

## 2017 Issue Brief Medicaid Expansion

Medicaid Expansion was authorized by the North Dakota legislature in 2013 and, unless reauthorized, will expire on July 31, 2017. This expansion fills historical gaps in Medicaid eligibility for low-income adults and currently covers 20,000 North Dakotans.

### What is Medicaid Expansion?

Medicaid Expansion covers individual under the age of 65 (including "childless adults") with incomes at or below 138 percent of the federal poverty level. This is a population that was never covered before because traditional Medicaid covers only qualifying low-income children, their adult caregivers, pregnant women, and individuals with disabilities including the aged and blind.

If Medicaid Expansion is not reauthorized, childless adults would again become ineligible for Medicaid. These individuals also do not earn enough to qualify for premium tax credits to purchase Marketplace coverage through the health insurance exchange. Most of these individuals are likely to remain uninsured as they have limited access to employer coverage and are likely to find the cost of unsubsidized Marketplace coverage prohibitively expensive.

### Why it's good for North Dakota

Medicaid Expansion was designed to significantly reduce the number of uninsured and improve their health by providing access to routine health care. Increasing health coverage rates can help promote increased access to care and address the persistent disparities many people of lower income levels encounter in securing health coverage.



*Medicaid Expansion covers 20,000 North Dakotans and has an economic impact on the state's healthcare infrastructure of \$542 million per biennium.*

Adults enrolled in Medicaid experience significant improvements in access to healthcare and report positive health status, while virtually eliminating catastrophic out-of-pocket spending.

The Affordable Care Act (ACA) affords 95 percent funding for the expansion population in 2017, tapering to 90 percent by 2020. The cost of providing health services for the uninsured, which was entirely state-funded previously, declines and the State receives an injection of federal dollars. In addition, since all individuals were expected to have coverage due to the ACA mandate, special hospital funding previously available was phased out as part of that law. In other words, because the law cut existing funding to hospitals in order to pay for Medicaid Expansion, states are already paying for it whether they chose to implement it or not. Federal Medicaid dollars flow directly into local economies, supporting wages, employment, consumer spending, and state tax revenue. It has a \$542 million impact per biennium on North Dakota's healthcare infrastructure alone.

### NDHA Position

NDHA supports legislation to continue the Medicaid Expansion program.

The impact to North Dakota hospitals is approximately \$542 million per biennium.