

HEALTH CARE ON THE LAST FRONTIER



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ALASKA STATE HOSPITAL &  
NURSING HOME ASSOCIATION

# Medicaid expansion: myths and impacts

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# Myth-busting Medicaid Expansion



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- Myth #1: Medicaid expansion blew up the budget. *In FY 18, Medicaid expansion helped the state avoid more costs than it expended in general funds. It essentially saved money.*
- Myth #2: Medicaid expansion enrollees are all able-bodied adults who should just get jobs. *Nearly 8 in 10 expansion enrollees are in working families. The majority are working themselves.*
- Myth #3: Alaska offers a “Cadillac” Medicaid plan, and should offer the “Chevy” version instead. *Optional services include pharmacy, ER and behavioral health. The majority of states have similar optional services.*

# Myth-busting Medicaid Expansion



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- Myth #4: Medicaid is a drag on Alaska's economy. *I'll address that shortly.*
- Myth #5: Hospitals are making a lot of money off of Medicaid expansion. *Medicaid is a cost-based program, so hospitals aren't making big margins off of Medicaid. But Medicaid expansion is helping to keep the doors open in small hospitals.*
- Myth #6: This doesn't affect me. *Pulling this much money out of the health care system will raise insurance and health care costs for everyone.*





# The human impacts of Medicaid expansion



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*47,838 people are covered by Medicaid expansion (as of Jan. 2)*

*Anchorage Daily News Comment, Feb. 5, 2019:*

*Thanks everyone, including myself, that helped pay the medicaid expansion that covered me (much to my surprise!) during my Stage IV Cancer diagnosis and initial treatments. A couple more months and I will be off it and on Medicare-which I and others paid into, too.*

*A true life-saver for me!*

# The economic impacts of Medicaid expansion

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*Report by Jonathan King, Halcyon Consulting Group, February 7, 2019*

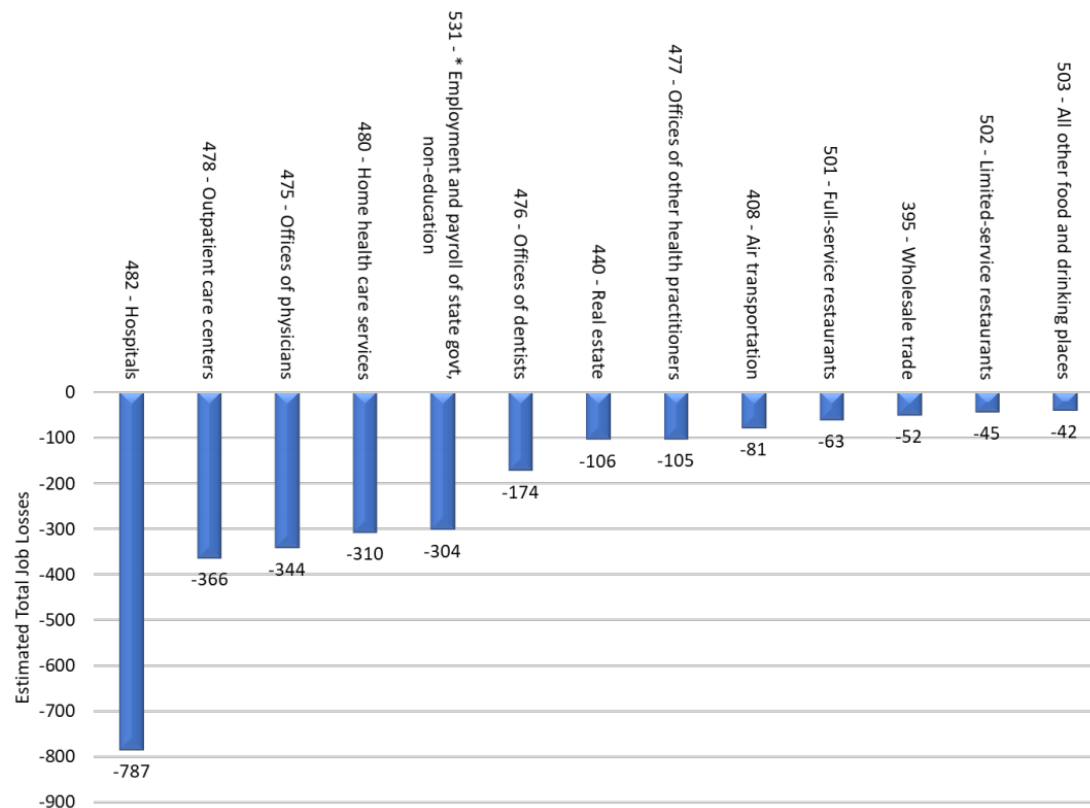
- Eliminating Medicaid Expansion would result in:
  - 3,700 lost jobs
  - \$267 million loss in annual labor income
  - \$556 million loss in annual total economic output (under State Fiscal Year 2018 conditions)
- The total job loss would prevent Alaska's economy from emerging from recession in 2019 and the resulting economic shock could strengthen the recession through 2020 all other things being equal.
- These lost jobs, wages, and economic value are permanently removed from the economy.

