

## It's time to expand Medicaid and close Alabama's coverage gap

1. **Nearly 300,000 Alabamians with low incomes would benefit from Medicaid expansion.**
  - People in the coverage gap earn too much to qualify for Medicaid, but not enough for an affordable private health insurance plan on the Marketplace. This leaves them in the health coverage gap.
  - The vast majority of people who would gain coverage through Medicaid expansion are working. More than 100,000 Alabamians in the coverage gap hold jobs that are important but pay low wages. Thousands more are self-employed, serve as caregivers or attend school.
  - People who work low-wage jobs and can't afford private coverage are among the Alabamians who would benefit from closing the coverage gap. So are workers who are between jobs, uninsured veterans, adults who are caring for children or older family members and people who are awaiting SSI determinations.
  
2. **We can afford it now. Medicaid expansion comes with a \$619 million signing bonus.**
  - States that close their coverage gap will receive a 5-percentage-point increase in the federal match rate for Medicaid for two years. This is thanks to an incentive in the American Rescue Plan Act.
  - An increased federal match rate would bring \$619 million to Alabama over the next two years.
  - The state's cost to close the gap in the first two years would be roughly \$423 million. That means nearly \$200 million in additional federal funding would come to our state above and beyond the cost to extend Medicaid coverage up to hard-working Alabamians. And that doesn't even count other budgetary savings for the state and the revenue generated by thousands of new jobs across Alabama.
  
3. **Closing the coverage gap helps workers stay employed.**
  - States that have closed the coverage gap have seen a greater increase in labor force participation among people with low incomes than in non-expansion states. One in three Alabama adults have a disability.
  - Injuries or manageable illnesses like diabetes can get so severe for those without health coverage that they prevent people from working or leading healthy lives.
  - People with disabilities are more likely to be employed in states that have expanded Medicaid than in states that haven't.
  
4. **Sixteen rural hospitals are at *immediate risk* of closing. Medicaid expansion can keep them operating.**
  - Expanding Medicaid will help more rural residents afford health care services and reduce the financial losses experienced at hospitals from serving uninsured patients or providing uncompensated care.
  - Research shows that a rural hospital being located in a Medicaid expansion state decreases the likelihood it will close by an average of 62%.
  - Rural hospitals in states that have expanded Medicaid coverage have more sustainable median operating margins compared with rural hospitals in non-expansion states.
  
5. **Medicaid expansion can help strengthen mental health care services in Alabama.**
  - We need more coverage and better care for Alabamians with mental health conditions. Medicaid expansion would allow more people with these conditions to access the vital care they need.
  - Alabama's mental health care and substance use treatment providers deliver nearly \$50 million worth of uncompensated services each year. Closing the coverage gap could drastically reduce this amount and allow more mental health services to be provided to people in need.

## It's time to expand Medicaid and close Alabama's coverage gap

1. Nearly 300,000 Alabamians would benefit from Medicaid expansion.
2. We can afford it now. Medicaid expansion now comes with a \$619 million signing bonus.
3. Closing the coverage gap helps workers stay employed.
4. Sixteen rural hospitals are at *immediate risk* of closing. Medicaid expansion can keep them operating.
5. Medicaid expansion can help strengthen mental health care services in Alabama.

ALABAMA SNAPSHOT

## THE COVERAGE GAP

