

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. Before 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 percent by 2020. To date, 39 states (including DC) have adopted Medicaid expansion (National Academy for State Health Policy, 2020).

Before the expansion, over 44 million non-elderly people were uninsured. By 2016, the number of uninsured dropped to under 27 million - a historic low for the number of people in the U.S. without health coverage ([Henry J. Kaiser Family Foundation, 2020](#)). Medicaid expansion has been a lifeline for some of the most vulnerable populations, including people experiencing homelessness. Under the expansion, vulnerable adults have 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. The results of expansion have paid off: A recent landmark study found that Medicaid expansion prevented thousands of pre-mature deaths for adults aged 55 to 64 over the four-year period from 2014-2017 (Miller, Johnson, and Wherry, 2020). Further, states with Medicaid expansion saw an estimated 39 to 64 percent reduction in

yearly mortality rates for older adults gaining coverage (Center on Budget and Policy Priorities, 2019). States without expansion saw opposite trends: Over 15,000 older adults died prematurely during the same time period.

MEDICAID EXPANSION AND COVID-19

The disproportionate impact of COVID-19 and the economic recession on communities of color has exposed existing racial disparities that span across every segment of life, including health. With thousands of lives at stake, particularly vulnerable people of color, Medicaid expansion is an essential benefit.

Before the ACA, nearly one in three Hispanics and one in five Black people were uninsured, compared to about one in eight Whites (Brookings, 2020).

Since the ACA came into effect, uninsured rates have fallen across minority and ethnic groups, particularly among Hispanics and Blacks (Brookings, 2020). Still, 30 million people remain uninsured, with half of them being people of color.

Many of the remaining states without Medicaid expansion have some of the largest Black populations and could improve access to care and health outcomes among this group (and other vulnerable communities) if they adopted the expansion. Medicaid expansion is a valuable tool in reducing racial disparities and saving lives during the COVID-19 crisis.

Even in the midst of a pandemic, the ACA is once again facing a challenge before the Supreme Court in *California vs. Texas*, a case that seeks to overturn the ACA in its entirety. A decision by the Court to invalidate the ACA could lead to significant coverage losses.

MEDICAID WAIVERS AT THE STATE LEVEL AND THE IMPLICATIONS FOR COVERAGE

Over the years, Congress has tried unsuccessfully to repeal the ACA. Its 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 on access to health coverage 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 CMS 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. In all, twelve states have received approval for work requirements, but none are currently in effect.

As of December 2020, The U.S. Supreme Court has agreed to consider Medicaid work requirements. With the Biden Administration, policies that allow work requirements and other barriers could shift.

WHAT YOU 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 you work with who were 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, especially during the pandemic.
3. Use Your Voice! Make sure the new Administration is aware of the harmful barriers to accessing care for vulnerable populations.

At this critical juncture of the pandemic, advocates must remain vigilant to protect the gains made for millions of uninsured people under the law and continue to push for Medicaid expansion in the states that have not adopted it. Vulnerable lives depend on it.

FOR MORE INFORMATION:

National Academy for State Health Policy:

<https://www.nashp.org/states-stand-medicaid-expansion-decisions/>.

Henry J. Kaiser Family Foundation:

<https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>.

Miller, Johnson, and Wherry:

<https://www.nber.org/papers/w26081>.

Center on Budget and Policy Priorities:

<https://www.cbpp.org/research/health/medicaid-expansion-has-saved-at-least-19000-lives-new-research-finds>.

Brookings: <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2020/02/19/there-are-clear-race-based-inequalities-in-health-insurance-and-health-outcomes/>.