



## **Why North Carolina Should Expand Medicaid Under the Affordable Care Act**

- 1. AFFORDABLE CARE ACT EXPANDS COVERAGE TO MIDDLE CLASS:** Under the Affordable Care Act, NC will expand coverage to most of the 1.5 million people without health insurance in our state. For middle-income families -making up to \$88,000 a year for a family of four - reform provides subsidies to help pay insurance premiums and caps out-of-pocket expenses.
- 2. AFFORDABLE CARE ACT MEANS NC GENERAL ASSEMBLY WILL HAVE TO DECIDE TO EXPAND MEDICAID:** After the Supreme Court decision on the Affordable Care Act the NC General Assembly will have to decide whether to expand coverage to those of more meager means – about \$15,000 in earnings per year for an individual under NC’s Medicaid program.
- 3. RIGHT NOW, HUNDREDS OF THOUSANDS OF POOR PEOPLE DO NOT QUALIFY FOR MEDICAID:** Under the current NC Medicaid program if a person between the ages of 18 and 64 does not have a serious disability or is not the parent of young children they cannot qualify for Medicaid coverage regardless of how poor they are. Under the Affordable Care Act NC can now choose to expand Medicaid to our lowest-income citizens.
- 4. THOUSANDS OF LOWEST INCOME PEOPLE AFFECTED:** About 500,000 low-income citizens – many in the poorest and most rural parts of our state – will have their ability to get affordable health coverage hinge on NC’s decision to expand Medicaid. Many of these newly insured people have at least one member of their family working full time, often at a small business that can’t afford to offer insurance. *And children benefit when their parents are covered with health insurance.*
- 5. MEDICAID EXPANSION MEANS A SAFETY NET FOR PEOPLE WHO HAVE LOST THEIR JOB:** Under the Affordable Care Act’s Medicaid expansion, losing a job doesn’t mean losing health coverage. In an economic downturn it could take months to find new employment – in the meantime, if a person’s income drops drastically, they and their family can maintain health coverage through Medicaid.
- 6. MEDICAID EXPANSION HELPS PEOPLE GO BACK TO WORK:** The current Medicaid system is so restrictive, many lower-income people with disabilities and parents worry that going back to work will cost them their health insurance. Under the Medicaid expansion, going back to work at a job that pays under the \$15,000 a year income limit will not mean loss of health coverage and many more people will be able to work.

**7. STATE BENEFITS FROM INSURED WORKFORCE:** The Kaiser Family Foundation has released a study detailing benefits to the state from any insured workforce. Insured workers have fewer sick days and are more productive.

**8. THE FEDERAL GOVERNMENT WILL PAY 93% OF DIRECT COSTS OF EXPANSION – BETWEEN \$15 and \$20 BILLION OVER FIRST SIX YEARS:** Over the next six years to expand Medicaid to the poorest people in NC, the federal government will pump billions of dollars into NC's economy – money that goes directly to doctors, hospitals and other health care providers, especially in the lowest income and most rural parts of our state. For the first three calendar years the federal government will cover 100 percent of the expansion costs.

**9. BECAUSE STATE AND LOCAL GOVERNMENTS ALREADY PROVIDE HUNDREDS OF MILLIONS OF DOLLARS IN CARE FOR THE UNINSURED, NC WILL SAVE MONEY BY EXPANDING MEDICAID:** While NC's share of the Medicaid expansion will be about \$830 million over the first six years, state and local governments already spend billions on care for the uninsured. With the Medicaid expansion the vast majority of people will be able to pay their medical bills and state and local governments will save millions.

**10. MEDICAID EXPANSION NEEDED TO SAVE RURAL HOSPITALS:** In many rural areas of our state, hospitals provide free care to patients who can't afford hefty medical bills. Because health reform legislation depends on new patients possessing Medicaid cards, the law phases out millions in federal funds to help support hospitals that provide large amounts of free care. Many hospitals will also see reduced reimbursements for Medicare as policymakers try to rein in spending. North Carolina hospitals can weather these changes with an influx of newly insured Medicaid patients. But if Medicaid is not expanded, several hospitals may close their doors, resulting in a dramatic decrease in the availability of quality care in rural communities.

**11. MEDICAID EXPANSION WILL COVER PARENTS, BENEFITS KIDS:** Covering parents under Medicaid means more children are likely to enroll and stay enrolled in Medicaid or NC's children's health insurance program: Children who are eligible for health insurance are three times more likely to enroll if their parents are also insured. Children with insured parents are also less likely to experience breaks in their own Medicaid coverage.

**12. COVERING PARENTS MAKES IT MORE LIKELY THAT CHILDREN WILL GET NEEDED CARE:** Children with insured parents are more likely to see a doctor and access routine preventive care like well-child visits, immunizations, and dental screenings. As a result, these children are less likely to depend on costly emergency room visits as their primary source of medical care.

**13. THE STATE CAN USE FEDERAL DOLLARS TO FUND ONGOING EFFORTS:** By expanding Medicaid the state can attract federal funds to help meet its goal of providing more care to low-income seniors and disabled adults in their homes and communities.

**14. BY REFUSING TO EXPAND THE STATE MAY SUFFER NEGATIVE CONSEQUENCES:** While the Supreme Court said that the federal government may not

revoke all of a state's Medicaid funding for refusing to expand the program, the Centers for Medicare & Medicaid Services does have other enforcement mechanisms to encourage the expansion.

**15. MEDICAID SAVES LIVES:** Research shows that the uninsured have a 25 percent greater chance of premature death than the insured. Recent studies show that a Medicaid expansion of 500,000 enrollees is associated with 2,840 fewer deaths per year.

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***Adam Searing (adam@ncjustice.org)***

***Adam Linker (Adam.Linker@ncjustice.org)***

***North Carolina Justice Center www.ncjustice.org***