

## RFNC Medicaid Report Part III: Everyone benefits from Medicaid expansion

### **Everyone benefits from Medicaid expansion, especially residents of rural areas, veterans, people with mental illness, and people in the coverage gap.**

- Everyone benefits from Medicaid expansion through job creation and lower monthly premiums.
  - Currently, NC taxpayers pay federal taxes that cover health care costs in other states.
- There are at least 300,000 North Carolinians who fall in the coverage gap or do not currently qualify for Medicaid or assistance with ACA premiums.
- The 4 out of 10 people who call NC's rural counties home face hospital closures and declining employment opportunities; Medicaid expansion would help solve these issues.
  - North Carolina has lost four rural hospitals since Republicans took control in 2010, costing rural communities lives and jobs.
  - Expansion could bring 13,000 jobs to rural areas.
- Veterans are more likely to experience homelessness or suffer from multiple chronic illnesses; Medicaid expansion in NC would help at least 23,000 gain coverage not provided by the VA.
- Medicaid expansion will provide access to care for more than 150,000 North Carolinians with mental illness or substance use disorders.
  - Roughly half of the overdose survivors taken to NC emergency rooms in 2017 were uninsured.

### **Everyone benefits from Medicaid expansion.**

**More than 37,200 new jobs would be created by 2022 if Medicaid is expanded.** “The injection of billions of dollars into North Carolina’s economy will spur business activity, which will in turn create more jobs. We estimate that 24,400 additional jobs would be created in 2020, climbing to 37,200 more jobs in 2022, compared to levels if Medicaid is not expanded.” (George Washington University Center for Health Policy Research, [6/26/19](#))

- **Medicaid expansion in Michigan created 30,000 jobs.** “Medicaid expansion has helped improve Michigan’s economy, the state’s budget, and the budgets of hospitals across the state. Michigan’s Medicaid expansion is associated with the creation of 30,000 jobs, and increased economic activity resulting from expansion is estimated to bring the state between \$145 million and \$153 million in additional state tax revenue each year.” (CBPP, [10/22/18](#))

**Expanding Medicaid could bring more than \$11.7 billion in federal funds by 2022, \$4.7 billion of that would be totally new funding.** “New federal funding flowing into North Carolina will rise by \$2.8 billion in 2019 and gradually climb to \$4.7 billion by 2022 because the federal government would pay 90 percent of Medicaid costs for newly eligible adults. From 2020 to 2022, North Carolina will gain \$11.7 billion more in federal funding.” (George Washington University Center for Health Policy Research, [6/26/19](#))

**If North Carolina expanded Medicaid, everyone’s premiums would become less expensive, benefitting North Carolinians at all income levels.**

**If North Carolina expanded Medicaid and closed the coverage gap it would give more than 634,000 low-income people access to affordable health care by 2022.** “In Calendar Year 2020, about 464,000 more people will gain Medicaid coverage. This will rise to about 634,000 people in 2022, then stabilize.” (George Washington University Center for Health Policy Research, [6/26/19](#))

**Premiums for people who buy their own insurance were 7 percent lower in states that expanded Medicaid.** “By comparing counties across state borders, and adjusting for several differences between

them, the researchers calculated that expanding Medicaid meant marketplace premiums that were 7 percent lower. States that choose to expand Medicaid can offer government coverage for everyone earning below 133 percent of the federal poverty level, about \$16,000 a year for a single person. People earning more can buy insurance in the new Obamacare marketplaces.” (NY Times, [8/25/16](#))

**Overall, NC is the second most expensive state for health care. Only Alaskans pay more for health care overall.** (Wallethub, [8/6/18](#))

**Because NC taxpayers currently pay federal taxes that cover health care costs in other states, NC is forfeiting that money by not expanding Medicaid.**

