

UNDER THE MICROSCOPE

MARCH 1, 2013



THE MEDICAID EXPANSION: WHERE ARE THE STATES?

ISSUE.

Since the Supreme Court ruled the Affordable Care Act (ACA) Constitutional last summer, the states have been deciding how they will embrace and advance their role in ACA implementation. Some jurisdictions have moved forward rapidly; others have lagged; and still others have resisted, particularly when it comes to the Medicaid Expansion, one of the three backbone programs of the ACA. Under that provision, states will expand Medicaid coverage to people at or below 138% of the federal poverty level—some 17 million people—many of whom are adults without dependent children and some parents of already-eligible children. Expansion also would add individuals with disabilities to the Medicaid rolls who may then qualify for more intensive Medicaid benefits. Today, only a handful of states cover these low-income populations. Today, working parents generally qualify for Medicaid only if they earn less than 63% of the federal poverty level; non-working parents must make less than 37% of that same poverty line.

Incentives for expansion represent a remarkably good deal for the states, in some cases, even a potential windfall. In the first 3 years, 2014, 2015, and 2016, the federal government will pay 100% of the costs of covering newly eligible individuals. After that, the federal share will drop to 90% on a permanent basis by 2020; obviously, a 10% state match is considerably lower than current matching requirements. According to some estimates, ACA-related state Medicaid spending of around 2.8% above current rates will be more than offset by savings to states of some \$101 billion between 2014 and 2019. Overall, the Congressional Budget Office estimates that the federal government will bear nearly 93% of the costs of the Medicaid expansion over its first nine years (2014-2022).

Moreover, the Medicaid Expansion is of critical importance to people with behavioral disorders and I/DDs. People with these disorders—some 6-11 million who gain insurance through the ACA as a whole—represent 2 of every 5 newly eligible for coverage under Medicaid Expansion.

While states were under deadlines to report their plans for Health Insurance Marketplaces (formerly ‘Exchanges’) and Essential Health Benefit plans to the US Department of Health and Human Services (HHS), no deadline exists for state determinations to opt into or out of the ACA Medicaid Expansion. Decisions are still being made by state governors and legislators. In fact, today, even among the states that sought Supreme Court intervention to halt the ACA, some states remain undecided; some are split between governor and legislature, and still others have made decisions in both expected and surprising ways.

This *Under the Microscope* provides a snapshot of where your state stands today on the Medicaid Expansion. Remember, decisions to opt in or opt out of the program are not immutable. States that initially choose to participate may drop that coverage at a later time. That’s why you need to get involved and stay involved to sure that the people we serve reap the fullest benefits of the ACA as it moves forward.

ANALYSIS.

The following table provides an up-to-the-minute snapshot of where the 50 states and the District of Columbia stand on the Medicaid Expansion. Overall, 24 states and the District of Columbia have committed to opt into Medicaid. And, despite incentives, savings, and the promise of better health for millions, another 14 states—all with Republican governors—at least for now, have opted out of the Medicaid expansion. These primarily are states involved in the suit that led to the Supreme Court’s ruling. Another dozen states have yet to make a decision, some waiting for their legislatures to vote or for the governor to weigh in.

