

# ACA medicaid expansions didn't increase states' spending

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(HealthDay)—Federal funding insulated state budgets from increased

spending related to Medicaid expansion, according to a study published in the April issue of *Health Affairs*.

Benjamin D. Sommers, M.D., Ph.D., from Harvard University, and Jonathan Gruber, Ph.D., from the Massachusetts Institute of Technology, both in Boston, used data from the National Association of State Budget Officers (fiscal years 2010 to 2015) and a difference-in-differences framework to assess the effects of the Medicaid expansion's first two fiscal years.

The researchers found that expansion led to an 11.7 percent increase in overall spending on Medicaid, which was accompanied by a 12.2 percent increase in spending from federal funds. State funds did not experience significant increases in spending as a result of the expansion. Nor did [states](#) significantly reduce spending on education or other programs as a result of Medicaid expansion.

"States' advance budget projections were also reasonably accurate in the aggregate, with no significant differences between the projected levels of federal, state, and Medicaid [spending](#) and the actual expenses as measured at the end of the fiscal year," the authors write.

**More information:** [Abstract](#)  
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