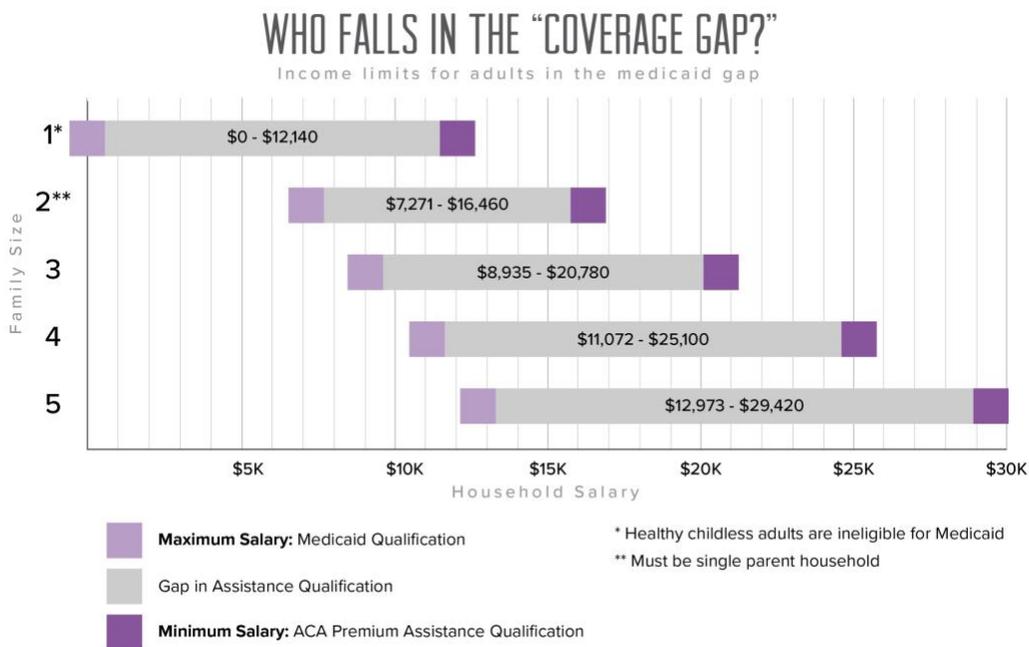
**Taxpayers in states that don’t expand Medicaid still pay federal taxes that cover costs in other states.** “Taxpayers in states that don’t expand their Medicaid programs will still be on the hook for federal taxes aimed at covering costs in other states, without benefiting on their own, the authors conclude. And no state that rejects Medicaid expansion will actually save money, the report finds.” (Washington Post, [12/6/13](#))

**There are at least 300,000 North Carolinians who fall in the coverage gap or do not currently qualify for Medicaid or assistance with ACA premiums.**

**In states like NC without Medicaid expansion, there are people who make too much to qualify for Medicaid, but not enough to qualify for ACA marketplace subsidies. These people fall in the coverage gap.** (Kaiser Family Foundation, [3/38/18](#))

**About 300,000 of the 634,000 people who would benefit from Medicaid expansion in NC fall into this gap.** “Expanding health insurance in North Carolina would provide coverage to about 500,000 low-income people in the state. More than 300,000 of these people have no other insurance options available to them.” (Budget & Tax Center, retrieved [1/31/19](#))

**This infographic outlines the coverage gap by income levels for different family sizes:**



(Kaiser Family Foundation, [3/38/18](#))

**The 4 out of 10 people who call NC's rural counties home face hospital closures and declining employment opportunities; Medicaid expansion would help solve these issues.**

**4 out of 10 North Carolinians live in a rural county.** (Budget & Tax Center, [9/24/18](#))

**It costs more to operate rural hospitals in states that have not expanded Medicaid.** “About 40 percent of rural hospitals operate with a negative profit margin, according to a study by the Chartis Center for Rural Health published in May called [“Rural Relevance 2017: Assessing the State of Rural Healthcare in America.”](#) “Rural hospital operating margins in Medicaid expansion states are statistically higher than rural hospitals in states that did not expand Medicaid,” the study reads.” (NC Health News, [9/29/17](#))

**More than 13,000 jobs could be brought to rural counties if Medicaid was expanded.** “More than 13,000 jobs could be added to the 80 rural counties in NC if the General Assembly expanded Medicaid.” (NC Justice Center, retrieved [1/31/19](#))

**There are 44 rural counties in NC where the hospital is 1 of the 5 biggest employers.** (NC Rural Center, Presentation to NCGA Committee on Access to Healthcare in Rural NC, [1/8/18](#))

**North Carolina has lost four rural hospitals since Republicans took control in 2010, costing rural communities lives and jobs.**

**North Carolina has lost four rural hospitals since Republicans took control in 2010.** “North Carolina has lost four rural hospitals. Pungo District Hospital and Yadkin Valley Community Hospital closed while the hospital in Blowing Rock was converted into a nursing home. And in 2015 Franklin Medical Center in Louisburg closed but that facility is scheduled to reopen in 2018 due to a lease agreement with [Maria Parham Health](#), which is part of [Duke LifePoint Healthcare](#). According to a [report by WTVD-TV](#), Franklin Medical Center will be an extension of Duke LifePoint's Henderson hospital. It will operate as an 24/7 emergency department and will include behavioral health services. A fifth North Carolina hospital, [Morehead Memorial](#) in Eden, is currently in bankruptcy.” (NC Health News, [9/29/17](#))

**When a hospital leaves a community, so do other health care specialists.** “Many other types of specialists tend to cluster around hospitals. When a hospital leaves a community, so can many of those specialists. Care for mental health and substance use are among those most likely to be in short supply after rural hospital closures.” (NY Times, [10/29/18](#))

**Greater travel time to hospitals is associated with higher mortality, especially for heart patients and trauma patients.** “The closure of trauma centers has also accelerated since 2001, and disproportionately in rural areas, according to [a study in Health Affairs](#). The resulting increased travel time for trauma cases heightens the risk of adverse outcomes, including death. [Another study](#) found that greater travel time to hospitals is associated with higher mortality rates for coronary artery bypass graft patients.” (NY Times, [10/29/18](#))

