NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

BRIEF

What the Medicaid Eligibility Expansion Means for Women

November 2012

Introduction

A central goal of the health care law, the Affordable Care Act (ACA), is to expand health coverage to approximately 30 million Americans who currently lack health insurance. The Medicaid eligibility expansion will make a major contribution towards this goal. Starting in 2014, up to 15 million uninsured Americans, including 7 million women, will be newly eligible for Medicaid coverage.[1] Medicaid is an effective program that has the potential to improve the health and economic wellbeing of millions of American women while at the same time saving states money and creating jobs. Medicaid is and will continue to be a crucial source of health care for low-income women in America. It is vital to women's health that the health care law, and the Medicaid program in particular, is preserved and strengthened under the new administration as states move forward with the Medicaid eligibility expansion. In this issue brief, we will examine why the current Medicaid program is important to women and why the Medicaid expansion is a good deal for women and states.

An Overview of the Medicaid Program

Medicaid provides health insurance coverage to over 60 million low-income and disabled Americans through a partnership between states and the federal government. Nearly 1 in 5 Americans obtain health care coverage through Medicaid.[2] States currently cover low-income parents, children, seniors, pregnant women, and individuals with disabilities, although eligibility levels vary by group and by state. Medicaid law establishes certain groups that must be covered at specific incomes and many states choose to expand eligibility beyond these mandatory levels.

Medicaid is a voluntary program for states and all states choose to participate. The program is jointly financed by the state and federal governments. Each state runs its own Medicaid program, but must abide by federal guidelines in order to receive matching dollars from the federal government. Matching rates vary for types of expenses —that is, health services versus program administration— and in some cases by service. On average, the federal government pays 56 percent of all Medicaid spending.[3]

Medicaid as a Source of Coverage for Women

Currently, 12 percent of adult women get their health care coverage through the Medicaid program, but women make up nearly 70 percent of adults on Medicaid. Women make up 69 percent of elderly individuals receiving Medicaid, 53 percent of disabled individuals, and 77 percent of parents.[4] More than one in ten non-elderly women receives their health coverage through the Medicaid program.[5] These women are far more likely to be poor, have poorer health, and lower educational attainment than women covered by private insurance.[6] Additionally, women of color make up a disproportionate share of Medicaid recipients relative to their population.[7]

The high proportion of women on Medicaid is largely a result of the program's historic eligibility rules. As explained earlier, Medicaid eligibility is currently based not just on income, but also personal circumstances. Parents

of dependent children, pregnant women, very low-income elderly people, and those with breast and cervical cancer are all eligible for coverage. Women are far more likely to care for dependent children on their own and women live longer and are far more likely to live in poverty in their old age. Eligibility based on pregnancy as well as breast and cervical cancer further increases the proportion of female Medicaid beneficiaries. In addition to being more likely to fit into one of these eligibility categories, women are poorer on average than men. This combination of circumstances has meant Medicaid is an especially important source of coverage for women.

