

## Estimated Medicaid-Related Impact of the Affordable Care Act with Medicaid Expansion

7/17/12

### Newly Covered Medicaid Lives: 250,000

<b>Impact*:</b>	<b>SFY 2015</b> (first full year)	<b>SFY 2021</b> (full year at 10% FMAP)
New Medicaid Expenditures	\$42 M	\$155M
New Medicaid Savings	(\$60M)	(\$ 60M)
Additional state revenue	(\$35M)	(\$ 32M)
Spending on uncompensated care	<u>(\$36M)</u>	<u>(\$ 59M)</u>
<b>Net Cost (Savings) to State</b>	<b>(\$89M)</b>	<b>\$ 4M</b>

<b>Cumulative Impact*:</b>	<b>SFY2014-2021</b>
New Medicaid Expenditures	\$684M
New Medicaid Savings	(\$443M)
New State Revenue	(\$254M)
Spending on Uncompensated Care	<u>(\$359M)</u>
<b>Net Cost (Savings) to State thru 2021</b>	<b>(\$372M)</b>

\*All figures in constant 2012 numbers. Estimates do not include impacts not related to Medicaid, e.g. new state revenue resulting from new expenditures in the private health market.

### Comparison of 2021 Estimate to Original Estimate for a Full Year at 10% FMAP

The original estimate of \$100-200M additional cost was based on an early Urban Institute analysis of all states. It did not account for some Medicaid savings specific to Arkansas, for reduced uncompensated care, and for new state revenue. The impact of those factors and updated Urban Institute estimates is shown above.