



## **9 Reasons Why Maine Should Accept Federal Funds to Cover 70,000 Low-Income Mainers**

Maine has an opportunity to cover more people and save millions of dollars currently spent to treat the uninsured in emergency rooms. We can do this by accepting federal dollars to provide health coverage to nearly 70,000 uninsured Mainers. Accepting these funds will save lives, improve the state's overall health, and provide a much needed economic stimulus to the state.

**1) We will be providing coverage for Mainers who need it – including parents, people with disabilities, and low-wage workers.**

Medicaid expansion would extend coverage to the following individuals:

- a. Individuals earning between \$11,670 and \$16,105 annually who are under the age of 65 years of age and who have been determined disabled but who haven't qualified for Medicare yet because of the two year wait period once a disability determination has been made;
- b. Parents earning between \$19,790 and \$27,311 annually for a family of three; and
- c. Adults between the ages of 21 and 64 who have no dependent children living at home with incomes less than \$16,105 annually.

**2) Nonpartisan experts agree, it is a fiscal no-brainer.**

Multiple nonpartisan national and state studies have found that states would see net savings if they expanded their Medicaid programs. Based on available data, Maine's Legislative Office of Fiscal and Program Review conservatively estimated savings totaling \$ \$11.8 million in calendar year 2015 and 2016.

**3) Maine's Medicaid costs have remained low and under control for multiple years, even through the Great Recession.**

The total spending on Medicaid in Maine was the same in 2013 as it was in 2009. Maine's spending on Medicaid, per recipient, is the lowest in New England and the state ranks 26<sup>th</sup> nationally.

**4) The Medicaid program provides high-quality health coverage.**

- a. An August 2013 Kaiser Family Foundation report found that “Medicaid coverage lowers financial barriers to access for low-income uninsured people and increases their likelihood of having a usual source of care, translating into increased use of preventive, primary and other care, and improvement in some measures of health.”
- b. Recent studies of Oregon’s expansion found that Medicaid coverage reduced depression rates by 30 percent, virtually eliminated catastrophic medical expenses, and increased the use of preventive care by 60 percent.

**5) Maine’s uninsured rate remains low due to Maine’s prior Medicaid expansion.**

Maine’s uninsured rate remains one of the lowest in the nation and stayed relatively the same during the recession, while most other states saw their uninsured rates increase.

**6) We will be strengthening our state’s hospitals.**

Maine hospitals anticipate charity care costs to decrease if Maine expands Medicaid.

- a. The 3 years following Maine’s prior expansion saw charity care flatten out. Charity care didn’t decrease because some hospitals voluntarily expanded their charity care programs increasing the federal poverty limit eligibility from the state minimum of 150% to 200% of the federal poverty level or more.
- b. A 2013 RAND study found that the 14 states that didn’t expand Medicaid would spend, collectively, \$1 billion more on uncompensated care costs than states that expanded Medicaid.

**7) It will result in little negative impact to Maine’s private insurance market.**

Maine’s prior Medicaid expansion did not result in a significant drop in private health coverage. Similar results are anticipated if Maine accepts the federal funds already set aside to extend health care coverage to nearly 70,000 Maine people. The vast majority of those who stand to gain if Maine accepts the federal funds are currently uninsured.

**8) The federal government has kept its promise to the states.**

Since the creation of the Medicaid program in 1965, the federal government has maintained its commitment to the states. In fact, during tough economic times, the federal government provided states with more Medicaid funding, not less. In SFY 2015, Maine will see the federal share of Medicaid funds increase for current populations served.

**9) We can stay in control and opt-out at any time.**

In the unlikely event that the federal government reduces funding, a state will be able to eliminate the expansion population at any time with no penalty. The 2012 U.S. Supreme Court decision (*N.F.I.B. v. Sebelius*) made Medicaid expansion optional for states. In addition, CMS expressly stated in guidance issued in December of 2012 that if a state accepted federal funding under the ACA to expand their Medicaid programs, they could opt-out at any time.

