Medicaid Expansion & HCH Programs: New Possibilities, Outstanding Opportunities

The Affordable Care Act's (ACA) expansion of Medicaid to most people earning at or below 138% of the federal poverty level (FPL) is the most significant aspect of the law that directly benefits very low income people. While the expansion was designed to establish a consistent eligibility threshold across all states, the Supreme Court determined this expansion is a state option. As of April 1, 2014, 26 states and the District of Columbia have opted to expand their Medicaid programs, while 24 states have yet to do so. These disparate state decisions create wide disparities in health insurance enrollment for those living in poverty, especially for people experiencing homelessness and the Health Care for the Homeless (HCH) grantees that serve them. This policy brief uses national health center data from 2012 to establish a pre-ACA baseline insurance mix for HCH grantees, identify disparities in patient insurance status between HCH patients and those served by other health centers, provide state-by-state information related to insurance status based on whether a state is a Medicaid expansion state or not, and project future enrollment in health insurance under the ACA.[1] Future policy briefs will evaluate changes in HCH enrollment in relation to this baseline.

Background

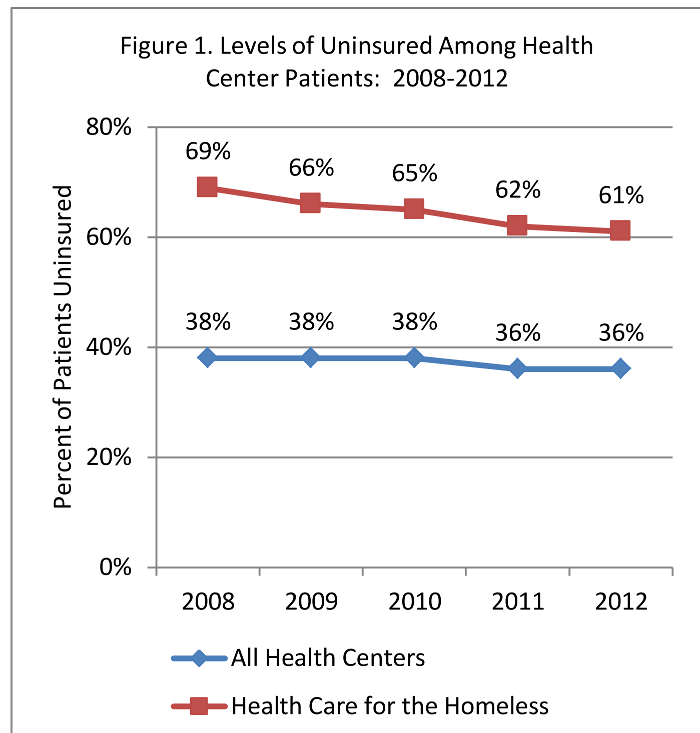
Nationally, 15 million people meet the eligibility requirements for expanded Medicaid, but due to state decisions around expansion and traditional enrollment projections, the Congressional Budget Office (CBO) estimated only an additional 8 million people would enroll in Medicaid in 2014 as a result of the ACA (growing to 12 million by 2016).[2] The CBO also estimated that 45 million Americans would remain uninsured in 2014, decreasing to 31 million in 2016. A 2011 analysis examining the demographics of the remaining uninsured after ACA implementation found 23 million would still have no insurance, 37% of whom would be eligible for Medicaid but not be enrolled (a factor now even more heavily influenced by state decisions on Medicaid expansion, but also by varying levels of outreach and enrollment in all states).[3] Exceeding expectations, the U.S. Department of Health and Human Services (HHS) found that 11.7 million people were determined eligible for Medicaid during the enrollment period occurring between October 2013 and February 2014.[4] Unlike private plans in the state marketplaces enrollment in Medicaid remains open year-round.

