

Preliminary Estimates of the State and Local Tax Revenue Generated by the Expansion of Medicaid Expenditures

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Scope and Objectives

This report presents estimates of the state and local tax revenue generated in association with assumed expansion of Medicaid expenditures in the State of Kansas. The request for the analysis originally came from the Kansas Hospital Association in 2018. In response, it was asserted that such estimates were feasible, subject to several important limitations. The purpose of this report is to offer the results of the calculations performed, and to identify the simplifying assumptions required and the limitations of the estimates provided. No recommendations related to state policies pertaining to Medicaid expenditures are suggested or implied.

Economic Accounting

Social Accounting Matrix (SAM) analysis is a system of accounting for the economic transactions occurring in a state or regional economy over a period of one year. A SAM model creates a “computerized spreadsheet,” charting the flow of dollars between business sectors, households, government, and other non-local consumers of locally produced goods and services. SAM analysis enables estimates of how spending in one area of the economy “ripples” through the economy to other sectors.

The SAM modeling system used for this analysis is the IMPLAN (Impact Analysis for Planning) system originally developed by the U.S. Forest Service. The IMPLAN system consists of the software necessary to construct economic accounts, an impact analysis routine, and state- and county-level data files containing information related to economic activity (Minnesota IMPLAN Group, 2010). The IMPLAN accounts utilize federal economic reports as benchmarks to ensure all values sum to official totals. Information from the U.S. Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, and other sources are used to generate the accounts and distribute the activity to states and local municipalities. IMPLAN is widely used in academia, government, and private industry and is generally accepted as an accessible, transparent, and affordable modeling system that can generate reasonable estimates of economic relationships and change when used correctly.

A SAM is a comprehensive accounting system reflecting all financial relationships in the economy. Thus, it also accounts for federal, state, and local taxes. In modeling an economic change, information about the associated change in taxes also is calculated. Therefore, if a change in the level of Medicaid

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expenditures is assumed, estimates of the associated tax changes also becomes available. These are the changes included in this report.

Direct, Indirect, and Induced Economic Changes

Economic impact arises directly from the sales, wages, and employment generated by business activity. It also arises indirectly through the “ripple” effect of businesses purchasing goods and services from other local businesses, and through workers spending wages and other income for household goods and services. These linkages tend to distribute the impact of an activity or event very broadly throughout the economy.

The total economic change of increased health care spending to the Kansas economy, also known as the multiplier effect, is equal to the sum of three components: the direct effect, the indirect effect, and the induced effect. The direct effect is the immediate change in expenditures for health care products and services. Due to the interactions between firms, industries, and social institutions that naturally occur within the economy, the direct effect initiates a series of iterative rounds of income creation, spending, and re-spending that result in indirect and induced effects. The indirect effects are changes in production, employment, and income that result from the inter-industry purchases triggered by the direct effect. Finally, induced effects arise due to changes in household income and spending patterns caused by direct and indirect effects.

Since the total impact of the health care sector expenditures is a multiple of the initial expenditures, the total effect is expressed as a multiplier effect, that is, the sum of the direct, indirect, and induced effects. Therefore, the total impact of the health care sector on the Kansas economy is larger than the initial expenditures. For example, an output multiplier of 1.5 indicates that for every \$1 million spent (direct expenditure) an additional \$0.5 million worth of business activity is generated within the Kansas economy. Similarly, an employment multiplier of 1.6 indicates that for each job created by direct expenditure, an additional 0.6 jobs are created or supported due to business (indirect) and household (induced) spending.

In SAM analysis, the entire process is compressed into a one-year time frame. The impact analysis estimates the direct, indirect, and induced effects as though the entire process occurred in that year. Each year the spending continues, the direct, indirect, and induced effects are replenished. This includes any associated tax revenue change.

Analysis Methods

A 469-industry sector model was built for the State of Kansas and calibrated to 2019, the most recent year the necessary data were available. One important adjustment was required to start. IMPLAN reports only private hospital activity in their estimates. They are unable to separate publicly owned hospital employment from total government employment. To correct for this, information was obtained from the Kansas Department of Labor’s fully disclosed Quarterly Census of Employment and Wages. These data were used to adjust employment and associated levels of income and sales in the hospital sector for 2019.

