

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2013-17

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA REQUESTING THAT THE GOVERNOR AND ALASKA STATE LEGISLATURE FULLY CONSIDER THE BENEFITS TO ALASKA COMMUNITIES AND THEIR RESIDENTS THROUGH THE EXPANSION OF MEDICAID UNDER THE U.S. AFFORDABLE CARE ACT

WHEREAS, in Alaska the poverty line is an annual income of \$14,350 for an individual and \$29,440 for a family of four, and these income levels are already economically challenging; and

WHEREAS, studies show that at least one third of the 139,500 uninsured Alaskans aged 19-65, including many childless adults not previously eligible would be eligible for Medicaid if the program were expanded, which would positively impact a significant number of Sitkans; and

WHEREAS, the State of Alaska would receive 100% federal match for the first three years (2014-2016). Beginning in 2017 the match rates decrease slightly from 95% in 2017 to 90% in years 2020+; and

WHEREAS, Medicaid expansion would assist Sitka's local Sitka Community and Southeast Regional Health Consortium (SEARHC) regional Hospitals to survive the turbulent changes they are already experiencing from healthcare reform and allow them to benefit by increasing healthcare revenues and decreasing, bad debt -- money that won't have to be shifted to others or written off. Without expansion of Medicaid, the likelihood of survival is further diminished; and

WHEREAS, in the old system, determining eligibility it took about 45 days, and with the new system should take less than 45 minutes; and

WHEREAS, Medicaid expansion would also result in lower overall costs because more Alaskans would be able to visit a primary care doctor instead of the costly emergency room; and

WHEREAS, with two hospitals in Sitka, the City and Borough of Sitka will see twice the benefits, through additional health care dollars, further stimulating Sitka's economy.

THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska by this resolution believes Alaska should expand its Medicaid program under the U.S. Affordable Care Act resulting in many Sitka poverty line individuals and others not previously eligible becoming eligible for Medicare coverage.

BE IT FURTHER RESOLVED, that the Assembly of the City and Borough requests that the State of Alaska Administration and the State Legislature weigh heavily the great benefits that would accrue to the residents and economy of Sitka and other Alaskan communities and look favorably on expanding Alaska's Medicaid program.

52 **PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough
53 of Sitka, Alaska on this 12th day of November 2013.

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Mim McConnell, Mayor

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58 ATTEST:

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60 _____
61 Sara Peterson, CMC
62 Deputy Municipal Clerk

**2013 POVERTY GUIDELINES FOR
ALASKA**

Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$5,030 for each additional person.	
1	\$14,350
2	19,380
3	24,410
4	29,440
5	34,470
6	39,500
7	44,530
8	49,560



February 4, 2013

The Honorable Mike Navarre
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, Alaska 99669

The Honorable Linda Murphy
Kenai Peninsula Borough Assembly
144 N. Binkley St.
Soldotna, Alaska 99669

Dear Mayor Navarre and President Murphy:

As you are aware, on June 28, 2012 the United States Supreme Court issued a decision that essentially made Medicaid expansion under the Affordable Act a state option. States across the country are now grappling with whether or not to expand their Medicaid programs to cover residents with incomes up to 138 percent of the Federal Poverty Level.

Central Peninsula Hospital (CPH) believes it is in the best interests of the Kenai Peninsula Borough (owner of two hospitals) and the State of Alaska to look favorably on expansion. Expansion will ensure coverage for economically challenged Alaskans, many of whom are employed but simply cannot afford healthcare. In addition, expansion, it will allow hospitals in Alaska to survive the turbulent changes we're already seeing from healthcare reform.

Healthcare reform is well underway. On the evening of the so-called "fiscal cliff" resolution, CPH unexpectedly lost over \$800,000 of budgeted outpatient payments for this fiscal year. Next year, we will budget \$2.5 million less due to changes in healthcare reform payments. We suspect this is only beginning.

During the healthcare reform debate, hospitals were forced into the discussion by the reality that costs must be extracted from the healthcare system. In exchange for reduced payments, hospitals were reassured that a higher percentage of patients with Medicaid (versus no insurance) would help mitigate some of the lost revenues. It is estimated that approximately 35,000 additional Alaskans would be covered under an expanded Medicaid program. If Alaskan hospitals do not receive Medicaid expansion benefits, the economic compression will be even more substantial.

*CPH is a
member of
the Planetree
Alliance.*



Many Alaskan hospitals will be challenged to survive healthcare reform, even with Medicaid expansion. Without expansion, the likelihood of survival is further diminished. Although CPH endeavors to be one of the survivors, our task becomes significantly more difficult if we retain our current ratios of charity care/bad debt. We simply need Medicaid expansion to slow the erosion of existing revenues.

Alaskans who would potentially be covered under an expanded Medicaid program will benefit with healthcare coverage, providers will benefit with a reduction in their charity care and bad debt, and the boroughs and municipalities will benefit as additional healthcare dollars turn over in their local economy.

Currently 18 states have decided to expand, 5 leaning towards expansion, 5 leaning towards not expanding, 10 have decided not to expand, and 12 are undecided including Alaska.

We encourage you to give serious consideration to supporting Medicaid expansion efforts as the Governor and State Legislature deliberate over the benefits to Alaskans, healthcare providers, and local economies.

