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Renate Pore: Capito should support Medicaid expansion

CHARLESTON, W.Va. -- Health reform is still being debated in the U.S. Senate, but as we get closer to the end, it looks like both versions of the bill will have very good news for West Virginia. In addition to providing subsidies for higher-income people, the House bill would provide coverage through Medicaid for an estimated 104,000 West Virginians, who can't afford to buy health insurance coverage. The Senate bill would cover almost as many.

These are the hard-working West Virginians who work at low-wage jobs that don't provide coverage. They are the single moms, who work as waitresses and the nursing assistants who take care of our elderly. They are workers over age 50, who after a lifetime of hard labor, can no longer meet the physical demands of their job and, who are too young to qualify for Medicare. They are widows, who lost their insurance when they lost their husbands. They are people who pay taxes but do not make enough money to buy health insurance and do not qualify for any public program.

Last month, Rep. Shelley Moore Capito, R-W.Va., voted against the reform measure in the House and raised fears among state lawmakers by suggesting that West Virginia can't afford the Medicaid expansion. She said, "we're having trouble making ends meet right now, so it seems only appropriate to take a look at how the plan passed . . . would play out on state balance sheet."

Capito, who voted for the drug coverage for Medicare recipients and continuation of the Children's Health Insurance Program, should not be afraid to vote for a Medicaid expansion. The Medicaid expansion is a good deal for West Virginians. It will help thousands of low-income parents and other adults, who can't afford to buy coverage, and it will reduce the burden of uncompensated care that is paid by all of us through higher insurance premiums. Furthermore, the proposed Medicaid expansion will create new jobs, increase wages and stimulate the economy.

The Medicaid expansion that passed the House would not impact the state budget for the first two years because the federal government will pick up 100 percent of the cost. Thereafter, the state share would be 9 percent under the House version and only 5 percent under the Senate bill. The federal government pays the rest.

The West Virginia Center on Budget and Policy estimates that the Medicaid expansion would bring in \$419 million in new federal dollars the first year (2013) and a total of \$ 3.192 billion for a period of seven years. The state share under the House passed bill would be between \$40 million and \$48 million a year from 2015 to 2019. The state share seems like a lot of money, but it really isn't, when considering that an increase in the tobacco tax could bring in \$100 million a year, more than enough to support the Medicaid expansion.

Families USA, a Washington, D.C., think tank showed how a Medicaid expansion will bring in new dollars, create new jobs, raise wages and increase business activity. They estimate that every \$100 million in new federal dollars would create 1,900 new jobs, \$64 million in new wages and create \$183 million in new business activity. In short, not just those affected by having health coverage will benefit. Everyone will.

If an entrepreneur promised to invest over \$3 billion in West Virginia over seven years, I'm sure all the politicians would embrace the opportunity without a second thought.

A study completed by CCRC Actuaries earlier this year shows that, while a Medicaid expansion costs more in federal and state dollars, it will save many more millions in health costs for employers and families. The analysis was commissioned by a group of organizations that included West Virginians for Affordable Health Care, Blue Cross and Blue Shield, the State Chamber of Commerce and the West Virginia State Medical Association. CCRC Actuaries based their

projections on 60,000 additional West Virginians receiving Medicaid coverage in 2014. Under this scenario, the expansion would cost the state and federal government about \$162 million but would save West Virginians \$238.8 million in charity care and save West Virginia households another \$591.5 million in out-of-pocket health-care costs, freeing up dollars that people can spend on other goods and services.

Clearly Rep. Capito and state lawmakers should welcome the Medicaid expansion in the health-reform proposals before Congress. Overall, the health-reform proposals can be an important part of improving the lives of more than 100,000 West Virginians and ushering in economic growth and other opportunities for West Virginia

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