# Medicaid *in* MONTANA

## How Medicaid impacts the state's budget, economy, and health

Medicaid provides nearly 300,000 low-income Montanans health care coverage that facilitates access to physical and behavioral health care services. In 2015, the Montana Legislature passed the HELP Act, which expanded Medicaid to cover low-income adults not already covered by other Medicaid programs. In 2022, approximately 115,000 Montanans with incomes up to 133% of the federal poverty level were covered by Medicaid expansion.

# Medicaid's Impact on Montana's State Budget

The state and federal governments jointly fund Medicaid. **In 2022, the federal government reimbursed Montana for 80 cents of every dollar spent on Medicaid.**

Since March 2020, Montana has received enhanced federal matching funds to maintain continuous coverage for Medicaid enrollees during the public health emergency. As a result, overall Medicaid spending increased by about $140 million between 2021 and 2022, but the federal government reimbursed most of those costs ($130 million).
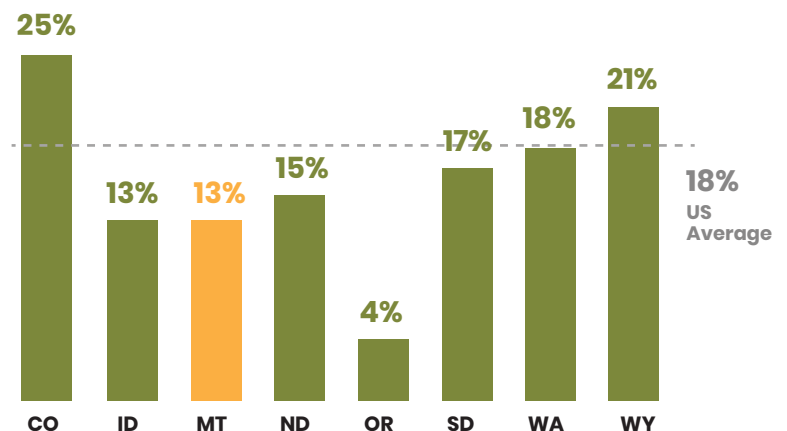
## $27 million

### in state budget savings

Implementing Medicaid expansion generated an estimated state budget savings of more than $27 million in 2022 by providing higher match rates for some existing Medicaid populations and replacing existing state spending with new federal dollars.
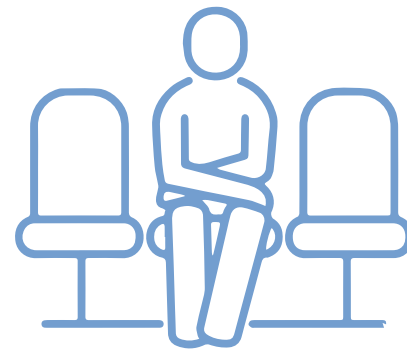
## Montana spends less

| CO | ID | MT | ND | OR | SD | WA | WY |
|----|----|----|----|----|----|----|----|
| 25% | 13% | 13% | 15% | 4% | 17% | 18% | 21% |

**18%**
US Average

Montana spends a lower proportion of its state general fund (13%) on Medicaid than peer states, including expansion and non-expansion states.

# Medicaid's Impact on Montanans' Health

Medicaid expansion reduced the uninsured rate for nonelderly adults in Montana by 50%. In turn, this coverage enabled access to preventive services and treatment.

## In 2021 expansion enrollees

**61,000+**
used preventative services
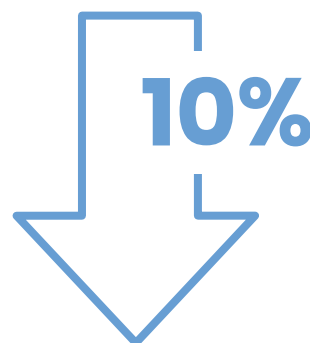
**34,000+**
received mental health services

**5,500+**
used substance use disorder treatment

## ER Visits and Hospitalizations

With each year of enrollment in Medicaid expansion, there is a decrease in ER visits and hospitalizations – and the associated health care costs. Preventive services and screenings result in earlier diagnosis, treatment, and better health outcomes for illnesses including breast and colon cancer, hypertension, diabetes, mental illness, and substance use disorders. For example:

**10%**

### Fewer visits

The number of people visiting the ER **decreased by more than 11%** between the first and second years of enrollment.

### Fewer mental illness & substance use visits

The number of Medicaid enrollees with an ER visit for mental illness or substance use **declined by nearly 10%** over three years of enrollment.

### Declining visits for dental conditions

The number of people visiting the ER for preventable dental conditions **declined by nearly 40%** over 3 years of enrollment.

### Reduced cost

By their third year of enrollment, emergency and inpatient costs per enrollee **declined by more than 18%.**

# Medicaid's Impact on Montanans' Health, cont.

**Nearly**

## 20%

**of mental health services provided in 2021 were delivered via telehealth.**
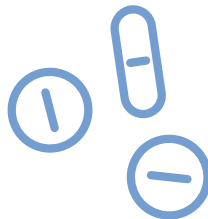
Telehealth utilization increased dramatically during the COVID-19 pandemic and remained high for mental health services through 2021.

## 19,000

**American Indian people**

In 2021, Medicaid expansion provided coverage to more than 19,000 American Indian people in Montana, covered more than 9,000 preventive services, and expanded health care access for all tribal members.

## Treating substance use disorder

## 4X
**more funding for substance use disorders**

Medicaid expansion increased Montana's capacity to support the prevention and treatment of substance use disorders. As a result of Medicaid expansion, funding for substance use disorder treatment services has quadrupled from 2016 to 2020 and more providers have begun offering treatment services as a result.

## Behavioral health access

## 70%

**of adult Medicaid enrollees had access to behavioral health services in their primary care provider's office.**

Primary care is a critical access point for mental health and substance use treatment. Approximately 70% of adult Medicaid enrollees receive primary care in a clinic that offers integrated behavioral health services.

## 194,030

**enrollees live in rural areas**

Medicaid is a critical source of health care coverage for rural Montanans. **Two-thirds of Montana Medicaid enrollees (194,030 people) live in rural areas**

# Medicaid's Impact on Montana's Economy

Medicaid expansion brings about $900 million into Montana annually, creating jobs and supporting new economic activity.

**Each year Medicaid receives**

## $900 million

**from the federal government to spend on Medicaid expansion**

**These federal dollars support over**

## 7,500 jobs

**generating an estimated**

## $475 million

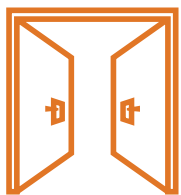**in personal income**

**and**

## $775 million

**in economic activity**

## Rural Hospitals

Because many rural Montanans now have insurance, Medicaid expansion reduces the financial burden for critical access hospitals which serve people in rural areas.
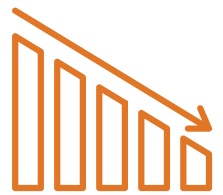
## Zero closures

No rural hospitals in Montana have closed since Medicaid was expanded (compared to 72 rural hospital closures nationwide).

## 35% decline

**in uncompensated care costs**

Uncompensated care costs for Montana Critical Access Hospitals and Rural Health Clinics declined by 35% ($22 million) between 2016 and 2021.

For more info on these findings, visit
**mthcf.org/resource/medicaid-in-montana-2023**

**MONTANA**
HEALTHCARE
FOUNDATION