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New MIRC Comment

1 message

[redacted] Mon, Oct 14, 2013 at 1:24 PM

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Comment -

Medicaid Innovation and Reform Commission Public Comment.pdf
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TO: Medicaid Innovation and Reform Commission (MIRC)

FROM: Christopher Ramos
Director, Government Relations
American Heart Association

DATE: October 14, 2013

SUBJECT: Comment on Medicaid Expansion under the Patient Protection and Affordable Care Act

The American Heart Association / American Stroke Association supports and advocates for public policies which will help improve the cardiovascular health of all Americans by 20 percent while reducing deaths by coronary heart disease and stroke by 20 percent by 2020. We believe Virginia should adopt Medicaid expansion under the provisions of the Patient Protection and Affordable Care Act in order to better achieve this goal: improving the cardiovascular health of the nation is made more difficult by individuals' lack of access to preventative care and their inability to afford appropriate treatments, medications, and devices – circumstances which are directly impacted by the expansion of Medicaid coverage to the uninsured. As the Medicaid Innovation and Reform Commission debates the merits of this proposal, we offer the following insight on behalf of those impacted – and those who will be impacted – by heart disease and stroke.

- **Medicaid currently serves as an important source of health insurance coverage for patients with heart disease, stroke, and other cardiovascular diseases (CVD). Through Medicaid expansion, it will become an even greater source of coverage for currently uninsured adults with or at-risk for CVD:**

  - 53% of current adult Medicaid beneficiaries, or 16 million Americans, have a history of cardiovascular disease or stroke.
  - Of the 7.3 million uninsured Americans with some form of CVD, an estimated 3.8 million of them stand to gain coverage through the Medicaid expansion.

- **Medicaid provides important benefits to patients with heart disease and stroke, as compared to being uninsured:**

  - According to the only randomized, controlled trial comparing the effect of Medicaid to being uninsured, having Medicaid coverage increased individuals' access to outpatient care, prescription drugs, and hospital care. It also increased the use of recommended preventive care, and those with Medicaid were much more likely than people without insurance to have a regular source of care.[i]
  - For instance, Medicaid beneficiaries with heart disease are twice as likely to take their medication appropriately, compared to those who are uninsured.[ii]
  - Those with Medicaid coverage are more likely to have their blood pressure controlled, compared to the uninsured.[iii]
  - Those with Medicaid are 20% more likely to have been checked for high cholesterol, compared to the uninsured.[i]

- **If Virginia does not expand its Medicaid eligibility, citizens with incomes under 100% of the federal poverty level will likely remain uninsured.** Although individuals with incomes between 100 and 138% FPL will be eligible for tax subsidies to purchase coverage through the new insurance marketplace, Virginians with income under 100% FPL are not eligible for these subsidies.

  - In 2010, 16 million uninsured adults had incomes below 100% of poverty and are likely to remain uninsured in states that don't expand Medicaid. In Virginia, expanding Medicaid will provide

coverage for up to 400,000 individuals.

- **Expanding Medicaid is beneficial to patients with chronic disease, as well as the commonwealth, health care providers, consumers, and employers.**

  - The federal government will pick up 100% of the costs of Medicaid expansion for the first 3 years (2014-2016). Going forward permanently, the federal government will cover at least 90% of the costs. A number of independent analyses have estimated that state Medicaid spending would increase only 1.1% to 1.4% between 2014 and 2019.[iv] In states that opt not to expand Medicaid, their taxpayers will be subsidizing the cost of expansion for those states who do, while receiving none of the benefits.
  - Much of Virginia's costs for expanding Medicaid will be offset by reducing state and local spending for hospital care for the uninsured. In 2008, state and local governments picked up $10.6 billion, or nearly 20 percent, of the cost of caring for uninsured people in hospitals, according to the Urban Institute.
  - Covering more of the uninsured through the Medicaid expansion will reduce the amount of uncompensated care that hospitals and other health care providers provide. The American Hospital Association estimated that uncompensated care cost U.S. hospitals alone $39.1 billion in 2009.
  - According to the American Academy of Actuaries, health insurance premiums in the individual market and state health insurance exchanges will be higher in states that do not expand Medicaid.[v]
  - Employers may be at greater risk of paying "free rider" penalties if states do not expand Medicaid. Under the law, employers with 50 or more workers will eventually be subject to penalties if any full-time employees receive a premium subsidy for coverage in the insurance exchange. In states that opt out of the Medicaid expansion, low-income workers who otherwise might have enrolled in Medicaid might access premium subsidies, thereby putting the employer at risk of penalties.[v]

Thank you for your consideration of the American Heart Association / American Stroke Association's perspective on this vital issue. We look forward to working with the Medicaid Innovation and Reform Commission now and in the future as we work toward building a healthier Virginia, free of cardiovascular diseases and stroke.

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[i] Amy Finkelstein, et al., "The Oregon Health Insurance Experiment: Evidence from the First Year," The National Bureau of Economic Research, *NBER Working Paper 17190*, issued July 2011, available online at [redacted]

[ii] Rice, T., et al. The Impact of Private and Public Health Insurance on Medication use for Adults with Chronic Disease. *Medical Care Research and Review* 62(2): 231-249. Apr. 2005.

[iii] Gandelman, G., Aronow, W. and Varma, R.. Prevention of Adequate Blood Pressure in Self-Pay or Medicare Patients Versus Medicaid or Private Insurance Patients with Systemic Hypertension Followed in a University Cardiology or General Medicine Clinic. *American Journal of Cardiology,* 94(6):815-6. Sept. 15, 2004.

[iv] Matthew Buettgens, Stan Dorn and Caitlin Carroll, "Consider Savings as Well as Costs: State Governments Would Spend at Least $90 Billion Less with the ACA than Without It from 2014 to 2019," The Urban Institute, July 2011. And Lewin Group, "Patient Protection and Affordable Care Act (PPACA): Long Term Costs for Governments, Employers, Families and Providers," Staff Working Paper # 11, June 8, 2010.

[v] American Academy of Actuaries. "Decision Brief: Implication of Medicaid Expansion Decisions on Private Coverage." September 2012. Accessed online at: [redacted]