

Sen. Jordan
8-29

Chairmen and committee members,

We were tasked at our last meeting with bringing forth policy recommendations for the committee to consider. My formal request of you today is that straight Medicaid expansion be the recommendation of this committee. Straight Medicaid expansion would allow every citizen in Idaho below 138 percent of poverty to become eligible for Medicaid and would take advantage of the full federal matching rates. Regardless of political consideration, any recommendation should provide the most economic benefit to the state, and more importantly the most comprehensive solution for the estimated 78,000 Idahoans in the gap.

78,000 Idahoans who do not qualify for Medicaid but earn too little to purchase insurance on the exchange. 78,000 Idahoans forced to go without medications that could manage serious health conditions. 78,000 Idahoans who are forced to wait until a medical condition becomes so bad that they end up in the emergency room accessing care in the most expensive way. I am pleased to be working with all of you knowing that you care about these people and are committed to finding a solution.

Studies have validated initial estimates of 78,000 Idahoans in the gap. While some states have reported enrollments that far exceeded estimates Idaho has had time to learn from these other states and to refresh data and estimates. Director Armstrong indicated in a presentation to this committee that 78,000 remains a good assumption. A Milliman update of the original report also maintained that estimate. On page 12 of our Close the Gap chart book it indicates that the number is likely lower.

Let's talk for a minute about the discussion of whether or not to accept available federal dollars for Medicaid expansion (which are really our tax dollars coming back to Idaho). Idaho receives federal dollars for education, the INL, transportation, labor, agriculture, homeland security, fire protection, military installations and a myriad of other programs. Yet in the past four years, in the face of continued recommendations to the contrary the legislature has not acted to utilize available federal dollars to help the 78,000 Idahoans in the gap. I don't know about you, but I know how much my husband and I pay in federal taxes and

I would love nothing more than to be able to direct some of those dollars home to help my fellow Idahoans. We are already being taxed to pay for Medicaid expansion. The money just isn't coming back to Idaho; it's going to other states. Four years of inaction have left hundreds of millions of dollars on the table that could be growing the Idaho economy. Some of the biggest employers in the state are health care providers. St. Luke's, St. Al's, Kootenai Medical Center and Portneuf Medical Center, in addition Idaho's community health centers will be able to add jobs that will contribute to the economy. In rural communities hospitals are often the area's largest employer and as we heard this morning, rural hospitals across the country have benefited from Medicaid

Steven Peterson, a clinical assistant professor of Economics for the College of Business and Economics at the University of Idaho published a study in August of 2014 entitled "The Economic Impacts of Medicaid and Proposed Medicaid Expansion", and updated the study in 2016.

The original study showed that with full Medicaid expansion 2016 would have seen 14,712 new jobs with total compensation of \$547,900,023, \$20,238,134 in new sales tax revenue, \$10,844,987 in new property taxes revenue and \$15,413,834 in new income tax revenue. According to our own budget analyst, full expansion would net \$32,500,000 in savings to the state and \$23,400,000 savings to counties.

The updated study looked at Option 3.5, a blend of managed care and private insurance. Quoting from a reference to his updated study in the Idaho Statesman, "Peterson estimates that if the expansion had been approved for the current year it would have created 11,787 jobs with a total compensation of \$438,985,884. This, in addition to other increases from sales transactions and increases in the gross state product, would have generated an additional \$16.2 million in sales tax revenues, \$8.7 million in property tax revenues and \$12.3 million in income taxes." Again referencing the chart book, page 31 Appendix B illustrates these numbers.

Quoting once again from the Statesman, "The Idaho Department of Health and Welfare has run figures to estimate the impact on state and local budgets of

expanding Medicaid. Had the expansion been enacted during the current year, they estimate, in return for \$577 million in federal dollars, a net decrease of \$7.7 million in state expenditures and local property tax support decreasing by \$23.4 million. And an additional 78,000 Idahoans would have Medicaid coverage.”

The SHIP Grant is helping to bring costs down for those with coverage. We are seeing the benefits of patient centered medical homes. In 2011, House Bill 260 established managed care requirements which are now being implemented. Because of this I feel that we do not need a waiver. Full Medicaid expansion guarantees managed care, while some exchange programs do not have such requirements.

In a letter to committee members on August 3, Ron Beecher, the Chair of the Region 1 Behavioral Health Board said “Any solution short of comprehensive coverage is not a solution, and we urge you not to conclude your work as a committee until you have a recommendation that provides a solution.”

78,000 of our fellow citizens are suffering needlessly while a solution exists just beyond their grasp. We learned this morning that we can expand Medicaid now, then carefully analyze the cost benefit of any waivers we may need for Idaho as we go forward. Progress will inform the possible. As we implement expansion we will have the opportunity to identify any waivers that may be needed for Idaho’s plan.

We have all heard from all corners of the state about the support for Medicaid expansion. If this committee and by extension the legislature is to recommend something less than a comprehensive solution we would be letting our fellow citizens down. I know we can figure this out. We have to do that in a fiscally responsible way. The most fiscally responsible approach would be straight expansion.