

HEALTHY WASHINGTON COALITION

Secure the Medicaid Expansion

In June 2012, the U.S. Supreme Court's decision changed the Affordable Care Act's Medicaid expansion from mandatory to optional, enabling states to refuse to take part without federal penalty. It is now up to Washington's Governor and Legislators to determine whether or not our state will adopt this Expansion and capitalize on the significant federal funding and increased coverage available in 2014. The federal government has made it clear that states need to make a yes or no decision about the Medicaid Expansion: either expand to 138% of the poverty level or lose this opportunity. The Healthy Washington Coalition urges Washington policy makers to adopt the Medicaid Expansion to leverage this historic opportunity for our state.

Medicaid expansion is the clear choice for Washington and its people.

Washington State has a proud history of advancing health coverage for its residents. In recent years we've committed to covering all low-income children and expanded coverage to many others who often cannot afford health insurance. Yet nearly one million people still remain without insurance protection today in Washington.¹ Many of these people pay a high price in terms of neglected health care, health crises that could have been prevented, loss of work due to illness, and bankruptcy following a medical emergency.

Washington should continue its leadership and ensure that over 250,000 more people have access to primary, preventive care due to the Medicaid Expansion. Another 82,000 people who are already eligible are also expected to enroll in Medicaid coverage (also known as the welcome mat effect). That means that by 2020, the Affordable Care Act will achieve Medicaid coverage for a total of nearly 350,000 more people than today.²

The expansion will ensure continued coverage for working adults who have lost their jobs, taken a pay cut during the recession, or returned from military service, while they look for work or go back to school. Hard working people need the security of affordable health care to maintain coverage and be healthy, productive members of the workforce.

The full Medicaid Expansion will ensure access to health care to keep families and communities strong, secure and healthy.

Expanding Medicaid means that, for the first time, hundreds of thousands of people will get needed vaccines, cancer screenings, and mental health services, and be able to manage their diabetes, high blood pressure, and other chronic conditions. Giving people access to preventive health care promotes public health and safety that will protect our communities, saving dollars and lives. In fact, there is new evidence that the states which have already expanded Medicaid have seen a significant reduction in mortality, as well as improvements in coverage, access to care and health status.³

Without this expansion, people with incomes below 138% of the federal poverty level will be left without realistic health coverage options. The Affordable Care Act was designed with the vision that Medicaid would cover the lowest income population, and significant new subsidies would help make Exchange coverage affordable for people up to 400% of the federal poverty level. It makes no sense to abandon the most vulnerable in Washington.

The Medicaid Expansion is a great deal for our state, saving Washington \$225 million this biennium alone.

Expanding Medicaid in 2014 is a bargain for Washington. For the first three years of the Medicaid expansion, the federal government picks up 100% of the cost for these newly eligible people. Then in 2017 the federal

Medicaid Expansion Highlights

- *Over 250,000 more people will have health care access*
- *Increases health and security of families and communities*
- *Creates \$225 million in state budget savings this biennium alone*
- *State costs would actually be higher if we opt out of the expansion*
- *Leverages federal funding to generate over 10,000 jobs and billions in local business activity*

match begins to taper down and will hold steady at 90% - a rate that will continue to bring in billions of federal dollars each year to cover health care costs in Washington.

Because of this increase in federal dollars, **the Washington state budget will see \$225 million in savings during the 2013-15 biennium alone.**⁴ In fact, a recent report from the Urban Institute states that “state costs . . . would actually be higher if the state opts out of any expansion.”⁵