According to Kansas Department of Health and Environment (KDHE), the State of Kansas could expand the state’s Medicaid program under provisions of the Patient Protection and Affordable Care Act. They provided the following assumptions. The cost of expanded Medicaid coverage would be split 90% by the

federal government, 10% by the state, and the shares would remain constant. The initial new total spending would be around \$1.3 billion in the first full year of implementation, with \$1.17 billion coming from the federal government and \$130 million coming from the state. The question asked was how much new state tax revenue would be generated by the economic stimulus of the new federal spending. Thus, only the federal portion of the spending expansion was considered.

Further, it was assumed that expansion might start in the last six months of SFY 2022, costing a total of \$541 million with the federal government paying 90%. In 2023, the full-year cost of expansion is estimated to be \$1.3 billion, with cost growth estimated to be 2.5% annually. These cost estimates reflect an assumption of 165,000 new Medicaid recipients, a 10 percent increase of what might be assumed a normal expanded caseload because of the current COVID-19 pandemic. It was assumed that by 2024, the economy will have recovered, and the total cost of the expansion would decline by 10 percent. Thereafter, it was assumed the new caseload would remain constant, affected only by the annual cost growth.

The first task was to determine how the reimbursement funds would be spent. For this, information from the federal Centers for Medicare & Medicaid Services was acquired (CMS, 2021). They report National Health Expenditures by Type of Service and Source of Funds for calendar years 1960 to 2019. National health expenditures include an expenditure profile for the Medicaid program. For this analysis, it was assumed the Kansas Medicaid expenditure profile mirrored the national profile. To the extent it deviates significantly, the estimates reported here would be in error.

The national Medicaid expenditure profile is shown in column 1 of Table 1. Total expenditures are reported for ten categories: hospitals, physicians, dental, other health professionals, home health, drugs, durable equipment, nursing care, other health care, and administration. The total national expenditures are reported in column 2 and the share of total is shown in column 3.

The next step was to bridge the national Medicaid expenditure categories to those included in the IMPLAN modeling system. Under each of the CMS categories in column 1 (bolded) is the corresponding IMPLAN category. For most categories, there was a clear corresponding IMPLAN category. Prescription drug expenditures were applied to retail health and personal care stores, the category that includes pharmacies. Durable medical equipment was assigned to health and personal care stores because most types of durable medical devices are available for sale or rental under the Other Health and Personal Care Store category in the North American Industry Classification System (NAICS). Other health, residential, and personal care was assigned to other ambulatory health care services. Finally, it was decided to place the administrative expenditures into the insurance carriers' category. To the extent any expenditure category is incorrectly assigned, the resulting estimates would contain error.

Given the total reimbursement assumptions and the distribution of spending, the remaining columns of Table 1 show the increased reimbursement levels by health care sector for the period 2022-2031. These were the values applied to the Kansas model using IMPLAN.

To complete the analysis, the sequential vector of expenditures was applied to the appropriate sectors. The structure of the Kansas economy remained invariant as it was in 2019. IMPLAN was adjusted to model the expenditures as occurring in the future, i.e., 2022, 2023, etc. IMPLAN applies deflators to assume future growth in Gross Domestic Product, and price changes in the sectors modeled. The resulting values are reported in nominal dollars, i.e., 2022\$, 2023\$, etc. All the underlying modeling

assumptions are available from the author upon request. To the extent assumptions related to future economic growth or price changes differ, the resulting estimates would contain error.

Analysis Results

Prior to discussing specific results, it is important to understand the limitations of IMPLAN's tax estimates. When IMPLAN creates a model of the economy, it creates an average tax profile for the overall economy using data from the Census of Governments produced by the U.S. Census Bureau (Day, no date). The average tax profile includes all economic activities present in the economy. This average profile is sufficient to keep the economic accounts in balance as economic changes are applied. However, any resulting tax changes reflect an average change inclusive of all economic activities. The only difference across different types of economic change is in the scale of the direct impact and in the value of output per worker of the sectors impacted.

This means the overall estimate of tax impact can only be considered approximate. It is possible to modify the tax estimates at any stage of the economic calculations if superior information exists. To justify doing so, however, would require tax profiles for individual economic sectors. Attempting to create such profiles was beyond the scope of this analysis.

