



NORTH CAROLINA DEMOCRATIC PARTY

Friends,

Behind closed doors, away from the glare of public scrutiny, Governor McCrory signed into law the NC General Assembly's short-sighted rejection of the fully-funded federal Medicaid expansion.

Republican legislators, led by Senate Leader Phil Berger, have been distorting the facts about what this means for our everyday, hardworking North Carolinian families. Here's the truth: expanding Medicaid in North Carolina would create jobs, increase economic activity and provide health care to hundreds of thousands North Carolinians.

The North Carolina Institute of Medicine said Medicaid expansion would:

- Create a high of approximately 25,000 new jobs by 2016 and about 18,000 sustained jobs by 2021.
- Help generate an additional \$1.3 to \$1.7 billion in state domestic product per year.
- Save North Carolina \$65 million from SFY 2014-2021.
- Provide insurance coverage to approximately 500,000 North Carolinians, most of whom would remain uninsured without the expansion.

The "fiscal responsibility" argument championed by Gov. McCrory, Leader Berger and Speaker Tillis falls flat on its face when you consider the following:

- The federal government will pay 100% of the cost of Medicaid expansion for the first three years, 94%, 93% and 92% for the next three years and 90% of the costs thereafter.

Rhetoric vs. Reality: Debunking Republican distortion about Medicaid expansion:

Rhetoric: 80% of the new Medicaid recipients nationwide already have private insurance and only 14% are uninsured.

Reality: Republicans claim this statistic comes from a 2011 study commissioned by the U.S. Department of Veteran Affairs. But, the author of the study, Steve Pizer, an associate professor of Health Policy and Management at Boston University, has said this claim is false:

Steve Pizer: "Although it's true that Medicaid expansion nationally will result in substantial numbers of individuals moving from private to public insurance, in a state like North Carolina this will be much less of a problem. North Carolina has relatively high uninsurance rates and currently restrictive Medicaid eligibility policies. This means new Medicaid enrollees in North Carolina will have lower incomes and be more likely to be uninsured than in many other states. The proposed Medicaid expansion would be an effective means to reduce uninsurance in this vulnerable population as well as among the low-income population more generally."

Concluding Key Points:

- North Carolina hospitals support expanding Medicaid. North Carolina Hospitals Association spokesman Don Dalton said that otherwise, state hospitals could face job losses due to increased costs: "Without Medicaid expansion, our community hospitals can expect to continue providing huge amounts of charity care and writing off similar, if not increasing, amounts to bad debt."
- North Carolina hospitals that serve rural areas would be disproportionately hurt by the state rejecting expanded Medicaid. Currently, hospitals that serve large numbers of uninsured patients receive federal money to help pay for the care, but that funding will be phased out over the next few years with the intention that expanded Medicaid would replace the funding. If North Carolina rejects expanded Medicaid, these hospitals will suffer the consequence.
- North Carolina taxpayers still pay the same federal taxes as everyone else – rejecting expanded Medicaid means our tax dollars will go towards supporting health care for people in other states, and not in North Carolina.
- Eight Republican governors across the country have endorsed expanded Medicaid for their states: Jan Brewer of Arizona, Rick Scott of Florida, Rick Snyder of Michigan, Brian Sandoval of Nevada, Chris Christie of New Jersey, Susana Martinez of New Mexico, Jack Dalrymple of North Dakota, and John Kasich of Ohio.

Please forward this information out to your individual county lists for Letters to the Editor and continued focus on this important issue. Our Governor can hide behind closed doors and support restricting healthcare access to our working families, but as Democrats, we're not afraid to operate in the daylight and fight for our values.

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Randy