For over 45 years, federally qualified health centers have provided health care services for underserved and uninsured populations. In 2012, 1,198 health centers served over 21 million patients; of these, 246 were HCH health centers, which saw nearly 837,000 patients. As part of ensuring access to care, health centers assist with enrolling patients into benefits for which they are eligible, which includes new options under the ACA. However, these options are severely limited in states that have not expanded Medicaid. In states that have expanded, health centers can expect to see 2.8 million patients gain insurance coverage. In non-expansion states, over 1 million health center patients who otherwise would have been Medicaid-eligible will likely remain uninsured.[5]

Medicaid enrollment is critically important for both patients and HCHs (and other health centers) for two main reasons. First, comprehensive health insurance allows a patient to access a broader range of care than is possible when he or she is uninsured, such as coverage for hospitalizations, addiction treatment, prescriptions, emergency room visits and specialty care. Insurance not only pays for these services, but it protects against financial ruin should patients incur more medical debt than they can afford to pay. Secondly, Medicaid reimburses medical providers for many of the services they supply to privately insured clients and helps sustain health center operations. For these reasons, enrolling as many clients as possible into Medicaid or other insurance is a primary goal related to ACA implementation.

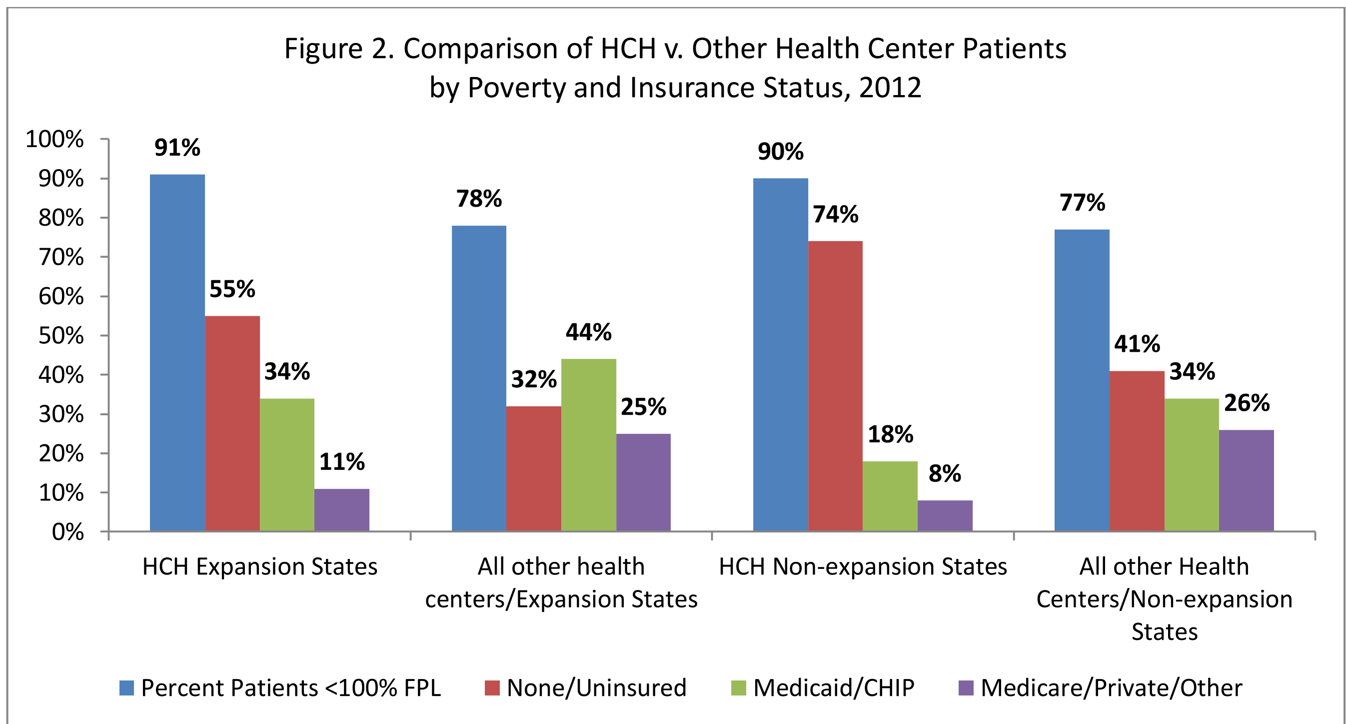
Trends in Uninsured Among Health Center and HCH Patients

