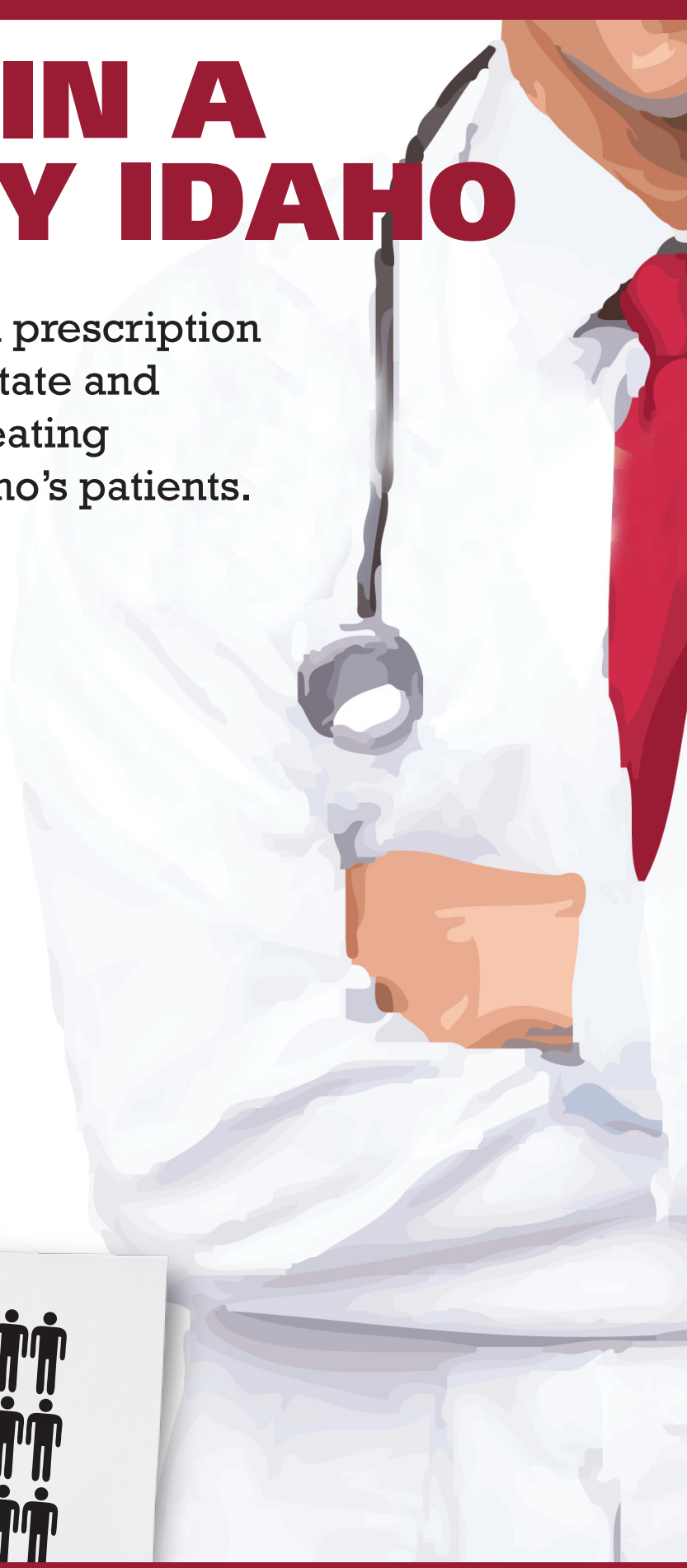


INVEST IN A HEALTHY IDAHO

Expanding Medicaid is a prescription for ending the drain on state and county resources and creating financial stability for Idaho's patients.

By Sheley Secrest



Introduction

This summer, the country watched with anticipation as the Supreme Court determined the fate of the Affordable Care Act (ACA). Signed into law by President Obama on March 23, 2010, the ACA is designed to make health care more accessible to the nation's uninsured, which currently includes more than 50 million people. One of the primary mechanisms of insurance coverage under the ACA is the expansion of Medicaid to adults with incomes below 138 percent of the federal poverty level. This represents the single largest eligibility expansion since the establishment of the Medicaid program in 1965.

