RESOLUTION 14-01

Passed 8-0
Grauser absent.

SUPPORTING THE FULL EXPANSION OF MEDICAID IN INDIANA THROUGH THE AFFORDABLE CARE ACT

WHEREAS, Indiana ranks poorly in measures of health. We are 41st out of all 50 States in overall health, with our position falling four spots since 2011.[1] We are a disgraceful 47th in infant mortality;[2]

WHEREAS, While Indiana's overall health ranks poorly relative to other States, within Indiana, Monroe County's ranking in overall health has improved. Over the last year, the County's ranking has risen from 17th to 11th of all 92 Indiana counties. However, Monroe County's obesity and smoking rates are still higher than goal rates;[3]

WHEREAS, Under the federal Affordable Care Act (ACA), States have a choice to allow access to health insurance coverage through the Medicaid program for residents living under 138% of the Federal Poverty Level (currently $26,951 per year for a family of three). Expanded Medicaid would cover screenings, doctor visits, prescriptions, dental and vision, mental health, and hospitalizations;

WHEREAS, Because Indiana ranks poorly in measures of overall health, when considered in relationship to most other States, Indiana stands to gain more relative to other States in improved health outcomes by expanding Medicaid;

WHEREAS, There are between 800,000 and 900,000 uninsured Hoosiers. Approximately 350,000 of these uninsured Hoosiers do not qualify for traditional Medicaid and earn too little to be eligible for subsidies to purchase insurance in the Indiana Health Insurance Exchange.[4] These are primarily working adults ages 19-64 who work in retail, education, temporary agencies, home health, childcare, and other jobs with lower wages and minimal benefits. Many are working more than one job. Without access to some version of Medicaid, these Hoosier neighbors will continue to have no option for health insurance;

WHEREAS, An estimated 4,265 residents of Monroe County fall into this gap;[5]

WHEREAS, An estimated 13,700 uninsured veterans in Indiana could qualify for the Medicaid expansion;[6]

WHEREAS, The Medicaid expansion is 100% federally funded for the first three years (2014-2016) and at least 90% federally funded thereafter. The cost to Indiana taxpayers has been estimated to be between $50 and $150 million per year[7] (this compares to Indiana's current annual cost of $1.9 billion for traditional Medicaid);[8]

WHEREAS, The State share of the cost of Medicaid expansion can be completely covered by other savings. The State currently collects cigarette taxes designated for the Healthy Indiana Plan (HIP). In 2013, these taxes amounted to $122.9 million; furthermore, the balance of the HIP trust fund is currently $320.2 million.[9] These sources of HIP revenue alone would cover the State's share of Medicaid expansion. Any costs of expansion must be considered alongside expansion's savings, such as savings to off-site prisoner health expenses and the cost of the Indiana Comprehensive Health Insurance Association (the "high risk pool," which is being phased out);[10]

WHEREAS, Costs are also outpaced by potential revenue. The federal share for Medicaid expansion would mean $10.5 billion in revenue coming into Indiana through 2020 at a rate of $1.5 billion a year. Spending by the federal government on Medicaid expansion would generate an estimated $2.4 to $3.4 billion in new economic activity in Indiana from 2014 to 2020, which could finance over 30,000 jobs through 2020.[11] Medicaid expansion would increase State and local tax revenue by $108 million a year;[12]

WHEREAS, Uncompensated care cost Indiana hospitals nearly $3 billion in 2011 ($1.7 billion in uncompensated care, plus $1.2 billion in bad debt). A recent study determined that Medicaid expansion would reduce the amount of uncompensated care provided in Indiana by $2 billion from 2014-2019.[13] If Indiana does not move forward to maximize coverage, planned Medicare payment cuts under the ACA could lead to the closure of Indiana hospitals, which would reduce access for patients and eliminate high-paying jobs in communities across the State. Indeed, Indiana hospitals are already announcing layoffs;[14]

WHEREAS, Indiana is positioning itself to be a leader in health care, biotech, and life sciences industries. Expanding Medicaid will strengthen these industries by providing greater access to health care for those who would not otherwise seek it, thereby creating a greater demand for health-related services and products;

WHEREAS, By declining to expand Medicaid, Indiana sends the message that we are hostile to the needs of some of our State's most vulnerable residents – an unfriendly message that could incentivize some residents and businesses to leave the State and may discourage others from locating here;

