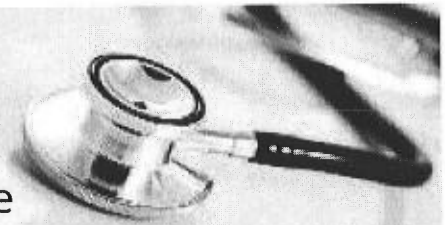


Expanding Medicaid in North Carolina: It is critical and fiscally responsible



FROM THE NORTH CAROLINA JUSTICE CENTER'S HEALTH ACCESS COALITION

- The Medicaid expansion will provide health insurance coverage to nearly 500,000 low-income North Carolinians.
- The federal government will fund the entire cost of the expansion for the first three years. The federal contribution to the Medicaid expansion never falls below 90 percent.
- Expanding Medicaid means fewer uninsured North Carolinians, which will save money for the state and for local governments. According to an NC Institute of Medicine Medicaid Brief, the state would save \$65.4 million over the first eight years of expansion.
- Medicaid expansion will bring more than \$15 billion in federal funds to the state. This money flows to health care providers and into local economies boosting spending and employment. Regional Economic Model, Inc. estimates that expansion will create 25,000 new jobs by 2016.
- Latinos, American Indians, and African Americans in North Carolina report much higher uninsured rates than whites. This translates to worse health outcomes for people of color in the state. The Medicaid expansion will drastically close this gap and ensure access to health services for all people.
- In other words, the Medicaid expansion pays for itself while providing needed health insurance to hundreds of thousands of North Carolinians.

THERE ARE REAL COSTS AND CONSEQUENCES TO NOT EXPANDING MEDICAID:

- ➔ The American Academy of Actuaries estimates that premiums for private insurance will be at least 2 percent higher in states that do not expand Medicaid due to cost shifting and unhealthier people buying subsidized insurance.
- ➔ The American Academy of Actuaries also notes that in states that do not expand Medicaid more employers will incur penalties for not providing affordable coverage.
- ➔ In states that do not expand Medicaid low-income legal immigrants will get subsidies to purchase private insurance while low-income citizens go uninsured.
- ➔ Many hospitals in North Carolina, especially in rural areas of the state, provide millions of dollars in uncompensated care. This strains their budgets and puts pressure on hospitals to get higher payments from private insurance companies. Expanding Medicaid will help alleviate this problem.
- ➔ Every year that North Carolina delays implementing the Medicaid expansion the state surrenders billions of dollars in federal funds that will go to other states to bolster their economies.

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Posted: Tuesday, Sep. 10, 2013

Carolinas HealthCare CEO warns of dire financial woes for hospitals

By Karen Garloch

PUBLISHED IN: BUSINESS

Carolinas HealthCare System is “facing an overwhelming challenge” because of “misguided policy initiatives and reduced reimbursements” from state and federal governments, CEO Michael Tarwater told his board Tuesday.

Tarwater said the system’s challenge is to “maintain the proper focus on quality” and “guarantee access to health care for all” while coping with reduced payments and the threat of even more cutbacks.

“We found out during the recent legislative session (in North Carolina) that there are some who appear not to be taking seriously the gravity of the dilemma that’s being faced by this industry,” Tarwater said.

“We are in a time of unprecedented change, and the threat to access is real. ... Our highest volume payer is the government, and government reimbursement is going to continue to go down, no matter which party’s in control.”

In an interview after the meeting, Joe Piemont, the system’s chief operating officer, outlined specific threats, such as proposals to limit tax exemptions for nonprofit hospitals and to eliminate the 340B program, a federal requirement that drug manufacturers cut prices to hospitals that treat large numbers of financially needy patients.

If hospitals were to have to pay state sales taxes, Piemont said, “That money comes right off the bottom line. It eliminates what we have to reinvest in programs.”

Tarwater said “the one avenue of relief we’ve been counting on” was a significant increase in patients who are covered by health insurance through the federal Affordable Care Act.

But the Obama administration delayed for a year the requirement that medium and large companies provide coverage for their workers or face fines. Individuals who don’t have access to employer-provided insurance or don’t qualify for federal programs can begin enrolling in state and federal health insurance exchanges Oct. 1.

Both North and South Carolina legislatures refused to expand Medicaid eligibility, an option under the new law.

Expanding Medicaid coverage would reduce the uninsured population in Mecklenburg County by 70,000, according to Kaiser Family Foundation

January 28, 2013

Governor Pat McCrory
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor McCrory:

We, the undersigned organizations—representing many thousands of North Carolinians—urge you to implement the Medicaid Expansion for low-income individuals under the Affordable Care Act. We welcome the opportunity to meet with you and/or members of your staff should you have any questions or would like to discuss this further. Thank you for your consideration.

