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Report Shows West Virginia Economy Would Suffer Under Proposed Health Care Plans

(Charleston, WV) – This West Virginia Center on Budget and Policy report, *West Virginia Economy Would Suffer Under Proposed Health Care Plans*, breaks down the economic gains the state has experienced since the passage of the Affordable Care Act and the devastating impacts its repeal could have in West Virginia, specifically in rural areas with higher concentrations of health-care jobs.

Over the last decade, the growth in the health-care industry has been one of the few bright spots in the state's otherwise struggling economy. Repealing the ACA would undo much of the state's economic progress spurred by ACA and health-care industry. According to the American Hospital Association, West Virginia's hospitals have a \$9.8 billion impact on the state's economy.

"At the time when West Virginia's economy has been stagnant at best, the health-care sector has been one of the lone bright spots in the state's economy in recent years," Sean O'Leary, West Virginia Center on Budget and Policy Senior Policy Analyst and report author said. "The health-care industry accounts for more than 10 percent of West Virginia's economy, and has grown five times faster than the rest of the economy since 2014. Repealing the ACA, which would trigger many changes including how Medicaid is funded, would have a negative ripple effect throughout the state's economy when the state can least afford it."

The state's rural areas would be impacted disproportionately as those areas have a higher concentration of people insured through Medicaid and its expansion, and those areas have made up for job losses in other sectors primarily through new health-care jobs.

"Repealing the Affordable Care Act means over 3,000 of our patients will become uninsured. Although our health center will continue to provide services, this means that patients managing cancer, heart disease, addiction or diabetes may be forced with either bankruptcy or going without care," Craig Robinson, Cabin Creek Health Systems Executive Director said. "It also means big cuts in resources for health providers who serve the uninsured. For our health center network, we project a loss of 20 positions; individuals will lose their jobs. Staff will suffer as will our ability to serve our entire community."

Key Findings

- Since 2008, total private sector jobs in West Virginia have declined by 4.1 percent, while health-care jobs have increased by 9 percent.
- Nearly one out-of-every five private sector jobs in West Virginia are in the health-care sector. In West Virginia's rural counties, one out-of-every six private sector jobs are in health care.
- A total of \$3.7 billion was spent on Medicaid services in West Virginia in 2016, including Medicaid expansion, while approximately 30,000 West Virginians received \$135.7 million in premium tax credits.
- The health-care industry accounts for over 10 percent of the state's Gross Domestic Product (GDP), and has grown five times faster than the rest of the economy since 2014.
- Currently, six of the state's top 10 private employers are hospitals and health-care providers.
- The American Health Care Act (AHCA) and the Better Care Reconciliation Act (BCRA) could cause West Virginia to lose more than 10,000 jobs and over \$1 billion in lost GDP.
- The AHCA and the BCRA are estimated to cause 195,000 West Virginians to lose their health coverage, nearly half of the state's Medicaid population.

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