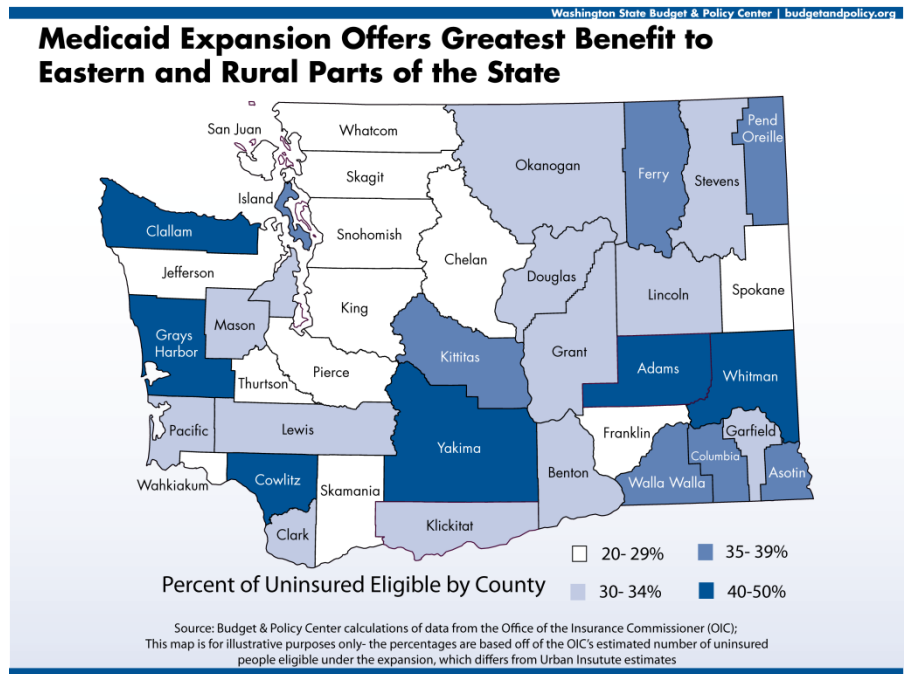
These savings to the state budget will occur because the cost of current health care programs, such as Basic Health and Disability Lifeline, will be shifted to the federal government. Washington has remained committed to expanding coverage to low-income adults, and today the state pays 50% of the costs of coverage for nearly 50,000 Washingtonians in these two programs. In 2014, most of these residents will transition to the Medicaid Expansion, where their care will be 100% federally funded. If Washington wants to maximize these federal dollars and achieve these savings, it needs to adopt the expansion in 2014 – the 100% federal match will only be available 2014-2017. While there will be additional savings and costs associated with the Expansion, these significant savings make it a bargain for Washington.

The overall savings to the state budget will likely be even greater as the ripple effects of covering more people under the Medicaid Expansion are seen throughout the health care system.

Failure to expand will hurt local hospitals – they are counting on uncompensated care reductions from the Medicaid Expansion to mitigate the impact of \$3.1 billion in cuts over 10 years due to other health care reform changes.

Let’s put federal dollars to work in our own backyard for healthier people and a healthier community.

We should bring back our federal dollars to create healthier people and communities in our state, rather than walking away from funds that instead will pay for health care in other states like New York or California. At a time when Washington is still struggling to rebound from the recession, the Expansion will bring in \$1 billion in federal funds in the first biennium alone.⁶ Although it is offset in part by hospital cuts, **the sizable increase in federal funds will generate more than 10,000 jobs⁷ and billions of dollars in business activity across the state.** A growing economy relies on a healthy workforce. Providing coverage will help keep Washington families secure, our businesses strong, and our job market dynamic.



¹ The 2011 Population Survey estimates that 948,000 people are uninsured in Washington.

² M. Buettgens, R. Bovberg, and H. Moody, “Medicaid Expansion Options for Washington,” Urban Institute (September 2012).

³ B. Sommers, K Baicker and A. Epstein, “Mortality and Access to Care among Adults after State Medicaid Expansions,” The New England Journal of Medicine (July 2012).

⁴ Gov. Gregoire’s 2013-15 Operating Budget. [Presentation to the House Appropriations Committee](#), Jan. 14, 2013.

⁵ M. Buettgens, R. Bovberg, and H. Moody, “Medicaid Expansion Options for Washington,” Urban Institute (September 2012).

⁶ Calculation of federal funds associated with the Medicaid Expansion in Gov. Gregoire’s 2013-15 Operating Budget Recommendation Summaries. Dec. 18, 2013.

⁷ L. Brown, “Estimated Direct and Indirect Economic Impact of the Affordable Care Act (ACA) in Terms of Washington Employment,” December 2012.