A second important caveat needs to be explicitly addressed. Estimates are calculated for a host of personal, corporate, and indirect business taxes. Included are estimates for property taxes. These taxes will be overestimates of what governmental entities might expect to take in as revenue. The reason is due to the way the U.S. Bureau of Economic Analysis (BEA) values economic activity.

At the heart of the economic accounts underlying IMPLAN are the national income and product accounts that serve as benchmarks for the system. BEA calculates Gross Domestic Product to gauge changes in national economic performance. When they calculate the value of economic activity, they attempt to include everything that has economic value. This includes the value of owner-occupied dwellings. BEA calculates an imputed rent for owner occupied dwellings. This is a tangible economic value of real property, but not the sort that translates into a state or local government revenue stream. As a result, actual revenue from the taxation of property is mixed with an imputed intangible value. There is no way to separate the two values in the IMPLAN system. As a result, property tax estimates associated with household activity will be inflated. Given the limitations of the IMPLAN tax reports, the results are presented as a range in each year.

The procedure was to apply the new spending into the affected health-related sectors and calculate the overall change to the economy, including the indirect and induced economic activity. Then, detailed estimates of the associated overall taxes can be observed. While not discussed, the summary results of the overall economic change and the detailed state and local tax results are appended to this report if a person is interested in seeing how Table 2 was calculated. Also calculated, but not included, were federal taxes that are not of interest for this analysis.

Table 2 presents the summary results of the tax analysis. As shown in the detailed tax tables appended to this report, IMPLAN provides only a combined total state and local tax impact report. They are unable to separate the two within the software. To approximate the revenue that might accrue to state government, information from 2017 Census of Governments was used (U.S. Census Bureau, rev. 2021). The Census Bureau reports State and Local Government Finances by Level of Government. In 2017,

Kansas state government collected 57.2298 percent of total revenue while combined local governments collected 42.7702 percent. The IMPLAN total state and local tax values were distributed using these proportions.

As shown in Table 2, the revenue estimates are presented as a range of 80 percent to 100 percent. For the reasons discussed previously, 100 percent would be too high, even if the tax mix were perfectly accurate. Given the combined uncertainty of the tax mix and the over-estimate of property taxes, an 80 percent value also is presented. Error in the estimates of property taxes would be primarily confined to household tax generation (see Appendix Table A2). Property taxes that are reported under the Tax on Production and Imports column of Table A2 are paid by businesses and do not contain imputed rent of owner-occupied dwellings. The range selected is arbitrary, but given the scale of the direct economic change, the values presented seem reasonable.

To illustrate how the results were derived, the vector of 2023 health sector values (the first full year of expansion) was entered into the state model as additional spending occurring in 2023. The total estimated change in the economy is seen in Table A3 of the appendix. The initial \$1.17 billion in federal spending (from Table 1) deflated to 2023\$ generated about \$2.1 billion in total economic activity. The combined state and local direct, indirect, and induced tax effects are seen in Table A4. The estimated total \$78 million in tax revenue generated by the additional spending was distributed approximately 57 percent to the state and 42 percent to local governments. Table 2 displays these values as a range of 80 to 100 percent.

Summary

This report presented estimates of the potential state and local tax revenue generated in association with expanded spending for health services in Kansas. It projected annual revenues over the period 2022 to 2031. Total state and local government tax revenues in 2023 were estimated to be between about \$63 million and \$79 million. In 2031, total revenue was estimated to be between \$69 million and \$86 million. All values were reported in nominal dollars.

The estimates reported are considered preliminary due to the limitations of the analysis methods employed and the simplifying assumptions applied. While some degree of uncertainty remains, the estimates are considered reasonable approximations of the fiscal impacts of expanded health care spending.

References

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U.S. Census Bureau. State and Local Government Finances by Level of Government and by State: 2017. <https://www.census.gov/data/tables/2017/econ/gov-finances/summary-tables.html>

Table 1. 2019 National Medicaid Health Expenditures by Type of Service Distributed to Kansas IMPLAN Sectors, 2022-2031