Sincerely,

Rick Davis, CEO
Central Peninsula Hospital

*CPH is a
member of
the Planetree
Alliance.*

Introduced by: Smith, Mayor
Date: 02/05/13
Action: Adopted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2013-014**

**A RESOLUTION REQUESTING THE STATE OF ALASKA ADMINISTRATION AND
ALASKA STATE LEGISLATURE FULLY CONSIDER THE BENEFITS TO THE
RESIDENTS AND BUSINESSES OF THE KENAI PENINSULA BOROUGH WHEN
CONSIDERING THE EXPANSION OF MEDICAID UNDER THE AFFORDABLE
CARE ACT**

WHEREAS, the Affordable Care Act provides for expansion of Medicaid benefits by increasing the eligibility income level; and

WHEREAS, significant numbers of Kenai Peninsula Borough residents would become newly eligible for benefits if the State opted to agree to the Medicaid expansion; and

WHEREAS, the increase in eligible beneficiaries would provide increased care and improved health for many borough residents; and

WHEREAS, borough hospitals would see an increase in reimbursed care and a decrease in charity care; and

WHEREAS, other health care providers would see a similar benefit; and

WHEREAS, the increase in Medicaid funding would provide better health for our residents and an economic boost to the borough; and

WHEREAS, a preliminary evaluation by Northern Economics predicts for each \$1 in State funding related to Medicaid expansion, \$15.5 in new federal funds will be generated; and

WHEREAS, the evaluation also finds a net reduction of State costs because increased Medicaid eligibility will displace other costs borne by the State;

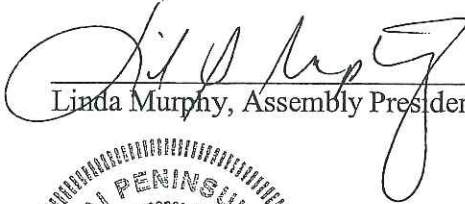
NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough Assembly requests the State of Alaska Administration and the State Legislature to weigh heavily the great benefits that would accrue to the residents of the borough and to the borough economy while deciding whether to expand our Medicaid program.

SECTION 2. That copies of this Resolution be provided to Governor Sean Parnell and all members of the Legislature representing the Kenai Peninsula Borough.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF FEBRUARY, 2013.

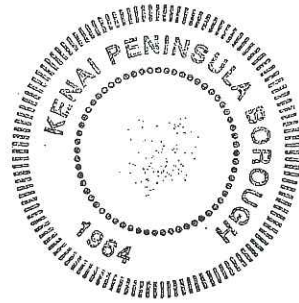


Linda Murphy, Assembly President

ATTEST:



John Blankenship, MMC, Borough Clerk



Yes: Haggerty, Johnson, McClure, Pierce, Smith, Tauriainen, Wolf, Murphy
No: None
Absent: Smalley



Medicaid Expansion 2013-2014

OVERVIEW

Beginning in January 2014, Medicaid eligibility limits will be increased so that adults earning up to 138 percent of the federal poverty level will be eligible. For a single person, that's an annual income of \$15,856. This change will open Medicaid coverage to many childless adults not currently eligible. In Washington State, we anticipate a potential enrollment increase of about 325,000 new clients over several years.

Washington's challenge has been to create a consumer-friendly eligibility determination system that meets federal expectations and maximizes administrative efficiencies.

THE NEW CLIENTS BY MEDICAL GROUP

- **Newly eligible Medicaid individuals** — About 250,000 individuals aged 19-65 not previously eligible for Medicaid.
- **"The Welcome Mat"** — Up to 75,000 individuals who are currently eligible for Medicaid but may not realize it.
- **Current Medicaid/CHIP recipients** — Transferring about 800,000 children, pregnant women and families (parents/caretaker/relatives) into Medicaid from other programs.

CHANGES IN ELIGIBILITY

- Instead of a complicated set of eligibility criteria based on assets and resources, eligibility will be determined based on applicants' Modified Adjusted Gross Income (MAGI) from their most-recent federal income tax filings and how many people are in their households.
(See Medicaid Eligibility chart on next page.)

NEW HEALTH BENEFITS EXCHANGE WILL EXPAND MARKETPLACE

- The Health Benefits Exchange, called Washington Healthplanfinder, will use a simplified and seamless application that can be processed through one web portal.
- Washington Healthplanfinder will open for business on October 1, enrolling Medicaid applicants as well as other Washingtonians buying health insurance. Coverage will begin January 1, 2014.
- While applicants are still online, Washington Healthplanfinder will make data-matches with the Internal Revenue Service, Social Security Administration and Homeland Security, in order to verify income level and citizenship, and check for any national security issues.
- In the old system, it took about 45 days to determine eligibility. Now it will take about 45 minutes.
- The portal will automatically screen data and determine eligibility for Medicaid, Children's Health Insurance program (CHIP) or tax-credit subsidized coverage.
- Applicants can also apply via mail, phone or in person.



FOR MORE INFORMATION, CONTACT:

MaryAnne Lindeblad, State Medicaid Director, 360-725-1040

Or MaryAnne.Lindeblad@hca.wa.gov

Medicaid Eligibility, Beginning October 1, 2013*

If your family's income is at or less than the figures below, you probably qualify for Medicaid/Apple Health. You can apply beginning on October 1. If accepted, your coverage begins January 1, 2014.

1 person	2-person family	3-person family	4-person family	5-person family	6-person family	7-person family	8-person family
\$15,856	\$21,404	\$26,951	\$32,499	\$38,049	\$43,596	\$49,142	\$54,689

For families/households with more than eight people, add \$4,020 for each additional person.

Source: <http://aspe.hhs.gov/poverty/13poverty.cfm>

As directed by the U.S. Dept. of Health and Human Services, these figures are adjusted for inflation, rounded, and adjusted to standardize the differences between family sizes.

*If you apply for Medicaid before October 1, this chart does not apply to you.

See hca.wa.gov for information.