

Covering the Uninsured in Medicaid

Expanding Medicaid is critical to creating a strong foundation for this year's health reform efforts: Eligibility must be expanded and simplified, and coverage for those who currently rely on Medicaid must be protected. Failure to do so will perpetuate a patchwork system that leaves millions of low-income Americans uninsured, with no health care safety net.

Too many low-income Americans are uninsured

- More than one in three uninsured Americans (35.4 percent) has income below the federal poverty level (\$10,830 a year for a single adult).
- An estimated 45.1 percent of non-elderly Americans with income below poverty were uninsured in 2007.
- Parents and adults without dependent children with income below twice the poverty level (\$36,620 a year for a family of three) make up more than half of the non-elderly uninsured (52 percent).

Congress should expand Medicaid so that it serves all low-income people

- To be eligible for Medicaid under federal law, a person must not only have a low income, but he or she must also belong to a specific Medicaid eligibility category: children, pregnant women, parents with dependent children, people with disabilities and seniors. If a person does not fall into one of these categories, he or she can literally be penniless and still be ineligible for Medicaid.
- Eligibility levels for parents with dependent children are extremely low. Only 16 states and the District of Columbia cover these parents with incomes up to the poverty level (\$18,310 a year for a family of three), and the national median eligibility level for parents is a mere 67 percent of the poverty level (\$12,268 for a family of three).
- For most adults without dependent children, Medicaid is not an option: In 43 states, adults without dependent children are ineligible for Medicaid no matter how low their income.
- Health reform offers an opportunity to close the holes in the health care safety net. **Medicaid should be available to all low-income people**—regardless of age or health status.

Medicaid is the right foundation for coverage for low-income people

- **Medicaid covers millions already, and it does so efficiently**
 - Medicaid covers more than 60 million low-income Americans, including 29.4 million children, 15.2 million adults, 8.3 million people with disabilities, and 6.1 million seniors.
 - Every state already has a Medicaid program. It makes sense to build on a program that is already in place and that has a proven track record.
 - Medicaid is cost-effective compared to private health insurance. After controlling for health status (since Medicaid enrollees tend to have greater health care needs), it costs more than 20 percent less to cover low-income people in Medicaid than it does to cover them in private health insurance.

- **Medicaid protects low-income people against unaffordable out-of-pocket costs**
 - Federal law limits how much people in Medicaid can be charged for their health care. For low-income people, this prevents costs from being a barrier to obtaining needed health care.
 - Low-income adults with private health insurance pay more than six times as much on out-of-pocket costs than do low-income adults with Medicaid.
- **Medicaid provides comprehensive health coverage**
 - Medicaid's comprehensive benefit package ensures that the program provides appropriate coverage to people with diverse health care needs. For example, Medicaid has specific protections that are designed to ensure that children get the health care they need when they need it.
 - Medicaid is a key source of coverage for people who are very sick or who have disabilities. Most private health plans have annual or lifetime maximums that people with intensive health care needs can quickly exceed. Medicaid has no such limits, so it provides coverage to all those who need it, even people with serious health care problems.
 - People enrolled in Medicaid are less likely than both the uninsured *and* those with private coverage to lack a usual source of health care or to have an unmet health care need.
- **Medicaid was designed to meet the needs of low-income people**
 - Because low-income people cannot afford health care services that are not covered by their insurance, Medicaid's appeal rights are particularly important. These rights ensure that low-income people who are sick can appeal coverage denials without jeopardizing ongoing treatment.
 - Medicaid covers services not usually covered in private health insurance. For example, Medicaid covers transportation to doctors' appointments, services that help people with disabilities, and services provided at rural and community health centers.
 - Unlike the private health insurance market, there are no pre-existing condition exclusions in Medicaid. People cannot be turned away because they are sick or have experienced health problems in the past.

Sources are available upon request.



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