

Issue: Healthcare

Virginians Suffer Big Losses by Not Expanding Medicaid

Virginians, as many as 400,000, are without healthcare because Republicans in the State Legislature have refused to approve Medicaid expansion. The Republican argument that it is fiscally irresponsible is simply untrue. In fact, it is fiscally and morally irresponsible not to expand Medicaid.

Loss of opportunity to create jobs:

Virginia's budget will be net financially positive if we accept Medicaid expansion even when the state must pay 10% of Medicaid expansion costs starting in 2020. The reason is that savings can be realized from several programs that the state currently pays for that will be covered by Medicaid. But more importantly, Virginia's economy will benefit from over \$2.1 Billion/year of federal dollars coming into the State. As many as 15,700 healthcare job will be created, enabling more tax revenues for the state and providing a net positive impact to the state's budget. (1)(2)

Hidden tax paid in insurance premiums:

Families with health insurance pay a hidden tax in their premiums for the uncompensated care delivered to people without health insurance. Health care providers are not compensated for about one third of their costs in caring for the uninsured. These costs are built into the charges by health care providers, and ultimately, insurers add these costs to their premiums. The hidden tax in premiums is approximately \$1,345 per year for a family.(3)

Paying for other state's Medicaid programs:

For the period 2013 to 2022, \$10.5 Billion in federal taxes paid by Virginia's citizens would go to support Medicaid expansion in other states. Assuming the number of taxpayers in 2016 is 2.8 million,(4) this means that, during this period, each Virginian taxpayer is sending \$3,750 of his/her federal taxes toward other states' Medicaid program!(5)(6)(7)

(1) DMAS estimates of ACA Medicaid expansion, August 2015; House Appropriations Committee, Nov. 2016.

(2) "How Medicaid Works" The Commonwealth Institute, Dec. 2015.

(3) <http://familiesusa.org/blog/2017/06/if-millions-lose-health-insurance-we%E2%80%99ll-all-pay-it-our-premiums>

(4) <http://www.truthinaccounting.org/library/doclib/VA-2016-2pager.pdf>

(5) Commonwealth Fund-How States Stand to Gain or Lose Federal Funds by Opting In or Out of the Medicaid Expansion.

(6) The Cost and Coverage Implications of the ACA Medicaid Expansion_ National and State-by-State Analysis-Hollahan, Buettgens, Carrol

(7) Correspondence with Sherry Glied, Dean of the Dept of Public Health, NYU, author of footnote #4 paper.