



---

# **AFFORDABLE CARE ACT EXPANSION**

**The Texas State Employees Union supports and endorses the full expansion of Medicaid coverage to all Texas adult citizens living at or below 133% of the Federal Poverty Level in accordance with the provisions of the Patient Protection and Affordable Care Act of 2010.**

## **WHY TSEU SUPPORTS THE ACA**

1. Texas families need this now: Medicaid already helps over 2.5 million Texas children, but Medicaid covers only about 225,000 of their parents. Getting parents the health coverage they need is one of the best things we can do to ensure the economic stability and future of Texas families.
2. It is a fantastic deal for Texas: The federal government would cover the entire cost of expanding Medicaid for the first three years. The federal contribution would gradually decrease to no less than 90% of the total, which translates over 10 years to only \$15 billion of state funds needed to gain close to \$90 billion from the federal government. In the first 5 years alone, Texas would fund \$3.1 billion and would gain \$27.2 billion in federal match. This is an amazing opportunity to cover uninsured Texans and draw dollars into our local economies.
3. It addresses a persistent need: Texas has the highest rate of uninsured (24%) and underinsured in the country. By accepting the Medicaid solution along with increased private coverage for higher-income Texans, the ACA can cut the number of uninsured in half or better. The Medicaid opportunity alone would ensure 1.5 million more Texans could get medical care they need, but without it, only half as many Texans will gain coverage and those with the greatest need will be left out.
4. It brings Texan communities and the state a windfall: Texas economist, Dr. Ray Perryman, has projected that expanding Medicaid would be an economic windfall for our state, generating \$1.29 in state revenue, increasing local government tax collections by another 51 cents, and saving local governments \$1.21, all for every \$1 in Texas funds spent.
5. Lives would be saved: Preventive care would become available for newly eligible Medicaid participants, saving both money and lives. One analysis predicts 9,000 Texan lives per year may be saved.
6. There would be lower premiums for Texans with private insurance: When those without insurance seek medical care in hospital emergency rooms, hospitals must deal with the uncompensated care costs. They pass those costs on through higher prices for insurance companies, who in turn raise insurance premiums for insured Texans. This "hidden health tax" will shrink and touch fewer insured Texas families when more Texans have health care.
7. Local taxpayers would get a break: Because county taxes go to help pay for uncompensated care costs, it is the counties and hospital districts that benefit and could offer tax relief or enhanced services when uncompensated care costs fall, as more people have Medicaid.
8. Local services would get a break, too: All of Texas' big urban counties have hospital districts with programs in place to take care of the uninsured, such as CareLink in Bexar County or the Medical Assistance Program in Travis County. These programs could save hundreds of millions of dollars annually because many of their patients would be covered under the Medicaid expansion.
9. Hospitals are counting on this solution: Texas hospitals today spend over \$5 billion every year on uncompensated care, nearly all of which is supported by local property tax dollars, but without the benefit of the 9 to 1 match Texas would receive under the ACA's Medicaid expansion opportunity. Medicaid currently provides hospitals with the greatest uncompensated care costs with "disproportionate share hospital" (DSH) payments. These are going to be reduced under the Affordable Care Act because of the assumption that the Medicaid expansion and increased private insurance under the ACA would help to decrease uncompensated care costs. Accepting the new Medicaid coverage and the enhanced federal dollars will help support our hospitals.