

Nebraska News Service

LINCOLN—The Legislature's Health and Human Services and Appropriations committees held an interim study hearing Tuesday afternoon on the cost efficiency of a Medicaid expansion under the Affordable Care Act. The Supreme Court ruled that the Medicaid expansion proposal would be optional for states, rather than a required part of the ACA.

Sen. Jeremy Nordquist of Omaha introduced the interim study so the Legislature can decide if Nebraska should participate in the Medicaid expansion. Both upfront and long-term costs are at issue.

Nordquist presented statistics from studies done across the country on the amount of savings that could potentially be had in the long term by participating in the expansion.

According to a University of Michigan study, after 10 years there would be \$980 million in savings on health care costs. Other studies across the country showed savings from \$670 million in Maryland to \$6.5 million in Idaho.

States that choose to participate in the expansion would see federal funding for 100 percent of the program for the first three years, but this wouldn't completely cover the administrative and information technology costs. After the first three years, the federal government would slowly cut some of its funding to tap out at 90 percent by 2020.

One of the issues emphasized throughout the hearing was the participation percentage in the program. Various health professionals suggested the problem with determining costs or savings for Nebraskans is that it's difficult to determine how many eligible people would participate. Many people eligible for Medicaid now do not participate.

Under the Medicaid expansion, as with the Affordable Care Act itself, the system works better when there's a higher participation rate. The more people in the pool, the lower the costs will be

Questions remain on Medicaid expansion by Katie Walter

Written by Gothenburg Times
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for everyone. Without predicting how people will decide to opt-in, there aren't any clear answers as to the costs and savings for Nebraskans.

Jim Stimpson, the director of the Center for Health Policy Analysis at the University of Nebraska Medical Center, said that uncompensated care of uninsured people treated at emergency rooms and hospitals is a factor contributing to rising health insurance premium costs. If Nebraska opted into the expansion, Medicaid would cover some of that uncompensated care.

The Legislature will continue to look at the issue when it convenes in 2013.

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