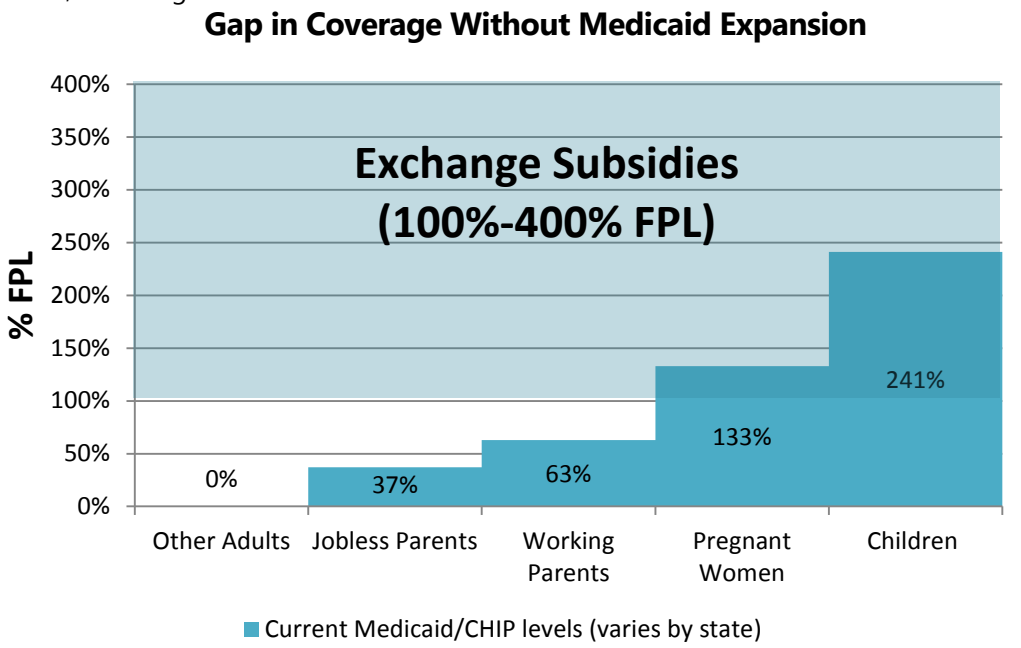
Medicaid is also important to women because of the benefits it provides, including family planning services, comprehensive maternity care, treatment for chronic conditions, treatment for breast and cervical cancer, and long-term care services and supports. Many state Medicaid programs also cover services important to low-income women that are not always covered by private insurance including case management, transportation, and childbirth and infant education services.

The Medicaid Eligibility Expansion

The Affordable Care Act extends health coverage to 30 million currently uninsured Americans[8] through tax credits to purchase private insurance and a major expansion of Medicaid eligibility to all qualified individuals under age 65 who have incomes below 133 percent of the federal poverty line (FPL) (about $30,000 for a family of four).[9] This marks the first time in many states that low-income childless adults will have access to Medicaid coverage. Chart 1 below shows the gap in coverage that would exist without the Medicaid expansion and highlights how important the eligibility expansion is to providing access to coverage for low-income individuals.

Individuals covered under the expansion will receive a comprehensive set of benefits including ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services (including women's preventive health services); and pediatric services, including oral and vision care.[10]

Chart 1:[11]



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The Supreme Court Decision and the Medicaid Expansion

The Supreme Court held that states need not participate in the expansion of Medicaid eligibility as a condition of continuing to receive their current Medicaid funding. Under the Court's ruling, states will choose whether or not to cover the expansion population. The administration has since clarified that states may choose to enter the expansion at any time and still receive the enhanced matching rate. States who choose to take up the expansion are also free to drop it at any time if they so choose.

Women and the Medicaid Expansion

Under the expansion, all individuals with incomes up to 133 percent of the federal poverty line will be eligible for Medicaid coverage, regardless of their categorical eligibility status. This means an additional 7 million currently uninsured women will be eligible for coverage.[12] Many of these women will be childless adults not previously eligible for coverage. Like current Medicaid enrollees, individuals covered under the expansion are likely to be in poorer health and more likely to be racial and ethnic minorities than the general population. Women who live in states with high poverty rates, high rates of uninsurance, and low current Medicaid eligibility levels are most likely to benefit from the expansion.

Why the Expansion is Good for Women's Health

Low-income women are significantly more likely to report poor health outcomes and have difficulty accessing care. According to a study from the UCLA Center for Health Policy Research, low-income women are four times more likely than higher income women to report fair or poor health and twice as likely to have a condition that limits their daily activities. Additionally, low-income women have much higher rates of diabetes, high blood pressure, and heart disease.[13]

Despite having greater health care needs, low-income women are less likely to access care. Low-income women make up over 60 percent of uninsured women in the U.S. According to the Kaiser Family Foundation, one-third of uninsured individuals have a chronic disease, and they are six times less likely to receive care for a health problem than the insured.[14] Uninsured women report even more difficulty accessing care than uninsured men (69 percent compared to 49 percent).[15]

