REALITY CHECK ☑

MYTHS AND FACTS ABOUT GOVERNOR BREWER'S MEDICAID PLAN FOR ARIZONA

MYTH #1: ***Governor Brewer's Medicaid Plan is bad for Arizona's businesses.***

☑ Wrong. Having nearly 1 in 5 Arizonans without health insurance is bad for business. Let's face it – uninsured Arizonans get sick just like the rest of us. When they do, they tend to show up in Emergency Rooms. Today, employers are underwriting those costs. The Governor's plan keeps Arizona economically competitive and prevents a wealth shift to our neighbors – California, Nevada, Colorado and New Mexico – that are pursuing expansion.

MYTH #2: ***Medicaid expansion is the government taking over the health care system.***

☑ Not in Arizona! Arizona's Medicaid program (AHCCCS) works because it is built upon managed care, competition, choice, market principles and leveraging the private sector to the greatest extent. The care of AHCCCS members is managed by private health plans and provided by private physicians and hospitals. Limited government works.

MYTH #3: ***Medicaid is a poor-quality government program that costs too much money already; adding to it will exacerbate this problem.***

☑ AHCCCS is the Gold Standard. It is a proven, national model for achieving high quality care at the lowest cost. AHCCCS members are "mainstreamed," which means they go to the same doctors and hospitals that all Arizonans use. So it is not "government" providing health care.

MYTH #4: ***Arizonans do not support the Governor's proposal.***

☑ Arizonans voted for to expand AHCCCS through Prop. 204. The Governor's plan honors the will of the voters. Plus, hundreds of Arizonans have written in support of this proposal. (see www.azahcccs.gov)

MYTH #5: ***This is ObamaCare!***

☑ The Governor's plan is about ***Choosing Arizona***! The idea of including adults in AHCCCS coverage to protect the safety net and support healthcare providers was first proposed by Gov. Fife Symington in the mid-1990s. Arizona voters adopted this plan in 2000 via Prop. 204.

MYTH #6: ***Everyone will be on AHCCCS with Medicaid expansion.***

☑ Medicaid expansion only adds 57,000 adults from 100% to 133% of the federal poverty level (FPL). Arizonans have already mandated that AHCCCS cover everyone up to 100% FPL. Including those 57,000 adults in AHCCCS is the best way to restore coverage for approximately 240,000 Arizonans under Prop. 204.

MYTH #7: ***The Governor's Plan will bust the State's budget.***

☑ Governor Brewer's plan ***protects*** the State's budget. It includes a statewide provider assessment on hospitals that will generate about $256 million a year to fund the Prop. 204 population. This assessment is eligible for a 10-1 federal match that will bring **$2 billion** into Arizona's economy and frees up General Fund dollars that can be used for other important functions like K-12 education, universities and public safety. It also includes a "circuit breaker" that protects the State in the event the federal government is unable to hold up its end of the bargain.

MYTH #8: ***The provider assessment will get passed on to consumers.***

☑ Uncompensated care is currently getting passed on to consumers at unsustainable levels. The provider assessment relieves hospitals from the burden of uncompensated care, which ends up helping consumers and businesses.

MYTH #9: ***The provider assessment will be used for "pet projects"; too much power in the hands of an administrative agency.***

☑ Not true. The statutory provision will ensure that the provider assessment is narrowly tailored; it can only be used for Prop. 204 coverage. The Legislature will maintain oversight and can make changes to the methodology as needed.

MYTH #10: ***The federal government will not approve the "circuit breaker"; we are locked into this expansion.***

☑ The federal government has explained that states may opt in and out of Medicaid expansion at any time.[1] The "circuit breaker" ensures that if the federal government cannot uphold its end of the bargain and their share of the cost drops below 80%, Arizona will opt out of the expansion.

MYTH #11: ***People on Medicaid are better off uninsured.***

☑ A Harvard study published in the *New England Journal of Medicine*[2], scientifically reviewed Arizona-specific cases and found Arizona's providers are saving lives and improving people's health. Without the Governor's plan, we leave 300,000 adults uninsured and without any access to healthcare coverage. These are people in need of cancer treatment or care for a serious mental illness, for example. In fact, at one point there were over 18,000 childless adults on AHCCCS with cancer.[3] The Governor's plan means these Arizonans can get the treatment they need and get back to work.

MYTH #12: ***Medicaid is a broken system; adding to it just makes it worse.***

☑ Not in Arizona! The Governor's plan showcases Arizona as a leader in the call for needed national reforms. A recent review found New York spent ***$2 million*** per person per year for 1,300 developmentally disabled people in nine state-run centers. Arizona spends $3,200 per month for better care that lets people stay in their own homes and communities. In fact, 99% of Arizona's developmentally disabled long term care members live at home or in the community making us #1 according to United Cerebral Palsy.

MYTH #13: ***Medicaid expansion doesn't affect me; I have health insurance.***

☑ Right now, everyone is paying for the high rates of uninsured in Arizona, especially those of us with insurance. Arizona hospitals – the same ones used by all Arizonans – are providing care to people who cannot afford it. These hospitals are struggling to keep their doors open and ultimately are passing those expenses on to Arizonans at a rate of about $2,000 per family, per year.

MYTH #14: ***Medicaid expansion will result in undocumented immigrants receiving Medicaid.***

☑ Undocumented immigrants are not eligible to enroll in AHCCCS. AHCCCS verifies citizenship pursuant to strict requirements. Applicants are required to provide documentation of citizenship and proof of identify when they apply. In fact the Arizona Auditor General found AHCCCS had a 1.1% error rate in determining eligibility with no errors found in identifying and denying coverage for people lacking proper citizenship documentation.[4]

MYTH #15: ***This plan will increase the federal deficit.***

☑ There is no special fund that has been established to put the "saved" federal dollars from states that opt not to increase their Medicaid programs. Arizonans' money will end up paying for other states' expansions, states like New York that had a fraud finding of $10 billion – bigger than the entire AHCCCS program. The Governor's plan *keeps Arizonans' tax dollars in Arizona*

---

[1] See #25 of HHS FAQs, which can be found at: http://www.azahcccs.gov/reporting/Downloads/ChildlessAdults/CMS_FAQs_12-10-2012.pdf.

[2] Benjamin D. Sommers, M.D., Ph.D., Katherine Baicker, Ph.D., and Arnold M. Epstein, M.D. N Engl J Med 2012; 367:1025-1034September 13, 2012DOI: 10.1056/NEJMsa1202099.

[3] For a data profile of the Prop. 204 population see: http://www.azahcccs.gov/shared/Downloads/News/PROFILESummaryAndDataNarrative.pdf

[4] See report on Auditor General's website: http://www.azauditor.gov/Reports/State_Agencies/Agencies/Arizona_Health_Care_Cost_Containment_System/Performance/12-02/pa12-02.htm.