	2019 ^a	Share	2022 ^b	2023 ^c	2024 ^d	2025
Expenditure Amount (Thousands)	U.S.		\$541,400	\$1,300,000	\$1,199,250	\$1,229,231
Total National Health Expenditures Medicaid (Title XIX)	\$613,487,000		90%	90%	90%	90%
Total Kansas Reimbursement			\$487,260	\$1,170,000	\$1,079,325	\$1,106,308
Total Hospital Expenditures	\$206,610,000	33.68%	\$164,099	\$394,032	\$363,495	\$372,582
IMPLAN Sector: Hospitals						
Total Physician and Clinical Expenditures	\$83,278,000	13.57%	\$66,143	\$158,822	\$146,513	\$150,176
IMPLAN Sector: Offices of Physicians						
Total Dental Services Expenditures	\$13,719,000	2.24%	\$10,896	\$26,164	\$24,136	\$24,740
IMPLAN Sector: Offices of Dentists						
Total Other Professional Services Expenditures	\$7,680,000	1.25%	\$6,100	\$14,647	\$13,512	\$13,849
IMPLAN Sector: Offices of Other Health Care Practitioners						
Total Home Health Care Expenditures	\$36,338,000	5.92%	\$28,861	\$69,301	\$63,930	\$65,529
IMPLAN Sector: Home Health Care Services						
Total Prescription Drug Expenditures	\$31,425,000	5.12%	\$24,959	\$59,932	\$55,287	\$56,669
IMPLAN Sector: Health and Personal Care Stores						
Total Durable Medical Equipment Expenditures	\$8,465,000	1.38%	\$6,723	\$16,144	\$14,893	\$15,265
IMPLAN Sector: Health and Personal Care Stores						
Total Nursing Care Facilities and Continuing Care Retirement Communities	\$50,778,000	8.28%	\$40,330	\$96,840	\$89,335	\$91,569
IMPLAN Sector: Nursing and Community Care Facilities						
Total Other Health, Residential, and Personal Care Expenditures	\$111,339,000	18.15%	\$88,431	\$212,338	\$195,882	\$200,779
IMPLAN Sector: Other Ambulatory Health Care Services						
Total Administration and Total Net Cost of Health Insurance Expenditures	\$63,855,000	10.41%	\$50,717	\$121,780	\$112,342	\$115,150
IMPLAN Sector: Insurance Carriers, except direct life						

^a Centers for Medicare & Medicaid Services. 2021. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>.

^b 2022 is 6 months only.

^c Cost growth is assumed 2.5% annually for 2024 and beyond.

^d Total costs are assumed to decline by 10% beginning in 2024 as the economy recovers post-COVID.

Table 1. 2019 National Medicaid Health Expenditures by Type of Service Distributed to Kansas IMPLAN Sectors, 2022-2031 continued

	2026	2027	2028	2029	2030	2031
Expenditure Amount (Thousands)	\$1,259,962	\$1,291,461	\$1,323,748	\$1,356,841	\$1,390,762	\$1,425,531
Total National Health Expenditures Medicaid (Title XIX)	90%	90%	90%	90%	90%	90%
Total Kansas Reimbursement	\$1,133,966	\$1,162,315	\$1,191,373	\$1,221,157	\$1,251,686	\$1,282,978
Total Hospital Expenditures	\$381,897	\$391,444	\$401,230	\$411,261	\$421,543	\$432,081
IMPLAN Sector: Hospitals						
Total Physician and Clinical Expenditures	\$153,931	\$157,779	\$161,723	\$165,766	\$169,911	\$174,158
IMPLAN Sector: Offices of Physicians						
Total Dental Services Expenditures	\$25,358	\$25,992	\$26,642	\$27,308	\$27,991	\$28,690
IMPLAN Sector: Offices of Dentists						
Total Other Professional Services Expenditures	\$14,196	\$14,551	\$14,914	\$15,287	\$15,669	\$16,061
IMPLAN Sector: Offices of Other Health Care Practitioners						
Total Home Health Care Expenditures	\$67,167	\$68,846	\$70,567	\$72,331	\$74,140	\$75,993
IMPLAN Sector: Home Health Care Services						
Total Prescription Drug Expenditures	\$58,086	\$59,538	\$61,026	\$62,552	\$64,116	\$65,719
IMPLAN Sector: Health and Personal Care Stores						
Total Durable Medical Equipment Expenditures	\$15,647	\$16,038	\$16,439	\$16,850	\$17,271	\$17,703
IMPLAN Sector: Health and Personal Care Stores						
Total Nursing Care Facilities and Continuing Care Retirement Communities	\$93,858	\$96,204	\$98,609	\$101,075	\$103,601	\$106,191
IMPLAN Sector: Nursing and Community Care Facilities						
Total Other Health, Residential, and Personal Care Expenditures	\$205,798	\$210,943	\$216,217	\$221,622	\$227,163	\$232,842
IMPLAN Sector: Other Ambulatory Health Care Services						
Total Administration and Total Net Cost of Health Insurance Expenditures	\$118,029	\$120,980	\$124,004	\$127,105	\$130,282	\$133,539
IMPLAN Sector: Insurance Carriers, except direct life						

