A GOOD OPPORTUNITY AND A REAL SOLUTION:  
Health Care For Low-Income, Working Nebraskans Under The Affordable Care Act

A strong economy, job creation, vibrant communities and healthy children all depend on a health care system that works for Nebraskans. We need healthy Nebraskans with the skills and ability to work if we are going to draw new business to the state and create new jobs. We need access to health care for Nebraskans who want to start businesses. And we need to ensure that our children are healthy enough to learn well and become productive members of our society.

To protect and grow the state’s economy, we have to address health care access for the 217,000 Nebraskans who are uninsured today.1 States have a great opportunity under the Affordable Care Act to improve access to health care for the working uninsured in Nebraska. The ACA creates a new program that will provide coverage to persons under the age of 65 who have incomes below 138% of poverty, but who don’t qualify for Medicaid. This new option provides Nebraska with a cost-effective opportunity to provide health care coverage for a segment of the population who find it very difficult to purchase coverage in the private market. It will slow health care costs and help ensure that all Nebraskans are healthy and ready to work and ready to learn.

As even those who oppose the law have noted, this is an opportunity we can’t afford to pass up.

Billions of dollars will be returned to the state economy.

• 100% of the cost of expanding coverage to working uninsured in Nebraska under this new Medicaid program would be covered by the federal government for the first three years, 95% will be covered in the fourth year, 94% in the fifth year, 93% in the sixth year and 90% will be covered after that.

• $2.3 to $2.7 billion would be returned to Nebraska’s economy through these federal funds from 2014-2019.2

• In FY 2011, Medicaid spending in Nebraska, with state and federal funds combined, was under budget by $62,788,933.3

Tens of thousands of Nebraskans will gain health care coverage.

• At least 50,000 to 70,000 uninsured Nebraskans would gain health care coverage through this new program under the ACA.4

• The number of uninsured Nebraskans with incomes below 133% of poverty would be cut in half.5

• Without the Medicaid expansion there is no avenue for health care access for Nebraskans with incomes below 100% of poverty who are not eligible for the existing Medicaid program since those individuals will not be eligible for tax credits that would help them purchase coverage through a Health Insurance Exchange.

Expanding coverage will slow rising health care costs and can promote economic growth.

• The estimated annual cost of uncompensated care for hospitals in Nebraska alone is over $888 million dollars. That enormous cost is then passed on to Nebraskans and businesses in their

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premium rate increases. Additional uncompensated care costs are paid for by the state and counties.

- Coverage under the new program would allow as many as 110,000 Nebraskans to access more affordable preventative care, including integrated behavioral health care, manage chronic illnesses and disabilities, and avoid more expensive care, helping to lower health care costs.

- A 10% expansion of Medicaid eligibility has been shown to decrease bankruptcies by roughly 8%.

- A 2011 study found that the addition of $100,000 in federal funding for Medicaid decreases unemployment and the majority of this benefit was outside of the health care sector.

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3 Nebraska Department of Administrative Services, Annual Budgetary Report Fiscal Year 2011. The amount reflects the difference between the amount budgeted and the actual expenditure for Program 344 – Children’s Health Insurance and Program 348 – Medical Assistance.
4 Holahan and Headen, “Kaiser Commission on Medicaid and the Uninsured: Medicaid Coverage and Spending in Health Reform,” The report estimates between 50,364 and 71,053 new enrollees in tables 1 and 2; Letter from Robert M. Bamler of Milliman to Ms. Vivianne Chaumont dated November 10, 2010. An estimate of 46,856 can be obtained from Table 2 by summing uninsured adults and newly eligible parents. The full enrollment scenario is ignored as it is declared unlikely by Professor Leighton Ku of the George Washington University in a letter to Bruce Lesley dated September 2, 2010.
5 Holahan and Headen, “Kaiser Commission on Medicaid and the Uninsured: Medicaid Coverage and Spending in Health Reform”, in tables 7 and 11.
6 Nebraska Hospital Association
7 Holahan and Headen, “Kaiser Commission on Medicaid and the Uninsured: Medicaid Coverage and Spending in Health Reform”, in tables 11 which calculates the total number of potential participants in the new program under a high participation rate assumption.