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Where are States Today? Medicaid and State-Funded Coverage Eligibility Levels for Low-Income Adults

Leading health reform proposals in Congress would expand coverage for low- to moderate-income individuals through a combination of a Medicaid expansion and subsidies to help individuals purchase coverage through new health insurance exchanges. One group that would significantly benefit from expansions in coverage is low-income adults. Low-income adults (below 200% of poverty) account for just over half (55%) of the non-elderly uninsured, reflecting limited access to affordable private coverage and limited eligibility for Medicaid. Following is a brief overview of low-income adults' current eligibility for Medicaid and other state-funded coverage programs and discussion of how this coverage may be impacted by health reform.

Low-income adults currently have limited access to Medicaid or other public coverage. States are required to cover certain groups through Medicaid, including children, pregnant women, elderly and disabled individuals, and parents, to federal minimum levels and have the option to expand eligibility to higher incomes. The federal minimum for parents is set by reference to a state's 1996 welfare eligibility level, which is below poverty in every state and below 50% of poverty in many states. While some states have expanded eligibility above these levels, overall, parent eligibility levels remain low, with 34 states limiting eligibility to less than 100% of poverty and 14 of these states limiting eligibility to less than 50% of poverty (Table 1).

Further, childless adults are not included in the categories of people states can cover through Medicaid under current federal rules. States can only cover these adults through Medicaid if they obtain a waiver or create a fully state-funded program. Reflecting these limitations, more than half of states do not provide any coverage to childless adults, regardless of income (Table 1). Some 5 states provide coverage that is comparable to Medicaid, 14 states only provide coverage more limited than Medicaid (in some cases limited only to primary care), and an additional 5 states solely cover childless adults through a premium assistance program with employment-related eligibility requirements.

Expanding Medicaid would significantly expand coverage options for low-income adults. Both the House America's Affordable Health Choices Act of 2009 and Senate America's Healthy Future Act bills would expand Medicaid to 133% of poverty for all individuals. This would expand coverage options for adults in many states, particularly adults without dependent children, and create a national floor of coverage. However, the bills vary in terms of requirements for states to maintain eligibility levels above the new minimum, the levels of federal financing provided to states help finance expansion costs, and the scope of coverage that would be provided to newly eligible adults.¹ These factors will have important implications for states and low-income adults' ability to access necessary care.

In sum, Medicaid provides a strong base of coverage for our nation's low-income population but many low-income adults remain ineligible for the program and without affordable coverage options. Expanding Medicaid could be an effective and efficient strategy for increasing their coverage that would strengthen the floor of coverage for the low-income population.

¹ For more details see "Medicaid and Children's Health Insurance Program Provisions: America's Affordable Health Choices Act and America's Healthy Future Act," Kaiser Family Foundation, September 2009, <http://www.kff.org/healthreform/7952.cfm>.

**Table 1:
Medicaid and State-Funded Coverage Income Eligibility Limits for Low-Income Adults, 2009**

Scope of Benefits	Medicaid or Medicaid Look-Alike		More Limited Than Medicaid	
	Parents	Childless Adults	Parents	Childless Adults
Alabama	25%			
Alaska	85%			
Arizona	200%	100%		
Arkansas ¹	17%		*	*
California	106%			
Colorado	66%			
Connecticut ²	191%		300%	300%
Delaware	121%	100%		
District of Columbia ³	207%			200% (closed)
Florida	55%			
Georgia	52%			
Hawaii ⁴	100%	100% (closed)	200%	200%
Idaho ⁵	28%		*	*
Illinois	185%			
Indiana ⁶	26%		200%	200% (closed)
Iowa ⁷	86%		200%	200%
Kansas	34%			
Kentucky	62%			
Louisiana	26%			
Maine ⁸	206%		300%	100% (closed) 300%
Maryland	116%			116% (primary care only)
Massachusetts ⁹	133%		300%	100%/300%
Michigan	66%			35%
Minnesota ¹⁰	215%		275%	250%
Mississippi	46%			
Missouri	26%			
Montana	58%			
Nebraska	58%			
Nevada ¹¹	91%		*	
New Hampshire	51%			
New Jersey	200%			
New Mexico ¹²	69%		*	*
New York	150%	100%		
North Carolina	51%			
North Dakota	62%			
Ohio	90%			
Oklahoma ¹³	48%		*	*
Oregon ¹⁴	42%		100%* (closed)	100%* (closed)
Pennsylvania ¹⁵	36%		200% (closed)	200% (closed)
Rhode Island	181%			
South Carolina	90%			
South Dakota	54%			
Tennessee ¹⁶	134%		*	*
Texas	27%			
Utah ¹⁷	68%		150% (primary care only)	150% (primary care only)
Vermont ¹⁸	191%	150%	300%	300%
Virginia	30%			
Washington ¹⁹	77%		200% (closed)	200% (closed)
West Virginia	34%			
Wisconsin ²⁰	200%			200%
Wyoming	54%			

SOURCE: KCMU analysis of state policies through program websites and contacts with state officials, April 2009. Programs in **bold** are funded solely with state dollars.

* denotes state provides premium assistance with employment-related eligibility requirements. See State Notes. "Closed" denotes enrollment closed as of April 2009.

Medicaid income thresholds for parents take earnings disregards, when applicable, into account. Computations are based on a family of three with one earner. States may use additional disregards in determining eligibility.

