

## 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.
- 2. We can afford it. Closing the health coverage gap 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.
- 3. Closing the coverage gap helps workers stay employed.**
  - Nearly half of Alabama workers do not get employer-sponsored health insurance. Closing the coverage gap could help employees get access to the health care services they need.
  - 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.
  - 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.
- 4. Nineteen rural hospitals are at *immediate risk* of closing. Medicaid expansion can keep them operating.**
  - Alabama's rural hospitals are on life support, but research shows that a rural hospital being located in a Medicaid expansion state decreases the likelihood it will close by an average of 62%.
  - 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.
- 5. 5,000 Alabama veterans have no military insurance and can't afford health coverage.**
  - It's a common misconception that people who serve in the U.S. military automatically receive lifetime eligibility for health coverage and other benefits. In reality, veterans' health benefits depend on their length of service, military classification, type of discharge and other factors.
  - 14.2% of veterans are employed in the service industry, while 13.7% work in construction and maintenance. These are among the professions that would most benefit from Medicaid expansion.