

It supports the economy,
creates jobs and helps
rural hospitals

Has saved state dollars
in other state programs
and services

Provides economic
security for families

Protects the health of
working West Virginians
and their families

Supports work

Supports treatment for
substance abuse

Endnotes

1. West Virginia Health Care Authority 2014 Annual Report. Uniform Financial Reports.
2. In Georgia, South Carolina, North Carolina and Virginia, 9 rural hospitals have closed since 2010.
3. Deloitte, Medicaid Expansion Report 2014, Commonwealth of Kentucky, February 2015, pages 5-6.
4. Ibid. page 6.
5. Patrick Willard, Medicaid Expansion States See Financial Savings and Health Care Jobs Growth, Families USA Blog, March 24, 2015. Fitch Ratings Inc. is one of the three nationally recognized statistical rating organizations (NRSRO) designated by the U.S. Securities and Exchange Commission in 1975.
6. Ibid.
7. Deborah Bachrach, Patricia Boozand and Dori Glanz, States Expanding Medicaid See Significant Budget Savings and Revenue Gains, State Health Reform Assistance Network, April, 2015. Page 8. And conversation with West Virginia Department of Corrections officials in November 2015. In 2013, inpatient medical costs for the Department of Corrections were \$1,553,928. Because of the Medicaid expansion, Corrections incurred no inpatient medical bills in 2014.
8. Jennifer Haley, Genevieve M. Kennedy, Uninsured Veterans and Family Members. State and national estimates of expanding Medicaid eligibility under the ACA. Urban Institute. March 2013.
9. The Oregon Health Insurance Experiment. <http://www.nber.org/oregon/>

WV Medicaid Coalition



A PROJECT OF



West Virginians for
Affordable Health Care

www.wvahc.org

The West Virginia
**MEDICAID
EXPANSION**
is Good for West Virginia



WV Medicaid Coalition



A project of wwahc.org

The State Economy

More than 165,000 West Virginians have gained coverage since January 2014 because of the Medicaid expansion. The West Virginians now covered by Medicaid include people who work in the service industries, hospitality, construction, and the arts. They are veterans and small business people, who have never been able to get insurance before.

165,000 West Virginians have gained coverage through the Medicaid expansion. In SFY 2015, the cost of the expansion was \$701 million; 100% of spending was federal.

More than \$700 million in new federal dollars were spent in West Virginia in the first year of the expansion. This spending translates into new jobs in the health care sector and supports the financial viability of our rural hospitals. With one exception, every West Virginia hospital realized sharp reductions in uncompensated care. Statewide uncompensated care was reduced by 38.3 percent or almost \$265 million.¹ States that did not expand Medicaid have experienced closure of rural hospitals. In West Virginia no rural hospital has closed.²

The West Virginia University Bureau for Business and Economic Research is conducting an analysis of the impact of the Medicaid expansion on jobs and the state's economy and savings to the state budget. West Virginia numbers will be available in 2016.

The Medicaid expansion has been shown to have a positive effect on state economies.

Our neighbor state, Kentucky, estimates that the Medicaid expansion will have a positive cumulative effect of \$30.1 billion on Kentucky's economy and create more than 40,000 jobs by 2021.³ It is also expected to save the state

budget \$819.6 million between SFY 2014 and SFY 2021.⁴

Data from the Bureau of Labor Statistics shows that health care and social services jobs grew more than 30 percent faster between December 2013 and December 2014 in the states that expanded Medicaid than in those that did not.⁵ According to Fitch Ratings, "If this trend continues, it could support a broader economic and tax base for state budgets and improve nonprofit hospital finances in those states."⁶

The Medicaid expansion has also saved state dollars on other health care services both in Health and Human Resources and the Department of Corrections. DHHR reported savings of \$3.8 million in state dollars in pregnancy-related services and the Department of Corrections will save about \$1.6 million per year in state dollars because of the expansion.⁷

West Virginia Families

Individuals and families earning less than 138 percent of the Federal Poverty Level are eligible for Medicaid. In 2015-16, this translates into \$16,242 for an individual or \$27,724 for a family of three. A study by Families USA showed that about 70,000 individuals and families who benefited from the Medicaid expansion were working in jobs such as food service, sales, office and administrative support, cleaning and maintenance, construction, transportation, personal care, production and health care support. West Virginia Department of Health and Human Resources (DHHR) found that 63 percent of all those who signed up for Medicaid had a source of income.

These are jobs that have traditionally not made health insurance available to their employees and individual private policies have not been affordable.

The Medicaid expansion protects these individuals and families from the high cost of medical care and supports their personal efforts to lead healthy lives and get regular preventive care for them and their children.

The end result is healthier workers, healthier children and a future West Virginia where medical bills will not reduce them to poverty or where lack of preventive care creates expensive and long term health problems.

The West Virginia Medicaid expansion is also an incentive to work because people will not lose their health benefits when they take a job.

West Virginia veterans have also benefited from the Medicaid expansion. About 11,000 West Virginia veterans were uninsured and 5,300 had incomes below 138 percent of the Federal Poverty Level qualifying them for the Medicaid expansion.⁸ Veterans have access to Veteran Administration (VA) services but not all have access to a VA facility.

The Medicaid expansion is part of the solution to West Virginia's opioid epidemic.

Finally, the Medicaid expansion is part of the solution to West Virginia's opioid epidemic. For the first time, many people with addiction will have a source of payment for substance abuse and behavioral health services. The availability of funding is expected to lead to the development of new services and much-needed access to treatment. Thanks to the Medicaid expansion, more West Virginians will have access to effective treatment for their alcohol and drug addiction.

While we lack studies on the long-term impact of Medicaid on the health of West Virginia adults, we know that having Medicaid coverage relieves families of stress of unexpected medical bills. An Oregon Medicaid study showed that Medicaid coverage increased health care utilization, reduced financial strain, and reduced depression. The one-year Oregon study was too limited to show any long-term health outcomes.⁹