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## Op-ed: Expanding Medicaid would improve Alabama's health, budgets and economy



By Jim Carnes, Special to The Star 23 hrs ago

Imagine being an Alabama leader and having a tool at your disposal that could help families, strengthen the workforce, save rural hospitals, fight opioid addiction, improve the state's health status and grow the economy. The only catch: It was created by members of another political party. That's the dilemma that has kept Alabama from expanding Medicaid for the last eight years.

We're a different country now than we were in 2010, when a Democratic Congress passed and President Obama signed the Affordable Care Act (ACA), making Medicaid expansion possible. With so

much water under the bridge – and the ACA still standing – maybe it’s time to seize one of the law’s more durable provisions and take credit for the good it brings. A new Urban Institute study offers a fresh look at just how much Alabama stands to gain from closing the coverage gap for low-income adults.

The ACA created two major new avenues for affordable health coverage. First, states would raise their income limits on Medicaid to make coverage available to adults earning up to 138 percent of the federal poverty level (\$28,676 a year for a family of three). And second, the Health Insurance Marketplace would offer discounted premiums for private coverage to people with incomes above the poverty level (\$20,780 for a family of three).

With expansion, each state would be responsible for a small fraction of associated costs, topping out at 10 percent in 2020, with the federal government paying the rest. Even after a 2012 U.S. Supreme Court ruling declared that Medicaid expansion was optional for states, 31 states and the District of Columbia seized the opportunity to improve lives, improve communities and improve their budgets for a dime on the dollar. But Alabama and 18 others have stayed behind.

Hundreds of thousands of uninsured Alabama workers are paying the price for that inaction. Under the state’s current rules, adults under age 65 and without a disability can receive Medicaid coverage only if they have a dependent child and earn less than 18 percent of the poverty level (\$3,744 a year for a family of three). In other words, it’s impossible to work a minimum-wage job and receive Medicaid in Alabama.

The flip side of this predicament is that coverage remains unaffordable for low-wage Alabama workers who don’t have employer health plans and don’t earn enough to qualify for Marketplace subsidies. This coverage gap is exactly the problem Medicaid expansion is designed to solve.

The new Urban Institute report estimates that 314,000 Alabamians would enroll in Medicaid if Alabama extended eligibility to low-income workers. That would mean an additional \$1.54 billion in federal funding surging into Alabama’s economy each year under the 9-to-1 federal match rate. It also would mean rural hospitals – like the one in Jacksonville that announced in May that it plans to close – would no longer be bleeding red ink through services to uninsured patients.

Expanding Medicaid would strengthen our state’s budgets as well. Expansion would increase Alabama’s Medicaid enrollment by 33.8 percent, but the increase in state costs would be just 5.7 percent, according to the Urban Institute. That translates to \$97 million more in state Medicaid funding each year. That increase would be more than offset by savings in mental health care, corrections and other services – not to mention the gains from fewer uncontrolled chronic illnesses, fewer premature births and improved worker productivity.

# Close Out Charlie says



A 2017 report in Health Affairs found “no significant increases in spending from state funds as a result of the expansion” in any of the states that expanded Medicaid. For Montana – which has less than a quarter of Alabama’s population – another study identified between \$350 million and \$400 million in new economic activity resulting from Medicaid expansion, supporting 5,000 jobs and \$280 million in personal income each year.

In any other industry, the prospect of such gains would have political candidates of all stripes blowing trumpets and leading parades. And those other economic development plans wouldn’t have the added advantage that this one brings: giving people a new lease on life by helping them get the health care they need.

Isn’t it time we broke the partisan gridlock on the coverage gap? Isn’t it time we demanded that anyone seeking to lead our state offer a vision of a healthier Alabama – and a path to getting there?



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An advertisement for BlueCross BlueShield of Alabama. On the left is the BlueCross BlueShield logo, which consists of a blue cross and a shield with a caduceus. Below the logo is the text "BlueCross BlueShield of Alabama". To the right of the logo, the text "AVOID GAPS in Medicare coverage" is written in a large, blue, sans-serif font. Below this text is a dark blue button with the white text "Download Decision Guide". On the right side of the advertisement, there is a photograph of an elderly man and woman smiling and looking towards the right.