

RESOLUTION NO. 2014-09

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

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

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 overall health statistics, when considered in relationship to most other States, Indiana stands to gain more relative to other States in improved health 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. 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 71,000 residents of Lake County fall into this gap;

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

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 (this compares to Indiana's current annual cost of \$1.9 billion for traditional Medicaid);

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. 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);

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. Medicaid expansion would increase State and local tax revenue by \$108 million a year;

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. 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;

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 Health 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 cap on coverage, and caps on enrollment. 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.” 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;

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. In 2010, there were 499 deaths in Indiana due to lack of health care coverage among persons age 25-64;

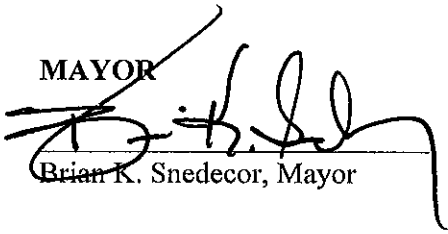
WHEREAS, Illness and medical bills are the cause of 62% of personal bankruptcies nationally. In 2004 there were 55,177 bankruptcy filings in Indiana with 27,782 classified as medically related – this translates into approximately 106 medical bankruptcy filings every business day. Another study found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

NOW, THEREFORE, LET IT BE RESOLVED AS FOLLOWS:

That the Common Council of the City of Hobart supports the full expansion of Medicaid in Indiana through the Affordable Care Act, and urges the Governor and the Indiana General Assembly to implement the expansion in Indiana.

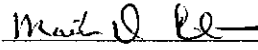
APPROVED AND ADOPTED by the Common Council of the City of Hobart on this 7th day of MAY, 2014.

MAYOR

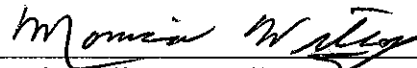


Brian K. Snedecor, Mayor

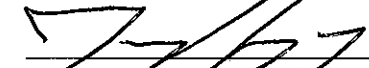
HOBART CITY COUNCIL




Matthew Claussen, Council at Large



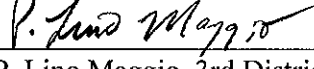
Monica Wiley, Council at Large



Jerry Herzog, 1st District Council



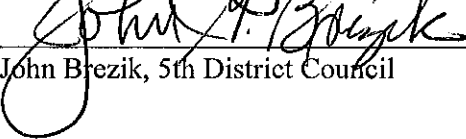
Pete Mendez, 2nd District Council



P. Lino Maggio, 3rd District Council

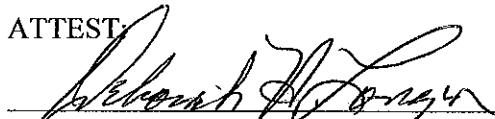


Dave Vinzant, 4th District Council



John Brezik, 5th District Council

ATTEST



Deborah Longer, Clerk-Treasurer