

**March 21, 2013**  
**A2Y Chamber Statement of Support for Medicaid Expansion Inclusion**

The A2Y Regional Chamber supports the inclusion of Medicaid expansion in the governor's FY 2014 budget recommendation. Governor Snyder's proposal calls for a deposit of 50 percent of the savings achieved from the expansion to be deposited into a special health savings account for the first seven years, through 2020. The account will help cover the increased share of the costs when the federal government scales back its funding from 100 percent for the first three years to 90 percent beginning in 2020. The Affordable Care Act calls for states to expand their Medicaid programs to include those who earn up to 138 percent of the Federal Poverty Level (FPL), or about \$15,400 per year for an individual. Expanding Medicaid to cover up to 138 percent of the FPL means that routine and preventative health care will be provided to about 320,000 Michigan citizens in the first year. More than 470,000 will be covered by 2021, reducing the amount of Michigan's uninsured by about 46 percent.

We encourage our state legislators to implement this proposal in their upcoming budget. Upwards of \$30 billion will flow into Michigan from 2014-2023 by leveraging the federal funds made available through the Affordable Care Act. In addition, the state's General Fund will see between \$1.1 and \$1.2 billion in savings through 2020.

The benefits to business and our broader community are numerous:

- Medicaid expansion will **protect employers from penalties** under the federal Affordable Care Act (ACA). Reducing the number of uninsured will ease the burden on employers, who will be subject to federal penalties beginning in 2014 if they do not offer affordable health care options for employees.
- Medicaid expansion will result in a **more productive work force** by giving employees more access to preventative care, meaning less sick days due to illness.
- Expansion will **save businesses money** by lessening the cost shifting resulting from uncompensated care and that makes employers' health insurance premiums higher than they should be.
- Improving Medicaid coverage will reduce uncompensated care by hospitals, physicians and other providers and will **reduce cost-shifting to local taxpayers**, the private insurance market, and individuals.
- Emergency room use by the uninsured population is costly to Michigan hospitals and taxpayers. Creating access to primary care providers **reduces more costly emergency room visits** and decreases hospitals' uncompensated costs.
- Expansion will **generate additional business activity**, by increasing Medicaid payments to hospitals, physicians and other providers, in turn creating new jobs in health care, one of our largest employers. Healthcare providers will expand their staffs and construction firms will be hired to expand or build new health facilities. Michigan businesses in many sectors will **benefit from the newly hired healthcare employees buying goods and services**.
- Finally, monies saved by Medicaid expansion can be used for **other important and pressing budget issues** facing Michigan and its efforts to attract, retain and grow a successful business climate.

For these reasons we call upon the Michigan Legislature to include the Medicaid expansion proposal in the State's FY 2014 budget.