Table 2. Estimated State and Local Government Tax Collections Associated with Expanded Medicaid Spending, Nominal Dollars

Tax Collections (thousands)	2022\$		2023\$		2024\$		2025\$		2026\$	
	80%	100%	80%	100%	80%	100%	80%	100%	80%	100%
State	\$14,990	\$18,738	\$35,989	\$44,987	\$33,197	\$41,496	\$34,023	\$42,529	\$34,871	\$43,589
Local	\$11,203	\$14,003	\$26,896	\$33,621	\$24,809	\$31,011	\$25,427	\$31,784	\$26,061	\$32,576

Table 2. Estimated State and Local Government Tax Collections associated with Expanded Medicaid Spending, Nominal Dollars, continued

Tax Collections (thousands)	2027\$		2028\$		2029\$		2030\$		2031\$	
	80%	100%	80%	100%	80%	100%	80%	100%	80%	100%
State	\$35,740	\$44,676	\$36,632	\$45,790	\$37,607	\$47,009	\$38,608	\$48,260	\$39,639	\$49,549
Local	\$26,710	\$33,388	\$27,377	\$34,221	\$28,105	\$35,132	\$28,854	\$36,067	\$29,624	\$37,030

Appendix

2022

A1. Total Economic Activity Associated with Increased Medicaid Expenditures, 2022\$

Impact Type	Labor		Value	
	Employment (thousands)	Income (thousands)	Added (thousands)	Output (thousands)
Direct Effect	3,336	\$230,201	\$267,655	\$464,991
Indirect Effect	1,049	\$60,101	\$93,390	\$194,455
Induced Effect	1,353	\$65,297	\$119,604	\$215,749
Total Effect	5,738	\$355,599	\$480,648	\$875,196

A2. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2022\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$81,381	\$81,381
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$11,749,106		\$11,749,106
TOPI: Property Tax			\$9,395,075		\$9,395,075
TOPI: Motor Vehicle License			\$211,271		\$211,271
TOPI: Severance Tax			\$111,119		\$111,119
TOPI: Other Taxes			\$503,545		\$503,545
TOPI: S/L NonTaxes			\$280,254		\$280,254
Corporate Profits Tax				\$860,921	\$860,921
Personal Tax: Income Tax				\$7,483,116	\$7,483,116
Personal Tax: NonTaxes (Fines- Fees)				\$1,089,475	\$1,089,475
Personal Tax: Motor Vehicle License				\$367,738	\$367,738
Personal Tax: Property Taxes				\$365,766	\$365,766
Personal Tax: Other Tax (Fish/Hunt)				\$242,372	\$242,372
Total State and Local Tax			\$22,250,371	\$9,548,468	\$942,303
				\$32,741,142	

2023

A3. Total Economic Activity Associated with Increased Medicaid Expenditures, 2023\$

Impact Type	Employment (thousands)	Labor Income (thousands)	Value Added (thousands)	Output (thousands)
Direct Effect	7,898	\$552,166	\$642,175	\$1,116,529
Indirect Effect	2,488	\$144,382	\$224,334	\$467,155
Induced Effect	3,206	\$156,673	\$286,976	\$518,066
Total Effect	13,593	\$853,222	\$1,153,485	\$2,101,750

A4. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2023\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$195,404	\$195,404
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$28,215,619		\$28,215,619
TOPI: Property Tax			\$22,562,385		\$22,562,385
TOPI: Motor Vehicle License			\$507,370		\$507,370
TOPI: Severance Tax			\$266,852		\$266,852
TOPI: Other Taxes			\$1,209,270		\$1,209,270
TOPI: S/L NonTaxes			\$673,034		\$673,034
Corporate Profits Tax				\$2,067,144	\$2,067,144
Personal Tax: Income Tax			\$17,954,729		\$17,954,729
Personal Tax: NonTaxes (Fines- Fees)			\$2,614,049		\$2,614,049
Personal Tax: Motor Vehicle License			\$882,337		\$882,337
Personal Tax: Property Taxes			\$877,607		\$877,607
Personal Tax: Other Tax (Fish/Hunt)			\$581,539		\$581,539
Total State and Local Tax			\$53,434,531	\$22,910,261	\$2,262,548
					\$78,607,340