In most states prior to January 1, 2014, Medicaid eligibility did not include non-disabled, non-elderly childless adults. HCH grantees serve more of this population compared to traditional health centers that serve the broader underserved population, therefore, there is a greater percent of uninsured among homeless health center patients. Nearly 40% of the patients at all health centers nationally have no insurance, but when looking at HCH programs alone, two-thirds of HCH patients are uninsured (see Figure 1). While the percentage of uninsured among HCH patients has declined from 69% to 61% between 2008 and 2012, the percent of uninsured among all health centers has remained fairly stable (declining only slightly from 38% to 36%).[6] While all health centers benefit from Medicaid expansion, HCH projects (and their patients) have a particular vested interest in expansion.



Disparities in Coverage Between Type of Health Center and State Decisions

In general, states that chose to expand Medicaid already insured a higher percentage of low-income people than states that declined Medicaid expansion. Rates of insurance in 2012 differed broadly for both types of health centers (i.e., general health centers and HCH grantees) depending whether or not they were located in a Medicaid expansion state. In expansion states in 2012, 55% of HCH patients and 32% of the patients at all other types of health centers were uninsured, compared to 74% of HCH patients in non-expansion states and 41% of those at all other health centers (see Figure 2). Likewise, Medicaid covered about one-third of HCH patients and 44% of patients in other health centers in expansion states and only 18% of HCH patients and 34% of other health center patients in non-expansion states. For the HCH population, a small percentage was covered by Medicare and private insurance but this group also exhibited disparities both across expansion/non-expansion states and by type of health center. Hence, grantees in non-expansion states start from further behind when it comes to insuring low-income people in 2014. This disparity remains even though each type of health center serves a consistently large number of people living in poverty (about 90% of patients at HCHs and about 77% for all other health center patients).



State-by-State Insurance Levels for HCH Grantees

Significant fluctuations persist across states in the rate of uninsured at HCH grantees, whether or not they are located in a Medicaid expansion state. Among expansion states, Massachusetts has the lowest rate of uninsured at 17% while Arkansas has the highest rate at 93%. Among non-expansion states, 40% of Louisiana's HCH patients were uninsured while 97% of Nebraska's HCH population was without insurance. Figure 3 shows the insurance mix for HCHs in each state as a percentage of all patients seen, while Tables 1 and 2 provide the number of patients with incomes below 100% FPL and insurance status as reported to HRSA for calendar year 2012.[a]

Variations across states regarding HCH patients' insurance status occur for a number of reasons, to include Medicaid eligibility rules, broader community resources, health center practices (such as outreach and enrollment), and/or differences in data reporting. That said, HCHs with the lowest percentages of uninsured patients tend to be located in states with more generous Medicaid eligibility levels (particularly for non-disabled adults), which are also states that have opted into the ACA's Medicaid expansion. For example, in 2012, ten states extended a Medicaid benefit to non-disabled jobless adults: Arizona, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Massachusetts, Minnesota, New York, and Vermont (though it should be noted that both Colorado and Arizona had frozen or capped enrollment).[7] More generous Medicaid eligibility in those states likely explains why HCH grantees in seven of them (CT, DE, DC, HI, MA, NY, and VT) have the lowest percentage of uninsured patients and the highest Medicaid enrollment rates compared to their HCH counterparts in other states.

[a] Note: In 2012, HCH grantees served 836,980 patients, but due to reporting inconsistencies, only 813,113 patients were able to be included in the analysis (97% of all patients) because 17 HCH grantees did not provide complete data on patient insurance status and/or income.

