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Report Suggests Medicaid Expansion Would Be Budget Neutral

CONCORD – Invited by House budget writers to summarize key findings in an analysis commissioned by the state, New Hampshire Fiscal Policy Institute Policy Analyst Deb Fournier said today Medicaid expansion would likely be budget neutral or result in savings for the state.

“Based on this information, the state budget would likely break even and even achieve a net savings if we accept the federal dollars to provide people with health insurance coverage. The managed care initiative combined with potential savings in other parts of the budget make extending Medicaid to more Granite Staters very affordable for New Hampshire,” she said.

Consultants at the Lewin Group were asked by state health officials to look at the budgetary and economic effects of extending Medicaid to more low-income adults in New Hampshire under the Affordable Care Act.

Fournier took Lewin’s calendar-year calculations and broke them down so they align with the state fiscal year. This enabled her to tell budget writers in greater detail what the projections mean for developing a 2014-2015 budget and how a range of projected offsets may reduce state spending.

The Medicaid initiative calls for the federal government to pay 100 percent of the costs, except for state administrative expenses, from 2014-2016 and to gradually reduce the federal contribution to 90 percent by 2020. The Lewin Group report estimates that about 58,000 Granite Staters would enroll by 2020, with somewhere between 39,000 and 52,000 enrolling in the first biennium.

“We get a healthier workforce and a boost to the state economy that extends well beyond this next biennium,” she said.

She spoke at a public hearing at the invitation of lawmakers on the House Finance Committee and the House Health, Human Services and Elderly Affairs Committee.