

States Achieve Medicaid Expansion (SAME) Act of 2021

Senators Mark Warner and Raphael Warnock

The States Achieve Medicaid Expansion (SAME) Act of 2021 would provide each state expanding its Medicaid program with the same levels of Federal matching funds, regardless of when it chooses to expand the program.

Background: State Medicaid programs are jointly funded by the federal government and the states, and millions of Americans depend on the Medicaid program for their health care needs. The Affordable Care Act, along with the Supreme Court's holding in *National Federation of Independent Business (NFIB) v. Sebelius*, gives states the ability to expand their existing Medicaid programs to provide healthcare coverage to all individuals up to 138% of the federal poverty level (about \$30,000 for a family of three).

The ACA provides an enhanced payment from the federal government to help states cover the new population, with the federal government covering the full cost of expansion for three years, phasing down to a 90 percent match rate for the sixth year of the expansion and in subsequent years. When Congress passed the ACA, it assumed that all states would expand Medicaid in 2014, but due to the Supreme Court's decision, the Medicaid expansion is optional for states. As a result, states choosing to expand coverage after 2014 do not receive the same federal matching rates as those that expanded immediately.

As of January 1, 2021, 38 states and the District of Columbia have expanded their Medicaid programs to cover their lowest-income residents. Studies have demonstrated that states expanding Medicaid have generally seen better health outcomes,¹ saved money,² and not seen increased state spending³.

The bill: Under the SAME Act, all states would receive equivalent levels of federal matching funds regardless of when they expand Medicaid. A state would receive three years of full federal funding, phasing down to a 95% Federal Medical Assistance Percentages (FMAP) in Year 4; 94% in Year 5; 93% in Year 6; and, 90% for each year thereafter. The state would only receive the increased match for each continuous 12-month period of expanded coverage.

The bill would make the expansion as good a deal for those states choosing to expand Medicaid as those that did so in 2014.

Supporting Organizations Include: Alliance for Retired Americans, American Cancer Society Cancer Action Network, American Federation of State, County and Municipal Employees (AFSCME), American Heart Association/American Stroke Association, America's Essential Hospitals, American Association of Medical Colleges, Center for Medicare Advocacy Inc.,

¹ <http://www.cbpp.org/blog/more-evidence-of-medicaid-expansions-positive-effects>

² <http://www.cbpp.org/research/health/medicaid-expansion-is-producing-large-gains-in-health-coverage-and-saving-states>

³ <http://content.healthaffairs.org/content/early/2017/04/10/hlthaff.2016.1666>

Center on Budget and Policy Priorities, Children's Defense Fund, The Commonwealth Institute, Families USA, Justice in Aging, Mental Health America, March of Dimes, National Association of Area Agencies on Aging (n4a), National Association of Community Health Centers, National Committee to Preserve Social Security and Medicare, National Consumer Voice for Quality Long-Term Care, National Health Law Program, Protect Our Care, Planned Parenthood Federation of America, Virginia Poverty Law Center, and Young Invincibles.