



Expanding Health Insurance in North Carolina

NORTH CAROLINA, ALONG WITH EVERY OTHER STATE, has an unprecedented opportunity to expand health coverage to its most vulnerable residents. Currently, 29 states including DC have expanded Medicaid and an additional 6 states are actively planning and discussing extending insurance coverage.¹ The federal government will fund more than 90 percent of this health insurance expansion. So far, legislators in North Carolina, along with the Governor, have blocked these federal funds from expanding access to health care, boosting the state's economy, and bolstering rural hospitals.

Expanding health insurance in North Carolina would provide coverage to about 500,000 low-income people in the state. More than 300,000 of these people have no other insurance options available to them.²

Expanding health insurance in North Carolina would^{3,4}:

- **Create approximately 43,000 new jobs by 2020.**
- **Bring more than \$2 billion in federal funds to the state every year.**
- **Save the state \$318 million between 2016 and 2020.**

Failing to extend coverage will exacerbate serious health conditions.

Refusing federal funds to cover more North Carolinians means⁵:

- **27,044 diabetics not getting needed medications.**
- **40,000 women not getting recommended preventive screenings.**
- **14,776 more families receiving catastrophic medical bills.**
- **More than 1,000 unnecessary deaths.**

Blocking Medicaid expansion is putting significant strain on hospitals, especially in rural areas. In Georgia four hospitals have closed due to that state's refusal to expand Medicaid.⁶ In Virginia, one hospital has closed.⁷ In North Carolina many hospitals are on life support, Pungo District Hospital in Belhaven has closed.

Tenet Healthcare, a company with hospitals across the nation, noted in its most recent earnings call that the company's positive financial position is due to some states accepting federal money to increase access to Medicaid. Tenet reported that in expansion states Medicaid admissions grew by 17 percent while uninsured and charity care admissions declined by 33 percent.⁸

Analysts with Wells Capital Management say that hospital bonds in states that expand Medicaid will be much more attractive than bonds in states that do not expand Medicaid.⁹

There are many conservative states that have adopted Medicaid expansion including: Arizona, Arkansas, North Dakota, Iowa, Indiana, Kentucky, Michigan, Ohio, West Virginia. Other conservative states such as Florida, Tennessee and Utah are discussing expanding insurance coverage.

Several local governments have urged state leaders to extend health coverage including: the City of Burnsville, City of Durham, City of Greensboro, City of Winston-Salem, Mecklenburg County, Nash County, Orange County, the Yancey County Department of Social Services, and the Towns of Chapel Hill, Eden and Madison.

1. <http://kff.org/health-reform/slide/current-status-of-the-medicaid-expansion-decision/>

2. <http://www.nciom.org/wp-content/uploads/2013/01/Medicaid-summary-FINAL.pdf>

3. [Ibid.](#)

4. <http://www.conehealthfoundation.com/foundation/initiatives/nc-medicaid-expansion/>

5. <http://healthaffairs.org/blog/2014/01/30/opting-out-of-medicaid-expansion-the-health-and-financial-impacts/>

6. <http://www.albanyherald.com/news/2014/feb/15/another-rural-hospital-closed/>

7. <http://www.timesnews.net/article/9067290/wellmont-closing-lee-regional-medical-center>

8. <http://www.tenethealth.com/Investors/Documents/Earnings/Tenet%20Reports%20Results%20for%20Quarter%20Ended%20March%2031%202014.pdf>

9. <http://www.bloomberg.com/news/2013-09-12/states-refusing-expanded-medicaid-fuel-worst-losses.html>