

FACT SHEET

Medicaid expansion by the numbers

- ± **223,000** Alabamians are caught in the coverage gap, unable to afford health insurance. Another **120,000** or more are stretching to pay for private or employer-based coverage.
- **13** Alabama hospitals – including **7** rural ones – have closed since 2011.
- **88 percent** of Alabama’s rural hospitals operate in the red.
- If we expand Medicaid to cover low-income adults, the permanent federal match is **9:1**.
- The first four years of federal match would generate **\$11.4 billion** in new economic activity.
 - **\$6.7 billion** in direct federal spending
 - **\$4.6 billion** in indirect economic activity
- Over four years, the enhanced match would free up **\$316 million** in current state spending to address additional unmet health care needs.
 - Existing Medicaid groups – **\$87.1 million**
 - Mental health & substance abuse – **\$121.6 million**
 - Corrections – **\$46.8 million**
 - Public health – **\$60.6 million**
- Expansion-related economic activity would generate **\$446 million** in state tax revenues over four years. New local tax revenues would total **\$270 million** over four years.
- Net cost to the state would be **\$168 million** in first year, dropping to about **\$25 million** annually in following years because of savings and revenues, for a total of **\$239 million** over four years. *(This figure does not include local revenue gains.)*

Bottom line

Medicaid expansion would help more than 340,000 Alabamians get health coverage, stabilize our rural hospitals and jump-start our economy – all for a dime on the dollar. It’s a bargain Alabama can’t afford to pass up.

(Sources: U.S. Census Bureau; Alabama Hospital Association; David J. Becker, “Medicaid Expansion in Alabama: Revisiting the Economic Case for Expansion,” January 2019; Manatt, “Alabama Medicaid Expansion: Summary of Estimated Costs and Savings, SFYs 2020-2023,” February 2019.)