

RESOLUTION IN SUPPORT OF MEDICAID EXPANSION
ADOPTED BY THE BOARD OF DIRECTORS OF
MARCUS DALY MEMORIAL HOSPITAL CORPORATION, INC. dba, BITTERROOT HEALTH
10/24/2023

WHEREAS, BITTERROOT HEALTH exists to improve the health of the patients and communities we serve;

WHEREAS, a significant body of research, studies and reports indicate that having health coverage is key to improving the health status of a community;

WHEREAS, a high rate of uninsured residents is linked to an increase in the severity of patient conditions, poorer outcomes, and higher costs as a result of delayed care and seeking emergency care for conditions that could have been avoided or managed through preventative care;

WHEREAS, the expansion of Medicaid in Montana has provided healthcare coverage to low-income Montanans who otherwise have few other options for healthcare coverage, helping to reduce the rate of uninsured Montanans by 45% and residents of Ravalli County by 12.5% since Medicaid expansion was implemented;

WHEREAS, Montana is experiencing a behavioral health crisis, and Montana's expansion of Medicaid provides a stable payment source for behavioral health services including effectively \$54 million in new funds for substance abuse disorder prevention and medication-assisted treatment to address the state's opioid epidemic;

WHEREAS, in 2021, Medicaid expansion in Ravalli County has improved health outcomes and led to early detection of disease, including breast cancer screenings and treatment for 331 women, 188 colon cancer screenings which potentially averted 102 cases of cancer, mental health services for 1,458 patients, and substance abuse treatment for 158 patients;

WHEREAS, it is understood that Montana has the 13th lowest rate of state general fund spending on Medicaid nationally and a lower rate of spending than peer states (CO, ND, SD, WA, WY), including those states that have not expanded Medicaid (SD, WY);

WHEREAS, Medicaid expansion has significantly grown Montana's economy according to a 2023 study conducted by ABMJ Consulting, which reported that Medicaid expansion helped create and sustain over 7,500 new jobs across multiple industries, and generated an estimated \$475 million in new personal income and \$775 million in economic activity in 2022. From this study, for Ravalli County, Medicaid expansion has supported 196 jobs, \$10,865,000 in personal income and \$27,724,000 in local economic activity;

WHEREAS, BITTERROOT HEALTH has remained financially viable due in large part to a 74% reduction in uncompensated care levels since Medicaid expansion took effect;

WHEREAS, BITTERROOT HEALTH is currently facing unprecedented financial pressures resulting from a 16% increase in expenses (driven by post-pandemic forces including a shortage of healthcare workers and reliance on temporary contractors, increased prices for drugs and other supplies, among other financial pressures) paired with only a 12% increase in patient revenue compared to the prior year;

WHEREAS, the payments received for caring for Medicaid patients represents approximately 17% of BITTERROOT HEALTH revenues, which support the financial stability of our organization for all who depend on us for care;

WHEREAS, residents from our service area receive care not only from us but several other Montana hospitals, independent physicians and health services, and the ability of these providers to remain financially viable and continue to provide care to all patients may be negatively impacted by significant changes to or the sunset of Medicaid expansion in Montana;

WHEREAS, the BITTERROOT HEALTH Board of Directors has a responsibility to plan for the fiscal impacts of any major known or anticipated event on the organization, such as the current Medicaid expansion sunset date of July 2025;

NOW THEREFORE BE IT RESOLVED, BITTERROOT HEALTH endorses Montana's current Medicaid expansion program, supports repealing the sunset of the program, and further recognizes our patients, caregivers, and the citizens of Ravalli County have a compelling interest in ensuring our hospital remains financially viable to remain both a caregiver and economic engine for our surrounding area;

BE IT FURTHER RESOLVED, BITTERROOT HEALTH strongly requests our legislative delegation and the Montana Legislature to repeal the sunset of the Medicaid Reform and Integrity Act passed in 2019 and protect healthcare coverage for low-income Montanans and the \$775 million economic engine it has created; and

BE IT FURTHER RESOLVED, the BITTERROOT HEALTH Board of Directors will adopt a budget scenario for Fiscal Year 2025 that outlines the changes that will be necessary to maintain financial solvency of the organization without Medicaid expansion, and our organization will inform members of our community and local legislators on the impacts to local healthcare services should the Legislature not renew the program.

APPROVED ON THIS DAY, October 24, 2023, BY THE GOVERNING BOARD OF DIRECTORS OF
BITTERROOT HEALTH

A handwritten signature in black ink, appearing to read "Lois Hedg-peth", written over a horizontal line.

Lois Hedg-peth, Board Chair

Board Members:

Christine Lewanski, Vice Chair

John Bishop, CEO, Secretary

Lawrence Brouwer, M.D., Director

Jim Cordle, C.P.A., Director

Linda Dodds, Director

Mark Jergens, Director

Robert Whalen, Director

Timothy Woods, M.D., Director

Bret Young, Director