

Investment and care

Investment in Medicaid yields important dividends. State and federal investment in Medicaid and similar programs like CHIP yield economic benefits due to improving the health outcomes of the workforce. Overall, individuals on Medicaid have lower Earned Income Tax Credit (EITC) payments and subsequently, increased wages. Not only that, but individuals enrolled in Medicaid are more likely to attend college and women have higher cumulative wages by their late twenties, showing an estimated \$656 increase in wages for each additional year of Medicaid eligibility.³ States that have expanded Medicaid have realized savings to their state budgets due to savings from increased federal investment and revenue gains. Kentucky and Arkansas estimate savings, net of costs, from FY 2014 – 2021 of \$820 million and \$370 million respectively.⁴

1. **\$3.4 billion less was sent to collection agencies.** This savings in those who had allowed credit scores to increase with Medicaid expansion leading to a decrease in bankruptcies by 50,000.⁸
2. **Social disparities.** 60% of those in the coverage gap are people of color. A lack of expansion only reinforces systemic racial and ethnic healthcare disparities.⁸
3. **Continued support.** To date, no state that has adopted expansion has reversed its decision for any reason, including budgetary constraints.

Medicaid is an important source of coverage for pregnant women, children, and families. Increased access to care for enrollees. Medicaid coverage reduces the financial burden of medical expenses. Catastrophic expenditures (out of pocket funded exceeding 30% of income) can nearly be eliminated with Medicaid coverage.⁵ Among parents with children enrolled in Medicaid, less than one percent report forgoing care for their child due to cost, similar to privately insured children.⁶ Individuals with Medicaid coverage are 70% more likely to report a usual source of care is associated with better access to preventive and primary care and improved health outcomes.⁷

Medicaid is also proven to improve positive health outcomes for women and children and yield overall better birth outcomes. Poor birth outcomes included infant mortality and low birth weight. Research has found that adults who gained Medicaid coverage reported improved overall health compared to their uninsured counterparts.³ Not only that, but Medicaid and CHIP enrollment for children are associated with improvements in physical and behavioral health.

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