

# ALASKA AFL-CIO

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VINCE BELTRAMI  
Executive President



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March 31, 2015

Representative Paul Seaton  
Chairman, HSS Committee  
State Capitol Room 102  
Juneau, AK 99801

Re: HB 148; MEDICAL ASSISTANCE COVERAGE; REFORM

Dear Representative Seaton,

Please include this correspondence in the bill packet for the referenced bill. Following is an opinion piece that was published in the Alaska Dispatch News on March 23, 2015. I would like to submit this on behalf of the Alaska AFL-CIO and to encourage passage of House Bill 148.

## **Medicaid expansion: A low-risk boost to Alaska's prosperity**

Finally, we are on the precipice of one of the biggest projects since the trans-Alaska pipeline that will create thousands of jobs and give the biggest fiscal boost to our state in a generation.

I'm happy to announce this project will create at least 4,000 permanent jobs all around the state. And by 2020, each \$1 million we spend will generate \$28 million more in the economy. The rate of return on investment is better than anything we could hope to earn on the stock market. This project is responsible and will not damage the environment. No permitting will be required. This project will diversify Alaska's economy and reduce our dependence on oil and gas to fuel our economy. And we can get started right now.

Interested? We certainly are. Today Alaska faces an uncertain future. Foreign governments are manipulating oil prices causing our revenue to fall by more than 50 percent in mere months. When will this madness end? No one really knows. But if it continues, we are going to need every job we can get to keep Alaskans working as we either wait out the storm, or adjust to a new reality.

Every job we have is a mortgage that isn't foreclosed upon or a coffee shop that stays open. This allows people paying property taxes to keep delivering the services we all want and expect.

If I were to tell you there was a pipeline project that would generate 4,000 permanent jobs and have a 28 to 1 return on investment, and that certain elected officials were stopping it, Alaskans might teeter on the verge of riot.

Well, this project isn't a pipeline with all its inherent obstacles to fruition; it is much simpler than that. This project can be done with a simple vote of 21 members of the Alaska State House and 11 members of the Alaska State Senate.

So what is this can't miss project? **Medicaid expansion.** In addition to all the benefits listed above, this bill would allow about 40,000 Alaskans to access badly needed health care.

Gov. Bill Walker is already on board. So are we. And so are lots of groups around the state. Just a few listed in an article from November 2013 are the Anchorage Chamber of Commerce, the State Chamber of Commerce, Alaska Native Tribal Health Consortium and Anchorage Faith in Action Together. The Alaska Federation of Natives also resolved to support Medicaid expansion at its 2013 convention. We've also seen many small business owners take it upon themselves to come out in support of the expansion.

The only other somewhat comparable potential project on the horizon is a gas pipeline project. And of course, I support that project wholeheartedly, but let's compare the projects, shall we?

The gas pipeline is a \$65 billion project, maybe more. If it gets the green light, and that's a big if, it won't start for at least three or four years. It's economics are uncertain and the state could be on the hook for billions of dollars. And despite the high risks and high costs associated with this project there are very few Alaskans, and probably no state legislators, who don't support it.

Medicaid expansion, by comparison, is low-risk, and has already been paid for by the collective federal income taxes we all pay. Failure to accept Medicaid expansion in Alaska means other states will gladly take our federal tax dollars for their own expansion.

The federal government will pay all of the cost in the first year, and then will pay the lion's share through 2021. Over a five-year period, the cost to the state would be \$61 million while the federal government would put up the additional \$1.12 billion. This is a smoking deal that will generate an estimated additional \$457 million dollars in economic activity in 2020 alone.

Oh, and about 40,000 Alaskans will also have health care and create the added benefit of driving down premiums for everyone else's health care plans, because folks with insurance won't be getting hit by the impact the uninsured have on those already paying insurance premiums.

At the Alaska AFL-CIO we are all about putting Alaskans to work. This expansion will create 4,000 jobs when we really need them to get through the tough times ahead.

If this were a pipeline, it would be a no-brainer. It still is.

Thank you for your consideration.

Sincerely,



Vince Beltrami  
President