

## Making the Medicaid Expansion an ACA Option: How Many Low-Income Americans Could Remain Uninsured

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The Supreme Court's ruling on the Affordable Care Act put the decision to expand Medicaid coverage to non-elderly people with incomes below 138 percent of the federal poverty level in the hands of the states. Before the ACA, few states covered non-disabled parents up to this income level, and even fewer states covered non-disabled adults without dependent children in Medicaid. With full implementation of the Medicaid expansion in all states, the Congressional Budget Office estimated that the enrollment increases in Medicaid would have accounted for about half the total coverage increases projected under the ACA, [with substantial variation expected across states](#).

If a state does not implement the ACA's Medicaid expansion, some people who would have received Medicaid could instead receive federal tax credits and other subsidies, but cost-sharing requirements would be higher than they would have been under Medicaid. Federal tax credits and subsidies would not be available for most people with incomes below the federal poverty level, however. As a consequence, the uninsured above poverty could receive help, but those below poverty would not.

In states that do not implement the Medicaid expansion, many poor people will remain uninsured. Table 1 contains estimates from the 2010 American Community Survey on the number of non-elderly people who could be covered by Medicaid under the ACA, nationally and for each state.<sup>1</sup> Nationally, an estimated 22.3 million uninsured people could qualify for Medicaid by having incomes below 138 percent of the Federal Poverty Level, constituting 47 percent of the nation's uninsured. Moreover, 80 percent of these Medicaid eligible uninsured individuals have incomes below the poverty level.

As for the states, three have more than a million uninsured people potentially eligible for Medicaid with incomes less than 138 percent of the Federal Poverty Level: California, Texas, and Florida have 2.9 million, 2.5 million, and 1.8 million, respectively. In addition, in five states (Alabama, Kentucky, Mississippi, South Dakota, and West Virginia), uninsured Medicaid-eligible people comprise over 60 percent of the state's total uninsured population.

These estimates indicate that if all states expand Medicaid eligibility under the ACA to 138 percent of the Federal Poverty Level in 2014, 22.3 million uninsured people could be covered under Medicaid. Should states choose not to expand Medicaid at all, coverage would be at risk for these people, particularly for the 17.8 million with incomes below the poverty level who are not eligible for exchange subsidies.

At this point it is not clear whether and how many states will choose to expand Medicaid up to 138 percent of the Federal Poverty Level as allowed under the ACA. In the wake of yesterday's decision, a number of governors have said that they plan to expand Medicaid, [while some state officials have indicated that they may not choose to expand Medicaid under the ACA](#).

In addition, [27 states challenged the constitutionality of the Medicaid expansion](#). However, it is clear that state decisions regarding whether or not to expand Medicaid will affect significant numbers of individuals and families and will have dramatic implications for the number who remain uninsured.

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<sup>1</sup> These estimates are derived from the 2010 American Community Survey (ACS). They are based on Urban Institute analysis of data from the Integrated Public Use Microdata Series (IPUMS) that reflect an adjustment for the possible misreporting of insurance coverage on the ACS. Potential eligibility for Medicaid is determined by having income for the Health Insurance Unit below 138 percent of the Federal Poverty Level and meeting the immigration requirements for Medicaid coverage. These estimates focus just on the uninsured who would be eligible for Medicaid under the ACA and do not consider those with non-group or employer coverage who would be eligible or who would take up Medicaid coverage under the ACA (see Holahan and Headen, 2010 "[Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 138 percent of the FPL](#)." The Kaiser Commission on Medicaid and the Uninsured, for analysis that considers these issues.)

