



October 9, 2013

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

RE: Comment for the October 15, 2013 public hearing on the deliberations of Virginia's Medicaid Innovation and Reform Commission (MIRC)

Dear Sir or Madam:

Young Invincibles is a non-profit, non-partisan organization that works to amplify the voices of young Americans and expand economic opportunity for our generation. As one of the leading organizations focusing on young adults and health care, we thank you for this opportunity to submit comments as the MIRC determines whether or not to expand Medicaid for newly eligible individuals pursuant to the Patient Protection and Affordable Care Act (ACA). In 2014, the changes to the health insurance market will make private insurance more accessible for many uninsured young adults in Virginia. **We urge you to take the additional step of expanding Medicaid to newly eligible individuals.**

Declining to expand Medicaid eligibility will have negative economic consequences for the Commonwealth of Virginia and hard-working Virginians. Specifically, if Virginia decides not to expand Medicaid:

1. Federal income tax dollars paid by hard-working Virginians will go to expanding Medicaid eligibility in other states, when the money could instead be used to provide access to coverage for the Commonwealth's own citizens.
2. Virginians will continue to pay for the costs associated with uncompensated care and providing emergency care to those who will remain uninsured.
3. The next generation of Virginians will be particularly impacted: if Virginia does not expand Medicaid, as many as 161,000 currently uninsured 18- to 34-year olds in Virginia could be left without access to coverage.
4. Low-income workers, and the businesses that employ them, could suffer financially as a result of medical debt and lost productivity.
5. Virginia will create arbitrary distinctions in the ability to access to coverage between working Virginians a) with vs. without children and b) slightly above vs. slightly below the poverty level.

In short, expanding Medicaid in Virginia is good for Virginians, health care providers, and the Commonwealth's bottom line.

1. Expanding Medicaid will help ensure Virginia’s federal income tax dollars go toward providing health insurance coverage for Virginians.

Under the ACA, the federal government will pay 100 percent of the cost of expanding Medicaid to newly eligible individuals for the first three years and no less than 90 percent of the cost in 2020 and thereafter. **Regardless of whether Virginia decides to expand Medicaid eligibility, Virginians will be paying for Medicaid expansion in other states through the federal income taxes they pay.** By expanding Medicaid eligibility, Virginia can help ensure that the federal tax dollars that Virginians pay stay in Virginia, and go toward providing accessible and affordable health care coverage to Virginia residents and compensating Virginia health care providers.

2. Expanding Medicaid will reduce the amount of money Virginia loses providing uncompensated care to uninsured Virginians.

If these Virginians remain uninsured, Virginia will continue to pay the costs associated with providing uncompensated care. **Providing uncompensated care for the uninsured costs Virginia’s health care providers, consumers, and taxpayers’ money.** In its 2011 study, the Virginia Health Reform Initiative (VHRI) Advisory Council estimated that roughly half of uninsured Virginians – about 520,000 individuals – would gain coverage under health care reform. Out of those newly insured Virginians, 80 percent – or 420,000 individuals – would gain coverage through expanded Medicaid.ⁱ The VHRI Advisory Council found that as a result of this increase in coverage, “care for the uninsured (and therefore implicit expense now borne by providers and public plus private payers) is expected to fall by over \$800 million.”ⁱⁱ If Virginia declines to expand Medicaid, 80 percent of Virginians expected to gain coverage could remain uninsured, and Virginia could continue to pay the price – up to \$800 million – for their safety net care.

3. The next generation of Virginians will be particularly impacted: if Virginia does not expand Medicaid, as many as 161,000 currently uninsured 18- to 34-year olds in Virginia could be left without access to coverage.

Nearly one-quarter of Virginians ages 18 to 34 are uninsured.ⁱⁱⁱ Young African-Americans and young Hispanics/Latinos in Virginia are disproportionately uninsured, with black Virginians ages 25 to 34 uninsured at almost twice the rate of their white peers, and Latinos uninsured at more than three times the rate of their white counterparts.^{iv} If Virginia decided to expand Medicaid under the ACA, up to 161,000 currently uninsured 18- to 34-year-olds in the state could be eligible for coverage.^v **If Virginia decides not to expand Medicaid, most of these 161,000 Virginians could be left without affordable coverage.**

A lack of access to health insurance has serious health and financial consequences for young adults. For example, a recent survey of young adults found that 60 percent of uninsured young adults went without needed health care due to cost; 51 percent of uninsured young adults reported they had problems paying medical bills or had medical

debt.^{vi} Not expanding would leave a huge number of the next generation of Virginia's parents, workers, and future leaders without access to affordable coverage just as they are starting their adult lives.

