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For More Information, Contact:

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Janet Bauer (503) 873-1201
Charles Sheketoff (503) 873-1201
Juan Carlos Ordóñez (503) 873-1201

House, Not Senate, Economic Package Would Ease Health Care Squeeze for About 51,000 Unemployed, Low-Income Oregonians

(Silverton) — The economic recovery package approved by the U.S. House of Representatives — but not the version still under consideration in the Senate— would extend Medicaid health coverage to the families of some 51,000 unemployed, low-income Oregonians, according to a new study out today.

Less than half, or 44 percent, of low-income Oregonians who've lost their jobs have health insurance through a former employer, a public program or private insurer, according to the report by Families USA, a national consumer advocacy group.

“Many struggling Oregon families lacking health coverage could benefit from the House bill, so it’s important that the final legislation include this extension of Medicaid,” said Janet Bauer, policy analyst with the Oregon Center for Public Policy, who reviewed the study.

The American Recovery and Reinvestment Act of 2009, which cleared the U.S. House of Representatives last week, would allow states to extend Medicaid coverage to laid-off low-income workers in households with incomes below 200 percent of poverty. The poverty level varies according to family size. For a family of three, households with yearly income below \$36,620 could be eligible for the program if it becomes law.

The House plan would be temporary but fully funded by the federal government, said Bauer. Under the legislation, Oregon would have the option to extend its Medicaid-funded Oregon Health Plan to these workers through 2010. Recognizing that states are strapped for revenues, the federal government would pay all of the costs of coverage, waiving the usual state-match requirement.

“The Medicaid provision would inject significant federal dollars into Oregon’s struggling economy with virtually no cost to the state,” Bauer stressed. “It’s just what the economy’s doctor is ordering for Oregon’s revenue shortfall and high unemployment.”

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The extension addresses the gap in health coverage that many laid-off workers fall into, according to Bauer. She noted that the Oregon Health Plan is closed to many low-income individuals, who typically cannot afford to buy private coverage or continue the health insurance they had with their former employer.

“The temporary Medicaid extension would prevent tens of thousands of Oregonians from falling through the cracks of our health care system, thus bolstering the health of families and the economic productivity of our state in the long run,” said Bauer.

While the Senate has yet to take a final vote on the economic recovery legislation, the draft currently under consideration does not include funds for states to insure laid-off workers below 200 percent of poverty.

“When it comes to helping those Oregonians who’ve lost their health coverage during this recession, the House legislation is clearly superior,” said Bauer. “Let’s hope that the final version of the package includes these provisions.”

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.

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Note to reporters and editors:

The Families USA report *Unemployed and Uninsured in America* is available at www.ocpp.org.