



In 2013, the legislature has the incredible opportunity to provide health care to 60,000 uninsured Montanans by expanding the state's Medicaid program. As policy conversations continue, one question continues to arise. "Is Medicaid good insurance?" Research indicates that not only is Medicaid a quality health coverage program, but it is also cost-effective. Medicaid is good insurance, and it's a good deal for Montana.

Medicaid Improves Health Outcomes for Low-Income Individuals

In a study comparing states that had already voluntarily expanded Medicaid in 2000 with neighboring states that did not, researchers found a significant reduction in mortality in the expansion states.¹ Additionally, the expansions were associated with greater access to health care and improved self-reported health.² Previous expansions of Medicaid in the 1980s and 1990s also led to reduction of deaths in the newly eligible populations, especially children. Furthermore, expanding Medicaid to low-income pregnant women led to a significant reduction of infant mortality.³

Medicaid Improves Access to Health Care

A study in Oregon, which partially expanded Medicaid through a lottery system, found that those newly enrolled used more health care, were more compliant in following preventative care recommendations, had lower out of pocket medical expenses and debt, and reported better mental and physical health than those who were not enrolled.⁴ The new enrollees in the Oregon study were more likely to use prescription drugs, receive cholesterol monitoring, and were significantly more likely to have a mammogram.⁵

Medicaid is Lower Cost than Private Insurance

Medicaid is an efficient program. Administrative costs for Medicaid are approximately half of those in the private sector.⁶ Moreover, Medicaid costs have grown at a significantly slower rate than private insurance company's costs, a trend that is expected to continue over the next decade. Medicaid pays substantially less to insure people of similar health status, due to lower payment rates and fewer administrative costs. All of these factors make Medicaid an affordable and efficient health care system.⁷

High Number of Providers Accept Medicaid in Montana

Montana has one of the highest rates of Medicaid acceptance in the country. Nearly 90% of all providers in the state accept Medicaid, significantly more than the national average.⁸ Across the state, over 15,000 doctors, hospitals, clinics, and other providers accept Medicaid patients.⁹

¹ Benjamin D. Sommers, Katherine Baicker, and Arnold M. Epstein. "Mortality and Access to Care among Adults after State Medicaid Expansions," *New England Journal of Medicine*, <http://www.nejm.org/doi/full/10.1056/NEJMsa1202099>, September, 2012.

² Benjamin D. Sommers, Katherine Baicker, and Arnold M. Epstein. "Mortality and Access to Care among Adults after State Medicaid Expansions," *New England Journal of Medicine*, <http://www.nejm.org/doi/full/10.1056/NEJMsa1202099>, September, 2012.

³ Leighton Ku. "MEDICIAID: Improving Health, Saving Lives," Center on Budget and Policy Priorities, <http://www.cbpp.org/archiveSite/7-19-05health.pdf>, August 2005.

⁴ Amy Finkelstein, Sarah Taubman, Bill Wright, Mira Bernstein, Jonathan Gruber, Joseph P. Newhouse, Heidi Allen, Katherine Baicker, "The Oregon Health Insurance Experiment: Evidence from the First Year," The Oregon Health Study Group, http://www.nber.org/papers/w17190.pdf?new_window=1, 2011.

⁵ Jonathan Cohn, "Are You Better Off With Medicaid Than No Insurance? A Landmark Study Says Yes," Kaiser Health News, <http://www.kaiserhealthnews.org/Columns/2011/July/070711cohn.aspx>, July 2011.

⁶ Phil Galewitz, "Medicaid: True or False?" Kaiser Health News, <http://www.kaiserhealthnews.org/stories/2009/july/01/medicaid-true-or-false.aspx>, July, 2009.

⁷ Edwin Park and Mark Broaddus, "Medicaid Per Capita Cap Would Shift Costs to States and Place Low-Income Beneficiaries at Risk," Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3846>, October 2012.

⁸ Phil Galewitz, "Study: Nearly A Third Of Doctors Won't See New Medicaid Patients," Kaiser Health News, <http://www.kaiserhealthnews.org/Stories/2012/August/06/Third-Of-Medicaid-Doctors-Say-No-New-Patients.aspx>, August 2012.

⁹ Montana Department of Public Health and Human Services, "Your Health Care Coverage," <http://medicaidprovider.hhs.mt.gov/pdf/medicaidinfohandbook.pdf>, 2008.