2024

A5. Total Economic Activity Associated with Increased Medicaid Expenditures, 2024\$

Impact Type	Employment (thousands)	Labor Income (thousands)	Value Added (thousands)	Output (thousands)
Direct Effect	7,184	\$508,841	\$591,943	\$1,029,999
Indirect Effect	2,268	\$133,258	\$207,034	\$431,189
Induced Effect	2,918	\$144,425	\$264,542	\$477,960
Total Effect	12,370	\$786,524	\$1,063,519	\$1,939,147

A6. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2024\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$180,256	\$180,256
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$26,032,899		\$26,032,899
TOPI: Property Tax			\$20,816,990		\$20,816,990
TOPI: Motor Vehicle License			\$468,121		\$468,121
TOPI: Severance Tax			\$246,209		\$246,209
TOPI: Other Taxes			\$1,115,723		\$1,115,723
TOPI: S/L NonTaxes			\$620,969		\$620,969
Corporate Profits Tax				\$1,906,897	\$1,906,897
Personal Tax: Income Tax				\$16,550,970	\$16,550,970
Personal Tax: NonTaxes (Fines- Fees)				\$2,409,675	\$2,409,675
Personal Tax: Motor Vehicle License				\$813,353	\$813,353
Personal Tax: Property Taxes				\$808,993	\$808,993
Personal Tax: Other Tax (Fish/Hunt)				\$536,072	\$536,072
Total State and Local Tax			\$49,300,911	\$21,119,064	\$2,087,152
					\$72,507,127

2025

A7. Total Economic Activity Associated with Increased Medicaid Expenditures, 2025\$

Impact Type	Employment	Labor	Value	Output
		Income	Added	(thousands)
	(thousands)	(thousands)	(thousands)	(thousands)
Direct Effect	7,261	\$521,025	\$606,279	\$1,055,749
Indirect Effect	2,296	\$136,658	\$212,301	\$442,237
Induced Effect	2,952	\$147,931	\$270,962	\$489,989
Total Effect	12,508	\$805,613	\$1,089,542	\$1,987,974

A8. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2025\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$184,761	\$184,761
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$26,688,197		\$26,688,197
TOPI: Property Tax			\$21,340,996		\$21,340,996
TOPI: Motor Vehicle License			\$479,904		\$479,904
TOPI: Severance Tax			\$252,407		\$252,407
TOPI: Other Taxes			\$1,143,808		\$1,143,808
TOPI: S/L NonTaxes			\$636,600		\$636,600
Corporate Profits Tax				\$1,954,555	\$1,954,555
Personal Tax: Income Tax				\$16,952,484	\$16,952,484
Personal Tax: NonTaxes (Fines- Fees)				\$2,468,131	\$2,468,131
Personal Tax: Motor Vehicle License				\$833,085	\$833,085
Personal Tax: Property Taxes				\$828,619	\$828,619
Personal Tax: Other Tax (Fish/Hunt)				\$549,077	\$549,077
Total State and Local Tax			\$50,541,912	\$21,631,396	\$74,312,624

2026

A9. Total Economic Activity Associated with Increased Medicaid Expenditures, 2026\$

Impact Type	Employment	Labor	Value	Output
		Income	Added	(thousands)
	(thousands)	(thousands)	(thousands)	(thousands)
Direct Effect	7,339	\$533,511	\$620,972	\$1,082,143
Indirect Effect	2,325	\$140,146	\$217,705	\$453,593
Induced Effect	2,985	\$151,523	\$277,543	\$502,356
Total Effect	12,649	\$825,180	\$1,116,221	\$2,038,092

