**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 44‑6‑120 SO AS TO PROVIDE THAT BEGINNING JANUARY 1, 2020, AN ADULT SIXTY‑FIVE YEARS OF AGE OR YOUNGER WHOSE INCOME IS AT OR BELOW ONE HUNDRED THIRTY‑THREE PERCENT OF THE FEDERAL POVERTY LEVEL, WITH A FIVE PERCENT INCOME DISREGARD, IS ELIGIBLE FOR MEDICAID AS PROVIDED FOR IN THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, AND AMENDMENTS TO THAT ACT.

Whereas, in March 2010, Congress enacted the Patient Protection and Affordable Care Act (ACA), the constitutionality of which was upheld by the United States Supreme Court in June of 2012, with the exception of certain aspects of Medicaid Expansion; and

Whereas, the Court found unconstitutional the ACA withholding all of a state’s existing federal Medicaid funding if the state does not expand Medicaid eligibility to individuals sixty‑five years of age or younger whose income is at or below one hundred thirty‑three percent of the federal poverty level, with a five percent income disregard; and

Whereas, while the Court struck down the Medicaid expansion penalty, it maintained the expansion and gave states the option of participating in the expansion as provided for in the ACA; and

Whereas, to fund this expansion, the ACA required the federal government to fund one hundred percent of a state’s Medicaid costs for newly eligible beneficiaries through 2016, and would gradually decrease the federal match to ninety percent, with a ten percent state match, in 2020 and thereafter; and

Whereas, based on an April 2012 independent Medicaid expansion study prepared for the South Carolina Department of Health and Human Services, approximately 333,000 uninsured and underinsured South Carolinians would have become newly eligible for Medicaid under the expansion, increasing to roughly 354,000 by 2020, resulting in an $11.2 billion net increase in federal funding to the State between 2014 and 2020; and

Whereas, the study found further that these increased federal funds would not exist but for Medicaid expansion and would lead to a net gain of nearly 44,000 jobs over these seven years, which, due to the multiplier effect, would result in $1.5 million in labor income by 2020; and

Whereas, even though South Carolina has not yet chosen to participate in Medicaid expansion, the State has the authority to do so at any time and, in making this decision, should consider the economic impact of enhanced federal funds coming into the State, the cost to the State to implement the expansion, the impact on uncompensated health care costs, and the impact on uninsured South Carolinians, whom the expansion was designed to reach; and

Whereas, the rise of income levels that would occur under Medicaid expansion would translate into additional spending both from individuals and households, creating substantial increases in tax revenue statewide. These increases in tax revenue would offset much, if not all, of the State match requirements and administrative costs associated with Medicaid expansion; and

Whereas, regardless of whether the State chooses to participate in Medicaid expansion, under the ACA there has been and will continue to be a reduction in federal disproportionate share payments to hospitals serving larger numbers of Medicaid and uninsured low income patients, placing a much greater financial burden on these hospitals, the State, and ultimately all health care consumers by increased insurance premiums and health care costs; and

Whereas, not only does opting into Medicaid expansion significantly impact and improve the State’s economic welfare, with a return far greater than could be achieved with our existing Medicaid state match, but exercising this option also is a moral imperative; and

Whereas, to do other than participate in Medicaid expansion denigrates the worth of hundreds of thousands of uninsured South Carolinians by denying them the opportunity to improve their individual health, and accordingly the health of the State, to improve their quality of life, to improve their chances of entering, maintaining, and advancing in the workforce, and to improve their individual, as well as collective, productivity and contributions to their communities and the State of South Carolina. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 6, Title 44 of the 1976 Code is amended by adding:

“Section 44‑6‑120. Beginning January 1, 2020, an adult sixty‑five years of age and younger whose income is at or below one hundred thirty‑three percent of the federal poverty level, with a five percent income disregard, is eligible for Medicaid as provided for in the ‘Patient Protection and Affordable Care Act’ (P.L. No. 111‑148), and amendments to that act.”

SECTION 2. This act takes effect upon approval by the Governor.

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