Projecting Enrollment Among HCHs in Medicaid Expansion States

After examining 2012 health center data related to patient income level and insurance status, an analysis shows that between 263,729 and 315,784 HCH patients who were uninsured in 2012 may meet the income eligibility criteria for expanded Medicaid in 2014 (or earlier if the state expanded early). This means between 84% and 100% of those HCH patients who were uninsured in 2012 could be enrolled in comprehensive health insurance in 2014.[b] The outreach and enrollment activities happening in health centers should significantly bolster enrollment, but historically, people experiencing homelessness have added challenges to enrolling in benefits in spite of improvements made by the ACA. This may include not being aware of benefits, having illnesses that prevent engaging with enrollment workers (e.g., mental health and/or addictions), missing follow up actions such as choosing a plan and/or provider due to lack of home address or a consistent phone number, or for other reasons. Because Medicaid will enable access to broader services beyond a primary care environment, enrolling in this benefit will be an important milestone toward achieving improved health outcomes for this vulnerable group.

Newly Covered:
Between 264,000 and 316,000 HCH clients are likely to gain insurance coverage through Medicaid (84%-100% of previously uninsured).

Calculating the "Coverage Gap" among HCHs in Non-Medicaid Expansion States

Over five million uninsured adults will likely be ineligible for new insurance options under the ACA because they have income below 100% FPL and live in a state that has not yet expanded Medicaid. While subsidies are offered to those earning between 100% and 400% FPL to purchase private coverage, the law had envisioned those living in poverty would be covered by Medicaid in all states. The Supreme Court's decision making Medicaid expansion optional has created a "coverage gap" among the poorest residents in those states not taking that option—too poor to qualify for private insurance subsidies and no access to Medicaid. Of those falling in the coverage gap, the vast majority (79%) live in the South, 76% are childless adults, 51% are age 35 to 64, 20% report being in fair or poor health, and 46% are not working.[8] Except for the concentration in the South, these characteristics generally align with those experiencing homelessness.

The vast majority of HCH patients in non-expansion states will also fall into the coverage gap. Of the 174,192 patients who were uninsured in 2012 and live in states that have not chosen the ACA's Medicaid expansion, an analysis of health center data finds between 151,231 and 172,137 HCH patients will likely remain uninsured. This means between 87% and 99% of HCH patients in those states will likely continue to be uninsured unless the state opts to expand coverage.[c] While HCHs and other health centers will continue to provide primary care and other required services regardless of insurance status or ability to pay, the specialty care, surgeries, and other care required to address significant illnesses and injuries will likely remain out of reach. Likewise, health centers will also not realize the additional financial reimbursements from third-party insurance providers that make more robust services possible. For providers in these states, health center grants and other funding streams to help bolster safety net services will remain particularly essential.

The Coverage Gap:
Between 151,000 and 172,000 HCH clients are likely to remain uninsured because they live in a state not expanding Medicaid and they are too poor to qualify for subsidies on the marketplace (87% to 99% of previously uninsured).

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[b] Note: the analysis was only able to consider patient income and was not able to take into consideration other factors that may impact eligibility.

[c] Ibid. Some patients at HCHs have income over 100% FPL and are therefore eligible for private plans on the marketplace.

Figure 3. State-by-State Insurance Levels for HCH Grantees
(Source: HRSA, 2012 UDS, unpublished data.)