WHEREAS, The Healthy Indiana Plan currently covers approximately 39,000 people, and does not meet the minimum requirements of the ACA in several areas, including pregnancy or dental care, the provision of annual ($300,000) and lifetime ($1 million) financial caps on coverage, and caps on enrollment.[15,16] This presents significant problems with using HIP as a vehicle for Medicaid expansion;

WHEREAS, All the States surrounding Indiana - Kentucky, Ohio, Michigan, and Illinois - have already elected to expand Medicaid, making us "an island of the uninsured."[17] Other States that have expanded Medicaid include: Washington, Oregon, California, Nevada, Arizona, New Mexico, Colorado, North Dakota, Minnesota, Iowa, Arkansas, West Virginia, Maryland, Delaware, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, and the District of Columbia;

WHEREAS, As Indiana lawmakers have forfeited Medicaid expansion for 2014, this year, Indiana taxpayers' federal tax payments will be applied toward the expansion of Medicaid in *other* States;

WHEREAS, A recent study of the Oregon Medicaid Experiment found that Medicaid coverage decreased rates of depression, increased use of preventative services, and nearly eliminated catastrophic-out-of pocket medical expenditures;[18]

WHEREAS, A recent study in the *New England Journal of Medicine* concluded that for every 176 adults covered under expanded Medicaid, one death per year could be prevented.[19] In 2010, there were 499 deaths in Indiana due to lack of health care coverage among persons age 25-64;[20]

WHEREAS, Illness and medical bills are the cause of 62% of personal bankruptcies nationally.[21] In 2004 there were 55,177 bankruptcy filings in Indiana with 27,782 classified as medically related -- this translates into approximately 106 medical bankruptcy filings every business day.[22] Another study found that a 10% expansion of Medicaid eligibility has been shown to reduce bankruptcies by 8%;[23]

WHEREAS, Governor Pence and elected leaders in the Indiana General Assembly have thus far declined to expand Medicaid through the ACA, essentially rationing healthcare for poor working Hoosiers;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. The expansion of Medicaid would be the largest increase in healthcare coverage in the State of Indiana since the initiation of Medicaid and Medicare in 1965. As public officials elected to protect the health, welfare, and safety of Bloomington residents, we call on the Governor and the Indiana General Assembly to move forward as quickly as prudently possible to fully expand Medicaid under the requirements of the Affordable Care Act, in order to benefit all people in Indiana. It is the right thing to do morally and financially, for patients and healthcare providers, and for children and their parents.

SECTION II. We direct the City Clerk to send a copy of this resolution, duly adopted, to the Governor of Indiana and to members of the Indiana General Assembly representing Bloomington.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 22nd day of JANUARY, 2014.

DARRYL NEHER, President
Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 23rd day of JANUARY, 2014.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 23rd day of January, 2014.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This resolution is sponsored by Councilmembers Sandberg, Mayer, Ruff, Granger, Sturbaum, and Rollo, and calls for full Medicaid expansion in Indiana through the federal Affordable Care Act (ACA). Under the ACA, States may choose to expand Medicaid to Hoosiers living under 138% of the Federal Poverty Level, thereby providing healthcare coverage to those residents who do not qualify for traditional Medicaid, but who earn too little to be eligible for subsidies to purchase health insurance in the Indiana Health Insurance Exchange. Approximately 4,265 Monroe County residents fall into this gap. Expanded Medicaid would cover health screenings, doctor visits, prescriptions, dental and vision, mental health, and hospitalizations. The resolution points out that Medicaid expansion will provide substantial health and economic benefits to the State and its residents. Expanding Medicaid in Indiana will afford many more Hoosiers access to vital health services, improve the mental and physical health of thousands, prevent bankruptcies, and save lives. Through 2020, Medicaid expansion will bring in $10.5 billion to the State and will spur the creation of 30,000 jobs in Indiana. The resolution calls upon the Indiana Governor and members of the Indiana General Assembly to move forward as quickly as prudently possible to fully expand Medicaid in Indiana under the requirements of the Affordable Care Act.

Note: This resolution was revised after it was distributed in the weekly Council Legislative Packet to include Councilmember Rollo as an additional sponsor.