*The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders.*

**Table 1: Uninsured Potentially Eligible for Medicaid under the ACA, by State (Number in 1,000's)**

|                      | Medicaid Eligible Uninsured, by Income |                                              |                                            | All Uninsured <sup>2</sup> | Share of Uninsured Potentially Medicaid Eligible |
|----------------------|----------------------------------------|----------------------------------------------|--------------------------------------------|----------------------------|--------------------------------------------------|
|                      | Less Than 100 Percent FPL <sup>1</sup> | Between 100 and 138 Percent FPL <sup>1</sup> | All Less than 138 Percent FPL <sup>1</sup> |                            |                                                  |
| <b>United States</b> | <b>17,782</b>                          | <b>4,565</b>                                 | <b>22,347</b>                              | <b>47,346</b>              | <b>47.2%</b>                                     |
| Alabama              | 358                                    | 77                                           | 435                                        | 701                        | 62.0%                                            |
| Alaska               | 40                                     | 14                                           | 53                                         | 123                        | 43.5%                                            |
| Arizona              | 350                                    | 113                                          | 463                                        | 1,068                      | 43.3%                                            |
| Arkansas             | 217                                    | 58                                           | 275                                        | 497                        | 55.3%                                            |
| California           | 2,263                                  | 612                                          | 2,875                                      | 6,844                      | 42.0%                                            |
| Colorado             | 264                                    | 87                                           | 351                                        | 796                        | 44.1%                                            |
| Connecticut          | 96                                     | 26                                           | 122                                        | 319                        | 38.4%                                            |
| Delaware             | 33                                     | 9                                            | 42                                         | 90                         | 47.2%                                            |
| District of Columbia | 18                                     | 3                                            | 21                                         | 48                         | 43.9%                                            |
| Florida              | 1,430                                  | 365                                          | 1,795                                      | 3,938                      | 45.6%                                            |
| Georgia              | 792                                    | 181                                          | 974                                        | 1,876                      | 51.9%                                            |
| Hawaii               | 44                                     | 8                                            | 51                                         | 100                        | 51.2%                                            |
| Idaho                | 112                                    | 38                                           | 150                                        | 281                        | 53.3%                                            |
| Illinois             | 646                                    | 135                                          | 782                                        | 1,754                      | 44.6%                                            |
| Indiana              | 410                                    | 108                                          | 517                                        | 947                        | 54.6%                                            |
| Iowa                 | 116                                    | 32                                           | 148                                        | 283                        | 52.2%                                            |
| Kansas               | 153                                    | 47                                           | 200                                        | 387                        | 51.8%                                            |
| Kentucky             | 324                                    | 75                                           | 399                                        | 653                        | 61.0%                                            |
| Louisiana            | 345                                    | 77                                           | 422                                        | 793                        | 53.2%                                            |
| Maine                | 47                                     | 17                                           | 64                                         | 142                        | 44.8%                                            |
| Maryland             | 205                                    | 46                                           | 251                                        | 651                        | 38.6%                                            |
| Massachusetts        | 95                                     | 22                                           | 117                                        | 302                        | 38.7%                                            |
| Michigan             | 581                                    | 149                                          | 730                                        | 1,228                      | 59.5%                                            |
| Minnesota            | 159                                    | 43                                           | 202                                        | 472                        | 42.7%                                            |
| Mississippi          | 279                                    | 54                                           | 333                                        | 528                        | 63.2%                                            |
| Missouri             | 352                                    | 100                                          | 452                                        | 780                        | 58.0%                                            |
| Montana              | 67                                     | 20                                           | 88                                         | 169                        | 51.9%                                            |
| Nebraska             | 84                                     | 26                                           | 110                                        | 216                        | 51.1%                                            |
| Nevada               | 213                                    | 53                                           | 266                                        | 599                        | 44.4%                                            |
| New Hampshire        | 48                                     | 16                                           | 64                                         | 143                        | 44.7%                                            |
| New Jersey           | 325                                    | 70                                           | 395                                        | 1,146                      | 34.5%                                            |
| New Mexico           | 157                                    | 30                                           | 187                                        | 406                        | 46.1%                                            |
| New York             | 731                                    | 172                                          | 903                                        | 2,295                      | 39.4%                                            |
| North Carolina       | 632                                    | 172                                          | 804                                        | 1,584                      | 50.7%                                            |
| North Dakota         | 24                                     | 12                                           | 35                                         | 68                         | 52.3%                                            |
| Ohio                 | 627                                    | 161                                          | 789                                        | 1,384                      | 57.0%                                            |
| Oklahoma             | 281                                    | 66                                           | 348                                        | 697                        | 49.9%                                            |
| Oregon               | 256                                    | 69                                           | 325                                        | 658                        | 49.4%                                            |
| Pennsylvania         | 532                                    | 149                                          | 682                                        | 1,293                      | 52.7%                                            |
| Rhode Island         | 47                                     | 9                                            | 57                                         | 126                        | 45.1%                                            |
| South Carolina       | 369                                    | 78                                           | 447                                        | 801                        | 55.8%                                            |
| South Dakota         | 46                                     | 13                                           | 59                                         | 97                         | 60.9%                                            |
| Tennessee            | 409                                    | 92                                           | 501                                        | 906                        | 55.3%                                            |
| Texas                | 1,955                                  | 547                                          | 2,502                                      | 5,840                      | 42.8%                                            |
| Utah                 | 143                                    | 46                                           | 190                                        | 428                        | 44.3%                                            |
| Vermont              | 14                                     | 4                                            | 18                                         | 50                         | 35.9%                                            |
| Virginia             | 378                                    | 84                                           | 462                                        | 1,002                      | 46.1%                                            |
| Washington           | 337                                    | 82                                           | 419                                        | 948                        | 44.2%                                            |
| West Virginia        | 134                                    | 32                                           | 166                                        | 265                        | 62.5%                                            |
| Wisconsin            | 217                                    | 57                                           | 274                                        | 545                        | 50.2%                                            |
| Wyoming              | 28                                     | 7                                            | 34                                         | 81                         | 42.2%                                            |

**Notes:** Urban Institute tabulations of the 2010 American Community Survey (ACS). Estimates adjust for the underreporting of Medicaid and CHIP on the ACS. Universe limited to nonelderly (0-64) civilian non-institutionalized population. <sup>1</sup> indicates estimates only include US citizens and noncitizens with at least five years US residency. <sup>2</sup> indicates estimates include the entire nonelderly population. Standard errors are available upon request.