

## Why Medicaid expansion matters



By **Stephanie M. Jackson**

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Gov. John Kasich's decision to participate in Medicaid expansion will improve the health of Ohio's citizens and boost the Ohio economy.

Currently the Medicaid program insures children, low-income parents and the disabled. The expanded Medicaid endorsed by Kasich will add coverage for a broader range of struggling Ohioans. This expansion will help low-income adults without children, an increased number of low-wage working parents and low-income adults with mental and physical health conditions who do not necessarily qualify for federal disability benefits.

The expanded Medicaid covers most people with an income under 138 percent of the federal poverty level (currently, about \$32,500 a year for a family of four). And ultimately, this expansion improves our health-care system and Ohio's economy.

This expansion will help Lisa (her name has been changed to protect her privacy) — a woman with an income of less than 138 percent of the federal poverty level. She recently came to Legal Aid for help escaping her abusive husband. She had no money, no job and was at risk of becoming homeless. She incurred significant debt from emergency-room medical bills. She suffered extreme pain in her arm and back from untreated injuries.

While Legal Aid could help her regain her safety, she was not eligible for Medicaid, so she could not obtain health coverage. The cost to this woman of not having health insurance was enormous. Now, with Medicaid expansion, she could access the health care she needs.

There are significant societal and economic benefits to Lisa having adequate care.

Prior to Medicaid expansion, the inability to obtain medical coverage was a huge burden to our health-care system.

A gentleman who recently contacted Legal Aid — let's call him Bill — needed help obtaining Medicaid. He, too, had an income of less than 138 percent of the federal poverty level. He had suffered for years from

learning disabilities and emotional distress but was never treated because he never had health insurance. Without a medical diagnosis and treatment records, he could not prove that he was disabled.

This man cycled in and out of community mental-health centers, emergency rooms and free health clinics for years, contributing to costs, using resources but ineffectively managing his health problems.

Ultimately, Legal Aid helped him prove his disability, but with expanded Medicaid, he would have received the appropriate, managed care much earlier in his life and potentially saved the county countless dollars.

Lisa and Bill are similar to thousands of other low-income Ohioans: they struggle to make ends meet. They have little or no access to health care. When all goes well, they can maintain tenuous stability; but if someone loses a job, experiences a severe illness or injury or a home goes into foreclosure, then the same family falls quickly into crisis.

Guaranteed health insurance through Medicaid expansion for low-income Ohioans is an important investment for the state. According to a 2010 Kaiser Family Foundation Report, the federal government will pay 100 percent of the costs for the newly eligible people for three years, and then gradually reduce its portion to 90 percent.

Using 2010 figures, Kaiser estimated that Ohio would receive more than \$17 billion in federal funding, and Ohio would pay only \$830 million. This is an important investment in the health of Ohio's workers and the overall economy in Ohio.

The economic stimulus to Ohio's economy created by Medicaid expansion will be significant. According to research conducted by Ohio State University, The Urban Institute, Regional Economic Models, Inc. and the Health Policy Institute of Ohio, several economic benefits flow to Ohio from Medicaid expansion. The effects of additional federal Medicaid dollars on the Ohio economy for the years 2014 through 2022 include:

- Increased employment per year, ranging from 9,459 jobs in 2014 to a peak of 32,033 jobs in 2018.
- Increased earnings, starting at \$487 million in 2014 to \$2.7 billion in 2022.
- Increased county sales tax revenue, from \$9 million in 2014 to \$62 million in 2022.

Beyond these obvious financial benefits to Ohio, Medicaid expansion strengthens Ohio's work force. With access to health care for more Ohioans, our residents will become healthier. And, with the potential to become more productive, workers will be poised to help with Ohio's long-term growth. As a result, all of us benefit from the healthier community fostered by Medicaid expansion.

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