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National Report: U.S. Hospitals in Medicaid Expansion States Seeing More **Medicaid Patients and Reduced Charity Care Levels**

Examination of national data demonstrates definitive nationwide impact of Medicaid expansion under the Affordable Care Act

GREENWOOD VILLAGE, COLO. (June 2, 2014) — The Colorado Hospital Association (CHA) released a new study that shows hospitals in states that chose to expand Medicaid under the Affordable Care Act saw significantly *more* Medicaid patients and a related *reduction* in self-pay and charity care cases; whereas, hospitals in states that chose not to expand Medicaid experienced no changes outside normal variation in Medicaid volume or self-pay and charity care cases.

The study, which is believed to be the first of its kind, used data from 465 hospitals in 30 states from the first quarter of 2014. Data was gathered from Jan. 1—the official launch of Medicaid expansion—to March 31. The increase in Medicaid volume (29 percent), which occurred only in expansion states, is demonstrably due to Medicaid expansion. However, the parallel decrease in self-pay (25 percent) and charity care (30 percent) shows that previously uninsured patients are the individuals newly enrolled in Medicaid.

"While media reports have detailed increases in Medicaid volume in hospitals located in expansion states, we now have definitive proof that such increases are translating into reduced self-pay and charity care cases," said Steven J. Summer, president and CEO of CHA. "These findings not only affirm that more people are finding health care coverage who didn't have it before, but also that it is having a positive impact by reducing the levels of uncompensated care at hospitals, which could further efforts to reduce health care costs."

Uncompensated care is the total cost of hospital care provided for which no payment was received from the patient or an insurer. Uncompensated care is the sum of bad debt and charity care¹ at cost, which totaled approximately \$500 million in Colorado in 2012. Those losses must either be absorbed by hospitals—which ultimately results in a decrease in health care services and access to care—or shifted to private insurers. This practice is referred to as "cost shifting," and is noted as one of the driving forces of escalating health care costs.

The report was conducted by CHA's Center for Health Information and Data Analytics using its DATABANK program, which has been working with hospitals throughout the country since 1985. To read the full report, *Impact of Medicaid Expansion on Hospital Volumes*, visit http://tinyurl.com/chastudy.

About the Colorado Hospital Association

The Colorado Hospital Association (CHA) represents 100 member hospitals and health systems throughout Colorado. CHA partners with its members to work towards health reform, clinical excellence and performance improvement, and provides advocacy and representation at the state and federal level. Colorado hospitals and health systems are committed to providing coverage and access to safe, high-quality and affordable health care. In addition, Colorado hospitals have a tremendous impact on the state's economic stability and growth, contributing to nearly every community across the state with 72,000 employees statewide. For more information, visit www.cha.com.

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¹ Bad debt and charity care defined here: http://www.cha.com/Colorado-Hospitals/Uncompensated-Care.aspx