

Medicaid Expansion Talking Points

The following are some key points specific to Medicaid Expansion:

- Developing an Alabama-driven solution to our state's coverage challenge would provide health care to an estimated 300,000-plus Alabamians. Many hardworking Alabamians in low-wage, economically essential jobs have no health coverage. They earn too much to qualify for Medicaid and too little to afford private insurance. Expanding Medicaid bridges the gap by helping people with incomes up to 133 of the federal poverty level receive health care.
- To help put that in perspective, the annual income for this population is just under \$15,000 a year for an individual and \$31,000 for a family of four. Almost two-thirds of the expansion population is employed.
- The U.S. Supreme Court in June 2012 upheld the bulk of the Affordable Care Act but made Medicaid expansion optional. While the option to expand Medicaid will remain open, the clock is ticking on the financial incentives for expansion. Alabama can't afford to walk away from billions of federal dollars that could revitalize our health care system and our economy.
- In 2014 alone, Alabama's hospitals will receive almost \$30 million less in Medicare and Medicaid payments. These cuts were designed to pay for increased health insurance coverage, but even if the state does not develop an Alabama-driven solution, those payment cuts will still occur. Many hospitals will be unable to absorb these cuts, forcing them to make tough choices on staff reductions or cuts in services, or in the worst case scenarios, close their doors.
- The cost for the additional insurance coverage will be paid at 100 percent for the first three years by the federal government. After that, the match goes down incrementally by 2 percent a year, but will always be paid at 90 percent. Alabama will NEVER pay more than 10 percent, and the economic boost created by investing in the health care system will more than offset the cost, netting \$900 million over the first 6 years.
- The ACA pays for Medicaid expansion through new taxes, fees, and reductions in health care spending. Every state is paying for it—but only the states that actually develop solutions will see these tax dollars returned to their local economies.
- Both the University of Alabama's Center for Economic Development and the University of Alabama at Birmingham have estimated that more than 30,000 new jobs would be created over a six-year period if Alabama were to expand Medicaid. While many of these jobs would be in the health care sector, there would also be numerous jobs in industries such as retail trade, construction and landscaping, and restaurant and food service.
- The total economic impact of the expansion over the six-year period is estimated to be \$28 billion.
- Rejecting an Alabama-driven solution to the health insurance coverage challenge would mean the people of Alabama, who pay the same federal taxes as people in other states, would see their tax dollars used to implement expansion in other states.