



Talking Points on Closing the Medicaid Coverage Gap

NC can increase access to affordable health care by Closing the Coverage Gap.

- The “coverage gap” refers to people who earn too much to qualify for Medicaid, but not enough to get help in the private insurance marketplace.
- If North Carolina closed the coverage gap, **400,000** people would get access to affordable, reliable health insurance.
- A family of four earning \$12,000 doesn't have an income low enough for the parents to qualify for Medicaid in North Carolina; but until they earn \$25,100, they don't qualify for subsidies on the Health Insurance Marketplace.
- **63%** of people in the Coverage Gap are from working familiesⁱ
- Uninsured North Carolinians primarily work in occupations that typically don't offer affordable health insurance such as farmers, fishermen, firefighters, veterans, childcare workers, and small business owners.
- 37 states have closed the coverage gap by offering some type of Medicaid program to this population.

Closing the Coverage Gap is good for the state's economy.

- It would bring ~\$4 billion dollars in federal funding into the NC economy each year.
- By not providing help to those who have fallen into the coverage gap, the state will miss out on a potential 43,314 new jobs and more than \$21 billion in state business activity.ⁱⁱ
- Reliable health insurance makes a huge difference for avoiding foreclosures and evictions. In states that have used Medicaid Expansion to close the Coverage Gap, people are 25% less likely to miss a rent or mortgage payment.ⁱⁱⁱ
- When people can get the health care they need, they live healthier lives and are more productive workers. Making sure that more people North Carolina have health care will help our economy.

Leaving people uninsured drives up health care costs for everyone.

- Health insurance premiums for people who buy their own health insurance are 7% lower in states that have closed their Coverage Gap than in states that haven't.
- When people can't afford basic care, they often wind up in the ER with preventable - and very expensive - health crises.
- When patients can't pay for health care costs, including the ER, hospitals often eat the cost. Often, hospitals offset that loss by charging higher rates for insured patients and payors, called “cost-shifting,” and that translates into higher premiums for every individual and employer who buys health insurance, as well as higher out of pocket costs for patients' hospital services.

- There are 30,000 uninsured veterans and an additional 23,000 spouses and children of these veterans who are also uninsured. More than 12,000 of these veterans fall within North Carolina's coverage gap.^{iv}
- NC ranks 39th in the nation in infant mortality. Across the nation, fewer newborns die in states that have expanded Medicaid, than in those that have not. The greatest progress is among African-American infants, who have the highest rate of infant mortality in NC.^v
- In 2017, nearly 5 percent of North Carolina children had no health insurance - that's 119,000 kids going without the care they need. When parents have health insurance, they have healthier babies, are better able to stay healthy and care for their children, and their kids are more likely to have and use health coverage.^{vi}

Closing the coverage gap helps fight the opioid epidemic.

- An opioid crisis is ravaging communities across our state. From 1999 to 2016, more than 12,000 North Carolinians died from opioid-related overdoses^{vii}
- If NC closed its coverage gap, up to 150,000 people with a people who need care for mental health or substance use could get access to insurance coverage.
- Substance use treatment is very expensive. When people don't have reliable health insurance, they often have no option to get the treatment they need to get their lives back on track.
- Access to affordable health care helps people access life-saving treatment.
- Our EMS, foster care, medical examiner, and criminal justice systems are overwhelmed. All of this costs NC \$1.3 billion per year according to the CDC.
- Medicaid expansion could help keep kids out of foster care. Over the past decade, more kids entered foster care due to an increase in substance use, including opioid use, in their families. With Medicaid expansion, uninsured parents could get the treatment they need to become clean and keep their families together.^{viii}

Now is the time to close the coverage gap

- Polling shows that 71% of voters say health care is their top priority.
- Voters in Utah, Idaho, Nebraska, Maine, and Virginia voted in November in favor of closing the coverage gap in their states.
- Now is the right time to act: NC Medicaid is strong and stable and its financial predictability will increase with the transition to managed care.
- Both parties intend to submit bills to close the coverage gap in this legislative session.
- With capitated costs under Medicaid managed care, NC's investment in expansion of Medicaid is fixed.

Medicaid Expansion Works

- Hard-working, low-income families need the security of quality health coverage to get lifesaving care when they need it without facing huge medical bills.
- Adults with low incomes (below 100% FPL) in expansion states were less likely to report having any unmet medical needs (26%) compared to those in non-expansion states (40%).^{ix} The same trend held true for both uninsured and insured (Medicaid and private) adults with low incomes in expansion versus non-expansion states.

- Adults with low incomes (below 100% FPL) in expansion states were less likely to report financial barriers to needed medical care (9%) compared to those in non-expansion states (20%).^x
- Adults with low incomes (below 100% FPL) in expansion states were more likely to report having a usual place of care to go when sick or needing advice about their health and receiving selected health care services (82%) compared to those in non-expansion states (68%).^{xi}

Rural Benefits of Expanding Health Coverage

- Rural residents benefit more from Closing the Coverage Gap than urban residents^{xii}
- Rural hospitals are 84% less likely to close in states that expanded Medicaid

ⁱ <https://www.conehealthfoundation.com/app/files/public/4202/The-Economic-and-Employment-Costs-of-Not-Expanding-Medicaid-in-North-Carolina.pdf>

ⁱⁱ NC Rural Center. <https://www.ncruralcenter.org/2017/12/economic-impact-of-closing-north-carolinas-health-insurance-coverage-gap/>.

ⁱⁱⁱ <https://www.citylab.com/equity/2018/12/obamacare-health-insurance-housing-rent-payments/577099/?fbclid=IwAR1H7d7F58bR3hnlCu2TI5ARY14I0Tv0m3NZG70WJ-jtYIGo5MbxxhE0Ksw>

^{iv} Veterans and Their Family Members Gain Coverage Under the ACA, but Opportunities for More Progress Remain," The Urban Institute, September 2016.

^v National Center for Health Statistics. (2016). Infant Mortality Rates by State. Available from https://www.cdc.gov/nchs/pressroom/sosmap/infant_mortality_rates/infant_mortality.htm

^{vi} <https://ccf.georgetown.edu/2018/11/21/nations-progress-on-childrens-health-coverage-reverses-course/>

Source: Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2017, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS).

^{vii} <https://www.ncdhs.gov/about/department-initiatives/opioid-epidemic>

^{viii} <https://www.ncchild.org/publication/child-welfare-impact-opioid-epidemic/>

^{ix} Access to Health Care for Low-Income Adults in States with and without Expanded Eligibility. Government Accountability Office: September 2018. GAO-18-607. Available at: <https://www.gao.gov/products/GAO-18-607>. Accessed January 2019.

^x Ibid - GAO-18-607.

^{xi} Ibid - GAO-18-607.

^{xii} Wagnerman K, J Alker, and M Holmes. Medicaid in Small Towns and Rural America: A Lifeline for Children, Families and Communities. Georgetown University Center for Children and Families and the University of North Carolina NC Rural Health Research Program. June 2017. Available at: <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>. Accessed January 2019.