

RESOLUTION IN SUPPORT OF MEDICAID EXPANSION
ADOPTED BY THE BOARD OF TRUSTEES OF
St. Luke Community Healthcare
October 2023

WHEREAS, St. Luke Community Healthcare 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 Lake County by 14.1% and Sanders County 16% 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 \$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 Lake and Sanders Counties has improved health outcomes and led to early detection of disease, including breast cancer screenings and treatment for 343 women, 196 colon cancer screenings which potentially averted 73 cases of cancer, mental health services for 359 patients, and substance abuse treatment for 357 patients;

WHEREAS, 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. For Lake and

Sanders Counties, Medicaid expansion has supported 220 jobs, \$10,991,000] in personal income and \$30,279,000 in local economic activity;

WHEREAS, St. Luke Community Healthcare has remained financially viable due in large part to a 20% reduction in uncompensated care levels since Medicaid expansion took effect;

WHEREAS, St. Luke Community Healthcare is currently facing unprecedented financial pressures resulting from a 10.6% 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) paired with 1.5% change to revenues in 2022 compared to the prior year;

WHEREAS, the payments received for caring for Medicaid patients represents 29% of St. Luke Community Healthcare 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 St. Luke Community Healthcare Board of Trustees has a fiduciary responsibility to our community 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, St. Luke Community Healthcare endorses Montana's current Medicaid expansion program, supports repealing the sunset of the program, and further recognizes our patients, caregivers, and the citizens of Lake and Sanders Counties have a compelling interest in ensuring our hospital remains financially viable and an economic engine for our surrounding area;

BE IT FURTHER RESOLVED, St. Luke Community Healthcare 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 St. Luke Community Healthcare Board of Trustees will adopt a budget scenario for Fiscal Year 2026 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 23, 2023, BY THE GOVERNING BOARD OF TRUSTEES OF St. Luke Community Healthcare.

Jennifer McGinnis, Board Chair

Board Members:

Leah Emerson, Vice Chair

Phillip Grainey, Secretary/Treasurer

Steven Todd, Trustee

Holly Castor, Trustee

A.Thomas Pavlock, Trustee

Martin Olsson, Trustee

Robin Nelson, Trustee

Edred Vizcarra MD, Trustee