

## Facts about Medicaid Expansion

*Improving Care, Saving Money*

### **Why expand Medicaid?**

The expansion of Medicaid will provide health insurance for those Michiganders who need it most, while saving money and improving care for all of our citizens.

### **Who will be covered?**

Medicaid would be expanded to 133% of the Federal Poverty Level, meaning that those living at or near poverty (about \$30,000 per year for a family of four) would receive health care. In total, 320,000 Michiganders will be covered in the first year, 470,000 will be covered by 2021, and Michigan's uninsured population will drop by about 46%.

### **What kind of coverage will be provided?**

Coverage will include access to primary care doctors, preventative care and routine checkups.

### **How much will it cost Michigan?**

There is no net cost to the state over the next 21 years, and Michigan will save \$320 million in uncompensated care costs by 2022 and \$206 million in General Fund costs in 2014 alone.

### **Who will pay for the expansion?**

Federal funds will cover 100% of the cost of Medicaid expansion from 2014 to 2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019 and 90 percent in 2020 and subsequent years.

With the Medicaid expansion, the federal government will cover expenses Michigan pays for today, saving the state \$206 million in General Fund costs in 2014 alone. The proposed budget deposits \$103 million of those savings into a new health savings fund to cover Michigan's future health care liabilities.

### **Will Michiganders who already have insurance benefit?**

Yes. Today, uninsured citizens often turn to emergency rooms for non-urgent care because they don't have access to primary care doctors -- leading to crowded emergency rooms, longer wait times and higher cost. By expanding Medicaid, those without insurance will have access to primary care, lowering costs and improving overall health.

### **Will businesses benefit?**

Yes. Under the Affordable Care Act, the federal government is mandating that businesses either provide health care to their employees or pay a \$2,000-per-employee penalty. By expanding Medicaid, we can provide an affordable option that will help businesses stay open.