Sincerely,

1. AARP North Carolina
2. Action NC
3. Action for Children North Carolina
4. American Association of University Women of North Carolina
5. American Cancer Society Cancer Action Network (ACSCAN)
6. American Diabetes Association
7. American Heart Association/American Stroke Association
8. American Lung Association in North Carolina
9. Asheville Infectious Disease Consultants, P.A.
10. Autism Society of North Carolina
11. Bethesda Health Center
12. Care Ring
- ✓ 13. Center for Community Transitions ✓
- ✓ 14. Charlotte Community Health Clinic ✓
15. Community Resource Alliance
16. Community Service Network, Inc.
17. Cone Health Foundation
18. Crisis Control Ministry, Inc.
- ✓ 19. C. W. Williams Community Health Center ✓
20. Disability Rights North Carolina
21. Duke University Health System
22. Durham Democratic Women
23. Flynt Mullinix Health Care Consulting, Inc.

- ✓24. Lake Norman Community Health Clinic
25. League of Women Voters of Asheville-Buncombe County
- ✓26. League of Women Voters of Charlotte Mecklenburg
27. League of Women Voters of Madison County, NC
28. League of Women Voters of North Carolina
29. League of Women Voters of the Piedmont Triad
- ✓30. Legal Services of Southern Piedmont
31. LGBT Center of Raleigh
32. Lincoln Community Health Center
33. Health Care for All NC
- ✓34. Health Care Justice
35. Hemophilia of North Carolina
36. High Country Community Health
- ✓37. Hope Haven, Inc. (Charlotte, NC)
38. Hoskins Park Ministries
- ✓39. Hospice & Palliative Care Charlotte Region
40. March of Dimes North Carolina Chapter
41. Matthews Free Medical Clinic
42. MomsRising.org, NC Chapter
43. NARAL Pro-Choice North Carolina Foundation
44. National Alliance on Mental Illness (NAMI) North Carolina
45. National Association on Mental Illness (NAMI) Orange County
46. National Association of Social Workers, NC Chapter
47. National Health Law Program
48. National MS Society, NC Chapters
49. National Organization for Women, NC Chapter
50. NC Academy of Preventive Medicine
51. NC Pediatric Society
52. North Carolina A. Philip Randolph Institute
53. North Carolina AIDS Action Network
54. North Carolina Coalition to End Homelessness
55. North Carolina Council of Churches
56. North Carolina Justice Center
57. North Carolina Small Business (NCSB) Progress
58. North Carolina State AFL-CIO
59. Occupy Health and Wellness NC
60. Orange County Democratic Women
61. Outer Banks Peace and Justice Interfaith Coalition
62. Planned Parenthood Health Systems, Inc.
63. Regional AIDS Interfaith Network (RAIN)

64. RESULTS Asheville
65. RESULTS Triangle
66. Ryan White Medical Providers Coalition
67. Ryan White Medical Providers Coalition Steering Committee, NC Members
68. Safe Alliance
69. Student Action with Farmworkers
70. Union County Community Shelter
- ✓71. Urban Ministry Center - Charlotte NC
72. Warren-Vance Community Health Center, Inc.
73. Western North Carolina AIDS Project
74. Western North Carolina Community Health Services
75. Women's Forum of NC
76. WNC Health Advocates of Asheville
77. YWCA Central Carolinas

CC:

Phil Berger, N.C. Senate President Pro-Tempore
Thom Tillis, N.C. House Speaker
Thomas Stith, Governor's Chief of Staff
Dr. Aldona Wos, Secretary of N.C. DHHS
Members, North Carolina Legislature

The New York Times

May 24, 2013

States' Policies on Health Care Exclude Some of the Poorest

By ROBERT PEAR

WASHINGTON — The refusal by about half the states to expand Medicaid will leave millions of poor people ineligible for government-subsidized health insurance under President Obama's health care law even as many others with higher incomes receive federal subsidies to buy insurance.

Starting next month, the administration and its allies will conduct a nationwide campaign encouraging Americans to take advantage of new high-quality affordable insurance options. But those options will be unavailable to some of the neediest people in states like Texas, Florida, Kansas, Alabama, Louisiana, Mississippi and Georgia, which are refusing to expand Medicaid.

More than half of all people without health insurance live in states that are not planning to expand Medicaid.