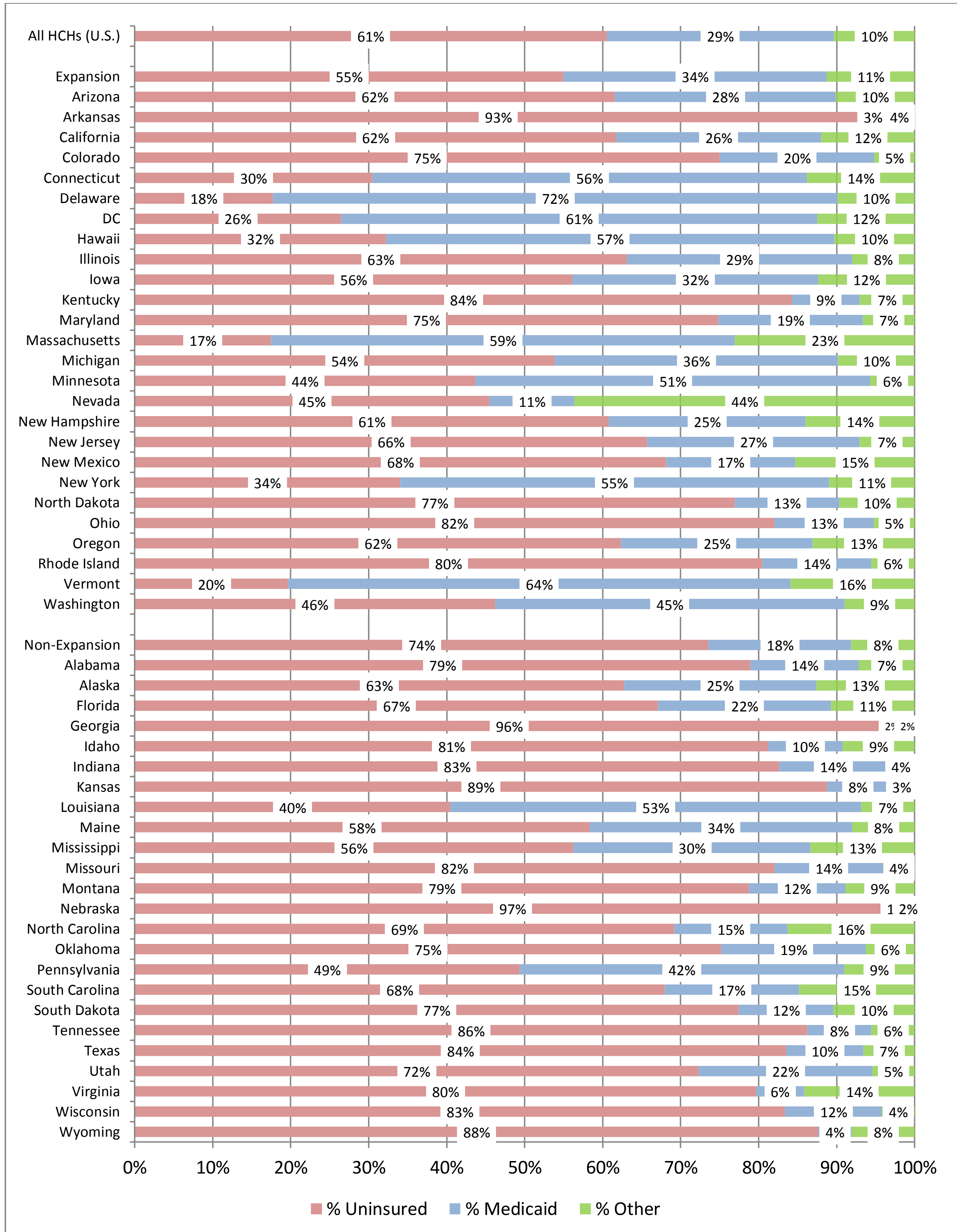

Table 1. HCH Grantees in Medicaid Expansion States: A Breakdown of Poverty and Insurance Mix

