Expanding Medicaid: An Update

This issue brief provides background information on the Medicaid expansion provision and its importance to people living with HIV.

A key component of the Patient Protection and Affordable Care Act (ACA) was a largely federally funded expansion of Medicaid to most low income individuals — defined as 138% of the federal poverty line (FPL) or $16,242 per year in 2015 for an individual living in the continental U.S.i Prior to the ACA expansion, adults had to have very low incomes and meet one of the “categorical eligibility” requirements, such as being disabled, elderly or a low-income parent. In most states, childless adults were not eligible — regardless of how poor they were. In expansion states, most non-Medicare eligible individuals under age 65 with income below 138% FPL quality for Medicaid without needing to meet other requirements.

In June 2012, the Supreme Court ruled that requiring states to expand Medicaid was unconstitutional, leaving the option of expanding Medicaid to the state’s discretion.iii As of Jan. 2016, 31 states and the District of Columbia have expanded Medicaid.iv

Sharp Decline in U.S. Uninsured Rate

Following the implementation of the ACA’s health coverage expansion in 2014, the uninsured rate for the U.S. dropped from 13.3% in 2013 to 10.4% in 2014. Prior to 2014, the rate had remained relatively steady since 2008.v

The impact of ACA reforms has been even greater in states that expanded Medicaid. In Medicaid expansion states, the percentage of uninsured residents decreased from 13% in 2013 to 9.3% in September 2014, as compared to non-Medicaid expansion states where the uninsured rate was 16% in 2013 and 13.5% in September 2014.vi

Federal Support for Medicaid Expansion

The federal government pays 100% of the costs of expanding Medicaid from 2014 through 2016. In 2017, the federal percentage decreases to 95% and then gradually declines until it reaches 90% in 2020.vii After 2020, the federal government will continue to pay 90% of Medicaid expansion costs. In his 2017 Budget Proposal, President Obama is proposing legislative action to provide non-expansion states that decide to expand Medicaid 100% federal support for the first three years of their expansion, regardless of when it is initiated.viii Congress is unlikely to act on this proposal.

The Medicaid Coverage Gap

In states not expanding Medicaid, most individuals with incomes between 100 – 138% FPL qualify for subsidies to help pay for private insurance available through the ACA’s insurance exchanges.
The poorest residents in these states are left uninsured or in the “coverage gap” because of their state’s decision not to expand Medicaid. Those with incomes below 100% FPL ($11,700 per year for an individual) are not eligible for federal subsidies to purchase coverage leaving them without affordable health coverage options. In the 19 states not expanding Medicaid, 2.9 million adults fall into the coverage gap.ix

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The estimated number of uninsured people living with HIV who stand to gain access to Medicaid coverage due to the expansion ranges from 47,000, when considering only people with HIV who are already in care and up to 115,000 when considering all people with HIV and not just those already in care.xiii,xiv An estimated 20,000 to 60,000 people living with HIV are left without Medicaid coverage because their state elected not to expand Medicaid.xv,xvi

Low-income individuals in the South, including those with HIV, have been disproportionately affected by their states decisions not to expand Medicaid. KFF estimates that 89% of adults in the coverage gap are in non-expansion states in the South. Of those — more than 26% reside in Texas, 20% in Florida, 11% in Georgia, 8% in North Carolina and 35% in other states.xvii

Medicaid and People Living with HIV

The Medicaid Program covered 50% of people with HIV in care prior to the Medicaid expansion in 2014.x Before the passage of the ACA, almost 1 in 3 people living with HIV were uninsured and less than 1 in 5 had private insurance.xi People living with HIV are disproportionately poor, with one study finding that 44% have incomes below the federal poverty line.xii

Medicaid coverage provides access to antiretroviral treatment and other prescription drugs in addition to medical care and treatment for conditions other than HIV without any co-payments or with only nominal co-payments. In states that have not expanded Medicaid, most low-income people with HIV do not qualify for Medicaid until they become sick enough to be considered disabled.

Medicaid Expansion and People living with HIV

Data on ACA eligibility among the uninsured population in your state is available from the Kaiser Family Foundation.

Learn More about Your State’s Medicaid Eligibility

More data on non-expansion states is available from KFF
The Ryan White HIV/AIDS Program

The Ryan White HIV/AIDS Program (RWP) serves two out of every three people living with HIV in care. RWP provides HIV care, treatment, and support services to uninsured and underinsured to patients with HIV. While the RWP is a critical source of HIV care, RWP is not an insurance program. Uninsured patients who rely on RWP services often lack access to care and treatment for non-HIV related health conditions, such as heart disease and cancer.

The RWP remains critical to improving health outcomes throughout the HIV care system. In 2014, more than 500,000 people living with HIV received RWP services and three quarters of clients served had some type of insurance coverage. Patients living with HIV who receive RWP services are more likely to be prescribed antiretroviral therapy and have higher viral suppression rates, regardless of their health insurance status.

National HIV/AIDS Strategy: Updated to 2020

The White House Office of National AIDS Policy released the first ever National HIV/AIDS Strategy (NHAS) for the U.S. in July 2010 with the goals of 1) reducing HIV incidence 2) increasing access to HIV care and improving health outcomes for people living with HIV 3) reducing HIV-related disparities and health inequities and 4) achieving a more coordinated national response to the HIV epidemic. In 2015, NHAS: Updated to 2020 was released with an updated implementation plan and indicators to measure progress toward the initial NHAS goals. The failure of all states to expand Medicaid remains a primary challenge to achieving the goals of the NHAS. HIV-related disparities are likely to grow significantly in states that have elected not to expand Medicaid as compared to those that have expanded Medicaid.

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