After months of hearing hotly contested arguments, on June 28, 2012, the Supreme Court rendered its decision: the ACA stays, and, for the most part, remains undisturbed. However, the ruling did alter one critical component of health care reform: States can now choose whether or not to opt into Medicaid expansion, putting coverage for millions of Americans in jeopardy. Idaho is one of the states that has yet to decide if it will expand its Medicaid program.

Medicaid expansion provides health insurance for those above existing state Medicaid income guidelines who cannot afford standard health insurance. Starting in 2014, the ACA will expand the Medicaid program to cover health insurance for the childless, working poor under age 65 with incomes of about \$15,000 for a single individual, or up to \$26,000 for a family of three. The Medicaid expansion will also meet the health care needs of low-income adults who have disabilities but do not meet the disability requirements of the Supplemental Security Income (SSI) program.¹ If accepted, the expansion could provide vital access to health care for nearly 112,000 newly eligible Idahoans.

Expanding eligibility means all Idahoans, regardless of age and parental status, will qualify if they meet the income threshold — all with minimal state investment. Medicaid expansion is the solution to the ailing health needs of Idaho's working poor. It is the solution that makes financial sense. It is the solution that will save lives.

Expanding Medicaid Is Good for Idaho

Currently, there are about 235,000 Idahoans enrolled in Medicaid, with 70 percent being children from low-income families. Idaho Medicaid also covers people with disabilities, low-income women who are pregnant, and low-income elderly.² In addition to providing comprehensive coverage to thousands of Idahoans, the program also generates economic activity that sustains over 18,000 jobs in the state.³

There are between 83,000 and 138,000 people in Idaho who lack health insurance, according to 2010 Census Bureau data. Health insurance is integral to preserving personal well-being and health. Adults without health insurance are much less likely to receive clinical preventative services. Moreover, chronically ill adults without insurance delay or forgo visits with physicians and clinically effective therapies, including prescription drugs. And the

uninsured are more likely to be diagnosed with later-staged cancer due to delays in seeking care and are more likely to die from trauma or other acute conditions like heart attacks and strokes.⁴

When Idaho's uninsured residents receive emergency care and are unable to pay, counties and the Idaho state government foot the bill. And a program currently established to provide relief to individuals unable to pay their medical bills costs Idaho's counties hundreds of millions, while, in many cases, stripping away everything an individual patient owns.

The Medically Indigent Services Program is a county-based program that helps the indigent pay for necessary medical services. Unlike at the state level, where public health insurance eligibility is based on the applicant's level of income, Idaho's

county program is incident-based and people apply on an “as needed” basis. To qualify for this program, the patient must be ineligible for Medicaid or other state assistance programs, not have access to health insurance that will adequately cover the medical services, and meet the necessary resource or income standards.⁵

Once the sick patient qualifies for the emergency medical care services, they are met with the dilemma of paying the county back. To secure the counties’ financial interests in the medical loan, a lien is often placed onto everything the patient owns in an attempt to recover the money. It is a system in which no one wins — the state’s indigent care takes away what few possessions the patient owns, and fails to fully recover the costs incurred for the patient’s treatment.

“We only collect, I think 10 to 12 percent of that money,” said Kootenai County Commissioner Dan Green. It’s like “trying to get blood out of a turnip.”

Local counties are hit hard with carrying the costs of indigent care. County property taxes are assessed upon its residents to pay the first \$11,000 of each bill, with the state’s Catastrophic Health Care Fund (CAT Fund) covering the remaining amount. Last year, \$51.1 million in state and county funds were spent on Medically Indigent Services; county dollars accounted for 48 percent of the total, while state dollars accounted for 52 percent.

