

Senate Bill 1012

House Appropriations
Human Resources Division



Overview Today



- **Medicaid Expansion**
 - Hospitals support HB 1012

HB 1012



- Thank you for supporting Medicaid Expansion
- Reauthorizing the program every session
- Supporting the current reimbursement rates

HB 1012



- **Benefits of Medicaid Expansion**
 - 24,000 individuals receive health care coverage
 - Health outcomes improve
 - individuals receive care on a regular basis
 - chronic conditions are managed
 - Ex. diabetes

HB 1012



- **Benefits of Medicaid Expansion**
 - **Uncompensated Care**
 - reduced by nearing 50% (\$150 million per year)
 - Prevents cost shifting to other payers
 - Maintains access to health care in rural communities

Medicaid Expansion



- **Governor's Executive Budget 2021 – 2023**
- Reduces hospital/physician Expansion payment rates to traditional Medicaid rates
- Payment rates reduced by 40% - 50%
- Annual negative impact = \$100 million per year

Medicaid Expansion



- **Rural Hospitals**
 - Medicaid Expansion payments \$31 million
 - Proposed Cut \$12 million
- **Urban Hospitals**
 - Medicaid Expansion payments \$165 million
 - Proposed Cut \$88 million
- **Total Reduction \$100 million**
- Includes physicians

Medicaid Expansion



- **Impact of removing \$100 million per year from provider payments.**
 - Reduced services
 - Job reductions
 - Access to care – hospital closures
 - Cost shift – increase insurance premiums

Conclusion



- **Why current Medicaid Expansion rates are good for ND?**
 - Maintains stability in our healthcare system
 - 90% federally funded/10% state funded
 - Traditional Medicaid rates don't cover the cost of providing care.
 - Provides access to care
 - Limits cost shift to other programs/payers (commercial)

Questions



- Tim Blasl, President
- North Dakota Hospital Association
- tblasl@ndha.org