People in those states who have incomes from the poverty level up to four times that amount (\$11,490 to \$45,960 a year for an individual) can get federal tax credits to subsidize the purchase of private health insurance. But many people below the poverty line will be unable to get tax credits, Medicaid or other help with health insurance.

Sandy Praeger, the insurance commissioner of Kansas, said she would help consumers understand their options. She said, however, that many of "the poorest of the poor" would fall into a gap in which no assistance is available.

The Kansas Medicaid program provides no coverage for able-bodied childless adults. And adults with dependent children are generally ineligible if their income exceeds 32 percent of the poverty level, Ms. Praeger said.

In most cases, she said, adults with incomes from 32 percent to 100 percent of the poverty level (\$6,250 to \$19,530 for a family of three) "will have no assistance." They will see advertisements promoting new insurance options, but in most cases will not learn that they are ineligible until they apply.

Administration officials said they worried that frustrated consumers might blame President Obama rather than Republicans like Gov. Rick Perry of Texas and Gov. Bobby Jindal of Louisiana, who have resisted the expansion of Medicaid.

The Congressional Budget Office estimates that 25 million people will gain insurance under the new health care law. Researchers at the Urban Institute estimate that 5.7 million uninsured adults with incomes below the poverty level could also gain coverage except that they live in states that are not expanding Medicaid.

In approving the health care law in 2010, Congressional Democrats intended to expand Medicaid eligibility in every state.

But the Supreme Court ruled last year that the expansion was an option for states, not a requirement. At least 25 states — mainly those with Republican governors or Republican-controlled legislatures — have balked at expanding the program, in part because of concerns about long-term costs.

Several Republican governors, like Rick Scott in Florida, wanted to expand Medicaid, but met resistance from state legislators.

Mr. Obama and administration officials, including Kathleen Sebelius, the secretary of health and human services, plan to fly around the country this summer promoting the health care law to a public largely unaware of the new insurance options.

Bee Moorhead, the executive director of Texas Impact, an interfaith group that favors the expansion of coverage, said: "A lot of people will come in, file applications and find they are not eligible for help because they are too poor. We'll have to tell them, 'If only you had a little more money, you could get insurance subsidies, but because you are so poor, you cannot get anything.'"

"That's an odd message, a very strange message. And if people are sick, they will be really upset."

In Atlanta, Amanda Ptashkin, the director of outreach and advocacy at Georgians for a Healthy Future, a consumer group, said: "Hundreds of thousands of people with incomes below the poverty level would be eligible for Medicaid if the state decided to move forward with the expansion of Medicaid. As things now stand, they will not be eligible for anything. What do we do for them? What do we tell them?"

Jonathan E. Chapman, the executive director of the Louisiana Primary Care Association, which represents more than two dozen community health centers, described the situation in

his state this way: "If the breadwinner in a family of four works full time at a job that pays \$14 an hour and the family has no other income, he or she will be eligible for insurance subsidies. But if they make \$10 an hour, they will not be eligible for anything."

Bruce Lesley, the president of First Focus, a child advocacy group, said: "In states that do not expand Medicaid, some of the neediest people will not get coverage. But people who are just above the poverty line or in the middle class can get subsidized coverage. People will be denied assistance because they don't make enough money. Trying to explain that will be a nightmare."

The subsidies, for the purchase of private insurance, will vary with income and are expected to average more than \$5,000 a year in 2014 for each person who qualifies.

Evan S. Dillard, the chief executive of Forrest General Hospital in Hattiesburg, Miss., said the eligibility rules would be "very confusing to working poor individuals in this, the poorest state in the country."

Starting in January, most Americans will be required to have health insurance and will be subject to tax penalties if they go without coverage. However, the penalties will not apply to low-income people denied access to Medicaid because they live in states that chose not to expand eligibility.

Deborah H. Tucker, the chief executive of Whatley Health Services, a community health center in Tuscaloosa, Ala., said it was wonderful that many uninsured people would gain coverage, but "tragic that some of the most vulnerable, lowest-income people" would be excluded.

Ms. Tucker said her clinics cared for nearly 30,000 patients a year, including 16,000 who were uninsured. More than 75 percent of the uninsured patients have incomes below the poverty level and are unlikely to qualify for Medicaid or subsidies, she said.

The Obama administration is urging people who "need health insurance" to report their telephone numbers and e-mail addresses to the government via a Web site, healthcare.gov, so they can be notified of new insurance options.

Consumers will not necessarily know whether they are eligible for premium tax credits, Medicaid or the Children's Health Insurance Program.