STATE	WILL EXPAND	WON'T EXPAND	DECISION PENDING	OTHER INFORMATION
Alabama#		x		Republican governor. By opting out of Expansion, over 321,000 low-income, newly eligible individuals will not get health coverage in Alabama.
Alaska#			x	Republican governor. Depending on the final decision, an additional 141,000 low income individuals could be eligible for health coverage in Alaska.
Arizona#	x			Republican governor. By supporting Expansion, an addition 89,000 low-income individuals are eligible for health coverage in Arizona.
Arkansas	x			Democratic governor. By supporting Expansion, an additional 218,000 low-income individuals are eligible for health coverage in Arkansas.
California*	x			Democratic governor. By supporting Expansion, an additional 1.873 million low-income individuals are eligible for health coverage in California.
Colorado#	x			Democratic governor. By supporting expansion, an additional 225,000 low-income individuals are eligible for health coverage in Colorado. The state expects to save an estimated \$280 million over 10 years.
Connecticut*	x			Democratic governor. By supporting Expansion, an additional 88,000 low-income individuals are eligible for health coverage in Connecticut.
Delaware*	x			Democratic governor. By supporting Expansion, an additional 17,000 low-income individuals are eligible for health coverage in Delaware.
District of Columbia*	x			Democratic mayor. By supporting Expansion, an additional 9,000 low-income individuals are eligible for health coverage in Washington DC.
Florida#	x			Republican governor. By supporting Expansion, an additional 1.295 million low-income individuals are eligible for health coverage in Florida. State will gain \$100 million annually with expansion. Expansion to sunset in 3 years, absent reauthorization. State runs Medicaid through managed care administered by private sector.
Georgia#		x		Republican governor. By opting out of Expansion, 684,000 low-income, newly eligible individuals will not get health coverage in Georgia.
Hawaii*	x			Democratic governor. By supporting Expansion, an additional 37,000 low-income individuals are eligible for health coverage in Hawaii.

STATE	WILL EXPAND	WON'T EXPAND	DECISION PENDING	OTHER INFORMATION
Idaho#		x		Republican governor. By opting out of Expansion, 108,000 low-income, newly eligible individuals will not get health coverage in Idaho.
Illinois*	x			Democratic governor. By supporting Expansion, an additional 522,000 low-income individuals are eligible for health coverage in Illinois.
Indiana#			x	Republican governor. Will support Expansion only if DHHS allows the state to use existing Healthy Indiana Program (HIP) (medical saving accounts) to serve expanded Medicaid population. HIP needs HHS approval to continue a. Depending on the final decision, an additional 374,000 low-income individuals will be eligible for health coverage in Indiana.
Iowa#*		x		Republican governor. Split between governor and AG over constitutionality of ACA. By opting out of Expansion, 106,000 low-income, individuals will not get health coverage in Iowa. Governor wants to continue HHS waiver due to expire in 2013 to continue limited coverage to 70,000 under IowaCare.
Kansas#			x	Republican governor. A vocal opponent of the ACA, the governor has not stated a position on Medicaid Expansion. However, if Expansion is supported, an additional 141,000 low income individuals will be eligible for health coverage in Kansas.
Kentucky			x leaning yes	Democratic governor. Depending on the final decision, an additional 288,000 low-income individuals will be eligible for health coverage in Kentucky.
Louisiana#		x		Republican governor. By opting out of Expansion, 330,000 low-income individuals will not get health coverage in Louisiana.
Maine#		x		Republican governor. By opting out of Expansion, 46,000 low-income, newly eligible individuals will not get health coverage in Maine.
Maryland*	x			Democratic governor. By supporting Expansion, an additional 167,000 low-income individuals are eligible for health coverage in Maryland.
Massachusetts*	x			Democratic governor. By supporting Expansion, an additional 88,000 low-income individuals are eligible for health coverage in Massachusetts.
Michigan#	x			Republican governor. By supporting Expansion, an additional 564,000 low-income individuals are eligible for health coverage in Michigan. Expansion will save the state \$200 million a year.

