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## Refusal to Expand Medicaid May Cost Employers \$1 Billion

By Alex Wayne

Governors who refuse to expand their Medicaid programs for the poor may cost employers in their states as much as \$1.3 billion in federal fines, a [study](#) found.

A clause in the 2010 health-care overhaul penalizes some employers when their workers aren't able to obtain affordable medical coverage through the company. Employers can avoid those fees if their workers qualify for Medicaid as part of an expansion that as many as 22 states have rejected, according to a report today by Jackson Hewitt Tax Service Inc.

Without Medicaid, a "shared responsibility" payment of as much as \$3,000 may be triggered for each employee who can't get insurance through their company. In Texas, the largest state to refuse to increase Medicaid, employers may be liable for as much as \$448 million in fines, the study found. In Florida, where the legislature has refused an expansion supported by Governor Rick Scott, employers may pay as much as \$219 million.

"A lot of businesses have taken the position that they oppose a Medicaid expansion because it would increase their taxes," Brian Haile, senior vice president for health policy at Jackson Hewitt in Parsippany, New Jersey, said in an interview. "The irony of this, or the paradox, is that the opposite may be true, at least for some businesses in some states."

Under the Affordable Care Act, states are expected to expand Medicaid, the joint federal-state health plan for the poor, to cover every person earning wages close to the poverty level. Medicaid's expansion is one of two core provisions in the law's mission of extending health coverage to about 27 million uninsured people. The Supreme Court said in June the federal government can't force states to expand the program.

Article continued here: <http://www.bloomberg.com/news/2013-03-13/refusal-to-expand-medicaid-may-cost-employers-1-billion.html>

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