**Veterans are more likely to experience homelessness or suffer from multiple chronic illnesses; Medicaid expansion in NC would help at least 23,000 gain coverage not provided by the VA.**

**In NC there are 30,000 uninsured veterans and 23,000 uninsured spouses and children of veterans as of 2017.** “With North Carolina's excellent health-care system, one would think we would do well, but we ranked only 25th nationally, dragged down by the low number and quality of VA hospitals and veteran treatment centers — especially in rural areas. Additionally, 30,000 veterans and 23,000

spouses and children of veterans were uninsured as of 2017, according to the Budget and Tax Center.” (News & Observer, Opinion, [12/7/18](#))

**A Robert Wood Johnson Foundation study found that 23,000 veterans in NC would benefit from Medicaid expansion.** “A [report by the Robert Wood Johnson Foundation](#) that used data from the 2008-2010 American Community Survey, show that there are approximate 23,000 veterans in North Carolina that would benefit from Medicaid Expansion. Approximately, 8,000 spouses of veterans would also be able to access affordable health care if North Carolina expands Medicaid.” (NC Policy Watch, [11/10/15](#))

**States that expanded Medicaid showed the largest growth in insured veterans, especially low-income and elderly veterans.** “The RAND report showed that the largest growth of insured veterans was found in Medicaid expansion states, particularly Oregon, Arkansas, Nevada, Kentucky and Washington. Among low-income nonelderly veterans, Medicaid expansion increased enrollment in Medicaid by 8.4 percentage points relative to similar veterans in non-expansion states. Among all veterans there was a 2.4 percent increase.” (CNBC, [11/10/17](#))

- **In Kentucky, after expansion, the number of veterans covered by Medicaid increased by 65 percent.** (Families USA Fact Sheet, table 2, May [2017](#))

**Not all veterans have access to health care through the VA; 1 in 4 people who served in Iraq or Afghanistan are without coverage.**

**A Wake Forest University study found that 1 in 4 veterans who served in Iraq and/or Afghanistan are without coverage.** “One in four veterans who served in Iraq and/or Afghanistan are without coverage, according to a 2016 study by Wake Forest University School of Law. Even if the veteran is able to gain care through the VA, it doesn’t necessarily follow that care is accessible to the rest of the family. They, too, fall into the coverage gap of making too much to qualify for Medicaid, but too little for subsidies on the market.” (NC Policy Watch, [12/13/18](#))

**Veterans are more likely to experience homelessness and suffer from multiple chronic conditions.**

**Veterans are more likely to experience homelessness.** “According to one estimate, the number of veterans without stable accommodation was placed at nearly 58,000 (12 percent of the known homeless across the U.S.) as of 2013. A [cohort study collecting data on 310,685 individuals who served in the military from 2005 to 2006](#) reported a five-year homeless incidence at 3.7 percent after leaving the military.” (Psychology Today, [5/7/17](#))

**Veterans are more likely to have multiple chronic conditions, treatment of which account for approximately two-thirds of total VA expenditures.** “Prior literature has established that Veterans are more likely to have MCC and consequently experience poorer health status.<sup>6,7</sup> Over 30% of Veterans suffer from MCC, accounting for approximately two-thirds of total VA health care expenditures.<sup>8</sup>” (NIH, [5/4/16](#))

**22 percent of veterans in NC have a service-related disability.** “More positively, North Carolina ranks 12th in quality of life—reflecting our weather and the relatively low cost of living—and clearly many veterans choose to stay in North Carolina. But we rank much lower on health care for veterans. Access to health care is critical since 22 percent of veterans in North Carolina have a service-related disability.” (News & Observer, Opinion, [12/7/18](#))

**Medicaid expansion will provide access to care for more than 150,000 North Carolinians with mental illness or substance use disorders.**

**Expanding Medicaid would give more than 150,000 people with substance use disorders and mental illness access to affordable health insurance.** “One thing many states have done is allow people who are in the “coverage gap” (who are uninsured but earn too little to qualify for subsidies to afford insurance on the individual market) to enroll in Medicaid. Thirty-three red and blue states now allow people in the coverage gap to enroll in Medicaid. Closing the coverage gap would give more than 400,000 people access to affordable health insurance, including up to 150,000 with opioid use disorders and other substance use or mental health needs.” (News & Observer, Opinion, [5/21/18](#))

**Roughly half of the overdose survivors taken to emergency rooms in NC in 2017 were uninsured.** “North Carolina had the second-highest increase in the nation of overdose deaths in 2017. In that year alone, there were more than 5,000 visits to emergency rooms due to overdoses. Roughly 50 percent of the overdose survivors were uninsured. The vast majority of people who use substances cite an inability to pay for treatment due to a lack of insurance.” (News & Observer, Opinion, [8/24/18](#))

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