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News Release

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New Report Shows Positive Impact of Colorado's Medicaid Expansion on Economy

DENVER, CO – A new report examining the economic and budgetary impact of Medicaid expansion in Colorado reveals that, in the two years since implementation, expansion in the state has had a significant positive effect on the economy at no expense to the General Fund. According to the independent analysis, "[Assessing the Economic and Budgetary Impact of Medicaid Expansion in Colorado: FY 2015-16 through FY 2034-35](#)," Colorado has added 31,074 jobs, increased economic activity by \$3.8 billion and raised annual household earnings by \$643 due to the state Medicaid expansion under the Affordable Care Act. By fiscal year (FY) 2034-2035, Colorado is projected to add a total of 43,018 new jobs, increase economic activity by \$8.5 billion and raise average annual household earnings by \$1,033.

Commissioned by the Colorado Health Foundation and prepared by the Colorado Futures Center at Colorado State University, the report updates a 2013 analysis of the estimated economic and budgetary impact of Medicaid expansion. The 2013 study was completed before Colorado opted to expand Medicaid. Since passage of [Senate Bill 13-200](#), many of the unknowns in the previous analysis are now known. The updated report looks at actual results of the Medicaid expansion to date and forecasts economic and budgetary impacts out to FY 2034-35.

Key findings on the impact of Medicaid expansion in Colorado include:

- Medicaid expansion, largely funded by the federal government, is already having and will continue to have a **significant positive impact on the state's economy**.
- The combination of federal funding for expansion, Colorado's previous decision to use the Hospital Provider Fee as the source of revenue for the state's share of expansion costs, increased tax revenue due to the larger post-expansion economy, and modest savings in other state programs has and will allow Colorado to support this expansion at **no cost to the state's General Fund**.
- **Jobs:** In FY 2015-2016, there are already 31,074 additional jobs created in Colorado as a result of expansion. A total of 43,018 jobs are projected to be created in Colorado by FY 2034-2035.
- **Economy:** The state's economy, as measured by gross domestic product, is currently 1.14 percent larger because of Medicaid expansion, resulting in \$3.8 billion in additional economic activity. By FY 2034-2035, the economy is projected to be \$8.5 billion, or 1.38 percent, larger than it would be if Colorado had not expanded Medicaid.
- **Household earnings:** Coloradans' average annual household earnings are \$643 higher in FY 2015-2016 as a result of expansion. By FY 2034-2035, average household earnings in Colorado are projected to grow to \$1,033.
- **State Budget:** The state's General Fund will not incur any expenses associated with the Medicaid expansion; however, the larger economy will result in increased General Fund revenue. For FY 2015-2016 the estimated increase is \$102.4 million. That amount will grow to \$248.3 million in FY 2034-2035.

"In our 2013 analysis of the economic and budgetary impacts of Medicaid expansion, we projected that the decision to expand, while involving costs, would have a significant positive impact on the Colorado economy," said Colorado Futures Center Director Charles S. Brown. "Our research this year confirms our original projections and reveals that the positive impacts are even greater than we originally anticipated."

“The impact of Medicaid expansion in the state is broad reaching and demonstrates how health is more than just what happens at the doctor’s office. In addition to providing health insurance to nearly 400,000 additional Coloradans, expanding Medicaid has proven to be a fiscally sound decision that is helping to make our state more economically competitive,” said Colorado Health Foundation President and CEO Karen McNeil-Miller. “By working together to improve the health of all Coloradans, we will bolster the prosperity and overall wellbeing of our state.”

The [executive summary](#) and [infographic](#) provide additional detail. A full report is slated for release this spring.

About the Colorado Health Foundation

[The Colorado Health Foundation](#) works to make Colorado the healthiest state in the nation by ensuring that all Colorado kids are fit and healthy and that all Coloradans achieve stable, affordable and adequate health coverage to improve their health with support from a network of primary health care and community services. To advance our mission, the Foundation engages the community through grantmaking, public policy and advocacy, private sector engagement, strategic communications, evaluation for learning and assessment and by operating primary care residency training programs. For more information, please visit www.ColoradoHealth.org.

About the Colorado Futures Center

[The Colorado Futures Center at Colorado State University](#) informs Colorado citizens about economic, fiscal, and public policy issues affecting Colorado’s long term economic health and quality of life by providing unbiased, nonpartisan, objective and highly credible research and analysis. For more information, please visit www.coloradofutures.colostate.edu.