 in 10 people who have Medicaid are working, which in turn helps support their communities. And, we know that when parents have health insurance, their kids are more likely to be insured too.

**Economic fallout from COVID-19 is projected to increase the rate of uninsured in Missouri.** Due to COVID-19, Missouri will see elevated numbers of uninsured in 2020 as residents lose employer sponsored insurance. One estimate calculated that without Medicaid expansion (and taking into account a projected 20% unemployment rate), an additional 175,000—290,000 people in Missouri could lose coverage completely.

**Medicaid expansion will reduce Missouri's uncompensated care costs.** When more people have quality health insurance, more people can afford quality care. That means uncompensated care costs will drop dramatically (one report estimates a 31% reduction in uninsured visits), which keeps health care costs down for everyone.

**Medicaid expansion improves health outcomes.** Other expansion states have even seen increases in diagnosis rates, treatment and management of chronic conditions, and improved overall health. For example, expansion states have increased early stage cancer diagnosis rates and have a higher prescription rate for opioid use disorder treatment. Additionally, beneficiaries in expansion states have reported improved mental health, and women in expansion states are more likely to be screened for breast cancer and receive care when pregnant than non-expansion states.

**The 36 states and D.C. that have expanded have seen positive outcomes.** No state that has implemented Medicaid expansion has ever reversed its decision, and for good reason. Ohio has even seen an additional \$3 billion GDP and increased earnings for employees beyond the health sector. Across the board, states have seen a net positive outcome from Medicaid expansion in the form of:

- Improved financial security for working families with low wages.
- Decreases in the uninsured population and increases in state employment.
- Reductions in uncompensated care costs at hospitals and in clinics.
- Improved access to care and health outcomes for new participants.

## Messaging That Works

**Medicaid has broad support.** Even before hearing the program described, one recent study found that 3 out of 4 voters have positive feelings towards Medicaid. And once the program is defined, that number moves to 9 in 10 who consider it critically important. While these numbers are encouraging, there are still gaps in understanding and it is necessary to educate voters about the opportunities that come with Medicaid expansion.

**Medicaid is health insurance.** While there is established broad support for Medicaid, it is important to note that more conservative voters will see Medicaid as a “welfare program” rather than health insurance. This audience responded well when messages emphasized that Medicaid is simply health insurance for individuals in the coverage gap. They also responded well when told how many people stand to gain coverage from expansion, using language describing Medicaid as a “hand up, not a hand-out.”

**Framing block grants and work requirements as cuts helps mitigate support for those policies.** For many voters who are unsure about Medicaid, when presented with the idea of block grants or work requirements, these policies seem initially attractive and a way to ensure that the program will not lead to waste. However, several focus groups revealed that when these policies are framed as “cuts” or “bureaucratic red tape” that will lead to “massive losses in coverage” they respond less favorably.

**Support for Medicaid expansion increases when it’s tied to the economic impact.** Voters who are on the fence respond well to messaging that explains how Medicaid expansion will strengthen their state’s economy and bring tax dollars back home. Explaining that Medicaid expansion is an economic driver for the state, and providing facts to back up your claims, is key.

**Messaging about the state’s ability to design its own Medicaid program resonates.** Focus group participants across multiple studies were receptive to Medicaid expansion when they were told that their state could “customize” or “update” Medicaid to fit their state’s unique needs. Voters are concerned that Medicaid is wasteful and inefficient. Educating voters on the different ways the state can adapt Medicaid to make it work for Missourians is important and can help in reducing concerns about inefficiency and waste.

**Medicaid preserves access to care for rural communities.** For rural audiences, we see from previous message testing that it is important to educate rural voters on how Medicaid expansion will help to provide funding and resources necessary to keep rural hospitals open and keep doctors from leaving rural communities.

**Medicaid is a safety net.** Consistently, top performing messaging lets voters know that Medicaid provides a safety net for the most vulnerable. Medicaid expansion covers life-saving treatment and care for pregnant women, children, seniors in nursing homes, the disabled, veterans, and others. And having health insurance provides them with a better quality of life and leads to a more productive workforce in the long run.

## Effective Messengers

**The right messenger will move the needle.** Using doctors and nurses as trusted messengers is key to driving awareness and support for Medicaid expansion. This was consistent across all studies referenced in this report. Other top messengers include the uninsured (studies noted that storytelling from this group in particular is powerful), groups representing patients, local non-profits, rural hospitals, universities, social workers, teachers, and faith leaders.

**Using real people and real stories is effective.** Presenting voters with stories from people in their community who stand to gain coverage from Medicaid expansion is effective. These are hard-working families, veterans, pregnant women, children, construction workers, and many more—in short, these are people they know. Medicaid

will help keep them healthy, go to work, care for their families, and pay the bills. And in turn, that helps the larger community thrive.

## Studies

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