So if a person applies for one program, federal and state officials will check eligibility for all three.

People who are currently eligible but not enrolled may sign up for Medicaid, even in states that do not expand the program.

Still, Roy S. Mitchell, the executive director of the Mississippi Health Advocacy Program, a nonprofit group that supports the expansion of Medicaid, said “there’s going to be a huge void” as many uninsured poor people find that they are not eligible for Medicaid or insurance subsidies.

“There will be an outcry,” Mr. Mitchell said. “It may bolster our advocacy efforts.”

The history of Medicaid shows that it took several years for some states to sign up in the 1960s, raising the possibility that additional states may decide to expand eligibility in coming years.

The New York Times

June 6, 2013

The Spite Club

By PAUL KRUGMAN

House Republicans have voted 37 times to repeal ObamaRomneyCare — the Affordable Care Act, which creates a national health insurance system similar to the one Massachusetts has had since 2006. Nonetheless, almost all of the act will go fully into effect at the beginning of next year.

There is, however, one form of obstruction still available to the G.O.P. Last year's Supreme Court decision upholding the law's constitutionality also gave states the right to opt out of one piece of the plan, a federally financed expansion of Medicaid. Sure enough, a number of Republican-dominated states seem set to reject Medicaid expansion, at least at first.

And why would they do this? They won't save money. On the contrary, they will hurt their own budgets and damage their own economies. Nor will Medicaid rejectionism serve any clear political purpose. As I'll explain later, it will probably hurt Republicans for years to come.

No, the only way to understand the refusal to expand Medicaid is as an act of sheer spite. And the cost of that spite won't just come in the form of lost dollars; it will also come in the form of gratuitous hardship for some of our most vulnerable citizens.

Some background: Obamacare rests on three pillars. First, insurers must offer the same coverage to everyone regardless of medical history. Second, everyone must purchase coverage — the famous “mandate” — so that the young and healthy don't opt out until they get older and/or sicker. Third, premiums will be subsidized, so as to make insurance affordable for everyone. And this system is going into effect next year, whether Republicans like it or not.

Under this system, by the way, a few people — basically young, healthy individuals who don't already get insurance from their employers, and whose incomes are high enough that they won't benefit from subsidies — will end up paying more for insurance than they do now. Right-wingers are hyping this observation as if it were some kind of shocking surprise, when it was, in fact, well-known to everyone from the beginning of the debate. And, as far as anyone can tell, we're talking about a small number of people who are, by definition, relatively well off.

Back to the Medicaid expansion. Obamacare, as I've just explained, relies on subsidies to make insurance affordable for lower-income Americans. But we already have a program, Medicaid, providing health coverage to very-low-income Americans, at a cost private insurers can't match. So the Affordable Care Act, sensibly, relies on an expansion of Medicaid rather than the mandate-plus-subsidy arrangement to guarantee care to the poor and near-poor.

But Medicaid is a joint federal-state program, and the Supreme Court made it possible for states to opt out of the expansion. And it appears that a number of states will take advantage of that "opportunity." What will that mean?

A new study from the RAND Corporation, a nonpartisan research institution, examines the consequences if 14 states whose governors have declared their opposition to Medicaid expansion do, in fact, reject the expansion. The result, the study concluded, would be a huge financial hit: the rejectionist states would lose more than \$8 billion a year in federal aid, and would also find themselves on the hook for roughly \$1 billion more to cover the losses hospitals incur when treating the uninsured.

Meanwhile, Medicaid rejectionism will deny health coverage to roughly 3.6 million Americans, with essentially all of the victims living near or below the poverty line. And since past experience shows that Medicaid expansion is associated with significant declines in mortality, this would mean a lot of avoidable deaths: about 19,000 a year, the study estimated.

Just think about this for a minute. It's one thing when politicians refuse to spend money helping the poor and vulnerable; that's just business as usual. But here we have a case in which politicians are, in effect, spending large sums, in the form of rejected aid, not to help the poor but to hurt them.

And as I said, it doesn't even make sense as cynical politics. If Obamacare works (which it will), millions of middle-income voters — the kind of people who might support either party in future elections — will see major benefits, even in rejectionist states. So rejectionism won't discredit health reform. What it might do, however, is drive home to lower-income voters — many of them nonwhite — just how little the G.O.P. cares about their well-being, and reinforce the already strong Democratic advantage among Latinos, in particular.

Rationally, in other words, Republicans should accept defeat on health care, at least for now, and move on. Instead, however, their spitefulness appears to override all other considerations. And millions of Americans will pay the price.