State Notes

¹ **Arkansas:** Parents and childless adults up to 200% FPL are eligible for the ArHealthNetworks waiver premium assistance program; individuals must meet income eligibility requirements and work for a qualifying, participating employer.

² **Connecticut:** Parents and childless adults up to 300% FPL are eligible for the fully state-funded premium subsidy program called Charter Oak.

³ **District of Columbia:** Childless adults are eligible for more limited coverage through the fully district-funded DC Healthcare Alliance program. In addition, the District has a Medicaid waiver for non-disabled childless adults age 50-64 with income below 50% FPL. Enrollment in the waiver program closed in 2005; as of 2009, there were about 1,000 adults enrolled.

⁴ **Hawaii:** Parents and childless adults up to 100% FPL are covered under the QUEST Medicaid managed care waiver program. Enrollment in QUEST is currently closed except for limited groups. Parents and childless adults up to 200% FPL are eligible for more limited coverage under the QUEST-ACE waiver program.

⁵ **Idaho:** Parents and childless adults up to 185% FPL are eligible for premium assistance under a waiver. Individuals must meet income eligibility requirements and work for a qualified small employer.

⁶ **Indiana:** Parents and childless adults up to 200% FPL are eligible for limited coverage that resembles a Health Savings Account under the Healthy Indiana waiver program. Enrollment in the program was closed for childless adults as of April 2009.

⁷ **Iowa:** Parents and childless adults up to 200% FPL are eligible for more limited coverage under the IowaCare waiver program.

⁸ **Maine:** Childless adults up to 100% FPL are eligible for more limited coverage under the MaineCare waiver program. Enrollment was closed as of April 2009. The state also offers a fully state-funded premium subsidy program, called Dirigo Health, to parents and childless adults up to 300% FPL.

⁹ **Massachusetts:** Parents up to 133% FPL are covered under the MassHealth Medicaid waiver and long-term unemployed childless adults up to 100% are eligible for more limited MassHealth Essential coverage under the Medicaid waiver. Additionally, the state offers a premium subsidy program, called Commonwealth Care, to parents and childless adults up to 300% FPL.

¹⁰ **Minnesota:** Parents receive coverage under the MinnesotaCare waiver program, and childless adults receive coverage under the fully state-funded portion of MinnesotaCare. Parents up to 215% FPL receive full Medicaid benefits with the exception of some optional services and institutionally-based long-term care services. If parents were in need of long-term services, they would likely get switched to a different Medicaid eligibility category that covers these services. Parents above 215% FPL and childless adults are categorized as receiving more limited coverage because they have a \$10,000 annual limit on inpatient hospital care. (Prior to July 1, 2009, the inpatient hospital limit applied to parents above 200% FPL and childless adult eligibility was limited to 200% FPL.)

¹¹ **Nevada:** Parents up to 200% FPL are eligible for premium assistance under the Check Up Plus waiver program. Parents must meet income eligibility requirements and work for a qualified small business.

¹² **New Mexico:** Parents and childless adults up to 200% FPL are eligible for premium assistance under the State Coverage Insurance waiver program. Individuals must meet income eligibility requirements and work for a participating employer; if they do not work for a participating employer; they must cover both the employer and employee share of premium costs.

¹³ **Oklahoma:** Parents and childless adults up to 200% FPL are eligible for premium assistance under the Insure Oklahoma waiver program. In addition to meeting income eligibility requirements, adults must also work for a small employer, be self-employed, be unemployed and seeking work, be working disabled, be a full-time college student, or be the spouse of a qualified worker.

¹⁴ **Oregon:** Parents and childless adults up to 100% FPL are eligible for limited coverage under the OHP Standard waiver program and parents and childless adults up to 185% FPL are eligible for premium assistance under the Family Health Insurance Assistance Program (FHIAP). OHP Standard enrollment has been closed since July 1, 2004 except for a limited open enrollment period in January 2008. FHIAP enrollment has been closed since November 2007.

¹⁵ **Pennsylvania:** Parents and childless adults up to 200% FPL are eligible for the fully state-funded adultBasic program. Enrollment in the program is currently closed.

¹⁶ **Tennessee:** The state offers a premium subsidy program, called CoverTN, to workers of qualified businesses, self-employed individuals, and recently unemployed workers earning (or who earned) up to \$55,000 per year. For businesses to qualify, at least 50% of employees must earn \$55,000 or less per year. Once a business qualifies, all eligible employees, regardless of income may enroll. Eligible local county governments and their employees may also enroll as well as spouses of enrollees.

¹⁷ **Utah:** Parents and childless adults up to 150% FPL are eligible for coverage of primary care services under the Primary Care Network waiver program or can receive premium assistance through the Utah Premium Partnership for Health Insurance program. Enrollment in the Primary Care Network is closed except for limited open enrollment periods.

¹⁸ **Vermont:** Parents up to 191% FPL and childless adults up to 150% FPL are covered under the Vermont Health Access Plan (VHAP) waiver program. Additionally, the state offers a premium subsidy plan, called Catamount Health, to parents and childless adults up to 300% FPL.

¹⁹ **Washington:** Parents and childless adults up to 200% FPL are eligible for the fully state-funded Basic Health program. Enrollment in the program is closed.

²⁰ **Wisconsin:** Parents up to 200% FPL are covered under the BadgerCare Plus waiver program. Childless adults receive more limited coverage under the BadgerCare Plus Core Plan for Childless Adults.

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