STATE	WILL EXPAND	WON'T EXPAND	DECISION PENDING	OTHER INFORMATION
Minnesota	x			Democratic governor. By supporting Expansion, an additional 130,000 low-income individuals are eligible for health coverage in Minnesota.
Mississippi#		x		Republican governor. By opting out of Expansion, 231,000 low-income individuals will not get health coverage in Mississippi.
Missouri	x			Democratic governor. By supporting Expansion, an additional 351,000 low-income individuals are eligible for health coverage in Missouri.
Montana	x			Democratic governor will send bill to legislature to expand Medicaid. By supporting Expansion, an additional 59,000 low-income individuals are eligible for health coverage in Montana.
Nebraska#			x leaning no	Republican governor. Depending on the final decision, an additional 78,000 low-income individuals could be eligible for health coverage in Nebraska.
Nevada#	x			Republican governor. By supporting Expansion, an additional 163,000 low-income individuals are eligible for health coverage in Nevada. The state reserves the right to opt out of the program when the 100% federal share expires.
New Hampshire	x			Democratic governor. By supporting Expansion, an additional 51,000 low-income individuals are eligible for health coverage in New Hampshire.
New Jersey	x			Republican governor. By supporting Expansion, an additional 307,000 low-income individuals are eligible for health coverage in New Jersey. Expansion also can save the state \$227 million in 2014 alone.
New Mexico*	x			Republican governor. By supporting Expansion, an additional 127,000 low-income individuals are eligible for health coverage in New Mexico.
New York*			x leaning yes	Democratic governor. Depending on the final decision, an additional 170,000 low-income individuals could be eligible for health coverage in New York.
North Carolina		x		Republican governor. Legislature voted against Expansion; governor concurred. By opting out of Expansion, 587,000 low-income individuals will not get health coverage in North Carolina.
North Dakota#	x			Republican governor. By supporting Expansion, an additional 24,000 low-income individuals are eligible for health coverage in North Dakota.

STATE	WILL EXPAND	WON'T EXPAND	DECISION PENDING	OTHER INFORMATION
Ohio#	x			Republican governor. By supporting Expansion, an additional 578,000 low-income individuals are eligible for health coverage in Ohio. Expansion will allow the state to save as much as \$1.4 billion over a decade.
Oklahoma		x		Republican governor. By opting out of Expansion, 225,000 low-income individuals will not get health coverage in Oklahoma.
Oregon*			x leaning yes	Democratic governor. Depending on the final decision, an additional 252,000 low-income individuals could be eligible for health coverage in Oregon.
Pennsylvania#		x		Republican governor. By opting out of Expansion, 520,000 low-income individuals will not get health coverage in Pennsylvania.
Rhode Island	x			Independent governor. By supporting Expansion, an additional 38,000 low-income individuals are eligible for health coverage in Rhode Island.
South Carolina#		x		Republican governor. By opting out of Expansion, 287,000 low-income individuals will not get health coverage in South Carolina.
South Dakota#		x		Republican governor. By opting out of Expansion, 40,000 low-income, individuals will not get health coverage in South Dakota.
Tennessee			x leaning no	Republican governor. Depending on the final decision, an additional 361,000 low-income individuals could be eligible for health coverage in Tennessee.
Texas#		x		Republican governor. By opting out of Expansion, 1.748 million low-income, individuals will not get health coverage in Texas.
Utah#			x leaning no	Republican governor. Depending on the final decision, an additional 105,000 low income individuals could be eligible for health coverage in Utah.
Vermont*	x			Democratic governor. By supporting Expansion, around an additional 1,000 low-income individuals are eligible for health coverage in Vermont.
Virginia			x leaning no	Republican governor. Governor split with legislature on Medicaid Expansion. Governor says will veto any Expansion measure. Depending on the final decision, an additional 342,000 low-income individuals could be eligible for health coverage in Virginia.
Washington	x			Democratic governor. By supporting Expansion, an additional 308,000 low-income individuals are eligible for health coverage in Washington.

STATE	WILL EXPAND	WON'T EXPAND	DECISION PENDING	OTHER INFORMATION
West Virginia			x	Democratic governor. Depending on the final decision, an additional 131,000 low income individuals could be eligible for health coverage in West Virginia.
Wisconsin#*		x		Republican governor. Split between governor and AG on court case. By opting out of Expansion, 181,000 low-income people will not gain access to health coverage in Wisconsin. Governor proposed an alternative to expand coverage to low-income residents through private health care exchanges.
Wyoming#			x Leaning no	Republican governor. Depending on the final decision, an additional 24,000 low-income individuals could be eligible for health coverage in Wyoming.

Designates a state as one of the states that challenged the constitutionality of the ACA's Medicaid Expansion provisions.

* Designates a state as supporting the constitutionality of the ACA's Medicaid Expansion provisions.

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