Insurance coverage, as well as Medicaid coverage specifically, leads to higher utilization of health care services and improvements in self-reported health status. For example, a group of researchers from the Massachusetts Institute of Technology and Harvard University studying the Oregon Medicaid program found "evidence of increases in hospital, outpatient, and drug utilization, increases in compliance with recommended preventive care, and declines in exposure to substantial out-of-pocket medical expenses and medical debts," as well as "evidence of improvement in self-reported mental and physical health measures," in comparison to individuals without health insurance.[16] Another recent study from the Harvard School of Public Health shows that expanding Medicaid coverage decreased rates of delayed care, improved health status and most notable, reduced mortality by more than 6 percent.[17]

Additionally, although a common myth persists that Medicaid beneficiaries do not utilize preventive care and regular primary care and instead rely on the emergency room, a study from the Center for Health System Change found that "contrary to commonly held perceptions that Medicaid enrollees often use emergen¬cy departments for routine care, the major¬ity of emergency department visits by nonelderly Medicaid patients are for symptoms suggesting urgent or more serious medical problems."[18]

The Medicaid expansion will provide millions of low-income women with access to health coverage and has the potential to greatly improve the health and wellbeing of low-income women across the country.

The Expansion is a Good for the Whole Family

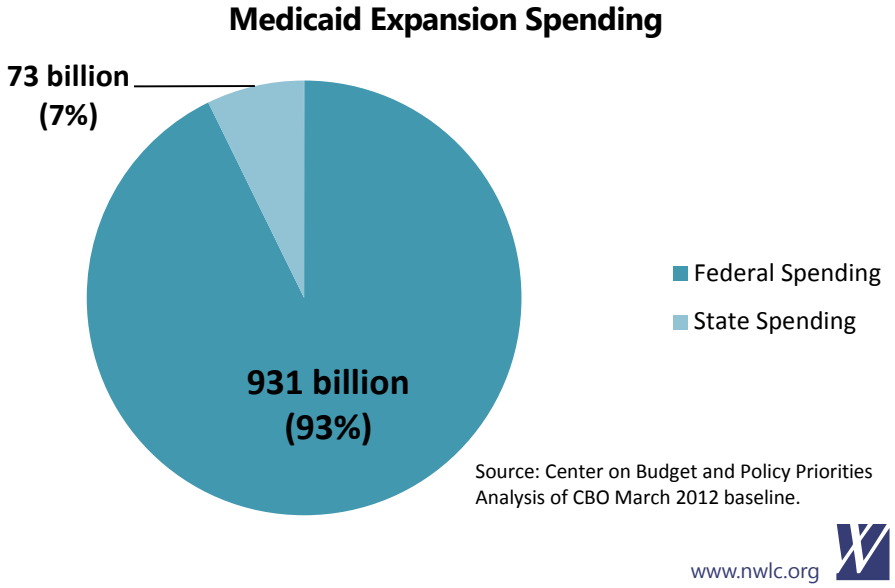
The Department of Labor estimates that women make approximately 80 percent of health care decisions for their family.[28] When the health care system works well for women, entire families benefit. For example, numerous studies show that when parents have access to coverage, they are more likely to make sure their children have coverage.[29] A study from the Commonwealth Fund found that in states that expanded Medicaid or CHIP coverage to parents, only 14 percent of low-income children were uninsured, compared to 25 percent in states that had not expanded parental eligibility.[30] Parents with health care coverage are also more likely to ensure that their children are receiving the health care services they need, such as well-child visits and preventive services.

Additionally, Medicaid coverage provides economic security that benefits the whole family. Medicaid beneficiaries are 40 percent less likely to ignore other bills, or borrow money, in order to pay medical expenses.[31] This means that parents with Medicaid coverage are less likely to forgo paying for other necessary household expenses that are important to their children's health and security. By expanding Medicaid to low-income parents, particularly mothers who are more likely to be single parents and face financial hardships, states can ensure that children are healthy and financially secure.

