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August 8, 2012

Three Studies Show Value of Health Care Coverage

Findings Support Expansion of Medicaid

RICHMOND, VA -- Expanding Medicaid coverage can save money, improve health and even cut death rates according to three recent studies summarized in a new report by The Commonwealth Institute for Fiscal Analysis, an independent fiscal and economic policy organization in Richmond, Virginia.

"Lost in the current debate to expand health insurance to over 400,000 Virginians is the reality that increased coverage can help contain costs, improve health status, and save lives," said John McInerney, the Institute's Health Policy Director.

The report, *Saving Money, Saving Lives: Why Virginia Should Expand Medicaid*, examined the outcomes of three studies, including one of a primary care program at Virginia Commonwealth University. Each study focused on individuals with similar incomes and demographics to those expected to enroll in the expanded Medicaid program included in the Affordable Care Act.

According to the report:

- Previously uninsured people who gained coverage for three years saw a 48 percent decrease in health care costs per year versus people who had it for only one year.
- People with Medicaid coverage are 25 percent less likely to have an unpaid medical bill and 40 percent less likely to borrow money or fail to pay other bills because of medical debt.
- Three states that expanded Medicaid eligibility between 2000 and 2005 had a significant reduction in death rates than three neighboring states that did not expand eligibility.

"The results put to rest the notion that going without insurance is preferable to Medicaid coverage, and they offer important lessons for Virginia about the benefits of Medicaid as elected leaders consider whether to extend or deny coverage to more children and adults," McInerney said. "With well over \$20 billion in federal funding coming to Virginia between 2014 and 2022 to pay for it, it's a good deal for the state and a good deal for Virginians."

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About The Commonwealth Institute

The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons. Our products inform fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole. Visit www.thecommonwealthinstitute.org for more information.

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