One of every 30 people living in 25 states that have declined the option to expand Medicaid eligibility will likely remain uninsured, according to CSG calculations. CSG analyzed data from a new Kaiser Family Foundation report that estimated 5 million low-income adults would fall into a coverage gap, where they would remain uninsured as they are not eligible for Medicaid under their states’ current rules and will not qualify for the new federal tax subsidy to make insurance purchase affordable beginning January 1, 2014.

Percent of State Residents in Health Insurance Coverage Gap, in 25 states* declining to expand Medicaid eligibility

Wisconsin is the 26th state not expanding Medicaid; however, eligibility for existing Medicaid is 100% FPL so there is no insurance coverage gap.

Sources: Data from Kaiser Family Foundation, “The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid,” October, 2013 and U.S.Census 2012; calculations by The Council of State Governments

CSG calculated that states’ decisions to decline federal funds to increase the income eligibility for Medicaid leaves a high of 1 in 20 of all Louisiana residents (or 5.26 percent) and a low of 1 in 70 Pennsylvania residents (or 1.42 percent) in the health insurance coverage gap. The Kaiser report concludes that among poor uninsured non-elderly adults in the 25 states (the primary target of the Medicaid eligibility increase option) 86 percent will remain uninsured.

The impact of a state’s policy choice on its residents differs depending upon their current Medicaid income eligibility, which is as low as 23 percent of the federal poverty level in Alabama and 25 percent in Texas and no higher than 56 percent in Florida and 58 percent in Pennsylvania.

The coverage gap occurs for those individuals with incomes between their state’s current Medicaid eligibility level and 100 percent of the federal poverty level, when individuals first qualify for federal tax subsidies to purchase insurance from the exchanges set up under the Affordable Care Act. Tax subsidies will be available for persons with incomes between 100 and 400 percent of poverty but not below 100 percent. The ACA assumed that all those below poverty would be covered under Medicaid, but after the June 2012 Supreme Court decision, Medicaid eligibility expansion decisions were devolved to the states.

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