State	Number HCH Grantees that Provided Insurance & Income Data	Number HCH Patients at Grantees that Provided Full Data	Number HCH Patients <100% FPL	Percent of HCH patients <100% FPL	Number HCH Patients Uninsured	Percent HCH Patients Uninsured	Number HCH patients w/ Medicaid	Percent of HCH Patients w/ Medicaid	Number HCH Patients w/ Other Insurance	Percent of HCH Patients w/Other Insurance
AR	1	814	809	99%	759	93%	23	3%	32	4%
AZ	2	13,738	12,728	93%	8,458	62%	3,893	28%	1,387	10%
CA	33	204,196	181,413	89%	126,064	62%	53,597	26%	24,535	12%
CO	4	16,479	15,675	95%	12,361	75%	3,270	20%	848	5%
CT	6	9,476	8,820	93%	2,886	30%	5,279	56%	1,311	14%
DC	1	10,122	9,386	93%	2,677	26%	6,182	61%	1,263	12%
DE	2	1,976	1,941	98%	350	18%	1,431	72%	195	10%
HI	1	7,142	6,776	95%	2,301	32%	4,105	57%	736	10%
IA	4	5,460	4,698	86%	3,064	56%	1,720	32%	676	12%
IL	7	29,696	28,382	96%	18,735	63%	8,574	29%	2,387	8%
KY	6	12,137	11,193	92%	10,229	84%	1,050	9%	858	7%
MA	6	28,494	26,203	92%	4,976	17%	16,949	59%	6,569	23%
MD	1	8,851	8,465	96%	6,621	75%	1,641	19%	589	7%
MI	10	21,221	20,231	95%	11,422	54%	7,717	36%	2,082	10%
MN	2	6,700	6,303	94%	2,926	44%	3,392	51%	382	6%
ND	1	1,318	1,169	89%	1,014	77%	177	13%	127	10%
NH	3	6,302	4,453	71%	3,831	61%	1,588	25%	883	14%
NJ	6	16,270	15,024	92%	10,693	66%	4,427	27%	1,150	7%
NM	5	9,582	9,131	95%	6,528	68%	1,588	17%	1,466	15%
NV	2	4,077	3,839	94%	1,854	45%	445	11%	1,778	44%
NY	18	69,002	60,832	88%	23,548	34%	37,975	55%	7,479	11%
OH	7	23,136	22,439	97%	18,976	82%	2,944	13%	1,216	5%
OR	10	23,536	21,673	92%	14,677	62%	5,782	25%	3,077	13%
PR	4	3,256	3,239	99%	817	25%	2,403	74%	36	1%
RI	2	2,710	2,475	91%	2,180	80%	380	14%	150	6%
VT	1	1,669	1,585	95%	328	20%	1,075	64%	266	16%
WA	7	39,673	36,079	91%	18,326	46%	17,775	45%	3,572	9%
WV*	0	0	0	n/a	0	n/a	0	0%	0	n/a
Total	**148**	**573,777**	**521,722**	**91%**	**315,784**	**55%**	**192,979**	**34%**	**65,014**	**11%**

** Note: West Virginia did not have sufficiently reported UDS information to be included in the analysis.*

(Source: HRSA, 2012 UDS, unpublished data.)

Table 2. HCH Grantees in Medicaid Non-Expansion States: A Breakdown of Poverty and Insurance Mix

