



National
Association
of Public
Hospitals
and Health
Systems

Medicaid Expansion Benefits Everyone

OCTOBER 2012

More than 60 million Americans rely on the Medicaid program for their health care coverage. Medicaid works for a diverse group of patients by improving health, keeping people out of the emergency room, and providing access to needed treatment. Medicaid gives safety net health systems the ability to provide essential services for their communities.

Medicaid Is Good for Patients

- **Medicaid Helps Families.** Medicaid helps the most vulnerable in our country would not be able to break the cycle of poverty as they care for their loved ones. Half of Medicaid recipients are children, and Medicaid substantially supports seniors' access to nursing home and in-home care.
- **Medicaid Enhances Well Being.** A study of health care expansion in Oregon found that Medicaid coverage for low-income people improved their physical and mental health and reduced their financial strain over health care costs. The uninsured often forgo the care they need and as a result, are more likely to end up in the hospital for preventable conditions.
- **Medicaid Saves Lives.** A recent study published in the *New England Journal of Medicine* found that expanded Medicaid coverage reduced adult deaths, with older people, nonwhites, and residents of poorer counties realizing the greatest benefit.

Medicaid Expansion Is Good for the Health Care System

- **Expansion Relieves the Financial Burden on the Safety Net.** Expanding Medicaid will reduce the financial burden on safety net hospitals, which struggle on a daily basis to care for uninsured patients. Expansion will allow safety net hospitals to continue to provide care for all patients – the uninsured and those covered by Medicaid, Medicare, and private insurance. If safety net providers have a sound financial footing, they become less dependent on cost-shifting, which in turn reduces health care premiums for patients with private health insurance.
- **Expansion Funds Critical Services.** By reducing the safety net's financial burden, Medicaid expansion will help these hospitals continue to provide vital community services including top-level trauma care, burn care, and neonatal intensive care – services that no other providers deliver.
- **Expansion Ensures Access to Care.** Expanding Medicaid will enable hospitals to continue to train our future doctors, nurses, and dentists and continue to operate large networks of outpatient specialty clinics in the areas of greatest need.

Medicaid Expansion Is Good for Business and the Economy

- **Expansion Keeps Workers Healthy.** The national unemployment rate remains higher than 8 percent, which means many Americans remain uninsured or eligible for Medicaid. Medicaid coverage helps keep these Americans healthy so they can find a job and return to work.
- **Expansion Creates Jobs.** NAPH members are often the largest employers in their regions. Even in 2009 – the midst of the recession – NAPH members contributed to more than 800,000 jobs nationally.

Medicaid Expansion Is Good for State and Local Budgets

- **Expansion Adds to the State and Local Tax Base.** An analysis conducted by NAPH shows that NAPH members contributed a total of more than \$120 billion in fiscal year (FY) 2009 to their respective state economies. NAPH members create jobs and purchase services, supplies, and equipment from vendors. They also train doctors, nurses, and other health care professionals. Through these activities, NAPH members inject economic life into their communities.
- **Expansion Reduces Uncompensated Care Costs.** Increased coverage will reduce the need for state funding of uncompensated care costs.
- **Expansion Is Relatively Inexpensive for States.** The Medicaid expansion will initially give states a 100 percent and then later a 90 percent federal match on caring for their expanded population. Without Medicaid expansion, states would be shifting the cost of caring for the uninsured onto local taxpayers.