

# Increasing Access to Health Care for Women and Families: **Expanding Medicaid**

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Prior to the Affordable Care Act (ACA), the cost of health insurance placed a particular burden on lower-income women who needed health care services but often struggled to pay insurance premiums and the out-of-pocket cost of care. The ACA has helped ease this burden dramatically by allowing states to expand eligibility for their Medicaid programs, thus providing comprehensive, affordable health insurance to many individuals who would otherwise not be able to afford it.

## Medicaid Expansion: The Basics

Medicaid provides health insurance to certain low-income individuals and is jointly run by the federal and state government. The ACA allows states to revise their eligibility rules and expand their Medicaid programs to include adults earning up to 138 percent of the federal poverty level (FPL).<sup>1</sup> Raising the Medicaid income eligibility level is often referred to as “Medicaid expansion.”

### Medicaid Coverage Before the ACA

Before the ACA became law, many state Medicaid programs covered pregnant women, children, some parents, eligible elderly individuals and people with disabilities, but designated many childless adults as ineligible<sup>2</sup> (and, unfortunately, some state Medicaid programs still do). Income eligibility thresholds for Medicaid varied – and, in some states, continue to vary – because states have flexibility in designing and running their own Medicaid programs within federal guidelines.<sup>3</sup> Prior to ACA implementation, minimum income thresholds for parents covered by Medicaid tended to be very low.<sup>4</sup>

### Medicaid Expansion Under the ACA

In states that have chosen to expand their programs under the ACA, millions of individuals, particularly adults without dependent children, have become newly eligible for Medicaid coverage. The Medicaid expansion population (individuals who are newly eligible for Medicaid coverage, thanks to the ACA) is composed of people with incomes between their state’s previous income-eligibility threshold and 138 percent FPL.

Individuals who become eligible for Medicaid coverage under Medicaid expansion are enrolled in state-designed alternative benefit plans (ABP) that must cover essential health benefits, such as maternity care and preventive health services.<sup>5</sup> ABPs also include important cost-sharing protections: premiums are prohibited for beneficiaries at or below 150 percent of FPL and copays may not exceed \$4 for outpatient services and \$75 for an

inpatient admission for those with incomes at or below 100 percent FPL.<sup>6</sup> Some more vulnerable Medicaid expansion populations, such as people with disabilities and women receiving treatment for breast or cervical cancer, are not required to enroll in an ABP and are eligible to enroll in a traditional Medicaid plan.<sup>7</sup>

Besides some administrative costs associated with administering health coverage to new beneficiaries, the federal government is paying 100 percent of costs for newly eligible Medicaid expansion enrollees until 2016; this will slowly decrease to 90 percent in 2020.<sup>8</sup> While federal law lays out fundamental requirements for Medicaid expansion plans, states have flexibility in designing their ABPs, meaning Medicaid expansion beneficiaries enrolled in ABPs may not necessarily have the same benefits as beneficiaries enrolled in traditional Medicaid plans.<sup>9</sup> Enrollees who are eligible for Medicaid expansion coverage should consult their state Medicaid office to learn more about how ABP coverage differs from traditional Medicaid coverage.

## Medicaid Expansion Helps Women and Families

### Medicaid Expansion Is Increasing Access to Health Insurance and Care

- ▶ An additional 12.88 million people enrolled in Medicaid and the Children's Health Insurance Program between October 2013 and May 2015.<sup>10</sup> If Medicaid was expanded in all states, 1.4 million more people would have access to a usual source of clinic care.<sup>11</sup>
- ▶ Thanks to the several states that expanded their Medicaid programs, an estimated 252,000 more women now receive Pap smears and an estimated 155,000 more women receive mammograms yearly.<sup>12</sup> These improvements are significant: Uninsured women with breast cancer are 30-50 percent more likely than women with insurance to die from cancer and 60 percent more likely to receive a late-stage cervical cancer diagnosis.<sup>13</sup>
- ▶ Parents who enroll in Medicaid are more likely to enroll their children in similar programs, helping to reduce the number of uninsured children.<sup>14</sup> Children with insured parents are also more likely to remain covered and to receive important health care services.<sup>15</sup>
- ▶ Medicaid expansion is an important avenue to coverage for women, who are less likely than men to be employed full-time and have employer-sponsored health benefits.<sup>16</sup>

In states that have not expanded Medicaid, millions of people will not be able to benefit from the improved health outcomes and increased financial stability that health insurance – and access to covered health care services – provides.<sup>17</sup>

### Medicaid Expansion Is Improving Families' Financial Stability

- ▶ Thanks to Medicaid expansion, hundreds of thousands of women and their families are now more financially stable. States that have expanded Medicaid will see approximately 594,000 fewer people struggling to pay bills due to high medical costs.<sup>18</sup>
- ▶ Medicaid programs cannot charge copays for contraceptives, and women who are newly eligible for Medicaid expansion now have access to the full range of FDA-approved contraceptives without copays.<sup>19</sup> In addition to improving maternal and child

health, access to contraception and family planning helps women participate more fully and equally in society, including in the workplace. Contraception gives women more economic security by allowing them to plan families according to their personal, professional and financial goals.

## Medicaid Expansion Provides Many Benefits for States

Medicaid expansion provides multiple benefits to states and populations including:

- ▶ **Helping state economies.** Medicaid expansion is generally expected to improve state budgets.<sup>20</sup> It also provides additional federal money for state economies: States that expanded their programs will get an estimated \$37 billion from the federal government in 2016.<sup>21</sup>
- ▶ **Helping citizens.** Medicaid expansion provides a better standard of living for citizens and improves workers' health and productivity.<sup>22</sup>
- ▶ **Helping hospitals.** Hospitals in expansion states have seen benefits such as bigger increases in Medicaid discharge volumes, increases in Medicaid revenue, and larger increases in operating margins, as compared to hospitals in states that did not expand Medicaid.<sup>23</sup>

## Medicaid Expansion Progress Report

Currently, 30 states and the District of Columbia are expanding their Medicaid programs.<sup>24</sup> Most of these states expanded under the basic ACA process, although Arkansas, Indiana, Iowa and Michigan have expanded using a Section 1115 demonstration, and New Hampshire will do so starting in 2016.<sup>25</sup> (Section 1115 demonstrations provide flexibility for states to expand and/or implement their Medicaid program in new ways, provided they are budget-neutral to the federal government.<sup>26</sup>)

Twenty states have not initiated Medicaid expansion, although efforts are still underway in some states to do so: Georgia, Utah and Virginia are trying to move forward with expansion.

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  - 12 Ibid.
  - 13 American College of Obstetricians and Gynecologists' Committee on Health Care for Underserved Women. (2013 January). *Committee Opinion: Benefits to Women of Medicaid Expansion Through the Affordable Care Act*. Retrieved 21 August 2015, from <http://www.acog.org/Resources-And-Publications/Committee-Opinions/Committee-on-Health-Care-for-Underserved-Women/Benefits-to-Women-of-Medicaid-Expansion-Affordable-Care-Act>
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The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at [www.NationalPartnership.org](http://www.NationalPartnership.org).

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