



Medicaid Expansion and Reform for Trust Beneficiaries TALKING POINTS

Medicaid Expansion and Reform will allow more low-income Alaskans, seniors, and people with disabilities who earn less than \$20,314 per year to receive basic health insurance. The Alaska Mental Health Trust Authority, Advisory Board on Alcoholism and Drug Abuse, Alaska Mental Health Board, Alaska Commission on Aging, Governor's Council on Disabilities and Special Education, and Alaska Brain Injury Network support Medicaid Expansion and Reform for improving the efficiency and effectiveness of Alaska's Medicaid health care service system.

MEDICAID EXPANSION

- Medicaid Expansion will extend basic health coverage to individuals who earn less than \$9.76 per hour (up to \$20,314 per year). About 40,000 Alaskans will qualify.
- Most of the costs of Expansion will be reimbursed by federal dollars, freeing up limited state general funds in a time of financial hardship. The State of Alaska currently enters into similar financial relationships with the federal government to pay for our roads, runways, and many other projects.
- Who would be added? Adults without dependent children, who are ages 19-64 years, and who earn less than \$20,314 per year if single, or up to \$27,490 per year if married.
- The State of Alaska will benefit from Medicaid Expansion and Reform:^{1 2}
 - \$1.1 billion in federal dollars will become available to support Expansion;
 - 4,000 new jobs are predicted;
 - \$1.2 billion more in wages and salaries to Alaskans;
 - 40,000 uninsured Alaskans will be eligible for basic health care coverage:
 - Anchorage and Mat-Su = 21,124
 - Interior = 5,787
 - Northern = 1,347
 - Southwest = 2,638
 - Gulf Coast = 5,830
 - Southeast = 5,184

¹ *Projected Population, Enrollment, Service Costs and Demographics of Medicaid Expansion Beginning in FY16.* Evergreen Economics analysis for the Alaska Department of Health & Social Services. Feb, 4, 2015.

² *Fiscal and Economic Impacts of Medicaid Expansion in Alaska.* Northern Economics. Feb. 2013

- The State of Alaska currently spends millions of dollars for uninsured, low-income and disabled citizens using emergency levels of care. Alaskans living without adequate health care are more likely to use these expensive acute care services, like hospital emergency rooms, psychiatric hospitals, and nursing homes. They are also more likely to end up in prison or jail as a result of un-treated behavioral health conditions. State and local governments will always pay — either in the end for more costly acute care, or up front for less costly preventative services.
- Medicaid Expansion will provide coverage for low-income Alaskans with disabilities who currently do not have health insurance and do not qualify for Medicaid. The number of uninsured Alaskans under Medicaid Expansion will be reduced by half, according to research conducted by the Health Policy Center.³
- Services available under Medicaid Expansion will offer more effective and less expensive solutions.
- A person with a disability is more likely to hold down a job, maintain a stable home life, and contribute positively in his or her community when basic health care needs are met.
- Many Alaskans with behavioral health disorders, developmental disabilities, Alzheimer’s disease/dementia, brain injury, fetal alcohol spectrum disorders, etc. are at higher risk for being uninsured. The services available under Medicaid Expansion will offer more effective and less expensive solutions. A person with a disability is more likely to hold down a job, maintain a stable household, and contribute positively to his or her community when basic health care needs are met.
- Medicaid Expansion helps Alaska’s workers and employers. Over 70% of the projected Expansion population is people who are employed or actively seeking employment.⁴ With more employees insured, business owners will experience less turnover and fewer lost work days due to employees with unattended illnesses and injuries.
- The employment status of the Expansion population includes people who currently do not have health insurance through their employer, who are not be eligible for subsidized plans on the Health Insurance Marketplace, or cannot afford to purchase an individual health insurance plan on their own.
- Medicaid Expansion will provide Alaska’s prisoner and parole population better access to behavioral and primary health care upon release into the community. Access to health care has been shown in other states to reduce offender recidivism.⁵

³ *Medicaid in Alaska Under the ACA*. Health Policy Center, the Urban Institute, Feb. 2013.

⁴ Of the projected Medicaid Expansion population, 43.8% are employed, 29.8% are unemployed and seeking work, 21% are not in the labor force (due to disability, retirement, enrollment in school, parenting/family responsibilities, incarceration or other circumstances), and 5.5% are unable to work. *From: Projected Population, Enrollment, Service Costs and Demographics of Medicaid Expansion Beginning in FY16*. Evergreen Economics analysis for the Alaska Department of Health & Social Services. Feb, 4, 2015.

⁵ DiPietro, B., & Klingenmaier, L. Achieving Public Health Goals through Medicaid Expansion: Opportunities in Criminal Justice, Homelessness, and Behavioral Health with the Patient Protection and Affordable Care Act. *American Journal of Public Health*, 25-29.

- Medicaid Expansion will also help Alaska's homeless. In other states, access to health care is contributing broad benefits to homeless individuals, such as improved capacity to gain employment.⁶

MEDICAID EXPANSION IS THE CATALYST FOR MEDICAID REFORM

- Reform efforts will improve the efficiency and effectiveness of Alaska's current Medicaid health care service system and make it sustainable. Innovative models of care and other reforms can create efficiencies that can save money, reduce fraud and waste, remove ineffective services, and reduce unnecessary spending.
- Reforms may include:
 - payment reform
 - patient centered medical/health homes
 - care management
 - expanded telemedicine to improve access to care and reduce travel costs
 - reduced overutilization of emergency room services
 - increased fraud prevention and waste reduction efforts
 - coordination with the Alaska tribal health system
 - interagency and interdepartmental collaborations to leverage human and financial resources
 - improved use of patient health information to achieve positive health outcomes
 - increased access to preventative services and incentives for healthy behaviors
 - cost-sharing requirements for certain enrollees and certain services
 - increased access to supportive services to reduce emergency, institutional, and acute care costs

⁶ *Early impacts of the Medicaid Expansion for the Homeless Population.* Kaiser Family Foundation, Nov. 2014.