A10. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2026\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$189,382	\$189,382
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$27,360,440		\$27,360,440
TOPI: Property Tax			\$21,878,548		\$21,878,548
TOPI: Motor Vehicle License			\$491,993		\$491,993
TOPI: Severance Tax			\$258,764		\$258,764
TOPI: Other Taxes			\$1,172,619		\$1,172,619
TOPI: S/L NonTaxes			\$652,636		\$652,636
Corporate Profits Tax				\$2,003,443	\$2,003,443
Personal Tax: Income Tax				\$17,364,026	\$17,364,026
Personal Tax: NonTaxes (Fines- Fees)				\$2,528,048	\$2,528,048
Personal Tax: Motor Vehicle License				\$853,309	\$853,309
Personal Tax: Property Taxes				\$848,734	\$848,734
Personal Tax: Other Tax (Fish/Hunt)				\$562,407	\$562,407
Total State and Local Tax			\$51,815,000	\$22,156,524	\$2,192,825
					\$76,164,349

2027

A11. Total Economic Activity Associated with Increased Medicaid Expenditures, 2027\$

Impact Type	Employment (thousands)	Labor	Value	Output (thousands)
		Income (thousands)	Added (thousands)	
Direct Effect	7,417	\$546,304	\$636,032	\$1,109,196
Indirect Effect	2,354	\$143,726	\$223,250	\$465,266
Induced Effect	3,020	\$155,206	\$284,289	\$515,072
Total Effect	12,791	\$845,236	\$1,143,571	\$2,089,533

A12. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2027\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$194,122	\$194,122
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$28,050,035		\$28,050,035
TOPI: Property Tax			\$22,429,977		\$22,429,977
TOPI: Motor Vehicle License			\$504,393		\$504,393
TOPI: Severance Tax			\$265,286		\$265,286
TOPI: Other Taxes			\$1,202,174		\$1,202,174
TOPI: S/L NonTaxes			\$669,085		\$669,085
Corporate Profits Tax				\$2,053,586	\$2,053,586
Personal Tax: Income Tax				\$17,785,843	\$17,785,843
Personal Tax: NonTaxes (Fines- Fees)				\$2,589,461	\$2,589,461
Personal Tax: Motor Vehicle License				\$874,038	\$874,038
Personal Tax: Property Taxes				\$869,352	\$869,352
Personal Tax: Other Tax (Fish/Hunt)				\$576,069	\$576,069
Total State and Local Tax			\$53,120,950	\$22,694,763	\$2,247,708
					\$78,063,421

2028

A13. Total Economic Activity Associated with Increased Medicaid Expenditures, 2028\$

Impact Type	Employment	Labor	Value	Output
		Income (thousands)	Added (thousands)	(thousands)
Direct Effect	7,497	\$559,413	\$651,467	\$1,136,924
Indirect Effect	2,384	\$147,400	\$228,940	\$477,264
Induced Effect	3,054	\$158,980	\$291,203	\$528,147
Total Effect	12,934	\$865,793	\$1,171,609	\$2,142,336

A14. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2028\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$198,983	\$198,983
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$28,757,399		\$28,757,399
TOPI: Property Tax			\$22,995,615		\$22,995,615
TOPI: Motor Vehicle License			\$517,113		\$517,113
TOPI: Severance Tax			\$271,976		\$271,976
TOPI: Other Taxes			\$1,232,490		\$1,232,490
TOPI: S/L NonTaxes			\$685,958		\$685,958
Corporate Profits Tax				\$2,105,016	\$2,105,016
Personal Tax: Income Tax				\$18,218,204	\$18,218,204
Personal Tax: NonTaxes (Fines- Fees)				\$2,652,409	\$2,652,409
Personal Tax: Motor Vehicle License				\$895,285	\$895,285
Personal Tax: Property Taxes				\$890,486	\$890,486
Personal Tax: Other Tax (Fish/Hunt)				\$590,073	\$590,073
Total State and Local Tax			\$54,460,551	\$23,246,456	\$2,303,999
					\$80,011,006

2029

A15. Total Economic Activity Associated with Increased Medicaid Expenditures, 2029\$

Impact Type	Employment	Labor	Value	Output
		Income	Added	
	(thousands)	(thousands)	(thousands)	(thousands)
Direct Effect	7,595	\$574,042	\$668,606	\$1,165,349
Indirect Effect	2,417	\$151,369	\$235,102	\$489,186
Induced Effect	3,095	\$163,164	\$298,865	\$540,965
Total Effect	13,107	\$888,575	\$1,202,572	\$2,195,500

