



Federally Funded Health Care for Maine's Uninsured: Good Health Policy – Good for Maine's Economy

The Affordable Care Act (ACA) has set aside federal dollars for Maine to provide Medicaid coverage to approximately 69,500 people who would be uninsured otherwise. Adults with income up to 138% FPL (\$15,856/year for an individual; \$26,951/year for a family of three) would be covered, starting January 1, 2014.

Full implementation of the ACA's Medicaid option is a good deal for the State of Maine.

The federal government will pay 100% of the cost of covering "newly eligible" individuals in Maine for three years, through December 31, 2016. After that, the federal contribution will be adjusted gradually until it reaches the permanent rate of 90% in 2020, far greater than the 64-cent rate it pays for current Medicaid members.

Most working low-income adults with income below 138% of the federal poverty level can't afford health insurance. They have little to no discretionary income and cannot afford the out-of-pocket expenses that people in health care Exchanges will have to pay, even with available subsidies.

Accepting federal dollars already set aside to cover Maine's uninsured will benefit all Maine people AND boost Maine's economy.

- ✓ **More Mainers Will Have Health Insurance:** Forty percent of the uninsured in this state have incomes at or below 133% of the poverty level.
- ✓ **Health Care Costs Will Go Down:** With insurance, people will be less likely to delay the care they need; their overall health will improve; and their need for more costly care will be reduced.
- ✓ **Coverage Saves Lives and Improves Health:** A recent Harvard study found that expansions of Medicaid coverage were associated with an improvement in overall health status and a significant reduction in death rates.
- ✓ **Charity Care Will Decrease and People with Insurance Will See Rate Relief:** This coverage will keep people out of emergency rooms and dramatically reduce rates of charity care for all hospitals in Maine. The decrease in the cost of hospitals' charity care means there will be less shifting of costs private payers.
- ✓ **Workers Will Be Healthier:** Health coverage helps to prevent and treat illness and helps people with chronic conditions to better manage their health.
- ✓ **Maine's Economy Will Grow:** Millions of new federal dollars will be invested in our health care system, creating thousands of new jobs for our State.
- ✓ **Thousands of Uninsured Maine Veterans Will Gain Coverage:** Approximately 2,700 uninsured Maine veterans who do not have health insurance today could be covered in 2014 if Maine accepts these federal funds.

This is an opportunity Maine can't afford to pass up. If we don't accept these federal dollars, they will simply go to other states.