

Medicaid Expansion

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BACKGROUND

One of the most important provisions of the “Affordable Care Act” (ACA) is the expansion of health coverage to low-income individuals through Medicaid. The ACA extends Medicaid eligibility to childless adults with incomes at or below 138% of the federal poverty level. Prior to the ACA, low-income adults with no disabilities and no children were largely excluded from the benefit. Under the ACA, the federal government also covered 100 percent of the costs for states to expand Medicaid at the beginning of the program in 2014, with a gradual decrease to 90 percent by 2020.

Before the expansion, over 44 million non-elderly people were uninsured. By 2016, the number of uninsured dropped to under 27 million which was a historic low of 10% of uninsured adults ([Henry J. Kaiser Family Foundation, 2018](#)) in the U.S. Medicaid expansion has been a lifeline to health care access for some of the most vulnerable populations including people experiencing homelessness. Homelessness often exacerbates health problems and homeless people often suffer from unmanaged illness, which can lead to higher health care costs. Access to Medicaid has enabled homeless adults to connect to a broad range of needed services, particularly specialty care, substance abuse treatment, and life-saving surgeries often out of reach for the uninsured. Medicaid also covers services for permanent supportive housing (PSH), which helps people remain stably housed and places them in a better position to manage their health and to reduce costs to the system. At the same time, Medicaid coverage prevents people in poverty from experiencing a financial crisis, which could, subsequently, lead to homelessness, because of their inability to pay high medical bills for needed services.

Over the years, Congress has tried unsuccessfully to repeal the ACA, which could have resulted in millions of people losing their coverage. The last plausible threat to the law was in 2017 with the Graham-Cassidy-Heller-Johnson Bill, which did not pass the Senate. With the oncoming House in 2019 controlled by Democrats, it is unlikely that a bill to repeal the ACA would pass through Congress.

MEDICAID WAIVERS AT THE STATE LEVEL AND THE IMPLICATIONS FOR COVERAGE

Congress’ inability to repeal the law has not thwarted attempts to weaken the ACA at the state level, however. In March 2017, then US Health and Human Services Secretary Tom Price and Centers for Medicare and Medicaid Services Administrator Seema Verma sent a letter to governors explaining that states would have unprecedented discretion in running their Medicaid programs. Specifically, the letter reported that the federal government would view certain requirements, such as work activities, favorably. Encouraged by the letter, some states have begun to chip away at Medicaid expansion through restrictive waiver requests that include work requirements, drug testing, cost-sharing, and premiums.

If approved, these waivers could create barriers to coverage and care for low-income people. It would particularly impact homeless populations that are more likely to have multiple barriers to workforce participation and reporting, paying premiums, and the like.

Kentucky Health was the first waiver approved by the Administration that ties Medicaid eligibility to work requirements. The waiver also includes “lock-out” periods for failure to complete renewal paperwork or to pay premiums on time. Although a federal judge has blocked the requirements for now, we are still seeing other states pursue and begin to carry out these types of requirements.

Arkansas began instituting work requirements in June of 2018 and by September of the same year, more than 12,000 people lost coverage due to unreported work status. An estimated additional 6,000 people were at risk of losing their insurance by the end of the year for the same reason. Critics of Arkansas's waiver have argued that the state failed to properly inform recipients of the new rules and criticized the state for requiring recipients to update their status on a web portal for the program, noting the state's low level of internet access and literacy and high level of poverty and other related barriers.

WHAT YOU CAN DO TO PROTECT THE GAINS MADE UNDER THE EXPANSION

1. Track the waiver's impact by gathering stories from individuals you work with who are being impacted by waivers like work requirements.
2. Build a coalition by bringing together a diverse coalition of community groups and leaders who can advocate collectively on behalf of vulnerable populations at risk of losing Medicaid.
3. Stay Alert! As new states propose waivers that might negatively affect the expansion, seek opportunities to participate in hearings and comment at the state and federal level.

For a comprehensive listing and updates about 1115 Medicaid waivers, please visit <https://familiesusa.org/initiatives/waiver-strategy-center> and explore the interactive map of state activity.

Although Congress has likely moved on from ACA repeal for now, advocates must remain vigilant to protect the gains made for millions of uninsured people under the law.

FOR MORE INFORMATION

Key Facts about the Uninsured Population:
<https://bit.ly/2rBqCvw>.