

3-5-15

The Honorable Paul Seaton
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representative Seaton:

I strongly urge the Alaska Legislature to expand Medicaid in July 2015 for the benefit of Alaskans and the Alaska economy.

Nearly 42,000 of our fellow Alaskans will be eligible for health coverage under Medicaid expansion. Expansion improves health outcomes by reducing the number of uninsured Alaskans by half, improving preventative and primary care access, and providing substance abuse treatment and mental health counseling.

There are significant economic benefits associated with Medicaid expansion, which will bring more than \$1 billion in new federal revenue to our state, 4,000 new jobs, \$1.2 billion more in wages and salaries paid to Alaskans, and \$2.49 billion in increased economic activity over the first five years. We should view Medicaid expansion as an economic driver that will positively impact our state's economy as we are faced with declining oil prices and the resulting budget challenges.

In addition to new federal revenue, savings to the state budget have also been identified in the Department of Corrections, the Chronic & Acute Medical Assistance (CAMA) Program and behavioral health grants. In FY2016, the state would realize \$6.1 million in savings. Medicaid expansion is healthy for Alaskans and healthy for the state's budget. We encourage the continued internal evaluation to identify other potential savings and offsets attributable to expansion and reform.

Federal funds will pay for 100% of services provided to the expansion population through 2016 and will transition to 90% in 2020 and beyond. We support Governor Walker's position that Alaska's participation is contingent on the federal match remaining at 90%.

Medicaid expansion will serve as a catalyst for meaningful Medicaid reform. We are pleased to hear that the Department of Health & Human Services has issued an RFP for technical assistance related to reform efforts. Though reform of the current Medicaid program should be of utmost importance, reform efforts should not delay health care coverage for those Alaskans who would be eligible for Medicaid under expansion.

I support Medicaid expansion, recognizing we all have an interest in ensuring that Alaskans are as productive as possible so they can contribute to our communities and economy.

Sincerely,

Sean Jones
Care Coordinator