State	Number HCH Grantees that Provided Insurance & Income Data	Number HCH Patients at Grantees that Provided Full Data	Number HCH Patients <100% FPL	Percent of HCH patients <100% FPL	Number HCH Patients Uninsured	Percent HCH Patients Uninsured	Number HCH patients w/Medicaid	Percent of HCH Patients w/ Medicaid	Number HCH Patients w/ Other Insurance	Percent of HCH Patients w/Other Insurance
AK	2	1,916	1,639	**86%**	1,202	**63%**	472	**25%**	242	**13%**
AL	3	5,189	4,625	**89%**	4,096	**79%**	722	**14%**	371	**7%**
FL	11	52,320	41,688	**80%**	35,106	**67%**	11,596	**22%**	5,618	**11%**
GA	4	17,338	14,804	**85%**	16,650	**96%**	366	**2%**	322	**2%**
ID	2	3,545	3,376	**95%**	2,880	**81%**	337	**10%**	328	**9%**
IN	3	6,207	6,013	**97%**	5,130	**83%**	858	**14%**	219	**4%**
KS	2	1,497	1,455	**97%**	1,329	**89%**	118	**8%**	50	**3%**
LA	3	9,147	8,177	**89%**	3,702	**40%**	4,815	**53%**	630	**7%**
ME	2	2,760	2,653	**96%**	1,610	**58%**	929	**34%**	221	**8%**
MO	3	10,903	10,315	**95%**	8,942	**82%**	1,521	**14%**	440	**4%**
MS	2	6,862	6,028	**88%**	3,859	**56%**	2,086	**30%**	917	**13%**
MT	4	4,054	3,758	**93%**	3,193	**79%**	501	**12%**	360	**9%**
NC	4	4,407	3,981	**90%**	3,047	**69%**	641	**15%**	719	**16%**
NE	1	1,513	1,511	**100%**	1,466	**97%**	22	**1%**	25	**2%**
OK	1	2,489	2,297	**92%**	1,872	**75%**	461	**19%**	156	**6%**
PA	5	19,065	18,620	**98%**	9,411	**49%**	7,924	**42%**	1,730	**9%**
SC	4	9,484	8,714	**92%**	6,445	**68%**	1,630	**17%**	1,409	**15%**
SD	2	1,979	1,324	**67%**	1,533	**77%**	240	**12%**	206	**10%**
TN	6	13,447	13,124	**98%**	11,597	**86%**	1,105	**8%**	745	**6%**
TX	9	39,129	37,915	**97%**	32,679	**84%**	3,875	**10%**	2,575	**7%**
UT	1	3,747	3,665	**98%**	2,709	**72%**	834	**22%**	204	**5%**
VA	2	6,197	5,056	**82%**	4,938	**80%**	379	**6%**	880	**14%**
WI	3	11,646	11,216	**96%**	9,710	**83%**	1,448	**12%**	488	**4%**
WY	2	1,239	1,165	**94%**	1,086	**88%**	53	**4%**	100	**8%**
Total	**81**	**236,080**	**213,119**	**90%**	**174,192**	**74%**	**42,933**	**18%**	**18,955**	**8%**

(Source: HRSA, 2012 UDS, unpublished data.)

Conclusion

The ACA's Medicaid expansion offers new possibilities for comprehensive health coverage to those who have traditionally been ineligible under prior rules, which would include many people who are experiencing homelessness. Because not all states have opted to expand Medicaid, however, there are missed opportunities to engage people in a wider range of care in those areas. Health center data from prior years helps establish a baseline from which to measure the impact of state decisions as well as outreach and enrollment efforts across all states. Those living in states that expand Medicaid are likely to see percentages of uninsured patients go down significantly, while those living in states that have not expanded Medicaid probably will see only marginal changes rates of uninsured. This divergence will not only impact health outcomes for patients, but will also have financial implications for health centers serving a significant number of homeless patients.

Suggested Citation for this Policy Brief: National Health Care for the Homeless Council. (April 2014.) *Medicaid Expansion & HCH Programs: New Possibilities, Outstanding Opportunities.* (Authors: Barbara DiPietro, Director of Policy, National HCH Council; and Julia Zur, Postdoctoral Fellow, George Washington University.) Available at: http://www.nhchc.org/policy-advocacy/reform/nhchc-health-reform-materials/.

This publication was made possible by grant number U30CS09746 from the Health Resources and Services Administration, Bureau of Primary Health Care. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of HRSA.

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[1] Health Resources and Services Administration (HRSA) Uniform Data System. 2012 Health Center Data. Available at: http://bphc.hrsa.gov/uds/datacenter.aspx?year=2012. The homeless program grantee data is available at: http://bphc.hrsa.gov/uds/datacenter.aspx?fd=ho&year=2012.

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