

Louisiana Medicaid Expansion

FACT SHEET



Medicaid Expansion in Louisiana: Caring for Our Families and Our Economy

Expanding Medicaid under the 2010 Affordable Care Act (ACA) will give hundreds of thousands of low-income Louisianans access to affordable health coverage and grow the state economy. The U.S. Supreme Court's ruling on the ACA put the decision to expand Medicaid coverage to nonelderly low-income adults earning less than 138 percent of the poverty line (\$16,243 a year for an individual and \$27,724 for a family of three) in the hands of the states.¹ 30 states (including Washington D.C.) have expanded Medicaid under the ACA and Louisiana should be the next.

1) SUPPORTING OUR FAMILIES

Medicaid expansion in Louisiana will insure an estimated 330,000 low-income adults and alleviate the financial burdens of sickness and injury to working families.²

- Medicaid coverage has been shown to improve people's health status and financial security.³ Healthier Louisianans means a healthier workforce.
- Three out of five – 60 percent – of adults earning less than 138 percent of poverty are employed or are part of working families.⁴
- Louisiana is home to 622,033 uninsured adults between the ages of 19 and 64.⁵
- Healthcare costs represent 28 percent – \$1,293 – of the monthly estimated budget for a family of three living a modest but dignified standard of living in Louisiana.⁶



2) GROWING OUR ECONOMY

Medicaid expansion has the potential to create 15,600 new jobs and increase economic activity in Louisiana by \$1.8 billion in 2016 through increased healthcare related spending.⁷

- Medicaid expansion could save Louisiana and its localities \$267 million in uncompensated care from 2013 to 2022.
- By increasing jobs and economic activity and lowering costs, Medicaid expansion will boost state revenue.
- In 2016, the federal government will pay all the costs of expanding Medicaid coverage by providing \$1.6 billion in Medicaid funding and \$800 million in hospital reimbursements.⁸
- The federal share will then gradually fall to 90 percent in 2020, and it will stay at that level thereafter.

3) BENEFITING ALL OF US

Poor adults who gained Medicaid coverage were⁹:

- More likely to report improvements in physical and mental health.
- More likely to receive doctor-recommended preventive care, such as testing for high blood sugar or diabetes and mammograms for women.
- 40 percent less likely to borrow money or leave other bills unpaid in order to cover medical expenses.
- Less likely to have an unpaid medical bill sent to a collection agency due to a decrease in medical debt.

4) IMPROVING HEALTHCARE DELIVERY

- Medicaid Expansion supports insurers' efforts to manage care, cut costs associated with chronic disease, and lower their administrative costs.
- Medicaid expansion means fewer gaps in health insurance coverage, lower premiums for insurance in the individual market, and greater predictability for commercial insurers in Louisiana.¹⁰



5) RELIGIOUS VALUES

- Our Catholic moral tradition teaches that healthcare is a basic human right, essential to protecting the sanctity of human life and human dignity.
- The U.S. Conference of Catholic Bishops, and many other faith leaders, specifically support Medicaid expansion in order to move toward universal healthcare coverage.¹¹

6) ARKANSAS "PRIVATE OPTION"

After applying for a section 1115 waiver from the U.S. Department of Health and Human Services (HHS), Arkansas used federal Medicaid funds to purchase marketplace plans – known as Qualified Health Plans (QHPs) – for almost everyone newly eligible for Medicaid in the state.¹²

- Under QHPs, beneficiaries have access to the same benefits and are not subject to higher cost-sharing charges than if they were enrolled in regular Medicaid.

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¹ See <https://www.healthcare.gov/lower-costs/>.

² Kenney, Genevieve M., Stephen Zuckerman, Lisa Dubay, Michael Huntress, Victoria Lynch, Jennifer Haley and Nathaniel Anderson. 2012. *Opting in to the Medicaid Expansion under the ACA: Who Are the Uninsured Adults Who Could Gain Health Insurance Coverage?* The Urban Institute.

³ Center on Budget and Policy Priorities. 2013. *If Low-Income Adults Are To Gain Health Coverage, States Must Expand Medicaid*.

⁴ Ibid.

⁵ Virgets, Stephanie, Kirby Goidel, Stephen Barnes, & Dek Terrell. 2013. *Louisiana's Uninsured Population: A Report from the 2013 Louisiana Health Insurance Survey*. Louisiana State University.

⁶ Jesuit Social Research Institute. 2014. *Too Much for Too Many: What Does It Cost Families to Live in Louisiana?* Loyola University New Orleans.

⁷ Families USA. 2013. *Louisiana's Economy Will Benefit from Expanding Medicaid*.

⁸ Dorn, Stan, Megan McGrath, & John Holahan. 2014. *What Is the Result of States Not Expanding Medicaid?* Urban Institute.

⁹ Finkelstein, Amy, Sarah Taubman, Bill Wright, Mira Bernstein, Jonathan Gruber, Joseph P. Newhouse, Heidi Allen, Katherine Baicker, & The Oregon Health Study Group. 2011. *The Oregon Health Insurance Experiment: Evidence from the First Year*. National Bureau of Economic Research.

¹⁰ Center on Budget and Policy Priorities. 2012. *Why a State's Health Insurers Should Support Expanding Medicaid*.

¹¹ United States Conference of Catholic Bishops. 2009. *Letter to the U.S. Senate on Healthcare*.

¹² Cross-Call, Jesse & Judith Solomon. 2015. *Approved Demonstrations Offer Lessons for States Seeking to Expand Medicaid Through Waivers*. Center on Budget and Policy Priorities.