

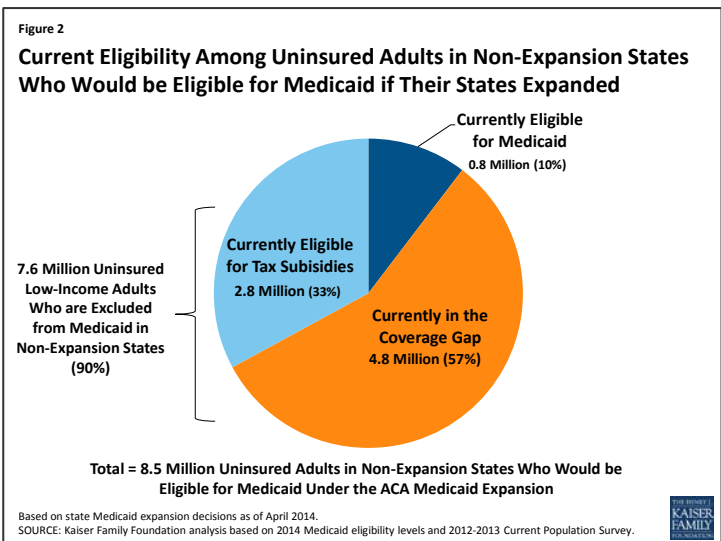
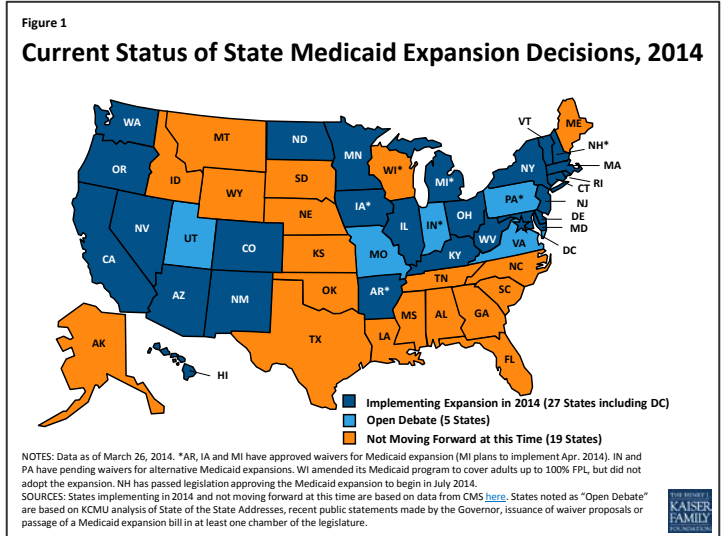
April 2014 | Fact Sheet

## A Closer Look at the Impact of State Decisions Not to Expand Medicaid on Coverage for Uninsured Adults

The Medicaid expansion is a core component of the Affordable Care Act (ACA), designed to fill longstanding gaps in health coverage for adults.<sup>1</sup> As enacted, the ACA created a continuum of health coverage options, with Medicaid expanding to cover all low-income adults with income up to 138% of poverty (about \$16,000 for an individual) and tax credits to purchase private coverage in new Health Insurance Marketplaces available to people with moderate incomes. However, the July 2012 Supreme Court ruling on the Affordable Care Act effectively made the Medicaid expansion a state option, and as of April 2014, 24 states are not moving forward with the Medicaid expansion at this time (Figure 1). In states that do not implement the Medicaid expansion, millions of low-income adults that could have gained Medicaid will remain ineligible for the program. A small number of these people may be eligible for tax credits to purchase private coverage, but the majority will be left without an affordable coverage option.

While 8.5 million uninsured low-income adults could have been eligible for Medicaid in the states not expanding their programs, only a small share of them are eligible for Medicaid today. Because Medicaid eligibility in states not expanding their programs is limited, only 10% (878,000 people) of the uninsured adult population that could have been reached by Medicaid under the ACA is eligible. The remaining 90%, or 7.6 million uninsured low-income adults, who could have been eligible for Medicaid coverage are instead ineligible because their state is not expanding Medicaid (Figure 2). Among those left out of Medicaid due to their state's decision not to expand:

- **4.8 million uninsured poor adults, or 57% of the population that could have been eligible, fall into a coverage gap.** These individuals have incomes above Medicaid eligibility thresholds but below poverty (the lower cutoff for Marketplace tax credits). Without the Medicaid expansion, these poor adults are ineligible for financial assistance to obtain health coverage under the ACA and are likely to remain uninsured.<sup>2</sup>
- **2.8 million adults, about a third of the population that could have been reached, have income between 100% and 138% FPL and may be eligible for tax credits to purchase coverage through the Marketplace.**<sup>3</sup> Although these individuals can obtain private coverage through the Marketplace, there are advantages and disadvantages to Medicaid and private coverage in different states, and they may face premiums or higher cost-sharing than they would have in Medicaid. Moreover, open enrollment in Marketplace plans is now closed, while enrollment in Medicaid would have remained open throughout the year.



