
THE BRIEF

WHAT YOU NEED TO KNOW ABOUT THE PLAN TO EXPAND MAINE'S MEDICAID PROGRAM

Medicaid expansion is **NOT** free!

- According to DHHS Commissioner Mary Mayhew, expansion will cost Maine **\$102,100,000** by FY 18-19.
- The Kaiser Institute study predicting savings for Maine under Medicaid expansion is **methodologically flawed** for the following reasons:
 1. It's a national model that assumes every state expands (clearly flawed since all states are not expanding)
 2. Study lacks state-specific data and spending information (admitted in the study)
 3. Assumes savings that aren't guaranteed (reduction in uncompensated care, shifts from general fund)
- The Heritage Institute study, which predicts savings for Maine, is **also flawed**:
 1. Its data comes from the flawed Kaiser study, which it replicates
 2. Heritage itself calls its projected savings "highly speculative," as they assume reductions in charity care with Medicaid expansion
 3. Yet Heritage points to Maine as an example of why the savings are speculative, saying that charity care in Maine was not reduced when Medicaid was last expanded.

Maine cannot rely on the federal government's promises!

There is nothing stopping the federal government from reducing its matching rates faster than promised within 10 years or after.

- The feds have reduced Medicaid matching rates significantly in recent years. Maine is seeing a 1.02 percent reduction in FMAP from 2013 to 2014 alone. That fiscal uncertainty, combined with a history of refusal by legislators to constrict Medicaid benefits, has given Maine its current budget woes.
- A massive federal debt and the political brinksmanship in Washington threaten uncertainty around Medicaid funding. Can we really expect such a dysfunctional system to keep its promises?
- Expanding Medicaid will leave Maine with a welfare system that it can't afford and does not have the political will to curb. Lawmakers on the left have proven themselves incapable of saying 'no' to more medical welfare. Ever-higher taxes on an already weak economy are the inevitable result.

The hospital debt is not a result of charity care, it is a result of the last Medicaid expansion!

- Expansion proponents argue that expanding Medicaid addresses the hospital debt "head-on," but thanks to payment reforms instituted in the 2011 biennial budget, hospital debt is no longer accruing. **The only way to address the hospital debt head-on is to pay it.**
- From 2002 to 2011, Medicaid enrollment in Maine **increased 78 percent** to its current 361,000 people. During the same time, the Medicaid **bills owed to Maine hospitals increased** from about \$86 million to nearly \$500 million. **The hospital debt is directly correlated with our past Medicaid expansion.** The BDN published an excellent analysis on point two months ago: <http://tinyurl.com/brq3jqf>
- Furthermore, Medicaid's **share of the state budget has almost doubled** in the past 15 years, increasing from 13 to 25 percent, **crowding out funding for education** and other important functions of state government.

The federal government will pay for health insurance for Maine's poor even without expansion!

- Even if Maine opts out of Medicaid expansion, Mainers with incomes from 100 to 400 percent of the federal poverty level are **eligible for a federally-funded tax credit** to pay for private health insurance under the Affordable Care Act. There are over 40,000 Mainers in the 100-138% of federal poverty level that would be covered under Medicaid expansion, but would ALSO be eligible for federally subsidized health insurance under the exchange, an option that covers them without burdening Maine taxpayers or growing a government program. Why should Maine throw 40,000 people on MaineCare when they can get private health insurance in the exchanges?
- This poses a far better opportunity to **reduce the number of uninsured Mainers** than Medicaid expansion. Under the last expansion, Maine did not see a reduction in the number of uninsured individuals, as many simply moved from private insurance to Medicaid.
- With individual private health insurance costs plummeting in Maine thanks to the reforms implemented under PL 90 in 2011, Mainers have the opportunity to obtain health **insurance without being dependent** on a government program. Maine taxpayers would not be put on the hook.

By opting out of Medicaid expansion, Maine will not be sending tax dollars elsewhere!

- No other state will see more money if Maine opts out of expansion. There is not a set amount of money to fund expansion nationwide and be distributed among the states. Each state is eligible for a certain amount. If Maine opts out, it will save the federal government money.
- Maine is a net receiver of federal funds, taking more benefits from the federal government than it provides the federal government in tax revenue. That will not change as a result of the decision to accept or decline federal Medicaid expansion dollars.

CODE ORANGE

- **Write to your State Senator and Representative and tell them you are against Medicaid expansion!**

Information courtesy of David Sorensen, Communications Director, Maine House

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