

RESOLUTION SUPPORTING MEDICAID EXPANSION FOR ALL MONTANANS

WHEREAS, the Supreme Court of the United States upheld the Patient Protection and Affordable Care Act of 2010 (PPACA) on June 28, 2012; and

WHEREAS, the same Supreme Court decision determined that it is optional for states to expand Medicaid eligibility to 133% (138% including application of a 5% “disregard”) of the Federal Poverty Level (FPL) as provided by the PPACA; and

WHEREAS, the Montana Health Insurance Exchange will provide options for the purchase of insurance by Montana citizens who do not have coverage through their employer; and

WHEREAS, the national federal poverty level (FPL) for a family of four in 2012 is \$23,050¹; and

WHEREAS, in Montana, the current Medicaid eligibility level is less than 100% of the FPL (e.g. as low as 33%), individuals and families with incomes above the state Medicaid eligibility level but below the poverty level will NOT have access to health insurance under either Medicaid or the Health Insurance Exchange; and

WHEREAS, an estimated 56,000 Montanans would become eligible for Medicaid in 2014 increasing to an estimated 78,000 by 2021²; and

WHEREAS, Medicaid expansion will improve the public health as uninsured Montanans who enroll in Medicaid are expected to report better health, use more preventive care, be more apt to have a regular source of medical care, live longer, and save the lives of an estimated 300 Montanans every year.³

WHEREAS, Montanans are currently paying for care for the uninsured through cost shifting and continuing, unsustainable increases in insurance premiums (now, on average by over \$1,000 per year)⁴; and

WHEREAS, if Montana chooses not to participate in the Medicaid expansion, the taxes of Montana citizens would still fund expansion in other states that chose to expand their state’s Medicaid programs with NO benefit to the citizens of Montana; and

WHEREAS, in 2011⁵ providing care to uninsured individuals was estimated to cost Montana healthcare providers \$238M; and

WHEREAS, new federal Medicaid dollars will travel through the state economy, improving employment, labor income, and tax revenues; and those dollars will turn over multiple times in the state economy (for example, from doctor to employee to grocer). As estimated by the University of Montana Bureau of Business and Economic Research in 2012, for every \$1B in federal

funds to Montana, employment increases by 18,600; labor income increases \$690M; business sales increase by \$1.5B; and state and local tax revenues increase by \$72M⁶; and

WHEREAS, the Medicaid expansion under the PPACA will be funded initially 100% by federal dollars with federal support reducing gradually to 90% by 2020 with the state responsible for only 10% thereafter at an estimated annual net cost of \$3.5M in 2014 to 6.5M by 2021⁷; and

Now, therefore, be it resolved that the Board of Health supports the Medicaid expansion offered through PPACA for individuals whose income level does not exceed 133% (138% including the income disregard) of the FPL in Montana; and

Be it further resolved that the Board of Health will join other health organizations in advocating at the state level to expand Medicaid eligibility to 133% (138% including the income disregard) of the FPL as authorized by the PPACA; and

Be it further resolved that the Board of Health strongly urges the Montana Legislature to vote to expand the Montana Medicaid Program as outlined in the PPACA.

¹ *Federal Register*, Vol. 77, No. 17, January 26, 2012, pp. 4034-4035.

² Gregg Davis, Ph.D., Bureau of Business and Economic Research - University of Montana, presentation to the Children, Families, Health, and Human Services Montana Legislative Interim Committee 8, 20, 2012.

³ Sommers, Benjamin D., et al, "Mortality and Access to Care among Adults after State Medicaid Expansions," *New England Journal of Medicine*, September 13, 2012, 367;11:1025-1034. ⁴See 42 U.S.C. § 18091(2)(F); *Sommers' findings of one less death per year for every 176 new enrollees extrapolated to Montana population by Tom Roberts, MD.*

⁵ Gregg Davis, Ph.D., Bureau of Business and Economic Research – University of Montana, "Estimating the Financial Impact of the Medicaid Expansion," presentation to the Montana Healthcare Forum 11/28/2012.

⁶ Ibid.

⁷ Ibid.