

A Fiscal and Economic Analysis of Medicaid Expansion in Mississippi Under the Affordable Care Act

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Current Medicaid Eligibility in Mississippi

Eligibility Category	Federal Poverty Line	Monthly Income Family of 2	Monthly Income Family of 3	Monthly Income Family of 4
birth to 1 year	194%	3037	3820	4603
1 year to age 6	143%	2258	2841	3423
6 year to age 19	133%	2106	2649	3192
Parents/Caretakers	24%	382	480	578
Pregnant Women	194%	3037	3820	4603

Medicaid Eligibility under ACA expansion

- ▶ Everyone under 138 percent of the Federal Poverty line is eligible
 - ▶ Currently 6-18 year olds living in homes with income under 133 percent of the poverty line qualify for Medicaid and those up to 209 percent qualify for CHIP
 - ▶ Only 19-64 year olds who are disabled, extremely low-income caregivers, pregnant or get some other waiver qualify for Medicaid in Mississippi
 - ▶ This focus of the study is the additional 19-64 year olds that will enroll in Medicaid under the ACA expansion
- ▶ Adults are not required to be caregivers, disabled or pregnant

Medicaid Finances

- ▶ Mississippi FMAP was 77 percent in 2020 meaning Federal government paid 77% of the state's Medicaid costs
- ▶ Under the ACA expansion, Mississippi would have a FMAP of 90 for the expansion group
- ▶ The America Rescue Plan also added an additional 5% to the FMAP for the first two years of expansion

How did we start?

- ▶ We used data from data.Medicaid.gov to determine the number of Medicaid enrollees in 2019 and 2020
- ▶ The current enrollment in Medicaid and CHIP was 642,395 in 2020 and 619,269 in 2019
- ▶ The large increase in enrollment between 2019 and 2020 was called by the coronavirus pandemic. We expect those number to decrease and estimate enrollment under current rules to be 631,126 in 2022 and 619,766 in 2023.
- ▶ We estimate an increase in enrollment of approximately 233,000 individuals per year if the expansion had been enacted in 2022 (total population with qualifying income 330,875)

Estimating Additional Cost to the State

- ▶ We estimate the additional cost to the state at \$186 million in 2022
- ▶ We started with a 2019 estimate of \$8,867 per person enrolled in Medicaid and CHIP (state and federal cost combined)
- ▶ We reason that the additional group would have cost \$5911 per person in 2019
- ▶ We then grow the expense at 2.6 percent annually

Estimating Savings

- ▶ Higher FMAP rate for two years, which yields savings of 306 million in 2022 and 316 million in 2023
- ▶ Movement of those with a disability waiver who qualify to the expansion group, which yields savings of 15 million in 2022
- ▶ Movement of those with a pregnancy waiver who qualify to the expansion group, which yields savings of 8 million in 2022
- ▶ Uncompensated care cost are estimated to provide the largest long-term savings to the state - 159 million in 2022
- ▶ Other savings total approximately 43 million in 2022 for a total of 513 million
- ▶ In 2024 that drops to a savings of 214 million due to the lost of the higher FMAP

How do we use REMI?

- ▶ We take the money that we estimate the state will spend on additional Medicaid cost and subtract it from ‘state and local government spending’
- ▶ We take the total additional money that will be spent on Medicaid in the state (by state and federal government) and add it to ‘consumption demand’ for the specific categories that the money will be spent on such as Offices of health practitioners; Outpatient, laboratory, and other ambulatory care services; Hospitals and a few others

What do we find?

Category	2022	2023	2024	2025	2026	2027
Real GDP*	\$718,777,284	\$758,436,856	\$779,427,151	\$782,966,346	\$780,997,920	\$776,962,823
Employment	10,894	11,363	11,526	11,433	11,273	11,081
Personal income	\$539,220,566	\$620,247,875	\$684,649,232	\$733,567,714	\$774,952,539	\$812,351,185
Population	3,299	5,787	7,757	9,285	10,505	11,505

Questions

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