



**FOR IMMEDIATE RELEASE**  
February 4, 2013

Media Contact: Fiona Brosnan, Alaska Native  
Tribal Health Consortium  
[fbrosnan@anthc.org](mailto:fbrosnan@anthc.org), 907-350-8495

## **Studies Show Medicaid Expansion Leads to Healthier Alaskans and a Healthier State Economy**

A modest investment to expand Medicaid coverage could boost the economy in all regions of Alaska, while improving access to health care for more than 40,000 Alaskans, reported the Alaska Native Tribal Health Consortium (ANTHC), which commissioned the most comprehensive independent studies to date of the Medicaid expansion option in Alaska.

The studies project that a State of Alaska net expenditure of \$23.4 million over the next seven years would yield approximately:

- Basic health care for 40,000 uninsured Alaskans;
- \$1.1 billion in new federal revenue for Alaska;
- 4,000 new jobs;
- \$1.2 billion more in wages and salaries paid to Alaskans; and
- \$2.49 billion in increased economic activity throughout Alaska.

While state expenditures for Medicaid would increase by 2 percent to support Medicaid expansion, the additional \$90.7 million over seven years would be largely offset by at least \$67.3 million in savings to the State of Alaska budget. Other potential savings are still under review. By 2020, each \$1 million the state invests in Medicaid expansion is expected to generate "\$28 million in additional economic activity due to leveraging federal Medicaid expenditures and the multiplier effects in the State's economy," estimated the Northern Economics report.

"These results are consistent with the findings of some of the nation's most fiscally conservative and pro-business Republican governors who have opted into Medicaid expansion in Arizona, New Mexico, Nevada and North Dakota," said Andy Teuber, ANTHC Chairman and President.

"In addition to the positive and substantial economic impact Medicaid expansion will have on our state, the real benefit will be seen in health improvements within our communities, as more Alaskans are able to access care," said Teuber. Medicaid expansion would provide access to health care for individuals with incomes up to 138 percent of the federal poverty level, even if they have no minor children.

"Medicaid expansion is ultimately about people," said Teuber. "It is about Alaskans helping Alaskans receive the basic health care they need. As these reports demonstrate, healthier Alaskans lead to a healthier Alaska economy."



Without Medicaid expansion, these individuals are often unable to afford the health insurance that will be required beginning in 2014. Some will not qualify for low-cost insurance or subsidies through the Health Insurance Exchange. Nor, unfortunately, would they be able to afford to pay for the health care they sometimes need, which increases costs to all users and to insurance premiums.

“Medicaid coverage provides a critical link to health care access in a state like ours,” said Valerie Davidson, ANTHC Senior Director of Legal and Intergovernmental Affairs. “We know the cost of travel for medical appointments prevents people from getting the care they need. When you can’t afford a plane ticket to the nearest provider, people simply go without health care until it becomes an emergency. Medicaid pays for travel. That’s just one example of how expanding Medicaid coverage may make all the difference for many Alaskans.”

Both expanded Medicaid coverage and the positive statewide economic impact can be achieved at a relatively low cost to the State of Alaska because of the high federal contribution for the cost of care. The federal government would cover the entire cost of medical services for the newly eligible individuals for the first three years, between 93 and 95 percent during the following three years, and continue to pay 90 percent of the cost after that.

“Alaska Governor Sean Parnell has exhibited extraordinary patience and leadership in an otherwise politically charged arena, and meanwhile fostered a public process intent on best serving Alaskans and our state’s economy,” said Teuber, who recently participated in an advisory meeting with Health and Human Services Secretary Kathleen Sebelius. “We understand that Governor Parnell has committed to a public process for reviewing the decision about whether to expand Medicaid. We look forward to participating in the process.”

ANTHC commissioned two studies to more fully understand the impact of the potential Medicaid expansion in Alaska. Alaska Based Northern Economics conducted an independent study of the fiscal and economic implications of the State of Alaska’s Medicaid expansion options. The Urban Institute used that analysis as a basis for estimating Medicaid coverage benefits and costs in Alaska under alternative models.

“We hope that these independent studies provide helpful information and generate a robust discussion as we work together to consider what option is best for all of us in Alaska,” said Teuber.

###



### **About the Alaska Native Tribal Health Consortium**

The Alaska Native Tribal Health Consortium is a not-for-profit tribal health organization managed by Alaska Native tribal governments and their regional health organizations. ANTHC provides statewide services in specialty medical care; construction of water, sanitation and health facilities; community health and research; telehealth and information technology. For more information, please visit [www.anthc.org](http://www.anthc.org).

### **About Northern Economics Inc.**

Northern Economics Inc., founded in Anchorage in 1982, has 30 years experience with Alaska economic issues, making us Alaska's most trusted economics expert. Our mission is to enable society to make better decisions by providing our clients with unbiased information to facilitate their decision-making process. We help our clients gain a clear and incisive understanding of complex issues that can have profound impacts ranging from the individual level, to entire communities, to regional, state, and national economies. In short, we provide the analysis that can lead to viable economic growth and help clients determine which projects are feasible to pursue.

Northern Economics' consultants are experts in input-output analysis, feasibility analysis, benefit-cost analysis, business planning, demographics and population studies, resource economics, market research and socioeconomic impact assessment. For more information, visit [www.northerneconomics.com](http://www.northerneconomics.com).

### **About Urban Institute**

The Urban Institute is a non-partisan research organization, whose mission *is* gather data, conduct research, evaluate programs, offer technical assistance overseas, and educate Americans on social and economic issues — to foster sound public policy and effective government. It builds knowledge about the nation's social and fiscal challenges, practicing open-minded, evidence-based research to diagnose problems and figure out which policies and programs work best, for whom, and how.

The Urban Institute's Health Policy Center analyzes trends and underlying causes of changes in health insurance coverage, access to care, and use of health care services by the entire US population. Researchers address issues that arise from the inevitable trade-offs among health care costs, access, and quality. The Center's web site, [healthpolicycenter.org](http://healthpolicycenter.org), provides extensive research and analysis of key health issues including: private insurance, the uninsured, Medicaid, Medicare and SCHIP, disability and long-term care, vulnerable populations and health care reform, in addition to many others.