

Montana Legal Services Association



Provide, protect and enhance access to justice.

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MEMO

To: House Health and Human Services Committee
From: Amy Hall, attorney with MLSA
RE: HB 590 – Medicaid expansion *ah*
Primary sponsor: Chuck Hunter
Date: March 25, 2013

Good morning, Mr. Chairman and members of the Committee:

My name is Amy Hall. I am an attorney with Montana Legal Services Association, a nonprofit organization that provides free civil legal assistance to Montanans in poverty throughout our state.

I am here on behalf of MLSA to express support for HB 590. This bill, if passed, would improve the lives of many low-income working Montanans. Currently, it is difficult to qualify for Medicaid as an adult unless you are on SSI for a permanent disability. If this bill is passed, more low-wage workers would be covered by Medicaid, which would mean that families would achieve greater stability because mothers and fathers would be able to access health care along with their children. If this bill is passed, Montana homeowners would be less likely to incur crippling medical costs that often cause them to fall behind on their mortgages and lose their homes. If this bill is passed, low-income Montanans who aren't able to find jobs offering health insurance would have consistent access to medical treatment.

At Montana Legal Services Association we serve a broad segment of our state's population. Some Montanans contact us because they were forced into legal crisis because of failing health and resulting medical bills that they could not pay, others because they were denied Medicaid because their household income was too high. These applicants live in every voting district in Montana – they're our child-care workers, our servers, our fellow church members, our neighbors.

Administrative Office

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These are some of their stories, all from 2012. These stories represent what we hear every day at MLSA:

- A Yellowstone County woman lost her job [during the recession?]. She had managed to stay current on her mortgage and make small payments on her medical debt, but was running out of resources. She called us to find out what happens in a foreclosure.
- A Hill County client with two children owed \$4,000 to her doctor. She had a payment plan with her doctor but was worried that her doctor would stop treating her family because she could not pay in full. She was at 100% of the federal poverty level and had a low-wage job. Under current Medicaid eligibility rules, she did not qualify for Medicaid. There were no other sources of help for her \$4,000 medical debt.
- A 57 year old disabled man from Gallatin County spent all of his savings paying the medical bills for his wife, who had died with no health coverage. When he called MLSA, he had \$25 in his checking account and was dependent on relatives.
- A Ravalli County woman in her 20s with no health insurance had almost \$20,000 of medical debt and \$1,000 of other debt. She called us about filing bankruptcy. If she had been covered by Medicaid, she would have had no problem paying off her non-medical debt and no need for bankruptcy. We often see clients who have never had any debt until a medical emergency strikes.

The low-income workers we see cannot afford insurance and have far fewer resources available to them when a medical or other crisis hits. They cannot shift monthly expenses or pull money out of savings to cover unexpected costs. Just by paying for food, shelter and clothing each month, their income is already stretched to its limits.

Many of our clients are stuck in a gap that catches many Montanans – they're too poor to pay for medical care but not poor enough to receive Medicaid. Our client "Pam" illustrates this predicament all too well. Pam was a middle-aged

wife and mother, with two school-aged children still in the home. Despite serious back issues, she worked a job as a housekeeper. A newly diagnosed thyroid problem sapped most of her energy and made it very difficult to work. She lost her job. Her energy levels were so low that she could not make it through a phone call with MLSA without becoming exhausted, and would have to pass the phone off to her husband, who was almost always by her side. Even though Pam's medical problems made it impossible for her to work, she had not yet had them long enough to qualify for SSI disability, which would have made her eligible for Medicaid.

Pam was also a breast cancer survivor. During the time MLSA advised her, she was beginning to notice symptoms that made her think her cancer might be coming back.

Pam applied for Medicaid. She was denied because her household income was too high. Pam, her husband and their two children lived off her husband's income of around \$700 per month. This barely covered rent, let alone Pam's rising medical needs. The family was depended on food stamps, charity organizations, and contributions from relatives. Pam's husband received Medicaid because he qualified for SSI, and the children were covered by Healthy Montana Kids. But Pam was left without any healthcare coverage.

Pam and her husband worried constantly about how to cover her health care expenses, especially if she were to end up in cancer treatment again. We advised her of her options: (1) to hope that her breast cancer had recurred so that she could qualify for Montana's Medicaid program for residents with breast or cervical cancer, which has a higher income limit than regular Medicaid; (2) to choose not to seek medical treatment now, risking the decline of her health; (3) to apply for charity care through her local hospital; or (4) to consider splitting up her family so her husband's SSI would not count towards her household income.

None of our fellow Montanans should have to face the kinds of hard choices that Pam's family was confronting. We urge the passage of this bill so that more Montanans will enjoy the benefits of health security. We cannot put a price on that kind of peace of mind.

Thank you for your consideration.