



ALLIANCE FOR A  
HEALTHY KANSAS

## KanCare Expansion: Just the Facts

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### **KanCare expansion will boost the state economy.**

Medicaid expansion brings hundreds of millions of federal dollars back to states each year. This money ripples through the state economy, creating economic growth, new jobs, and new state revenue. Expansion states have experienced these benefits:

- Michigan. Between 2017-2021 Medicaid expansion in Michigan is expected to create more than 30,000 new jobs, increase personal income by more than \$2 billion per year, and generate about \$150 million annually in new state revenue.<sup>1</sup>
- Colorado. In Colorado, more than 31,000 new jobs were created as a result of expansion in the first two years and state domestic product was 1.14% – \$3.8 billion – larger. This economic growth increased annual household earnings by \$643.<sup>2</sup>
- Montana. Medicaid expansion in Montana introduces \$600 million in new spending to the state economy each year, generating approximately 6,000 new jobs and \$350 million in additional personal income.<sup>3</sup>
- Kentucky. In Kentucky, expansion is anticipated to create more than 40,000 new jobs and over \$1 billion in state revenue through 2021.<sup>4</sup>
- Louisiana. Medicaid expansion in Louisiana created and supported more than 19,000 new jobs in the first year of implementation along with state tax receipts of \$103 million, and local tax receipts of nearly \$75 million annually. Business activity increased by nearly \$3.5 billion and personal income by \$1.1 billion.<sup>5</sup>
- Pennsylvania. In Pennsylvania, expansion resulted in an additional 15,500 jobs, increased economic output by \$2.2 billion, and resulted in an additional \$53.4 million in state tax revenue in the first year of implementation.<sup>6</sup>
- Kansas will reap these economic benefits, as well. KanCare expansion is projected to create more than 13,000 new jobs in the first full year of expansion. In addition to health care jobs, expansion would generate job growth in other industries, including retail and construction. Without expansion, the state has turned away more than \$4.5 billion in federal dollars since 2014 and will forgo \$10.227 billion in economic output in the next 5 years.

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<sup>1</sup> Ayanian et al. *Economic Effects of Medicaid Expansion in Michigan*, New England Journal of Medicine 376(5), February 2, 2017.

<sup>2</sup> Colorado Health Foundation, *Assessing the Economic and Budgetary Impact of Medicaid Expansion in Colorado: FY 2015-16 through FY 2034-35*, March 2016.

<sup>3</sup> Bureau of Business and Economic Research, University of Montana, *The Economic Impact of Medicaid Expansion in Montana*, 2019 Update.

<sup>4</sup> Deloitte Development, *Commonwealth of Kentucky Medicaid Expansion Report*, February 2015.

<sup>5</sup> Richardson et al. *Medicaid Expansion and the Louisiana Economy*, Louisiana State University, EJ Ourso College of Business, Public Administration Institute, March 2018.

<sup>6</sup> Pennsylvania Department of Human Services, *Medicaid Expansion Report*, January 27, 2017.

<sup>7</sup> Ku et al. *Economic and Employment Effects of Expanding KanCare*, George Washington University and Regional Economic Models, Inc., November 2014.

<sup>8</sup> Leatherman. *Preliminary Estimates of the State and Local Tax Revenue Generated by the Expansion of Medicaid Expenditures*, Kansas State University, March 2019.