

Medicaid Innovation and Reform Commission  
201 North 9th Street  
General Assembly Building  
Richmond, Virginia 23219

October 16<sup>th</sup> 2013

The National Women's Law Center (NWLC) is pleased to submit the following comments to the Virginia Medicaid Innovation and Reform Commission in support of extending health insurance coverage to Virginia women through the Commonwealth's Medicaid program.

Since 1972, NWLC has worked to protect and advance the progress of women and their families in core aspects of their lives, with an emphasis on the needs of low-income women. With a staff of over sixty, supplemented by legal fellows, interns, and pro bono assistance throughout the year, the Center utilizes a wide range of tools—including public policy research, monitoring, and analysis; litigation, advocacy, and coalition-building; and public education—to achieve gains for women and their families in education, employment, family economic security, health, and other critical areas. The National Women's Law Center has long advocated for women's health care and reproductive rights. The Center's efforts reflect extensive research regarding women's specific health needs.

The Patient Protection and Affordable Care Act (ACA) extends health coverage to up to 30 million currently uninsured Americans through tax credits to purchase private insurance and a major expansion of Medicaid eligibility. States may accept federal funding to expand coverage through Medicaid to all qualified individuals under age 65 who have incomes below 133 percent of the federal poverty line (FPL), or about \$30,000 for a family of four. The Medicaid eligibility expansion is a crucial part of the health care law—and is a main component of the ACA's strategy for achieving near-universal health coverage. Approximately 15 million uninsured Americans, including 7 million women, will be newly eligible for health coverage through Medicaid.<sup>i</sup> Medicaid is and will continue to be a crucial source of health insurance for low-income women in America. It is vital to women's health that states move forward and accept the federal funding to cover more hard-working women and families through the Medicaid program.

If Virginia chooses to accept the federal funding for this important coverage, at least 169,000 women could gain health insurance.<sup>ii</sup> While estimates vary, over 342,000 Virginians could be eligible for Medicaid coverage. Combined with other reforms in the health care law, expanding Medicaid could reduce the overall uninsured rate by over 51 percent<sup>iii</sup>

Not only is expanding coverage good for the health and economic well-being of women, it is also a good deal for state governments and taxpayers. This coverage opportunity is fully federally funded for 2014 through 2016, with the federal share decreasing incrementally to 90 percent for 2020 and subsequent years for all enrollees within the expansion population. Recent analysis from the Kaiser Family Foundation and the Urban Institute found that the additional state costs of implementing this coverage expansion are small relative to total state Medicaid spending—approximately 0.3 percent more than what states would spend under the ACA without this coverage expansion.<sup>iv</sup> The analysis also found that covering more people through this option would bring in \$14.2 billion dollars of federal funding.<sup>v</sup>

Furthermore, Virginia could also save approximately \$424 million in uncompensated care costs.<sup>vi</sup> Virginia is already spending money to treat uninsured people in emergency rooms. States reimburse hospitals for some of the care they provide to people who are uninsured. In Virginia, this “hidden tax” amounts to an additional \$360 in premiums for individual coverage and \$1,000 more for family coverage in the private market.<sup>vii</sup> By accepting the federal funding to cover more people in the Medicaid program, Virginia can help to ensure more residents have health coverage for preventive care and reduce spending on unnecessary and expensive emergency room care. This is a smarter use of healthcare dollars and a better investment in Virginia’s women and families. Individuals covered through the expansion will receive a comprehensive set of benefits including important preventive health services and screenings, ambulatory patient services; emergency services; hospitalization; maternity and newborn care; prescription drugs; and mental health and substance use disorder services.

The Department of Labor estimates that women make approximately 80 percent of health care decisions for their family.<sup>viii</sup> When the health care system works well for women, entire families benefit. For example, numerous studies show that when parents have access to coverage, they are more likely to make sure their children have coverage.<sup>ix</sup> A study from the Commonwealth Fund found that in states that expanded Medicaid or CHIP coverage to parents, only 14 percent of low-income children were uninsured, compared to 25 percent in states that had not expanded parental eligibility.<sup>x</sup> Virginia has successfully brought the uninsured rate for children down because of Medicaid and the Children’s Health Insurance Program (CHIP) and can build on these gains by extending coverage to more parents. Parents with health care coverage are also more likely to ensure that their children are receiving the health care services they need, such as well-child visits and preventive services. The option to cover more people is crucial to help uninsured parents and young adults get health coverage so that the whole family can get the health care they need.

In addition to increasing access to health care and improving health outcomes, Medicaid increases women’s economic security. Women are more likely to have difficulty paying out-of-pocket costs, often work part-time jobs that lack insurance coverage, and face other life changes that might lead to unstable insurance coverage. Medicaid coverage provides economic security that benefits the whole family. Medicaid beneficiaries are 40 percent less likely to ignore other bills, or borrow money, in order to pay medical expenses.<sup>xi</sup> This means that parents with Medicaid coverage are less likely to forgo paying for other necessary household expenses that are important to their children’s health and security.

Forgoing the federal funds to cover more people in Medicaid creates a gap in health coverage for those who earn too much to qualify for Medicaid and too little to receive tax credits to help them purchase coverage under the health care law. This means that failure to provide expanded coverage through Medicaid would leave vulnerable Virginia residents without an option for health coverage. Recent research conducted by the National Women’s Law Center and the Georgetown Center for Children and Families found that a majority of registered voters are concerned about the so-called “coverage gap” that would be created if their state rejected the Medicaid option. In this national survey, 70 percent of respondents saw the coverage gap as a compelling reason for expanding coverage through Medicaid.

By accepting the federal money—and covering more people—hard-working families will have the security of quality health coverage to get the care they need, when they need it, without facing huge medical bills.

Sincerely,

Judith Waxman

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<sup>i</sup> Genevieve M. Kenney et. al., The Urban Institute, *Opting into the Medicaid Expansion under the ACA: Who are the Uninsured Adults Who could obtain Health Insurance Coverage*, (August 2012) available at [REDACTED]

<sup>ii</sup> National Women's Law Center, "What the Medicaid Eligibility Expansion Means for Women," (November 2012) available at [REDACTED]

<sup>iii</sup> John Holahan, Matthew Buettgens, Caitlin Carroll, and Stan Dorn, The Kaiser Family Foundation, "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State by State Analysis," (November 2012) available at [REDACTED]

<sup>iv</sup> Holahan, "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State by State Analysis."

<sup>v</sup> Kaiser/Urban

<sup>vi</sup> Holahan, "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State by State Analysis."

<sup>vii</sup> Ben Furnas and Peter Harbage, Center for American Progress, "The Cost Shift from the Uninsured," (March 23, 2009) available at [REDACTED]

<sup>viii</sup> United States Department of Labor, General Facts On Women And Job Based Health, available at: [REDACTED]

<sup>ix</sup> Jeanne M. Lambrew, The Commonwealth Fund, *Health Insurance: A Family Affair*, (May 1, 2001), available at:

<http://www.commonwealthfund.org/Publications/Fund-Reports/2001/May/Health-Insurance--A-Family-Affair.aspx>

<sup>x</sup> Lambrew, *Health Insurance: A Family Affair*.

<sup>xi</sup> January Angeles, Center on Budget and Policy Priorities, How Health Reform's Medicaid Expansion Will Impact State Budgets (July 25, 2012), available at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3801>