Medicaid expansion would, in effect, do away with this system, shifting costs from state and counties to the federal government, as close to 90 percent of those currently using the catastrophic health care program would qualify for an expanded Medicaid.⁶

The cost to counties has continuously risen in the past few years. Last year, Kootenai County alone spent \$2 million in property tax funds on indigent medical care.⁷ According to reports by Bonneville County Commissioner Roger Christensen, who chairs the board overseeing the fund, property tax levies for medical expenses — which include the CAT Fund — have nearly doubled in the past two years, from \$17.6 million to \$32.5 million.⁸ Between the counties and the state, the program is expected

to cost close to \$60 million this year.⁹

“It’s one thing when your indigent care is setting a broken arm or something,” says House Minority Leader John Rusche, D-Lewiston, a retired physician. “But when you’re talking about cancer treatment, the costs get more and more and more.”

If Idaho chooses to expand eligibility, the projected state savings over the next six years is \$380 million.¹⁰ The legislation would expand the federal-state medical insurance program for the poor to cover the same population that now is at the mercy of county commissioners, and do it almost entirely with federal money.

The September 2012 study conducted by Leavitt Partners concludes that, under a Medicaid expansion, this population would have better access to preventative care, potentially reducing catastrophic illness or injury and, in turn, reducing overall health care costs.¹¹

How Medicaid Expansion Works

The federal government will cover 100 percent of the costs of the newly Medicaid-eligible under the ACA beginning in 2014 until 2016. By 2017, the federal government will cover 95 percent. This will continue until the year 2020, when, thereafter, the federal government will cover 90 percent of the costs.¹²

Estimating how much the 10 percent will cost has caused ridicule and skepticism by some state lawmakers on the financial feasibility of the expansion. To address these concerns, Gov. Butch Otter assembled a 15-member panel of healthcare professionals and hired an outside consulting group, Leavitt Partners, to study the impact Medicaid expansion would have on Idaho’s budget and health care.

Many on the governor’s panel, including Idaho Hospital Association President Steve Millard, say the state cannot afford to opt out of the Medicaid

expansion. “The more preventive care we can do, the healthier people will become and the less it will cost the rest of us,” Millard said. Right now, Millard

says many of the people who aren’t receiving health care through Medicaid end up at emergency rooms for basic ailments that have gone untreated.¹³

The Perspectives of the Uninsured

Those impacted by the decision to expand Medicaid eligibility are people who face profound challenges. The stories of some of these Idahoans shed light onto the personal lives of Idaho workers and their families as they grapple with the challenges faced with being uninsured. Their testimonials offer a glimpse of the tragedies that thousands of Americans face when addressing their health needs.

Cheri Daniel

Like thousands of other Idaho citizens, I have no health insurance. My husband works full-time as a long-haul trucker. Despite his exhausting hours, hard work, and tireless efforts, his job does not offer health benefits and we cannot afford the costs on our own.

I am in my 50s. I applied for Medicaid but was turned down because our household income is too high. We struggle just to pay our daily living expenses. We do not make enough to feed our children and to give us medical insurance. I also don’t qualify because I am not pregnant, nor am I disabled. As a mother, I have a need to protect my health. I want to be around for years to come so that I can take care of my two children. Without the insurance, I am unable to get the important screenings and tests that a woman needs at my age. Things like the early diagnosis of cancer and treatment has proven to be the single factor in the difference between life and death. I do not have access to such life saving services.

When the cold and flu season comes around each year, I live in fear of getting sick. Common illnesses like these can land me and my family in the emergency room where expenses for basic treatment are twice as high for me than for those who receive medical care under their primary physician.

Our family would greatly benefit from the Medicaid expansion.

Krista Ziebarth and Wayne Hawley

Krista and I just celebrated our 15 year anniversary, yet for more than 20 years, I have been without access to health care, including a dentist.

It may sound extreme, but for many years I didn’t have to worry because I had a great job and I was very healthy. Now I am 43 and recently unemployed after my employer closed up shop from the recession. I am really hoping the economy will get back on track and my skills will be needed again. In the meantime, we have been scraping by on my unemployment and Krista’s disability income.

