The Colorado Health Foundation™

Analysis Reveals Medicaid Expansion Sparks Economic Activity in Colorado

Supplement Explores Job Creation in Three Communities

DENVER, CO – In the two years since implementation, Colorado's Medicaid expansion has added 31,074 jobs, increased economic activity by $3.8 billion and raised annual household earnings by $643. Commissioned by the Colorado Health Foundation and prepared by the Colorado Futures Center at Colorado State University, the final report, "Assessing the Economic and Budgetary Impact of Medicaid Expansion in Colorado: FY 2015-16 through FY 2034-35," suggests that these trends will continue.

By fiscal year (FY) 2034-2035, Colorado is projected to add a total of 43,018 new jobs, increase economic activity by $8.5 billion and raise average annual household earnings by $1,033. The combination of federal funding for expansion, Colorado's previous decision to use the Hospital Provider Fee as the source of revenue for the state's share of expansion costs, increased tax revenue due to the larger post-expansion economy, and modest savings in other state programs has and will allow Colorado to support this expansion at no cost to the state's General Fund.

The report also details possible implications should the Affordable Care Act (ACA) be repealed, and consequently Colorado be required to roll back its Medicaid expansion. A repeal with no offsetting replacement would have significant economic consequences, including a lower state GDP, lower household

incomes, fewer jobs, a reduction in health care access and an increase in uncompensated care.

However, the data alone do not tell the full story of how Medicaid expansion is shaping economic activity in the state. In tandem with the final report, the Foundation published a supplement, "Behind the Numbers: Medicaid Expansion Drives Real Jobs in Real Colorado Communities," that features three narratives from individuals in the health care sector witnessing firsthand the real impact that Medicaid expansion has in Colorado communities.

Mind Springs Health, the primary mental health care provider on the Western Slope, is experiencing these direct positive economic impacts. A total of 145 full-time positions have been brought on since implementation of expansion and 50 of those directly serve Medicaid clients.

"We have learned so much about mental health and behavioral health care," said Chris Lawrence, Mind Springs Health recovery case manager. "I helped one client get into an apartment who had numerous barriers because of past criminal and substance use issues. We got that person to a property management company that was willing to work with the situation. This person was living in a car, as a parent."

In La Junta, Southeast Health Group has added dozens of new positions as a result of Medicaid expansion. Medicaid clients have grown from 12,850 to 17,366 since expansion went into effect under the ACA. With it, comes more employees ranging from providers to technical and front desk support. Spanish Peaks Regional Health Center, located in Walsenburg, is experiencing positive economic impacts too. As one of the largest employers in southern Colorado, Medicaid expansion is responsible for most of the 16 new full-time positions added since 2014. And the hospital plans to add more staff to handle an increase in Medicaid patient volume.

“The data only account for one part of the story. It’s real life narratives from individuals, working day in and day out in the health care field, which paint a bigger picture. These stories show us that not only is Medicaid expansion fueling the state’s economy, but it's adding jobs, increasing access to care for thousands of Coloradans and helping communities prosper,” said Colorado Health Foundation President and CEO Karen McNeil-Miller. “We can continue to strengthen the economic well-being of our state through a shared commitment of ensuring all Coloradans are enrolled in stable, affordable and adequate coverage.”

The report updates a 2013 analysis of the estimated economic and budgetary impact of Medicaid expansion. The 2013 study was completed before Colorado opted to expand Medicaid. Since passage of Senate Bill 13-200, many of the unknowns in the previous analysis are now known. The updated report looks at actual results of the Medicaid expansion to date and forecasts economic and budgetary impacts out to FY 2034-35.

The “Behind the Numbers” supplement, preliminary executive summary (released in March 2016) and infographic provide additional detail.

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