Why The Expansion is a Good Deal for Taxpayers and State Governments

Not only is expanding coverage good for the health and economic well-being of women, it is also a good deal for state governments and taxpayers. The federal government will pick up 100 percent costs related to the expansion for the first 3 years and at least 90 percent of costs after that. Chart 2 illustrates the small share of spending states will have between 2014 and 2022. States that expand Medicaid eligibility will spend 1.1 to 2.8 percent more on their state share of Medicaid, before factoring in the money states are likely to save as a result of the drop in uninsurance and uncompensated care.[32]

Chart 2:[33]



Expanding Medicaid coverage reduces state and local costs on health care for the uninsured. For example, in 2008, state and local governments paid 20 percent of the cost of caring for uninsured people in hospitals and 44 percent of the cost of providing mental health services to uninsured individuals.[34] Expanding Medicaid eligibility will substantially reduce these types of costs. The Urban Institute estimates that under the ACA, states will save between $26 and $52 billion in uncompensated care costs between 2014 and 2019.[35] The Lewin group also considered reductions in spending on state and local safety net programs and concluded that, because of the ACA, spending

on the uninsured could be reduced by over $100 billion between 2014 and 2019.[36] In addition to these savings, the Medicaid expansion will also increase revenues for outpatient providers, hospitals, and other health care related businesses. More people with health care coverage means more people regularly using health care services. Hospitals, community health centers, labs, and other health care providers will have the demand for and the means to hire more workers. An influx of Medicaid dollars into a state also has indirect effects on the economy. For example, companies that manufacture and sell medical supplies could see an increase in business, restaurants and coffee shops near hospitals and health centers could see an increase in customers, and workers who are hired as a result of increases in Medicaid spending now have more money to spend on goods and services.

Additionally, the American Academy of Actuaries has found that states that take up the Medicaid expansion could see lower premiums in the private market than states that do not. Low-income individuals have higher health care needs and therefore have higher health care spending. If low-income individuals do not have access to Medicaid coverage and have to seek coverage on the private market, everyone's premiums will go up as a result of the increased spending.[37] Similarly, if these low-income individuals were to remain uninsured, premiums would also be affected as a result of the cost of uncompensated care. Families USA estimates that families pay an additional $1017 in premiums a year because of uncompensated care costs.[38]

Conclusions

Medicaid has long been a vital source of health coverage for women and it will only become more important in the coming years as states implement the Medicaid expansion. Expanding health insurance coverage will vastly improve the health and economic well-being of millions of low-income women who currently lack access to coverage and vital health care services. Coverage is particularly important to the many women in this income group who have a chronic health conditions. In addition, the expansion has the potential to deliver significant cost-savings to the states that choose to implement it. Expanding Medicaid eligibility is a good deal for women and a good deal for the states.

Note: a chart on women who would gain insurance coverage under the Medicaid expansion is attached.

Women Who Would Gain Insurance Coverage under the Medicaid Expansion

State	Number of uninsured women 18-64 eligible for Medicaid	State	Number of uninsured women 18-64 eligible for Medicaid
Alabama	156,000	Montana	29,000
Alaska	19,000	Nebraska	36,000
Arizona	45,000	Nevada	78,000
Arkansas	106,000	New Hampshire	24,000
California	856,000	New Jersey	140,000
Colorado	98,000	New Mexico	61,000
Connecticut	37,000	New York	80,000
Delaware	4,000	North Carolina	277,000
Dist. of Columbia	7,000	North Dakota	12,000
Florida	613,000	Ohio	256,000
Georgia	342,000	Oklahoma	108,000
Hawaii	14,000	Oregon	119,000
Idaho	51,000	Pennsylvania	241,000
Illinois	219,000	Rhode Island	16,000
Indiana	177,000	South Carolina	140,000
Iowa	48,000	South Dakota	20,000
Kansas	67,000	Tennessee	159,000
Kentucky	139,000	Texas	903,000
Louisiana	176,000	Utah	46,000
Maine	20,000	Vermont	NA
Maryland	70,000	Virginia	169,000
Massachusetts	34,000	Washington	134,000
Michigan	247,000	West Virginia	66,000
Minnesota	51,000	Wisconsin	70,000
Mississippi	114,000	Wyoming	13,000
Missouri	173,000	**United States**	**7,080,000**

Source: Genevieve M. Kenney et. al., The Urban Institute, Opting in to the Medicaid Expansion under the ACA: Who Are the Uninsured Adults Who Could Gain Health Insurance Coverage, (August 2012), available at: http://www.urban.org/UploadedPDF/412630-opting-in-medicaid.pdf

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