The number of uninsured adults who are excluded from Medicaid due to state decisions not to expand varies by state, from approximately 27,000 in Wyoming to over 1.7 million adults in Texas (Table 1).

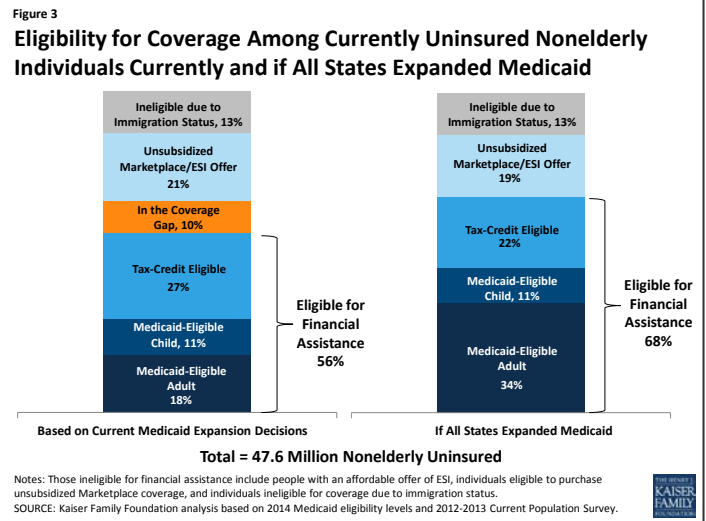
**Table 1: Current Eligibility Among Uninsured Adults in Non- Expansion States Who Would be Eligible for Medicaid if Their States Expanded**

State	Eligible for Medicaid Under the ACA Medicaid Expansion ( $\leq$ 138% FPL)				Excluded from Medicaid Due to State Decisions not to Expand Medicaid
	Total	Currently Eligible for Medicaid <sup>1</sup>	Currently in the Coverage Gap (< 100% FPL)	Currently May be Eligible for Marketplace Tax Credits (100%- 138% FPL)	
<b>24 Non- Expansion States</b>	<b>8,475,000</b>	<b>878,000</b>	<b>4,805,000</b>	<b>2,792,000</b>	<b>7,598,000</b>
Alabama	300,000	28,000	191,000	81,000	272,000
Alaska	43,000	13,000	17,000	13,000	30,000
Florida	1,307,000	94,000	764,000	448,000	1,212,000
Georgia	676,000	77,000	409,000	190,000	599,000
Idaho	91,000	6,000	55,000	31,000	86,000
Indiana	319,000	28,000	182,000	109,000	291,000
Kansas	142,000	16,000	78,000	48,000	126,000
Louisiana	401,000	38,000	242,000	121,000	364,000
Maine	42,000	4,000	24,000	13,000	38,000
Mississippi	221,000	18,000	138,000	66,000	203,000
Missouri	313,000	30,000	193,000	90,000	283,000
Montana	70,000	7,000	40,000	23,000	63,000
Nebraska	62,000	6,000	33,000	23,000	56,000
North Carolina	549,000	38,000	319,000	193,000	511,000
Oklahoma	219,000	18,000	144,000	57,000	201,000
Pennsylvania	496,000	42,000	281,000	173,000	454,000
South Carolina	322,000	33,000	194,000	94,000	289,000
South Dakota	45,000	5,000	25,000	15,000	40,000
Tennessee	339,000	74,000	162,000	104,000	266,000
Texas	1,849,000	122,000	1,046,000	681,000	1,727,000
Utah	103,000	9,000	58,000	35,000	93,000
Virginia	343,000	28,000	191,000	123,000	314,000
Wisconsin	193,000	141,000	-	53,000	53,000
Wyoming	29,000	2,000	17,000	10,000	27,000

NOTE:<sup>1</sup> Based on state Medicaid expansion decisions as of April 2014.

Excludes undocumented immigrants and legal immigrants who have been in the US for less than five years

Nationally, if all states were to expand Medicaid, the coverage gap would be eliminated, millions of low-income adults could gain Medicaid coverage, and the share of uninsured individuals eligible for financial assistance would increase from 56% to 68% (Figure 3). Without the expansion, millions of adults that could have gained Medicaid coverage will remain excluded from the program. Most will be left without an affordable coverage option, and others may face financial burdens paying for coverage private coverage in the Marketplace. Notably, there is no deadline for decisions about implementing the Medicaid expansion, and some states may choose to adopt the expansion at a later date. These decisions will have significant implications for health coverage and care for low-income adults across states.



<sup>1</sup> See: Kaiser Commission on Medicaid and the Uninsured. "Medicaid Eligibility for Adults as of January 2014." October 2013. Available at: <http://kff.org/medicaid/fact-sheet/medicaid-eligibility-for-adults-as-of-january-1-2014/>

<sup>2</sup>For more information, see: Kaiser Family Foundation. "The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid." Updated March 2014. Available at: <http://kff.org/health-reform/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>

<sup>3</sup> A small share of uninsured adults in non-expansion states with income between 100 and 138% FPL have an affordable offer of employer-sponsored health insurance and are therefore ineligible for tax credits. These individuals would be eligible for Medicaid if their states were to expand.