



## NEWS RELEASE

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### **NEW REPORT: AS MANY AS TWO OF FIVE UNINSURED ADULTS LIVING IN STATES THAT DO NOT EXPAND MEDICAID UNDER THE AFFORDABLE CARE ACT WOULD HAVE NO NEW HEALTH INSURANCE OPTIONS IN 2014**

*Currently, 26 States Have Not Yet Decided to Expand Their Medicaid Programs; Lowest-Income Residents Will Be Left with No New Option for Medicaid or Subsidized Coverage in State Marketplaces*

New York, NY, September 5, 2013—Two of five adults who have recently been uninsured living in states that have not yet decided to expand Medicaid eligibility under the Affordable Care Act would likely have no new affordable health insurance options if their states don't eventually expand the program, according to a new Commonwealth Fund report.

The U.S. Supreme Court, in upholding the law in 2012, ruled that the federal government cannot require states to expand Medicaid eligibility. Currently, 26 states have said they will not, or may not, expand their Medicaid programs in 2014. In these states, the lowest-income adults—those earning below the federal poverty level, or less than \$11,170 for an individual and \$23,050 for a family of four in 2012—will not have access to either the Medicaid expansion or subsidized private insurance through the new state insurance marketplaces and are likely to remain uninsured.

“A primary goal of the Affordable Care Act is to provide health insurance coverage to the millions of uninsured people in the U.S., the majority of whom have low and moderate incomes and struggle to afford the health insurance and health care they need,” said Commonwealth Fund Vice President and study coauthor Sara Collins, Ph.D. “However, if states don't expand their Medicaid programs, adults with the lowest incomes will continue to live without the health and financial security provided by the Affordable Care Act.”

The report, based on a survey of U.S. adults ages 19 to 64 found that an estimated 55 million Americans were uninsured for all or part of the time from June 2010 to September 2012. In the 26 states that have not yet decided to expand Medicaid, 72 percent of adults whose incomes fell below 133 percent of the federal poverty level (\$14,856 for an individual and \$30,657 for a family of four in 2012) during the two-year period had spent some time uninsured.

## **Low-Income Families Remain at Risk**

The issue brief, *In States' Hands: How the Decision to Expand Medicaid Will Affect the Most Financially Vulnerable Americans*, lays out several ways that the lowest-income adults are especially at risk if states don't expand their Medicaid programs.

Under the Affordable Care Act, starting in 2014, people earning less than 133 percent of the federal poverty level will qualify for Medicaid. But because of the way the law was written, people making between 100 percent and 133 percent of the federal poverty level are eligible to purchase subsidized insurance coverage through the state marketplaces if they are not eligible for Medicaid.

However, people making less than 100 percent of the poverty level are not eligible for marketplace subsidies, since it was assumed that they would be enrolled in Medicaid—lawmakers did not anticipate the Supreme Court decision. So, not only will the lowest-income people be left without the opportunity to enroll in the expanded Medicaid program, they will have no option to purchase subsidized health insurance through the marketplaces. In the 26 states that are currently not expanding their programs or are undecided, an estimated two of five (42%) adults who were uninsured any time over the two-year survey period earned less than the federal poverty level in one or both years.

The report also finds that low-income people in states that don't expand Medicaid are vulnerable to losing coverage if their income changes. For example, one year a family's income level could qualify them for subsidized coverage through the marketplaces. However, an income loss, such as that resulting from the loss of or change in a job, could drop them into the category where they no longer qualify to purchase subsidized coverage through the marketplaces. Therefore, with no expanded Medicaid and no option for subsidized coverage through the marketplaces, they would likely become uninsured.

According to the report, 29 percent of people who would qualify to purchase subsidized coverage in the absence of Medicaid (those who earn between 100 percent and 133 percent of the federal poverty level) experienced an income change from 2011 to 2012 that lowered their income below 100 percent of the poverty level, meaning they would no longer qualify for subsidized coverage through the marketplaces. In addition, 12 percent of those earning between 133 percent and 249 percent of poverty in 2011 also experienced an income change that lowered their earnings to less than the poverty level in 2012. In contrast, 30 percent of people with incomes below 100 percent of poverty had an income gain that would have made them eligible for subsidized coverage.

## **Policy Solutions**

The authors propose policy solutions that state and federal policymakers could pursue to assure that the poorest Americans do not miss out on the benefits of the Affordable Care Act. By

choosing to expand Medicaid under the Affordable Care Act, states would guarantee that everyone has access to the affordable health insurance coverage the law intended them to have. In addition, Congress has the option to pass legislation that would allow those making less than 100 percent of the federal poverty level, who are not eligible for Medicaid, to be eligible for subsidized coverage through the state marketplaces.

“It’s clear that by declining to expand Medicaid, states will be putting their most vulnerable residents in jeopardy,” said Commonwealth Fund President David Blumenthal, M.D. “I am optimistic that many states will change course and accept the Medicaid expansion. However, for states that don’t, it will be crucial for federal policymakers to look into legislative fixes that will allow the lowest-income residents in those states to purchase subsidized health insurance through their state marketplaces so they can benefit, like their better-off neighbors, from the protections available through the Affordable Care Act.”

### **Methodology**

The Commonwealth Fund Health Insurance Tracking Surveys were conducted in two waves by the online research firm Knowledge Networks in 2011 and 2012, among a representative sample of adults ages 19 to 64. The first survey was conducted between June 24, 2011, and July 5, 2011. The survey sample was drawn from Knowledge Panel—a probability-based online panel that is representative of the U.S. population and includes cell phone-only and low-income households that are typically difficult to reach using traditional telephone surveys and random-digit-dialing sampling. Respondents to the 2011 survey were recontacted in 2012 between August 31 and September 28. A total of 1,416 adults completed both waves of the survey. We include in this analysis only those respondents who reported income in both waves, leaving a sample size of 1,317.

Data are weighted to correct for the longitudinal panel aspects of the study design and disproportionate nonresponse that might bias results. The data are weighted to the U.S. adult population, ages 19 to 64, by gender, age, race/ethnicity, education, poverty level, census region, metropolitan area, Internet access, and primary language using the U.S. Census Current Population Survey March 2010, the CPS supplemental survey measuring Internet access (from October 2010), and the Pew Hispanic Center Survey (2010) for Spanish language proficiency distributions. The resulting weighted sample is representative of the approximately 186.7 million U.S. adults ages 19 to 64. The margin of sampling error for the longitudinal sample is +/- 3.4 percent.

**The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.**