

## Why the Medicaid Expansion is a Safe Choice for Your State

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States considering the Medicaid Expansion may be concerned the expansion is not a safe financial choice. These three reasons demonstrate that the Medicaid Expansion is in fact a very safe financial choice for your state:

1. **The Medicaid Expansion is a great value for your state.** Costs for all services for the Medicaid Expansion are free for your state for the first three years. A full 100% of the costs of services will be paid by the federal government, not your state. (And after the first three years the federal government never pays less than 90% of the cost of services). While your state will have some related administrative costs, these costs are small and much less than the large amounts your state will *receive* in federal Medicaid funding and *save* on current state health care spending.
2. **Your state can drop the Medicaid Expansion at any time.** CMS has clearly stated its policy: states can drop Medicaid Expansions any time. This means that *if* the expansion somehow became too costly or undesirable, your state could simply drop it. Since the expansion is virtually free in the first three years, and your state can drop it any time, it is truly a no-risk opportunity.
3. **The federal government has not reduced a permanent Medicaid matching rate for services.** The federal government has committed to paying for 100% of the costs of services in the first three years of the expansion and at least 90% thereafter. These are permanent, statutory matching rates moving forward. Reversing this decision would require legislative action by Congress. In the 48-year history of Medicaid, the federal government has *never* reduced a permanent state matching rate. The federal government has sometimes offered temporary *increases* in the match and then reduced it back to the permanent level at the end of the temporary increase, but permanent rates have not been lowered. History proves that your state can rely on the federal government to cover its share of the costs of services.