

# AMSA Medicaid Expansion Fact Sheet

## **Features of the Medicaid expansion:**

Individuals under the age of 65 with incomes at or below 133% of the federal poverty level (FPL) will be eligible for Medicaid.

For the first time, Medicaid coverage will be open to adults without children in every state without need for a waiver.

Medicaid and Children's Health Insurance Program eligibility and enrollment procedures will be streamlined and coordinated with the newly created insurance exchanges.

## **Implementation of the Medicaid expansion:**

Funds from the federal government will be made available to cover the cost of the Medicaid expansion starting in 2014. The application process for obtaining these funds started in 2010 and states are in various stages of deciding whether to apply for these funds. So far, 11 states and the District of Columbia have decided to participate in the Medicaid expansion and 6 states have decided to opt out.

## **Supreme Court decision:**

In *National Federation of Independent Business v. Sebelius*, the Supreme Court upheld the Affordable Care Act's (ACA) Medicaid expansion but limits the federal government's ability to enforce it. If a state does not implement the expansion, the federal government cannot withhold existing Medicaid funds.

## **Advantages to early implementation:**

States that plan to participate in the Medicaid expansion will receive 100% federal funding for their costs in the years 2014, 2015 and 2016. In subsequent years, the ACA provides for enhanced federal funds to match states' Medicaid expansion costs of 95% in 2017, 94% in 2018, 93% in 2019, and 90% in 2020 and each year thereafter. States that opt out of the expansion in the first three years will forgo 100% federal funding for their costs.

There is also the direct financial benefit patients will receive in states that decide to implement the Medicaid expansion. The tax credits included in the ACA to offset the

price of health plans purchased through the insurance exchanges will only be offered to individuals with household incomes between 100 and 400% of the FPL. The poorest adults — those without children and parents with incomes below the FPL but above Medicaid eligibility (usually well below the FPL) — may not qualify either the tax credits or Medicaid if they live in states that do not implement the Medicaid expansion. States could avoid this gap in coverage if they decide to accept federal money to expand their Medicaid rosters.

**References:**

Available at <http://www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html>.

Kaiser Family Foundation, *Implementing the ACA's Medicaid-Related Health Reform Provisions After the Supreme Court's Decision* (Aug. 2012), available at <http://www.kff.org/healthreform/upload/8348.pdf>.

Available at <http://www.advisory.com/Daily-Briefing/2012/07/05/Where-each-state-stands-of-the-Medicaid-expansion>.