Position Paper: Medicaid Expansion

Background
The United States Supreme Court’s 2012 ruling on the Affordable Care Act (ACA) gives states the choice of either expanding Medicaid coverage to previously ineligible patients and accepting federal funds for the expansion, or maintaining the current level of enrollment and rejecting federal funding. If a state expands its Medicaid program as set forth in the ACA, the federal government will fund the expansion at 100% for the first three years and then gradually decrease funding to 90% in the year 2020.

Impact:
On Patients:
A much larger percentage of New Hampshire’s low income residents will have access to health care services if the state undergoes Medicaid expansion, but only if the state ensures adequate reimbursement to providers. Access is essential to an individual’s health and well being. Assuming that more individuals will not be covered by private insurance combined with the reduction of Disproportionate Share Hospital payments under the ACA, commercial health insurance will likely be less affordable for many people.

On the Community at Large:
Expanding Medicaid will decrease the number of uninsured and underinsured patients, increasing access to care in the least costly setting (outpatient provider offices) and the number of people receiving preventive care. These effects will decrease health care costs over the long term and result in a healthier population. Under Medicaid expansion, providers would be reimbursed for health care provided to the more than 35,000 previously uninsured patients, effectively reducing the current shifting of the cost for the un-insured and underinsured to the private sector.

If New Hampshire forgoes expansion and declines the federal funding, the current cost-shift will only increase as the population ages and more people move from private insurance to Medicare. In addition, states that accommodate newly eligible patients under Medicaid expansion will gain a competitive edge on those that do not because private health insurance premiums in those states will decrease as a result of the decreasing cost shift.
**ANHP’s Position**
ANHP believes that all people deserves access to affordable quality health care, regardless of socio-economic status, and that providers should be fairly compensated for providing that care. ANHP also believes that the obligation to provide health care to the state’s poor is a shared between the individual and public and private sectors. However, Medicaid expansion will fail unless reimbursement to providers is fair and cannot take place under the current, broken financing system. It is essential for policymakers to carefully consider the implications of expanding Medicaid, and to assess the current method of reimbursement.

To that end, ANHP supports Medicaid expansion if New Hampshire increases Medicaid reimbursement rates to an adequate level and if the federal funds for Medicaid expansion are used to fund the Medicaid expansion exclusively.

**Facts and Figures**
- Medicaid expansion would increase enrollment by 38.8%, adding 55,918 new enrollees, 34,625 of which were previously uninsured.¹
- New Hampshire is estimated to spend an additional $63 million on Medicaid from 2013-2019 under the expansion, and the federal government $1.2 billion.²

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² Ibid.