

## MEMORANDUM

To: All Members of the House of Representatives

From: Representative Mark B. Cohen, Chairman  
Human Services Committee

Date: September 24, 2012

Subject: Co-sponsorship: A Resolution Urging Pennsylvania's Participation in the Affordable Care Act Medicaid Expansion

I plan to introduce a resolution next week urging Governor Corbett to adopt the ACA Medicaid expansion, ensuring that 682,000 Pennsylvania's who are currently uninsured will have health care coverage. Please join me in asking Governor Corbett to expand Medicaid for the following reasons:

Medicaid currently only covers low-income children, their parents, the elderly and low income people with disabilities. In 2014, the Patient Protection and Affordable Care Act will expand Medicaid to include non-elderly adults who are not disabled, do not have minor dependent children and with income less than 133% of poverty (\$15,302 for an individual or \$31,155 for a family of four).

The federal health reform law will provide federal financing, at 100% FMAP (Federal Medical Assistance Percentage), for all newly eligible adults for the first three years of the expansion. The expansion FMAP goes to 95% in 2017, 94% in 2018 and 2019 but will never be less than 90% for 2020 and beyond.

Because the expansion will vastly reduce the number of uninsured individuals in Pennsylvania, even higher savings will result from the elimination of the current cost shift from the uninsured to the insured and the elimination of state reimbursements for uncompensated care costs to health care providers. The American Hospital Association has said they only agreed to the elimination of uncompensated care reimbursements, called DSH payments, because they expected all states to adopt of the Medicaid expansion. If Pennsylvania does not adopt the expansion, our hospitals might be forced to pick up the entire cost of care for the uninsured.

Even more compelling is a recent study by Harvard medical researchers finding that when states expanded their Medicaid programs to include more of the uninsured, fewer died. The data, adjusted to compare like populations in expansion to non-expansion states, showed a decline of 2,840 deaths per year for every 500,000 adults enrolled in Medicaid.

If you would like to co-sponsor this resolution, please contact Linda Huntington in my office at 787-4991 or [lhunting@pahouse.net](mailto:lhunting@pahouse.net).