THE EXPANSION BROADENS

Medicaid for the Working Poor

BY FRED KAMMER, S.J., J.D.

In June 2013, when the U.S. Supreme Court upheld the *Affordable Care Act* (ACA), the court included the part of the act that provides states with funds to expand their Medicaid programs to cover all eligible people (not including undocumented persons or legal permanent residents here less than five years) in families earning less than 138 percent of the federal poverty line. However, the Court held that the federal government could not require states to accept this funding. The ACA required states that wanted to continue to participate in Medicaid to take part in the expansion of coverage, as had occurred with a variety of improvements in Medicaid over the decades. The Supreme Court essentially rewrote this section of the law to make this particular expansion a state option.

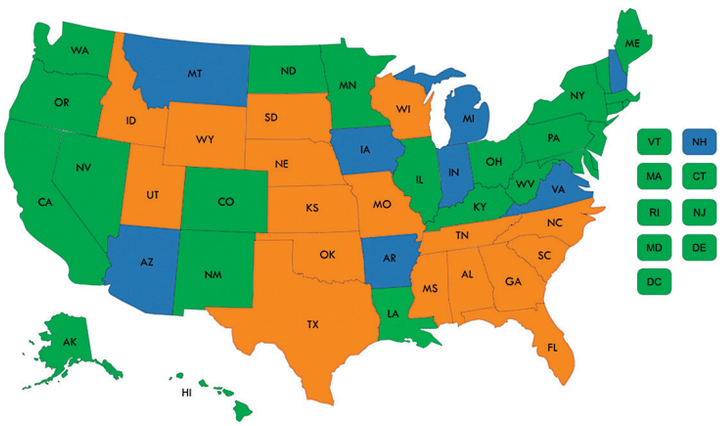
While this removed the stick, the carrot remained. Under the ACA, the federal government provided states with the full cost of expanding their Medicaid programs during the first three years, and then a declining share over ten years to a permanent floor of 90 percent of the cost. This federal share is significantly higher than the 60 percent average for other benefits under Medicaid. Expanded federal Medicaid funds to states not only provide valuable health coverage to uninsured families, but they also create millions of jobs and billions of dollars in tax revenues. States opting for expansion come out way ahead in this arrangement because of the expanded economic activity generated by federal dollars.

Before the ACA Medicaid expansion, Medicaid had primarily covered very low-income Americans: parents and children, elders (especially with nursing home care), and persons with disabilities. The typical (or median) state only covered working parents who made less than 63 percent of the poverty line ($12,790 a year for a family of three in 2012) and non-working parents with incomes below 37 percent of the poverty line ($7,063 a year). Only a handful of states provided coverage to any low-income adults without dependent children, regardless of how far below the poverty line they fell.[1] Under the ACA Medicaid expansion, all adults with incomes below 138 percent of the poverty line would be eligible—*if the state chose to implement the expansion!* At the time of passage, the Congressional Budget Office estimated that the expansion, if fully implemented, would cover an additional 17 million people by 2022.[2]

Nonetheless, many states—mostly with Republican-majority legislatures and governors—threatened to turn down Medicaid funds on ideological grounds. In

the years since the passage of the ACA, these threats became reality. The expansion moved swiftly in the first years— by January 2015, twenty-eight states had accepted the Medicaid expansion (ten had Republican governors.) Twenty-two states had not accepted the expansion, including the Gulf South states of Alabama, Florida, Louisiana, Mississippi, and Texas. Gradually, however, more elected officials have chosen to expand Medicaid after seeing the benefits of expansion, some at the behest of popular movements for expansion. (Voters in Maine approved a referendum for expansion in November 2017, although the governor continues to resist it. Voters in Utah, Idaho, and Nebraska approved expansion by referendum in November 2018.)

The expansion to working families with incomes below 138 percent of the federal poverty line ($28,676 for a family of three in 2018) has now reached 32 states and the District of Columbia. Many of those who benefit are hard-working people in low-wage jobs that do not offer health insurance—like waiters and waitresses, sales clerks, cooks, gardeners, agricultural workers, and home health aides. Opponents of the Medicaid expansion in some states are trying to restrict who can get coverage through the use of special waiver requests submitted to the federal government. In the map below,[3] states shown in green have implemented the expansion, states in blue are implementing the expansion with alternatives, and states shown in orange continue to oppose expansion. Most of the opponents are in the South, the Great Plains, and the mountain states.



17 states are not expanding Medicaid

26 states (count includes Washington, DC) are expanding Medicaid

8 states are expanding Medicaid, but using an alternative to traditional expansion

The Expansion in Louisiana

On January 12, 2016, Louisiana broke from the rest of the Gulf South and became the 31st state to expand Medicaid after newly elected Gov. John Bel Edwards signed an executive order to make an estimated 300,000 working people eligible for the Medicaid expansion. A Louisiana State University study released in August 2018 indicated that the state's medically uninsured rate among non-elderly adults has been cut nearly in half since 2015—dropping dramatically from 22.7 percent in 2015 to 11.4 percent in 2017.[4] The reason for this can be traced directly to Governor Edwards' decision to extend Medicaid coverage to low-income adults below 138 percent of the federal poverty line. More than 470,000 citizens now have access to care under the expansion.

In the practical order, what this means is that low-income working adults now have access to preventive care, regular visits to primary care physicians, and to treatments that can keep them healthier and extend their lives. That allows them to get routine checkups, have prescription coverage, control chronic conditions, and, with regular care, catch serious illnesses earlier.

Church Teaching on Health Care

Catholic teaching supports adequate and affordable health care for all because health care is a basic human right. Health care policy must protect human life and dignity, especially for the voiceless and most vulnerable. Coverage should be truly universal and should not be denied to those in need because of their condition, age, where they come from, or when they arrive here. Providing affordable and accessible health care that clearly reflects these fundamental principles is a public good and a moral imperative.

For decades, the U.S. bishops have consistently insisted that access to decent health care is a basic safeguard of human life and an affirmation of human dignity.[5] In the debate over the Affordable Care Act, the bishops consistently urged the expansion of Medicaid for low-income working adults.[6] That has become a reality for many adults in the United States due to the passage of the ACA and its implementation by a majority of states.

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ENDNOTES

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