

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 130111)

RESOLUTION

Authorizing the Council Committee on Public Health and Human Services to hold hearings regarding the impact of the Commonwealth's failure to expand Medicaid under the Patient Protection and Affordable Care Act.

WHEREAS, The Patient Protection and Affordable Care Act ("Affordable Care Act") establishes a new category of Medicaid eligibility, beginning on January 1, 2014, for individuals who cannot afford private insurance but are not presently eligible for Medicaid coverage in Pennsylvania; and

WHEREAS, The federal government will reimburse states 100% of the cost of expanding Medicaid eligibility for the first three years, 95% for the next three years, and 90% thereafter; and

WHEREAS, On Tuesday, February 5th, Governor Corbett presented to the Pennsylvania General Assembly the proposed FY 2013-2014 state budget and, in his budget address, Governor Corbett stated that he could not recommend expanding Medicaid in Pennsylvania, under the Affordable Care Act, due to its cost and lack of flexibility; and

WHEREAS, Governor Corbett also stated that he sent a letter to Health and Human Services Secretary Kathleen Sebelius requesting answers and guidance concerning the impact of the Affordable Care Act, including changes to Medicaid, will have on Pennsylvania; and

WHEREAS, In contrast to Governor Corbett's analysis of the Affordable Care Act, the Urban Institute, a nonpartisan economic and social policy research organization, has estimated that Medicaid expansion would bring an estimated \$38 billion in additional federal dollars to Pennsylvania between 2014 and 2022; and

WHEREAS, The Urban Institute also estimates that Pennsylvania's spending on Medicaid, between 2014 and 2022, would grow only 1.4% (by \$2 billion) over what

City of Philadelphia

RESOLUTION NO. 130111 continued

Pennsylvania would spend without expansion, once state savings on uncompensated care for hospitals are factored; and

WHEREAS, Pennsylvania would save an additional \$300 million per year in spending on existing programs such as state-funded health coverage for individuals with behavioral health problems and other disabilities because those individuals would instead be covered by Medicaid; and

WHEREAS, Pennsylvania will generate \$50 to \$80 million per year through existing assessments on Medicaid-managed care plans if enrollment is boosted through Medicaid expansion; and

WHEREAS, According to this data, Medicaid expansion will save Pennsylvania money through a combination of state savings and new revenues, creating tens of thousands of new jobs statewide and growing the state and local economies, which considering that Pennsylvania's unemployment rate is higher than the national average, this economic growth is needed for Pennsylvania's fiscal recovery; and

WHEREAS, Through its renowned hospitals and health systems and a global reputation as a region for excellence in healthcare, Philadelphia's economy is uniquely poised to benefit from the economic growth created by Medicaid expansion; and

WHEREAS, Without Medicaid expansion, Pennsylvania hospitals and health systems will face losses of \$1 billion per year in funding from the federal government for caring for the uninsured, having relied upon projections that almost all uninsured individuals would be covered through this expansion; and

WHEREAS, According to a study by the Public Health Management Corporation, almost 180,000 non-elderly adults in Philadelphia lack health insurance, and Pennsylvania has almost 1.4 million uninsured residents statewide and state health officials estimate that Medicaid expansion would cover 600,000 to 800,000 uninsured Pennsylvanians; and

WHEREAS, Philadelphia would be particularly impacted by a loss of federal uncompensated care funding because sizable proportions of its hospitals' budgets come from federal reimbursement for serving uninsured patients; and

WHEREAS, Severe financial losses to hospitals and health systems will result in the loss of thousands of health care jobs in Philadelphia, and in Pennsylvania as a whole, threatening the viability of Philadelphia's "safety net" hospitals that serve the poor, and crippling Pennsylvania's already slow economic recovery; and

City of Philadelphia

RESOLUTION NO. 130111 continued

WHEREAS, And contrary to Governor Corbett's opposition, a nationwide, bipartisan group of governors and legislatures have recognized the benefits of Medicaid expansion to their state economies and their residents' health, including nearby states Ohio and Michigan, which are led by Republican Governors John Kasich and Rick Snyder; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Council Committee on Public Health and Human Services hold hearings regarding the impact of the Commonwealth's failure to expand Medicaid under the Patient Protection and Affordable Care Act.

FURTHER RESOLVED, It is important to analyze the impact of the Commonwealth's failure to expand Medicaid so that this analysis can be used during Council's deliberations on the City's FY 2014 operating budget and five year plan.

City of Philadelphia

RESOLUTION NO. 130111 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the fourteenth of February, 2013.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Tasco and Quiñones Sánchez

Sponsored by: Councilmembers Tasco, Quiñones Sánchez, Johnson, Jones, Goode, Greenlee, Henon, Council President Clarke, Councilmembers Blackwell, Oh, Kenney, Squilla, Green, Bass and Reynolds Brown