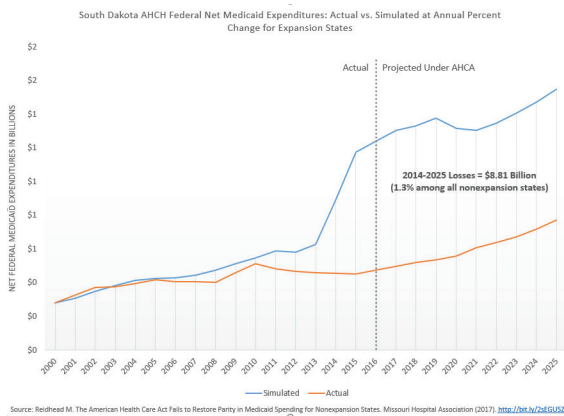


South Dakota needs Medicaid parity

The American Health Care Act (AHCA), recently adopted legislation by the U.S. House of Representatives that is being considered by the U.S. Senate, would significantly disadvantage states such as South Dakota that have chosen not to adopt Medicaid expansion through the Affordable Care Act (ACA). The AHCA grows the gap between the Medicaid expansion have and have-nots — in essence it punishes states such as South Dakota for not expanding Medicaid. By 2025, nonexpansion states will have foregone an additional \$683 billion in federal outlays for Medicaid, compared to states that have opted to expand the program under the existing law. These estimates project that federal spending on Medicaid in expansion states by 2025 will be \$1,936 per capita compared to \$1,158 in nonexpansion states — a relative difference of 67 percent. The American Health Care Act fails the test of equity.

Actual and Projected Net Federal Medicaid Expenditures Per Capita Under the AHCA by State Expansion Status

	ACTUAL			PROJECTED									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nonexpansion States	\$681	\$716	\$753	\$785	\$819	\$841	\$859	\$882	\$949	\$988	\$1,031	\$1,089	\$1,158
Full Medicaid Expansion	\$855	\$1,231	\$1,616	\$1,694	\$1,756	\$1,784	\$1,837	\$1,741	\$1,718	\$1,763	\$1,835	\$1,908	\$2,000
% Difference Nonexpansion	26%	72%	114%	116%	114%	112%	114%	98%	81%	78%	78%	75%	73%
1115 Waiver Expansion	\$818	\$1,086	\$1,386	\$1,451	\$1,448	\$1,468	\$1,508	\$1,428	\$1,405	\$1,439	\$1,494	\$1,550	\$1,620
% Difference Nonexpansion	20%	52%	84%	85%	77%	75%	76%	62%	48%	46%	45%	42%	40%
All Expansion States	\$849	\$1,208	\$1,578	\$1,655	\$1,705	\$1,732	\$1,782	\$1,689	\$1,665	\$1,709	\$1,777	\$1,847	\$1,936
% Difference Nonexpansion	25%	69%	110%	111%	108%	106%	107%	92%	75%	73%	72%	70%	67%



\$8.81 Billion in SD

After accounting for a \$10 billion safety-net fund and a portion of \$31.2 billion in restored Medicaid DSH cuts, the AHCA would direct \$680 billion in additional Medicaid funding to expansion states between 2014 and 2025. South Dakota's share of the \$680 billion loss is \$8.81 billion.

\$683.9 Billion

By 2025, nonexpansion states will have foregone an additional \$683.9 billion in net federal outlays for Medicaid, compared to states that have opted to expand the program under existing law.

