

# Medicaid expansion – a South Dakota decision

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Household Size	Expanded Medicaid (138% FPL)
1	\$15,415
2	\$20,879
3	\$26,344
4	\$31,809

The June 2012 Supreme Court decision confirmed healthcare reform was constitutional, but reserved for states the right to decide if they want to participate in Medicaid expansion.

Expansion covers non-elderly low-income South Dakotans living in households with adjusted gross incomes up to 138% of the federal poverty level.

## How many uninsured adults would be eligible for Medicaid in SD?

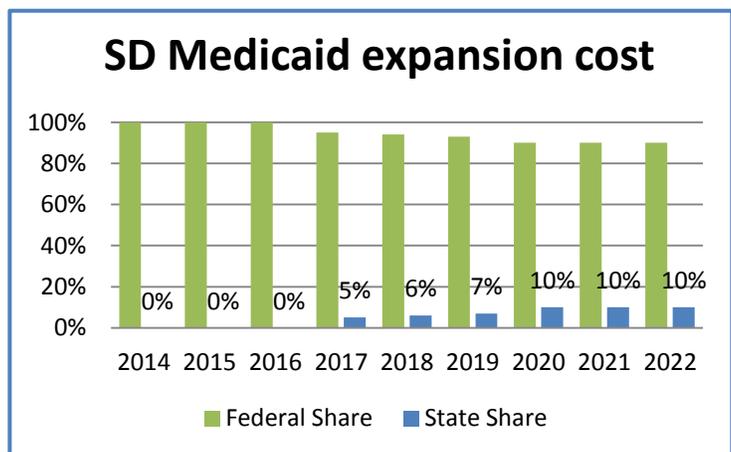
In South Dakota, there are **49,000 uninsured adults** who would be eligible for Medicaid if the state expanded its Medicaid program. SD Governor estimated 48,564 new eligibles in his Dec 2012 budget address. Most of these adults will not be eligible for tax subsidies through exchanges, leaving the lowest-income adults in South Dakota without access to affordable health coverage.

## How much would it cost South Dakota to cover these adults?

For the first three years 100% of the cost of care for newly eligible enrollees is covered by the federal government.

That tapers off slightly over the next 4 years giving South Dakota responsibility for 10% of the cost of care.

This additional cost is just 2.9% more than South Dakota would spend on Medicaid during the 10 year timeframe without Medicaid expansion (Urban Institute).



## How much money is that?

If South Dakota expands Medicaid, the cost from 2013-22 is estimated at an additional \$157 million in state Medicaid expenditures over the 10 year period.

The Federal Government would contribute \$2.1 billion dollars to cover Medicaid expansion in South Dakota during the first 10 years.

In the early years (2016), South Dakota’s annual share of than \$1.5 million would be matched by \$214 million from the Feds.

Medicaid Expansion Expense for care in SD (in millions)		
Year	Federal	SD
2016	\$214	\$1.5
2022	\$307	\$36
10 year cumulative 2013 - 2022		
2013-2022	\$2,110	\$157

## Can SD expand Medicaid now and drop back later?

**YES** Source: Scott, Dylan. “CMS: States Could Adopt Medicaid Expansion, Then Drop It.” *Governing* at <http://www.governing.com/news/federal/gov-cms-no-deadline-for-state-decisions-on-medicaid-expansion.html>

## Are there other savings for South Dakota with Medicaid expansion?

If South Dakota chooses to expand Medicaid coverage, savings will accrue to the state in areas where state general fund dollars are currently funding services to the uninsured. Health care providers will also have lower uncompensated care costs to pass on to other South Dakota health care consumers. These savings in state and local non-Medicaid expenditures would offset 40% of the state’s ten year cost of expansion (reducing \$157 million to \$95 million). See additional details on “Medicaid Expansion – South Dakota Savings” at [www.sdbpp.org](http://www.sdbpp.org)