A16. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2029\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$204,307	\$204,307
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax		\$29,526,500			\$29,526,500
TOPI: Property Tax		\$23,610,620			\$23,610,620
TOPI: Motor Vehicle License		\$530,943			\$530,943
TOPI: Severance Tax		\$279,250			\$279,250
TOPI: Other Taxes		\$1,265,452			\$1,265,452
TOPI: S/L NonTaxes		\$704,303			\$704,303
Corporate Profits Tax				\$2,161,332	\$2,161,332
Personal Tax: Income Tax			\$18,697,529		\$18,697,529
Personal Tax: NonTaxes (Fines- Fees)			\$2,722,194		\$2,722,194
Personal Tax: Motor Vehicle License			\$918,840		\$918,840
Personal Tax: Property Taxes			\$913,914		\$913,914
Personal Tax: Other Tax (Fish/Hunt)			\$605,598		\$605,598
Total State and Local Tax		\$55,917,068	\$23,858,075	\$2,365,639	\$82,140,782

2030

A17. Total Economic Activity Associated with Increased Medicaid Expenditures, 2030\$

Impact Type	Employment	Labor	Value	Output
		Income	Added	
	(thousands)	(thousands)	(thousands)	(thousands)
Direct Effect	7,694	\$589,055	\$686,196	\$1,194,484
Indirect Effect	2,450	\$155,446	\$241,430	\$501,409
Induced Effect	3,137	\$167,457	\$306,730	\$554,102
Total Effect	13,281	\$911,958	\$1,234,355	\$2,249,995

A18. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2030\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$209,773	\$209,773
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$30,316,161		\$30,316,161
TOPI: Property Tax			\$24,242,066		\$24,242,066
TOPI: Motor Vehicle License			\$545,142		\$545,142
TOPI: Severance Tax			\$286,719		\$286,719
TOPI: Other Taxes			\$1,299,296		\$1,299,296
TOPI: S/L NonTaxes			\$723,139		\$723,139
Corporate Profits Tax				\$2,219,154	\$2,219,154
Personal Tax: Income Tax				\$19,189,505	\$19,189,505
Personal Tax: NonTaxes (Fines- Fees)				\$2,793,822	\$2,793,822
Personal Tax: Motor Vehicle License				\$943,017	\$943,017
Personal Tax: Property Taxes				\$937,962	\$937,962
Personal Tax: Other Tax (Fish/Hunt)				\$621,532	\$621,532
Total State and Local Tax			\$57,412,522	\$24,485,838	\$2,428,926
					\$84,327,286

2031

A19. Total Economic Activity Associated with Increased Medicaid Expenditures, 2031\$

Impact Type	Employment	Labor	Value	Output
		Income	Added	(thousands)
Direct Effect	7,795	\$604,502	\$704,299	\$1,224,443
Indirect Effect	2,485	\$159,646	\$247,950	\$513,988
Induced Effect	3,179	\$171,876	\$314,824	\$567,606
Total Effect	13,459	\$936,024	\$1,267,073	\$2,306,037

A20. Estimated State and Local Tax Collections Associated with Expanded Medicaid Spending, 2031\$

Description	Tax on				Total
	Employee Compensation	Proprietor Income	Production and Imports	Households Corporations	
Dividends				\$215,403	\$215,403
Social Ins Tax- Employee Contribution					\$0
Social Ins Tax- Employer Contribution					\$0
TOPI: Sales Tax			\$31,129,239		\$31,129,239
TOPI: Property Tax			\$24,892,237		\$24,892,237
TOPI: Motor Vehicle License			\$559,763		\$559,763
TOPI: Severance Tax			\$294,408		\$294,408
TOPI: Other Taxes			\$1,334,143		\$1,334,143
TOPI: S/L NonTaxes			\$742,534		\$742,534
Corporate Profits Tax				\$2,278,711	\$2,278,711
Personal Tax: Income Tax				\$19,695,855	\$19,695,855
Personal Tax: NonTaxes (Fines- Fees)				\$2,867,542	\$2,867,542
Personal Tax: Motor Vehicle License				\$967,900	\$967,900
Personal Tax: Property Taxes				\$962,711	\$962,711
Personal Tax: Other Tax (Fish/Hunt)				\$637,933	\$637,933
Total State and Local Tax			\$58,952,324	\$25,131,940	\$2,494,113
					\$86,578,377