

# REPORTS BUILD STRONG CASE FOR A HEALTHY ALABAMA PLAN

## Reports: Economic Impact

David Becker, PhD, UAB School of Public Health, and Manatt, a national consulting firm, provide strong evidence to support expanding access to care.

- Overall, the economic impact to the state of the additional federal funds would be **\$11.4 billion** over four years. (Becker study)
- In that same time frame, another **\$316 million** would be saved through a higher federal match rate and by paying for services that are currently funded with 100% state funds. These are savings that could be reinvested in the health care system. (Manatt)
- Alabama will receive \$9 in federal funds for every \$1 it spends **indefinitely**. (Becker study)
- Additional state and local taxes would offset **\$715 million** of the cost.
- After considering state savings, the estimated first year investment for a Healthy Alabama Plan is **\$168 million**, with a cost of less than **\$25 million** each year thereafter. (Becker study)
- Comparing **\$2.7 billion** in annual economic gain, **\$25 million** annual cost is a great deal!

*“In contrast to most economic development projects supported with state and local incentives, expansion would provide benefits across all of Alabama’s 67 counties.”* (Becker report)

## The Benefits of A Healthy Alabama Plan

- Alabama could provide health care coverage to an estimated **340,000 adults** who don’t currently have health insurance.
- The rate of adults without health insurance dropped from 35 percent to 16 percent in states that expanded insurance coverage (2008 – 2016).
- Hospitals are **84 percent** more likely to close in states that do not increase access to care.
- A Healthy Alabama Plan would lead to earlier cancer detection, fewer deaths, and better outcomes for patients.
- States that expanded insurance coverage have increased access to substance abuse treatment and other critical mental health services.

## Alabama’s Hospitals Are Struggling

- 88 percent of rural hospitals operate in the red; 75 percent of all Alabama hospitals operate in the red.
- **13 hospitals** have closed in the last 8 years, 7 of which were rural.
- Alabama hospitals spend more than \$500 million each year caring for the uninsured.

**If nothing happens, other hospitals will be forced to cut services, eliminate staff or in the worst case, close.**



## A Healthy Alabama Plan Regional Impact: Montgomery, Autauga, Elmore, and Lowndes Counties

**In the first year:**

- This area would see a **\$236.3 million** economic impact.
- An estimated **27,687 adults** would be eligible for health insurance coverage through A Healthy Alabama Plan.

*(Becker report)*

Find out more at [www.alhealthmatters.com](http://www.alhealthmatters.com)