# The economic impacts of Medicaid expansion

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Figure 1. Top 15 Affected Employment Sectors, Adjusted Scenario



Source: Halcyon Consulting, 2019.

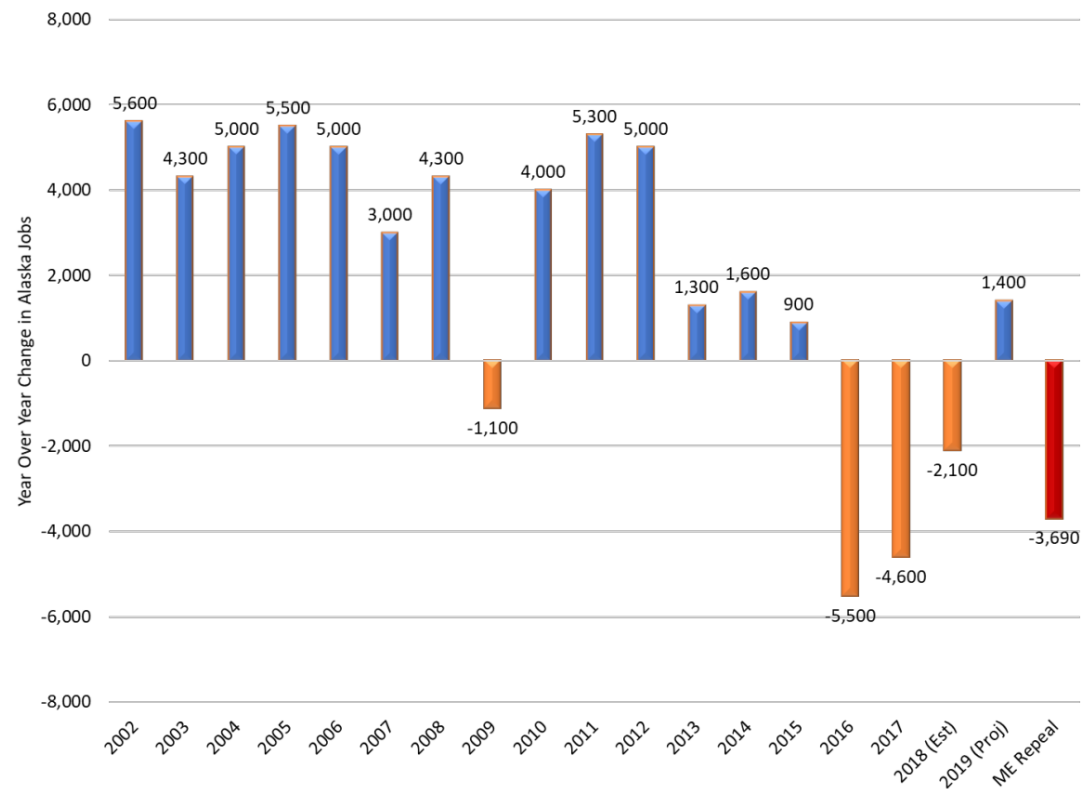


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**Figure 2. Projected Employment Losses Compared to Recent Job Growth, Adjusted Scenario**



Source: Halcyon Consulting, 2019.

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Thank you.

Questions?