



Mythbusters– SQ 802 Medicaid Expansion

Correcting Myths & Misinformation

Updated June 1, 2020

MYTH: Medicaid expansion in the Oklahoma Constitution does not allow for flexibility.

FACT: SQ 802 would require the state’s Medicaid program to cover low-income people (less than 133% of poverty) without imposing new burdens or restrictions on eligibility or enrollment. **PERIOD.** It is still up to the Legislature to fund the program and its benefit structure.

MYTH: Governor Stitt has a plan for Medicaid expansion that begins July 1, 2020.

FACT: On May 28, 2020, the governor’s administration notified federal officials that they are withdrawing any plans for Medicaid expansion July 1, 2020. The governor cancelled his own plan after he vetoed Senate Bill 1046, which would have funded it. SQ 802 is the only current option for Medicaid expansion.

MYTH: Medicaid expansion will take away state funding from other critical areas such as education and public safety.

FACT: 90% of the funding for these new enrollees comes from the federal government with a 10% state match. Funding the state match is possible through existing funding and savings without the need to raise taxes. In consideration of the current budget shortfalls, injecting more than \$1.2 billion the first year from the federal government into the Oklahoma economy will mitigate the need for drastic budget cuts. Funding the state match for Medicaid expansion is possible through maximizing existing state funding such as public health, behavioral health, and corrections. Coupled with a backstop by an additional SHOPP fee, **we can fund Medicaid expansion without raising taxes.**

MYTH: Education and mental health will suffer if SQ 802 passes.

FACT: The education of children and mental health are improved by Medicaid expansion. Some of the uninsured with untreated behavioral health conditions ultimately end up in jails and prisons. This is a tremendous cost to our criminal justice system. By expanding Medicaid, a large portion of the state’s mental health costs will become 90% federally funded, freeing state dollars. In addition, Oklahoma ranks 47th in Adverse Childhood Experiences (ACEs)ⁱ, which greatly impacts the health of children and their ability to learn in a classroom. A research team published findings that found a link between Medicaid expansion and decreased numbers of child neglect cases. Children who are healthy and cared for are able to learn in school.

MYTH: Medicaid expansion is a state budget buster as it shifts costs for caring for the able bodied to the state.

FACT: Medicaid expansion will improve our economy and create jobs. This can be done without raising taxes. Several national studies show the state will benefit from savings associated with accessing

enhanced federal matching funds (90/10 federal/state match), savings from replacing state general revenue funds with federal match, and direct revenue gains through increased income flowing into the state.ⁱⁱ

MYTH: Medicaid expansion will only help those who are unwilling to work.

FACT: Many uninsured Oklahomans are hardworking people in low paying jobs that do not offer health insurance. Expanding Medicaid would provide health insurance for an individual who makes less than \$17,000 a year, or \$29,000 for a family of three. People with health insurance tend to be healthier, more productive, and more employable.

MYTH: Medicaid coverage doesn't improve health outcomes. Oklahomans won't be healthier.

FACT: Mounting evidence shows correlation between Medicaid expansion and healthier outcomes.ⁱⁱⁱ States that expanded Medicaid are healthier as a whole than those that did not. United Health Foundation found that the 22 healthiest states in their 2018 rankings have all expanded Medicaid.^{iv}

MYTH: The Centers for Medicare & Medicaid Services (CMS) will change their mind on this funding like they have before. The 90% federal match decreases in future years.

FACT: The funding formula for Medicaid expansion is set forth in **federal law passed by Congress in the ACA**. Changing that formula in statute would require Congressional action. Thirty-six states have expanded Medicaid, making it highly unlikely that Congress would shift more of the obligation to the states.

MYTH: Putting Medicaid expansion in the Oklahoma Constitution forces Oklahomans to pay if the federal government changes the rules.

FACT: The Medicaid program is a voluntary program in which each state participates in partnership with the federal government. If the federal government changes the rules, the Legislature can send a joint resolution to a vote of the people to repeal the provision.

MYTH: The Courts have ruled the ACA unconstitutional.

FACT: The U.S. Supreme Court has upheld the constitutionality of the ACA twice. It is still the law of the land until the U.S. Supreme Court rules it unconstitutional or it is repealed by Congress and signed by the president. It could take several years before all legal proceedings have been exhausted.

ⁱ "Study: Medicaid expansion linked to decrease in child neglect," Matt Kuhrt, June 20, 2019.

<https://www.fiercehealthcare.com/hospitals-health-systems/study-medicaid-expansion-linked-to-decrease-child-neglect>

ⁱⁱ Deborah Bachrach, et al., "Issue Brief: States Expanding Medicaid See Significant Budget Savings and Revenue Gains," *State Health Reform Assistance Network*, March 2016. <http://shvs.org/wp-content/uploads/2016/03/State-Network-Manatt-States-Expanding-Medicaid-See-Significant-Budget-Savings-and-Revenue-Gains-March-2016.pdf>

ⁱⁱⁱ "The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review," Kaiser Family Foundation, March 17, 2020. <https://www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/>

^{iv} "America's Health Rankings, 2018 Annual Report," United Health Foundation, <https://www.americashealthrankings.org/learn/reports/2018-annual-report>



How do we pay for the state share of Medicaid Expansion without cutting state programs like education?

BE SMART WITH OUR TAX DOLLARS: 90% of funding for new enrollees comes from federal govt. with a 10% match.

- Maximize current state programs that are 100% state funded to the 90/10 match rate. Potential programs such as:
 - Funds from 2004 tobacco tax currently funding care for uninsured or underinsured.
 - Behavioral health, public health, corrections medical costs.
 - Revenues earmarked for health care (2018 cigarette tax).
 - SHOPP – a portion of the hospital provider fee as a backstop to fill in funding gap.
- **There is no need to cut other state programs or raise taxes to fund this program**

One-year estimated return of direct & secondary revenue: \$2,476,000,000



Now is the time . . .

- We have waited on our state leaders long enough.
- We cannot leave another \$1 billion a year in Washington D.C. dedicated for health care for Oklahomans.
- This economic downturn and pandemic have stressed the Oklahoma budget and our citizens.
- *There has never been a better opportunity to provide for stabilizing the Oklahoma economy and our health care system.*

VOTE SQ 802 on June 30!

We are counting on you!