



***Medicaid Reform & Expansion in Alaska:
Don't believe everything Outside interest groups tell you.***

MYTH: *Once Alaska accepts federal Medicaid expansion money, we can't get out.*

REALITY: **There is no penalty for dropping Medicaid expansion.**¹ Gov. Walker's bill makes Alaska's participation contingent on the federal government maintaining at least a 90 percent match.

MYTH: *Alaska can't afford to expand Medicaid.*

REALITY: **Gov. Walker's reform and expansion bill adds no new costs to the state.** Through 2016, the federal government will cover 100 percent of newly enrolled Alaskans. After that, the federal share steps down to 90 percent in 2020 and beyond. The state will generate savings by using federal Medicaid dollars to pay for services we now pay entirely with state money. The projected savings will cover the state's match.

MYTH: *We shouldn't take additional federal Medicaid money because it will add to the federal deficit.*

REALITY: **We don't turn down federal money for education, transportation and the military, and we shouldn't turn it down for health care.**

MYTH: *We'll lose control over our Medicaid program.*

REALITY: **There are no new requirements with Medicaid expansion,** apart from covering Alaskans earning up to 138 percent of the federal poverty level.

MYTH: *If you're on Medicaid, there's no incentive to work.*

REALITY: **Access to health care enables people to stay healthy and join or stay in the workforce.** Individual Alaskans who earn \$20,314 (\$9.76 an hour) a year or less, or married couples earning a combined \$27,490 a year or less qualify for Medicaid expansion. Medicaid doesn't put money in their pockets, it provides access to basic health care.

¹ "In previous guidance, we notified states of the opportunity to extend coverage, and the absence of federal financial penalties if a state does not do so, or if it does so and later drops the coverage ... **There is no requirement for a state to maintain coverage for the new adult group.**" – Letter from Secretary of Health and Human Services Sylvia Burwell to Gov. Bill Walker, March 6, 2015

MYTH: *The state's 10 percent will be too costly.*

REALITY: **This is the same match we pay for our federal highway and aviation dollars.** Moreover, the money we save will cover the state's match.

MYTH: *Only special interest groups support this proposal.*

REALITY: **Alaskans across the political spectrum support the governor's approach.** Dozens of Alaska organizations including chambers of commerce, faith groups, local governments, Native groups, and health providers are on record supporting Medicaid expansion coupled with responsible reforms. Most of all, individual Alaskans who need health coverage or recognize the importance of health care for their friends, neighbors and relatives, have stood up to support this.

MYTH: *Medicaid expansion has been a failure in other states.*

REALITY: **States that participated in federally funded Medicaid expansion have experienced significant savings.** Kentucky saved \$9 million and Arkansas saved \$17.5 million in the first year alone. There is also evidence of broader benefits. For example, uncompensated care fell by 31 percent in Arizona in the first six months of Medicaid expansion.

MYTH: *The governor is proposing expansion before Medicaid reform.*

REALITY: **The governor is leading the way on Medicaid reform.** The administration is seeking federal waivers so we can save money by implementing Alaska-based solutions. The governor proposed \$20 million in state Medicaid cuts through efficiencies and tightening program rules. The governor is committed to making Medicaid affordable over the long term.

It's the right thing to do.