



Medicaid Expansion Benefits Everyone

More than 60 million people rely on Medicaid for their health care coverage. Medicaid works for a diverse group of patients by improving health, keeping people out of the emergency department, and providing access to needed treatment. Medicaid gives essential hospitals and health systems – those that fill a safety net role – the ability to provide essential services to their communities.

Medicaid Is Good for Patients

- **Medicaid helps families.** Medicaid helps our nation's most vulnerable, who would otherwise be unable to break the cycle of poverty as they care for loved ones. Half of Medicaid recipients are children and Medicaid substantially supports seniors' access to nursing homes and in-home care.
- **Medicaid enhances well-being.** A study of Oregon's Medicaid expansion found that Medicaid coverage for low-income people improved their physical and mental health and reduced financial strain caused by health care costs. The uninsured often forgo the care they need and, as a result, are more likely to end up hospitalized for preventable conditions.
- **Medicaid saves lives.** A *New England Journal of Medicine* study found that expanded Medicaid coverage reduced adult deaths, with older people, non-whites, and residents of poorer counties realizing the greatest benefit.

- **Medicaid increases use of preventive services.** A follow-up study in Oregon found that Medicaid coverage increased preventive services and screenings, such as for cholesterol.
- **Medicaid saves people money.** The same follow-up study also found that Medicaid coverage nearly eliminated catastrophic out-of-pocket medical expenditures for beneficiaries.

Medicaid Expansion Is Good for the Health Care System

- **Expansion relieves the financial burden on the safety net.** Expanding Medicaid will reduce a challenging financial burden on essential hospitals. Expansion will allow these hospitals to continue to provide care to all patients – the uninsured and those covered by Medicaid, Medicare, and private insurance. If essential hospitals have a sound financial footing, less cost shifting and lower premiums for privately insured patients will result.
- **Expansion funds critical services.** By reducing the safety net's financial burden, Medicaid expansion will help hospitals continue to provide vital community services, including top-level trauma care, burn care, and neonatal intensive care – services few other providers deliver.
- **Expansion ensures access to care.** Expanding Medicaid will enable hospitals to continue to train physicians, nurses, and dentists and continue to

operate large networks of outpatient specialty clinics in the areas of greatest need.

Medicaid Expansion Is Good for Business and the Economy

- **Expansion keeps workers healthy.** The national unemployment rate remains at nearly 8 percent, which means many people remain uninsured and eligible for Medicaid. Medicaid coverage helps keep them healthy so they can find a job and return to work.
- **Expansion creates jobs.** America's Essential Hospitals members often are the largest employers in their regions. Even in 2009 – at the height of the recession – America's Essential Hospitals members contributed to more than 800,000 jobs nationally.
- **Expansion prevents personal debt.** People who enrolled in Medicaid as part of a Medicaid expansion in Oregon were less likely to borrow money to pay medical bills or skip bill payments. Medicaid ensures medical expenses are covered so people can participate in the economy.

Medicaid Expansion Is Good for State and Local Budgets

- **Expansion adds to the state and local tax base.** An analysis conducted by America's Essential

Hospitals shows that its members contributed more than \$120 billion in fiscal year 2009 to their respective state economies. These hospitals create jobs and purchase services, supplies, and equipment from vendors. They also train physicians, nurses, and other health care professionals. Through these activities, members of America's Essential Hospitals inject economic life into their communities.

- **Expansion reduces uncompensated care costs.** Increased coverage will reduce the need for state funding of uncompensated care costs. A recent America's Essential Hospitals analysis shows that if the Supreme Court's ACA ruling increases the number of uninsured individuals consistent with federal projections, hospitals could face \$53.3 billion more in uncompensated care costs by 2019 than expected when the Congress passed the ACA.
- **Expansion is relatively inexpensive for states.** The Medicaid expansion will initially give states a 100 percent and, later, a 90 percent federal match on caring for their expanded populations. A recent Kaiser Family Foundation study found that a full expansion of Medicaid nationally would add only \$8 billion in additional costs to states over the next decade. Without Medicaid expansion, states would be forced to shift the cost of caring for the uninsured onto local taxpayers.