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# The Benefits of Closing the Coverage Gap by *Expanding Access to Medicaid Coverage*

## Topline Talking Points

Closing the health insurance coverage gap by expanding access to Medicaid would:

- ❖ Cover roughly **half a million North Carolinians** who make too much to qualify for Medicaid but too little to get help to buy a private plan.
- ❖ Reduce the number of uninsured, including **working families and veterans**.
- ❖ Equip NC to **address the opioid epidemic** by providing access to **substance use disorder treatment** and **behavioral health services**.
- ❖ Increase access to **low-cost primary care** and **preventive screenings**, which **reduces dependence on emergency rooms** and increases diagnoses of and treatment for medical conditions.
- ❖ **Create jobs** and **economic activity** for our entire state.
- ❖ Recruit billions in federal funding, **increase state revenue** — in turn practically **paying for itself**.
- ❖ Reduce uncompensated care costs for **our struggling rural hospitals**.
- ❖ Promote **financial security** for patients by **reducing medical debt**.
- ❖ **Reduce premiums** for half a million North Carolinians who buy their own individual private health plans.

## Detailed Talking Points and Data

### Benefits for North Carolinians Who Can Get Covered

#### ■ Improves Public Health:

##### ▶ Fewer Uninsured

- ◇ States that have closed the coverage gap have seen lower uninsured rates as a result, with an average of 7.8% uninsured among the non-elderly population (compared to North Carolina at 13.0%).<sup>1</sup>

##### ▶ Improved Access to Affordable Care

- ◇ Consumers who gain coverage are more likely to have a primary care provider and access preventive care, whereas those in the coverage gap are more likely to rely on the high-cost emergency room for their routine care.<sup>2</sup>
- ◇ Consumers in the coverage gap are more likely to skip out on prescription drugs and forego necessary medical care due to costs.<sup>3</sup>
- ◇ Allows new mothers to avoid losing coverage post-partum so that both moms and babies stay healthy.<sup>4</sup>

- ◇ Within a year of closing the gap in Louisiana:
  - 58,713 enrollees received preventive care.
  - 5,633 women completed screening and diagnostic breast imaging such as mammograms, MRIs and ultrasounds, and 67 women were diagnosed with breast cancer as a result of this imaging.
  - 5,412 adults had colonoscopies, and 1,536 patients had precancerous polyps removed.
  - Treatment began for 1,193 adults newly diagnosed with diabetes.
  - 2,954 patients were newly diagnosed with hypertension.<sup>5</sup>
- ◇ If NC closed the gap, more North Carolinians could get access to the care they need:
  - 27,044 diabetics could get their necessary medications.
  - 39,891 women could get recommended preventive screenings.
  - Up to 1,145 unnecessary deaths would be prevented each year.<sup>6</sup>

### ► Better Health Outcomes

- ◇ Consumers who gain coverage report improved health compared to their counterparts in states that have not closed the coverage gap.<sup>7</sup>

### ■ Helps Address the Opioid Epidemic: ([click here](#) for more detailed talking points on this topic)

- 27% of North Carolinians in the coverage gap reported behavioral health concerns or substance use disorder.<sup>8</sup>
- Only 13% of uninsured North Carolinians with behavioral health concerns and substance use disorders are receiving the treatment they need.<sup>9</sup>
- 144,000 uninsured North Carolinians who need substance use disorder treatment or behavior health services could gain access if we closed the gap.<sup>10</sup>
- West Virginia reduced hospitalizations among uninsured people with substance use disorder or behavioral health problems by 78% after one year of closing the coverage gap.<sup>11</sup>
- Medicaid has covered 700% more substance use disorder treatment since Kentucky closed the coverage gap.<sup>12</sup>
- Over 100,000 people in Ohio's expansion population are now receiving treatment for substance use disorder.<sup>13</sup>

### ■ Improves Household Financial Security:

- Patients with Medicaid coverage experience less medical debt,<sup>14</sup> fewer personal bankruptcies,<sup>15</sup> and less out-of-pocket spending on health care costs.<sup>16</sup>
- Medicaid kept at least 2.6 million Americans out of poverty in 2010.<sup>17</sup>
- Patients who gained Medicaid coverage in states that closed the coverage gap also experienced less *non-medical* debt.<sup>18</sup>
- 14,776 North Carolinians would gain relief from medical debt once they gained coverage through Medicaid.<sup>19</sup>

## Benefits to the State Economy, Budget, Providers, and Others

### ■ Boost to the State Economy

- Closing the coverage gap could create 43,000 new jobs, half of which would be in the health care sector.<sup>20</sup>

- North Carolina forfeits \$10.6 million each day—and \$3.9 billion each year—in federal Medicaid funding by not closing the coverage gap.<sup>21</sup>
- Closing the coverage gap could generate \$21 billion in total business activity and increase the gross state product by \$14 billion.<sup>22</sup>

### ■ Helps our State Budget

- States that closed the coverage gap got \$13.41 for every \$1 they invested into closing the coverage gap.<sup>23</sup>
- Due to the economic benefits and additional federal dollars, closing the coverage gap would nearly pay for itself.<sup>24</sup>
- Closing the coverage gap could increase state revenue by \$860 million.<sup>25</sup>

### ■ Financial Relief for Hospitals and Health Care Providers

- Three rural hospitals in our state have closed since 2013 and seven others hospitals are at high risk of financial distress.<sup>26</sup> Closing the coverage gap allows these hospitals and other health care providers to receive reimbursement for the services they provide to those in the gap.
- Hospitals in states that closed the coverage gap saved \$6.2 billion in uncompensated care.<sup>27</sup>

### ■ Lower Premiums for Everyone Else

- States that closed the coverage gap found that premiums for private health insurance in the individual market were 7% lower than in states that had a coverage gap.<sup>28</sup>

## Background on the Health Coverage Gap in North Carolina

### ■ North Carolina's Uninsured Population

- North Carolina has the 7th highest uninsured rate in the nation— 13.0% of North Carolinians do not have health coverage.<sup>29</sup>
- An estimated 500,000 North Carolinians fall into the coverage gap—those who do not qualify for Medicaid but make too little to qualify for subsidies to purchase a private plan.<sup>30</sup>

### ■ Who's in the Coverage Gap?

#### ▶ Workers

- ◇ 67% of North Carolinians in the coverage gap belong to working families.<sup>31</sup>
- ◇ Many in the coverage gap are employed but do not receive health insurance through their jobs.
- ◇ Workers in the coverage gap work lower-wage jobs in important economic sectors, with over 37,000 in the restaurant and food service industry, 23,000 in construction, and 10,000 working in grocery stores.<sup>32</sup>
- ◇ Most workers in the gap are employed by small businesses.<sup>33</sup>

#### ▶ Veterans

- ◇ 12,000 uninsured veterans could gain coverage by closing the gap.<sup>34</sup>
- ◇ In 2014, North Carolina had 30,000 uninsured veterans, the fifth-highest total nationwide.<sup>35</sup>

### ■ Medicaid Eligibility is Restrictive

- To qualify for Medicaid in North Carolina, you must have a low income and fall into a

specific category: infant or child under age 21; age 65 or older; blind or disabled; in-need of long-term care; etc.

- If you are an adult under age 65 without children and you do not have a disability, you cannot qualify for full-scope Medicaid regardless of how low your income may be.
- A household with two parents and one child must earn no more than \$8,004 per year for the parents to qualify for Medicaid.<sup>36</sup>

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