

Medicaid Expansion

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BACKGROUND

One of the most important provisions of the “Affordable Care Act” (ACA) is the expansion of health coverage to low-income individuals through Medicaid. The ACA extends Medicaid eligibility to childless adults with incomes at or below 138% of the federal poverty level. Prior to the ACA, low-income adults with no disabilities and no children were largely excluded from the benefit. Under the ACA, the federal government covered 100% of the costs for states to expand Medicaid at the beginning of the program in 2014, with a gradual decrease to 90% by 2020. To date, 37 states have adopted Medicaid expansion (see [Kaiser Brief, 2019](#)).

Before the expansion, over 44 million non-elderly people were uninsured. By 2016, the number of uninsured dropped to under 27 million, which was a historic low of uninsured adults ([Henry J. Kaiser Family Foundation, 2018](#)). In the U.S., Medicaid expansion has been a lifeline to health care access for some of the most vulnerable populations, including people experiencing homelessness. Homelessness often exacerbates health problems and people experiencing homelessness often suffer from unmanaged illness, which can lead to higher health care costs. Medicaid has provided more vulnerable adults access to a broad range of needed services, particularly specialty care, substance abuse treatment, and life-saving surgeries often out of reach for the uninsured. Medicaid also covers services for permanent supportive housing (PSH), which helps people remain stably housed and places them in a better position to manage their health and to reduce costs to the system. At the same time, Medicaid coverage prevents people in poverty from experiencing a financial crisis, which could subsequently lead to homelessness

because of their inability to pay high medical bills for needed services.

CURRENT TRENDS

Although the ACA has led to historic gains in health insurance coverage, some of the positive trends are beginning to reverse. In 2018, 27.5 million people were uninsured, an increase of almost 2 million people from 2017 (United States Census Bureau, 2019). This is the first year the data has shown a statistically significant increase in the uninsured rate since the ACA came into effect. Non-expansion states, such as Texas, Oklahoma, Georgia, and Florida had the highest uninsured rates in 2018 ([Kaiser Health News, 2019](#)). Medicaid coverage declined by 0.7% and largely accounted for the decline in insured rates overall.

Many who lost coverage were legal immigrants with a drop in insurance by approximately 2.3% or 574,000 people ([Kaiser Health News, 2019](#)). The drop among immigrants is likely reflective of the current Administration’s stance and proposals on immigration like the “public charge” that links the use of public benefits to immigration status. The declination of benefits is known as the “chilling effect,” whereby immigrants not targeted under a rule or measure choose to give up or forgo benefits out of fear ([Urban Institute, 2019](#)). Other policies, such as Medicaid work requirements, are likely to have impacted 2018 trends as well.

MEDICAID WAIVERS AT THE STATE LEVEL AND THE IMPLICATIONS FOR COVERAGE

Over the years, Congress has tried unsuccessfully to repeal the ACA, which could result in millions of people losing coverage. Since the current House of Representatives is controlled by Democrats, it is unlikely that a bill to repeal the ACA will pass through Congress.

Congress' inability to repeal the law has not thwarted attempts to weaken the ACA or Medicaid expansion at the state level, however. In March 2017, then US Health and Human Services Secretary Tom Price and Centers for Medicare and Medicaid Services Administrator Seema Verma sent a letter to governors explaining that states would have unprecedented discretion in running their Medicaid programs. Specifically, the letter reported that the federal government would view certain requirements, such as work activities, favorably. Encouraged by the letter, some states have begun to chip away at Medicaid expansion through restrictive waiver requests that include work requirements, drug testing, cost-sharing, and premiums.

If carried out, these waivers are expected to create barriers to coverage and care for low-income people. It would particularly impact homeless populations that are more likely to have multiple barriers to workforce participation and reporting, paying premiums, and the like.

In Arkansas, for example, the negative impact has already been seen. Before a federal judge blocked "Arkansas Works" in early 2019, approximately 18,000 people lost coverage due to unreported work status less than a year after its launch in June 2018. Critics of Arkansas's waiver have argued that the state failed to properly inform recipients of the new rules and criticized the state for requiring recipients to update their status on a web portal for the program, noting the state's low level of internet access and literacy and high level of poverty and other related barriers.

Kentucky Health was the first waiver approved by the administration that tied Medicaid eligibility to work requirements. A federal judge also blocked the requirements, which were estimated by the state to affect 95,000 beneficiaries. With the newly elected Democratic governor, these requirements are not expected to advance. During the latter part of 2019, Indiana and Arizona both placed holds on their plans for Medicaid work requirements due to litigation and the national landscape. However, South Carolina was granted approval to move forward with work requirements at the end of 2019 suggesting the

current administration's continued support of such measures.

WHAT ADVOCATES CAN DO TO PROTECT THE GAINS MADE UNDER THE EXPANSION

1. Track the impact of the waivers or proposed rules by gathering stories from individuals who are negatively impacted by the measures.
2. Build a coalition by bringing together diverse community groups and leaders who can advocate collectively on behalf of vulnerable populations at risk of losing Medicaid.
3. Stay Alert! As new states propose waivers and the Administration proposes rules that might negatively affect the expansion, seek opportunities to participate in hearings and comment at the state and federal level.

For a comprehensive listing and updates about 1115 Medicaid waivers, please visit

<https://familiesusa.org/initiatives/waiver-strategy-center> and explore the interactive map of state activity.

Although Congress has likely moved on from ACA repeal for now, advocates must remain vigilant to protect the gains made for millions of uninsured people under the law.

REFERENCES

Urban Institute: <https://www.urban.org>

Census Bureau: <https://www.census.gov>

Kaiser Brief:

<https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/>

Kaiser Health News: <https://khn.org/news/number-of-americans-without-insurance-rises-in-2018/>