4. Expanding Medicaid will empower low-income and part-time workers and the businesses that employ them.

Expanding Medicaid to newly eligible individuals will help provide financial security to low-income and part-time workers striving to reach the middle class and the businesses that employ them. Imagine Shelly, a 27-year-old Virginia community college student who works part-time while she pursues her degree. She is over age 25 so she's too old to get covered on her parent's plan; as a part-time worker, she may not get coverage through her employer; because she attends a community college, she likely does not have access to a student health plan; and because she is only working part time, she may not make enough money to qualify (i.e. might be below the income eligibility threshold) for tax credits to buy coverage on the new marketplace. In short, without Medicaid expansion, Shelly could remain uninsured. However, expanding Medicaid will allow individuals like Shelly to access coverage and take control of their physical and financial health. Expanding Medicaid will also benefit the Virginia businesses that employ low-income and part-time workers, by ensuring that their employees are able to access preventive care and other needed health care services so they remain healthy and productive members of the workforce.

5. Virginia will create arbitrary distinctions in the ability to access to coverage between working Virginians a) with vs. without children and b) slightly above vs. slightly below the poverty level.

Declining to expand Medicaid eligibility will create arbitrary distinctions between which Virginians have access to coverage and which do not. First, expanding Medicaid to newly eligible individuals would get rid of variations in access to coverage between Virginians with and without children. If Virginia does not expand Medicaid, an individual with dependent children making 52 percent of the poverty level – a little more than \$10,000 a year for a family of three – could qualify for coverage through Medicaid.^{vii} However, an individual without children making 52 percent of the poverty level – a little less than \$6,000 a year for an individual – would not qualify for Medicaid. Expanding Medicaid would eliminate this distinction between low-income Virginians who have children and those who do not.

Second, expanding Medicaid eligibility would eliminate the Medicaid coverage gap for low-income Virginians with children, as well as get rid of stark differences in access to coverage for Virginians slightly above versus slightly below the poverty level. If Virginia does not expand Medicaid, Virginians making between 100 and 400 percent of the federal poverty level could qualify for tax credits to lower the cost of buying coverage on the health insurance marketplace. However, those without children earning between zero and 100 percent of the poverty level would *not* be eligible for tax credits *or* Medicaid. **This will create a situation where someone making 100 percent of the**

poverty level has access to coverage, while someone making 99.9 percent of the poverty level or less does not.

Moreover, failing to expand Medicaid will create a significant coverage gap for low-income Virginians with children. As mentioned, if Virginia does not expand Medicaid in 2014, parents earning less than 52 percent of the poverty level could qualify for coverage under Medicaid, and those making more than 100 percent of the poverty level could qualify for tax credits to buy a plan on the marketplace. **However, Virginia’s parents making between 52 and 100 percent of the poverty level will be left without access to coverage, unless and until Virginia decides to expand its Medicaid program.**^{viii}

In conclusion, we believe that MIRC should recommend expanding Medicaid for newly eligible individuals pursuant to the ACA. By expanding Medicaid eligibility, Virginia can help ensure Virginia’s tax dollars stay in Virginia, reduce the amount that Virginians pay for uncompensated care, benefit Virginia’s young people, low-income workers, and businesses, and eliminate arbitrary distinctions between Virginians in access to coverage. Thank you for your consideration of these comments. Please do not hesitate to email [REDACTED] with any questions.

Sincerely,

Young Invincibles

ⁱ “Report Pursuant to House Bill 2434: Virginia Health Reform Initiative (VHRI) Advisory Council

ⁱⁱ Ibid.

ⁱⁱⁱ “American Community Survey, 3-Year Estimates,” US Census Bureau [REDACTED]

^v Subsidies and Medicaid: CPS Table Creator Analysis, [REDACTED]

“Young, Uninsured, and in Debt: Why Young Adults Lack Health Insurance and How the Affordable Care Act Is Helping,” The Commonwealth Fund, 2, accessed October 8, 2013, [REDACTED]

“Medicaid Eligibility for Adults as of January 1, 2014,” The Kaiser Commission on Medicaid and the Uninsured, 2-3, accessed October 8, 2013, [REDACTED]