

# Expanding Medicaid in North Carolina: It is critical and fiscally responsible



## FROM THE NORTH CAROLINA JUSTICE CENTER'S HEALTH ACCESS COALITION

- **The Medicaid expansion will provide health insurance coverage to nearly 500,000 low-income North Carolinians.**
- **The federal government will fund the entire cost of the expansion for the first three years. The federal contribution to the Medicaid expansion never falls below 90 percent.**
- **Expanding Medicaid means fewer uninsured North Carolinians, which will save money for the state and for local governments. According to an NC Institute of Medicine Medicaid Brief, the state would save \$65.4 million over the first eight years of expansion.**
- **Medicaid expansion will bring more than \$15 billion in federal funds to the state. This money flows to health care providers and into local economies boosting spending and employment. Regional Economic Model, Inc. estimates that expansion will create 25,000 new jobs by 2016.**
- **Latinos, American Indians, and African Americans in North Carolina report much higher uninsured rates than whites. This translates to worse health outcomes for people of color in the state. The Medicaid expansion will drastically close this gap and ensure access to health services for all people.**
- **In other words, the Medicaid expansion pays for itself while providing needed health insurance to hundreds of thousands of North Carolinians.**

### **THERE ARE REAL COSTS AND CONSEQUENCES TO NOT EXPANDING MEDICAID:**

- **The American Academy of Actuaries estimates that premiums for private insurance will be at least 2 percent higher in states that do not expand Medicaid due to cost shifting and unhealthier people buying subsidized insurance.**
- **The American Academy of Actuaries also notes that in states that do not expand Medicaid more employers will incur penalties for not providing affordable coverage.**
- **In states that do not expand Medicaid low-income legal immigrants will get subsidies to purchase private insurance while low-income citizens go uninsured.**
- **Many hospitals in North Carolina, especially in rural areas of the state, provide millions of dollars in uncompensated care. This strains their budgets and puts pressure on hospitals to get higher payments from private insurance companies. Expanding Medicaid will help alleviate this problem.**
- **Every year that North Carolina delays implementing the Medicaid expansion the state surrenders billions of dollars in federal funds that will go to other states to bolster their economies.**