

## Health Care Cost Containment

- Medicaid expansion will reduce uncompensated care in South Dakota.
  - Lack of insurance is the leading cause of bankruptcy in the United States.
  - Hospitals are federally required to provide emergency care to uninsured individuals, even if the individual cannot afford to pay for the care. South Dakota hospitals had \$123 million in uncompensated care in 2014.<sup>1</sup>
    - These costs are passed on to other payers and in commercial rate increases.
- South Dakota counties will save money on poor relief expenditures.
- State prisons and Sheriffs with jails will avoid medical costs for indigent prisoners hospitalized for longer than 24 hours.

## Investing in Providers

- Medicaid expansion could provide increased reimbursement for nonprofit and community based care providers if there is revenue available above the state costs of expansion.
- Health systems and clinics will be able to reinvest new funding to recruit new providers and invest in more access points for health care consumers in South Dakota.

## Economic Opportunity

- The economic benefit to state tax revenue is conservatively estimated at \$6.8 million.
- Medicaid expansion helps employers and businesses in South Dakota avoid \$6-9 million in federal tax penalties.<sup>2</sup>

## Increased Productivity

- 60% of the expansion population is working. For low income workers, a lack of access to health care leads to absenteeism and reduced productivity especially when they lack preventive care.
- Medicaid expansion will improve the quality and quantity of work and reduce the amount of time not at work due to health related factors.

## Responsible, Effective Plan

- Governor Daugaard's proposal for Medicaid expansion will not cost any additional state funds.
- A legislative trigger will ensure the state rescinds expansion if federal funding doesn't continue.
- South Dakota's plan holds the federal government accountable for their responsibility to provide health care to American Indians and not shift those responsibilities to the state.

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<sup>1</sup> "SD Uncompensated Care Costs - \$123M," South Dakota Association of Healthcare Organizations: [https://www.sdaho.org/index.php?option=com\\_content&task=view&id=5039&Itemid=638](https://www.sdaho.org/index.php?option=com_content&task=view&id=5039&Itemid=638), Retrieved on August 19, 2016.

<sup>2</sup> "State Medicaid Choices and the Hidden Tax Surprises for Employers," Jackson Hewitt Tax Service: [http://www.jacksonhewitt.com/uploadedFiles/JacksonHewitt2014com/Content/Resource\\_Center/Healthcare\\_and\\_Taxes/Resources/MedicaidChoices\\_TaxSurprises.pdf](http://www.jacksonhewitt.com/uploadedFiles/JacksonHewitt2014com/Content/Resource_Center/Healthcare_and_Taxes/Resources/MedicaidChoices_TaxSurprises.pdf), Retrieved on June 3, 2016.