There have been a few instances recently where having some medical coverage would have really helped out. Not too long ago I got sick. I didn’t go to the doctor and it got worse. Krista tried to get an appointment for me at the clinic, but they were so busy, I couldn’t get seen. The nurse at the clinic told me I should go to the emergency room. After a 15-minute visit at the emergency department, I was diagnosed with walking pneumonia. The bill was more than \$600 and I still had to come up with the money for medications. When you’re not feeling well, it’s probably not the best time to stress about how you will afford to keep a roof over you and your families’ head and get the medicine you need to get better again.

Because I do not have a child, I do not qualify for Medicaid even though my income is very low at the moment. Still, I have been a dedicated step-father

to Krista's disabled son. I have supported Krista and helped her with the disability too. I spend a lot of time taking them to their appointment because Krista's disability leaves her unable to drive.

The Medicaid expansion could help people like me caught between the cracks of having access to more affordable health care. Hopefully, when I return to work, my employer will offer health insurance. Until then, stuck on unemployment with access to any health care really sucks.

Anthony Rulla

Shortly after registering for the draft as an adult, I was drafted and served our country stateside during the Vietnam era. I was proud to serve for my country. Now, I am in need of my country to serve me.

Several years ago my mother fell ill and I had to move from my home in Texas to care for her. In Texas I worked for John Deere in the Parts and Repair department. I have no wife and I have no children, so moving to Idaho wasn't hard; but living here, has been an entirely different story. I am 59 years old. Despite my years of work experience, it has been extremely difficult to find a job. To cut back on our living expenses, I moved into my mothers' home; however, we still struggle to meet our most basic needs.

My mother's health issues remain a concern, so I continue to help her and look for work. My own health is beginning to fail. I have high blood pressure, heart problems, and diabetes. I am in desperate need of healthcare. However, because I live with my mom and she supports me with her Social Security, I am over income and do not qualify for Medicaid.

As a result my diabetes and heart conditions are left untreated, creating a not-so-fun circle that could be prevented with access to health care. If I had Medicaid to treat the issues I have right now, it will undoubtedly increase my chances of finding employment again.

Brenda Murphy

I am 61 and my husband is 70. He's retired now and

nearly happy with his Social Security and Medicare. I say "nearly" because I think he would be happier if he could give me his health care benefits. I've had a few health issues that have wreaked havoc on our lives.

Several years ago, I suffered a severe back injury. After draining our accounts, we had to take a reverse mortgage on our home to pay the debt. The bank only gave us half the value. We had no choice but to accept their terms because we really needed the money to pay off my medical bills. The home that we've spent decades working hard to pay off now belongs to the bank. We did what we had to do.

With my existing health issues I continue to need access to health care. So I work as a bookkeeper at the university, but the position is only 19 hours a week with no benefits. My entire paycheck goes to pay the premium for health insurance. It's not a great plan, but it was all I could afford. Still, it leaves me unable to pay for many prescriptions. My husband ends up paying for much of my health care costs out of his income, creating an increased financial burden.

With a Medicaid expansion, my husband and I could stop worrying about the financial burden of having to cut one more expense or having to choose between paying the light bill or paying for my prescription. These tough choices put a strain on what should be a happy retirement.

Aaron Howington

Currently, I have no access to health care other than the emergency room because I fall between the cracks of not being able to afford health insurance and not eligible for Medicaid.

With my income, I can't even afford to pay rent, so I live in a camper in the back of my pickup truck. Many people don't qualify because they don't have children. I have children, but because they don't live with me, I don't meet the eligibility requirements. The frustrating part is that about half of my income from work each month is taken from my pay for child support, but I don't qualify for any help because in the existing Medicaid guidelines look only at the amount that I make, not the amount that I get to take home.

I'm not in bad health or anything, but like most people I do get infections like strep throat that need to be treated by a doctor. Because I don't have other access, I generally wait (hoping other remedies will work) until I am really sick and unable to work before going to the emergency room and seeking treatment. If I had Medicaid I could go the doctor and get treated right away.

