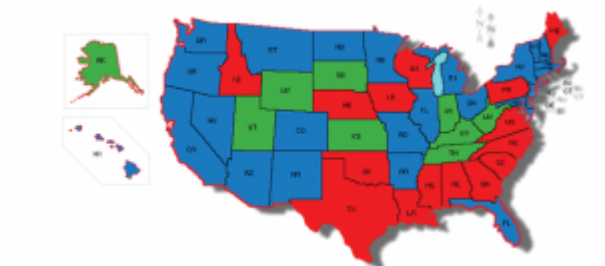


STATES CONTINUE CONSIDERATION OF MEDICAID EXPANSION AND INSURANCE EXCHANGES

On February 26, 2013, Chris Christie, the Governor of New Jersey, announced his support of the Affordable Care Act's Medicaid Expansion. Christie is the eighth Republican governor to announce support of the expansion for his/her state. The Medicaid Expansion will be fully funded by the federal government for the initial three years of the program. Beginning in the fourth year, the federal government will incrementally decrease its contribution, paying for 90% of the program in the year 2020 and beyond, with states funding the remaining 10% after 2020. The Kaiser Family Foundation has estimated that the Medicaid Expansion could reduce the number of uninsured adults by more than 11 million by the year 2019.

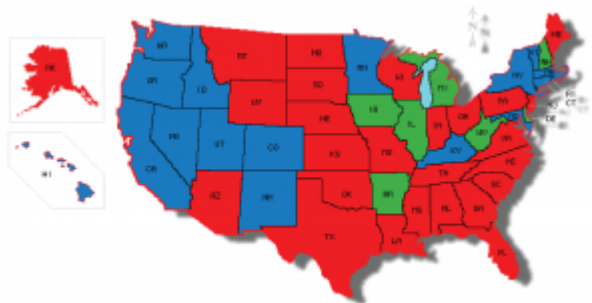
In the summer of 2012, the Supreme Court upheld the Medicaid Expansion as constitutional but gave states the option as to whether or not they would choose to participate. There is no deadline for states to decide whether or not to participate in the program. Because the program is optional, states may decide later to opt in, or those that have opted in may later choose to withdraw from the Medicaid Expansion program. The Medicaid Expansion program will allow all adults with annual incomes at or below 138% of the federal poverty level to be eligible for Medicaid. In 2012, 138% of the poverty level for a family of four was an annual income of \$31,809. The Medicaid Expansion income threshold for an individual is \$15,414. The following is a map of the current Medicaid Expansion decisions made by states as of February 28, 2013:

- Supports Expansion
- Opposes Expansion
- Position Undecided



Under the Supreme Court ruling, states are also permitted to opt out of the health insurance exchanges. Governor Christie has rejected the idea of a state-based exchange. For states that do not choose to implement their own state-based exchanges or partnership exchanges with the government, the state's health insurance exchange will default to being run by the federal government. The partnership exchange option permits states to collaborate with the U.S. Department of Health and Human Services by administering some, but not all, exchange functions. The following is a map of the current health insurance exchange decisions made by states as of February 28, 2013:

- **State-Based Exchange**
- **Federal Exchange**
- **Partnership Exchange**



If you have any questions, please contact Gregg M. Wallander at 317.977.1431 or gwally@hallrender.com, Brian C. Betner at 317.977.1466 or bbetner@hallrender.com or your regular Hall Render attorney.

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