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Kaiser Analyzes Potential Impact of Health Reform Implementation on State Budgets

As states continue to struggle with tight budgets in the wake of the recession, the Kaiser Family Foundation's Commission on Medicaid and the Uninsured has issued a [new analysis](http://www.kff.org/healthreform/8149.cfm) (<http://www.kff.org/healthreform/8149.cfm>) of the potential costs and savings that the new law may generate for state budgets. The analysis seeks to explain why recent state estimates of the likely impact on their budgets vary widely, and discusses the major expected sources of costs and savings as the new law is implemented.

It finds that there are many opportunities and new options to offset the state costs related to the expansion of Medicaid, such as reducing payments for uncompensated care costs as the number of uninsured declines. The actual impact on states will vary based on current state coverage and according to how each state implements the law. The review of state analyses found most estimates reflected potential cost increases but did not account for the full range of potential savings.

The analysis and other Kaiser resources related to health reform can be found [online](http://healthreform.kff.org/). (<http://healthreform.kff.org/>)

The Kaiser Family Foundation is a non-profit private operating foundation, based in Menlo Park, California, dedicated to producing and communicating the best possible information and analysis on health issues.

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