Recently, my job required me to get a DOT medical card. I had to have a physical to show that I am in good health to work. The doctor would only authorize my card for one year instead of two because they discovered that I have high blood pressure. Without good health, I may not be able to continue working. I don't know what I would do then. The Medicaid expansion would allow me to get the care that I need to stay healthy and keep my job.

Conclusion

Idaho is faced with an inefficient system that places a heavy burden on state and county resources, and often results in patients losing everything they own. With the passage and upholding of the ACA, Idaho now faces a choice — expand, through the resources of the federal government, the eligibility of Medicaid recipients to cover those who cannot afford health care, or continue to drain state and county coffers while leaving uninsured Idahoans hung out to dry.

More than 135,000 low-income, hard-working adults,

mostly between the ages of 25 to 54, struggle to support their families, yet have no access to health care. Moreover, hospitals and local and county indigent funds are hard hit financially by the costs of covering the uninsured. With changes created by the ACA, starting as early as next year, taxpayers can save \$680 million in costs through federal relief.

By expanding Medicaid to those whose income are below 138 percent of the poverty level, all Idahoans will have access to affordable, quality health care.

Footnotes and References

- 1 Supplemental Security Income is a Federal income supplement program funded by general tax revenues (not Social Security taxes), It is designed to help the aged, blind and disabled people who have little to no income, and provides cash to meet the basic needs of food, clothing, and shelter.
- 2 Idaho Statesman, "Idaho's Medicaid Expansion Workgroup to Meet" September 19, 2012, See at: <http://www.idahostatesman.com/2012/09/20/2279181/idahos-medicaid-expansion-work.html>.
- 3 Alliance for a Just Society, "Medicaid Matters to Idaho Counties: State Investment in Medicaid Means Jobs and Economic Activity," March 2011, p. 5, viewed at: http://allianceforajustsociety.org/wp-content/uploads/2011/03/2011.0302_Medicaid-Matters.pdf.
- 4 Institute of Medicine. America's uninsured crisis: Consequences for health and health care. Institute of Medicine. 2010 (February 2009): Aug. 8, 2012.
- 5 Idaho Statute, Title 31 Counties and County Law, Chapter 35 Hospitals for Indigent Sick
- 6 Id.
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- 8 The News Tribune, "A question for Idaho lawmakers: Expand Medicaid or fight it?" Audrey Dutton (July 21, 2012) See at: <http://www.thenewstribune.com/2012/07/21/v-printerfriendly/2222761/a-question-for-lawmakers-expand.html>.
- 9 Idaho Statesman, Kevin Richert "Medicaid is a Matter of Math not Ideology" Sept 13, 2012. See at: <http://www.idahostatesman.com/2012/09/13/2269724/medicaid-a-matter-of-math-not.html>
- 10 The Spokesman-Review, at note 4.
- 11 Leavitt Partners, Idaho's Newly Eligible Medicaid Population: Demographic and Health Condition Information, at 25 (September 18, 2012).
- 12 Holahan J and Headen I. "Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL." Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 2010. See at: <http://www.kff.org/healthreform/upload/Medicaid-Coverage-and-Spending-in-Health-Reform-National-and-State-By-State-Results-for-Adults-at-or-Below-133-FPL.pdf>.
- 13 State Impact, "Supports of Idaho Medicaid Expansion Speak Out, But Costs Remain a Concern" Emilie Ritter Saunders (August 2012) see at: <http://stateimpact.npr.org/idaho/2012/08/07/supporters-of-idaho-medicaid-expansion-speak-out-but-costs-remain-a-big-question/>.



Idaho Community Action Network (ICAN) serves as a powerful, consolidated voice for Idaho's poor, with chapters and membership clusters in 12 Idaho communities, including the state's three largest cities and numerous rural towns. Through ICAN, low-income Idaho families have a voice in the decisions that impact their lives. In addition to its direct action work, ICAN runs a statewide, volunteer-driven food program that helps low-income families supplement their monthly budgets. ICAN's community organizing model integrates the provision of food with training, leadership development and action on issues.

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