

## **The Coalition for the Homeless Affordable Care Act Policy Statement**

The Patient Protection and Affordable Care Act (ACA) signed into law on March 23, 2010 has already been a huge gain for many Americans providing such new benefits as prevention services, longer coverage for children under their parent's plans, the removal of lifetime benefit caps, the provision of coverage for children with pre-existing conditions and the decrease in drug costs for seniors. However, most of these benefits have had little effect on homeless citizens in Kentucky as most of this population does not have health insurance.

The Commonwealth of Kentucky has the opportunity to greatly change this dynamic in 2014. This is the point at which states can expand Medicaid coverage to nearly all individuals and families with incomes up to 138% of the federal poverty level (the Urban Institute estimates this to be 417,387 newly insured Kentuckians). This coverage will be paid fully by the federal government in 2014 and while the state's responsibility for the bill increases through 2020, it never exceeds 10%. Half of the newly eligible individuals and families have incomes at 50% of poverty or less. These are our neighbors who are on the edge and have or could become homeless due to lack of income. Additionally, one-fourth of the newly eligible individuals and families have a serious mental illness

**The Coalition for the Homeless feels that it is important for the Commonwealth of Kentucky to expand Medicaid fully to all eligible groups in 2014.** This will be a huge benefit to homeless Kentuckians and those who serve them. Presently, in Louisville, where the majority of homeless medical needs are served through Family Health Center's Phoenix Health Center Health Care for the Homeless Program and University of Louisville Hospital, approximately 85% of the homeless served have no medical insurance. Even when including the VA hospital where most clients have insurance, 65% of the homeless served overall had no health insurance. Nationally, 62% of the homeless served through Healthcare for the Homeless are uninsured, four times the uninsured rate of the general population. On his recent visit to Louisville, Dr. Jim O'Connell, President of the Boston Health Care for the Homeless Program reported that over 95% of their homeless clients have health insurance provided through their expanded Medicaid Program. If Kentucky chooses to fully expand Medicaid to the new limits, this would increase the number of homeless persons with insurance in Louisville by as much as 7,000. And, increasing insurance coverage saves lives. As reported by Sommers, Baiker and Epstein, for each 176 new persons covered, a life is saved.

This is especially important because many individuals experiencing homelessness have complex and significant physical and behavioral health disorders including serious mental illnesses and addictions. On September 19, 20 and 21, 2011, over 100 volunteers in Louisville conducted a street survey with 244 people sleeping on the streets of Louisville. Of that group, 43% (106) had at least one major health factor making them at risk of dying on the streets while 204 had a mental illness, chemical dependency or both. In total, this group had visited the local emergency room 475 times in the last three months with 231 hospital stays in the last year. Currently, Seven Counties Services provides behavioral health services to a significant number of these individuals. However, reductions in available resources have also reduced the level of uncompensated care available for behavioral health disorders.

**Medicaid expansion should also include all young adults exiting foster care until the age of 25.** The Coalition for the Homeless has been leading a group working to address the needs of a rising group of young adults from 16-24 with no resources or opportunity in our community. Over the past year, 555 of these young adults in Louisville were forced to sleep in adult homeless shelters due to no other options and when conducting a survey of their needs, we discovered that many of them are concerned about their lack of health care access.

Medicaid expansion in 2014 is also the most cost effective solution for our providers and the Commonwealth. The majority of medical care for the homeless in Louisville is uncompensated and provided at the Federally Qualified Health Center, Phoenix Health Center or University of Louisville's emergency room. This has been complicated by new MCO changes at the state level as well as the fact that the ACA significantly reduces funding to these providers for uninsured care and Medicaid expansion is the only way to expand health insurance to those below 138% of the federal poverty level. Without this expansion there will be large gaps in services or funding shortfalls to hospitals (including state psychiatric hospitals funded by the Commonwealth) leaving these institutions and the state to pay for uncompensated indigent care. It is true that estimates including those provided by Kaiser show an average of 2.8% more in Medicaid spending to the Commonwealth with the expansion versus what is being spent now, but the savings to uncompensated indigent care are expected to be even higher (estimates range from \$687 million to \$1.3 billion from 2014 – 2019), the expanded Medicaid program provides new services not available through Medicaid now, and Medicaid expansion will also help the economy by providing increased employment through local health providers. Medicaid expansion will also save other costs to the community. A 2006 "Cost of Homelessness Study" conducted by the University of Louisville showed that the cost of uncompensated medical care for the homeless of Louisville alone exceeded \$17,900,000 per year. Untreated medical and mental health problems are also significant contributing factors to unemployment and homelessness. And, an investment in new Medicaid dollars is expected to provide an annual economic boost to our economy of approximately \$11 billion per year.

Without Medicaid or other insurance, preventive and specialty care are particularly hard to acquire and many homeless persons have chronic vision, dental and physical ailments that go unaddressed. Those with insurance are also able to establish a relationship with a primary care provider, have much shorter wait times for services and receive continuous care. Therefore, **The Coalition for the Homeless, strongly encourages the Commonwealth of Kentucky to choose a comprehensive benchmark plan that includes key mental health, addiction, vision and dental services not provided to the homeless and poor in our community now.** Key benefits that should be considered include Assertive Community Treatment, Supportive Housing, Peer Support Services, Integrated Treatment, Outpatient Substance Abuse Treatment, Crisis Residential Services, outreach to the homeless, in-home "wrap-around" services for children, and preventive services for obesity, mental illness, and tobacco use. **Most importantly, any package selected should include home and community based services specifically designed to avoid institutionalization which is also usually at the Commonwealth's expense.** These include supported employment, supportive housing, peer support, wrap-around services for children, and respite care. **Finally, the plan and benefits selected should be the same for both the exchange and those served through Medicaid expansion in order to simplify and save costs in administration.**

## **TOP REASONS TO EXPAND MEDICAID IN KENTUCKY**

**By The Coalition for the Homeless**

- 1) Medicaid expansion in Kentucky would provide health coverage to an additional 261,000 Kentuckians (40% of those without coverage now).
- 2) There is no other provision for providing health coverage to those at 100% or below of poverty in the Commonwealth without Medicaid expansion.
- 3) Increasing insurance coverage saves lives. As reported by Sommers, Baiker and Epstein, for each 176 new persons covered, a life is saved.
- 4) Secretary Sebelius of the U.S. Cabinet for Health and Human Services has reported that the Commonwealth of Kentucky has more to gain than any other state by expanding Medicaid because we have so many uninsured citizens.
- 5) Medicaid expansion coverage is a great deal and brings in federal dollars to Kentucky as it will be paid fully by the federal government in 2014 and while the state's responsibility for the bill increases through 2020, it never exceeds 10%.
- 6) Medicaid expansion means more Kentuckians will get preventive health care and on-going coordinated care.
- 7) Medicaid expansion means more Kentuckians will get mental health and drug treatment services. Uncompensated care for these two items alone is costing the Commonwealth millions of dollars each year.
- 8) Half of the newly eligible individuals and families have incomes at 50% of poverty or less and have no way to get adequate health coverage without insurance. Their untreated medical and mental health problems are significant contributing factors to unemployment and homelessness.
- 9) Without Medicaid expansion there will be large gaps in services or funding shortfalls to hospitals (including state psychiatric hospitals funded by the Commonwealth) leaving these institutions and the state to pay for uncompensated indigent care.
- 10) An investment in new Medicaid dollars is expected to provide an annual economic boost to our economy of approximately \$11 billion per year.