Signed copies to:
legal
controller
CFR - Woolery
Stone

governor Pence
5 State Reps, Mayfield, Pierce, Heaton, Ubelhor, Koch
2 State Senators, Steaps, Steele

REFERENCES

[1] D. Goldblatt, Indiana Public Media, 12/11/12, "Report Ranks Indiana Among Ten Least Healthy States" http://indianapublicmedia.org/news/indiana-ranks-ten-worst-states-health-41524/

[2] V. Renderman, Northwest Indiana Times, 8/6/13, "Health commissioner: Indiana infant mortality rate is 'horrible'" http://www.nwitimes.com/business/healthcare/health-commissioner-indiana-infant-mortality-rate-is-horrible/article_1e6b99d9-e6d8-5ffa-b569-4ff83b613223.html

[3] Indiana Indicators http://indianaindicators.org/CountyDashboard.aspx?c=105

[4] Cover Indiana Factsheet: http://www.coverindiana.org/wp-content/uploads/2013/11/FactSheet-VersionR.pdf

[5] Kaiser Family Foundation, "How will the uninsured in Indiana fare under the Affordable Care Act?" January 6, 2014 http://kff.org/health-reform/fact-sheet/state-profiles-uninsured-under-aca-indiana/

[6] The Pew Charitable Trusts, "A quarter-million uninsured vets will miss out on Medicaid expansion." May 29, 2013, http://www.pewstates.org/projects/stateline/headlines/a-quarter-million-uninsured-vets-will-miss-out-on-medicaid-expansion-85899479107

[7] J.K. Wall, Indianapolis Business Journal, 11/26/12, "Medicaid expansion could cost $54M a year" http://www.ibj.com/medicaid-expansion-could-cost-54m-a-year/PARAMS/article/38122

[8] Indiana State Budget Agency, 2011-2013 budget: Health and Human Services: http://www.in.gov/sba/files/ap_2011_c_6_5_hhs_data.pdf

[9] Indiana State Budget, Health and Human Services: http://www.in.gov/sba/files/ap_2009_c_6_5_hhs_data.pdf

[10] Indiana Comprehensive Health Insurance Association (ICHIA):http://www.onlinehealthplan.com/

[11] J Simpson *et al,* "Medicaid Expansion in Indiana" February 2013, Indiana Hospital Association https://www.ihaconnect.org/Insight/Documents/Special-Reports/IHA REPORT_Medicaid Expansion in Indiana_FEB 2013.pdf

[12] Indiana Hospital Association, Facts about Coverage Expansion: https://www.ihaconnect.org/Advocacy/Pages/Coverage-Expansion.aspx

[13] Buettgens M, Dorn S, Carroll C. "Consider Savings as well as Costs: State Governments Would Spend at Least $90 Billion Less with the ACA than without It from 2014-2019." Washington, DC: The Urban Institute/Robert Wood Johnson Foundation; July 2011. http://www.urban.org/uploadedpdf/412361-consider-savings.pdf.

[14] J Stimpson *et al,* "Medicaid Expansion in Indiana" February 2013, Indiana Hospital Association https://www.ihaconnect.org/Insight/Documents/Special-Reports/IHA REPORT_Medicaid Expansion in Indiana_FEB 2013.pdf

[15] A Gates *et al*, Kaiser Family Foundation, 12/18/13," Healthy Indiana Plan and the Affordable Care Act" http://kff.org/medicaid/fact-sheet/healthy-indiana-plan-and-the-affordable-care-act/,

[16] Healthy Indiana Plan, Home: http://www.in.gov/fssa/hip/index.htm

[17] S. Kennedy, 11/19/13, "Our Own Desert Island" http://sheilakennedy.net/2013/11/our-own-desert-island/

[18] K Baicker *et al,* "The Oregon Experiment – Effects of Medicaid on Clinical Outcomes." New England Journal of Medicine, May 2, 2013, http://www.nejm.org/doi/pdf/10.1056/NEJMsa1212321

[19] BD Sommers *et al*, "Mortality and access to care among adults after state Medicaid expansions. *New Engl J Med.* 2012, 367:1025-1034. doi: 10.1056/NEJMsa1202099."

[20] K Bailey, *Dying for Coverage: The Deadly Consequences of Being Uninsured.* Washington, DC: Families USA; 2012.

[21] D Himmelstein *et al* "Medical Bankruptcy in the United States, 2007: Results of a national study" American Journal of Medicine, June 4, 2009

[22] Information provided by Dr Himmelstein, *Ibid,* http://www.pnhp.org/bankruptcy/state_by_state.pdf

[23] T Gross and M Notowidigdo. "Health insurance and the consumer bankruptcy decision: evidence from expansions of Medicaid. "*J Public Econ.* 95:767–778. doi:10.1016/j.jpubeco.2011.01.012.