



February 2010

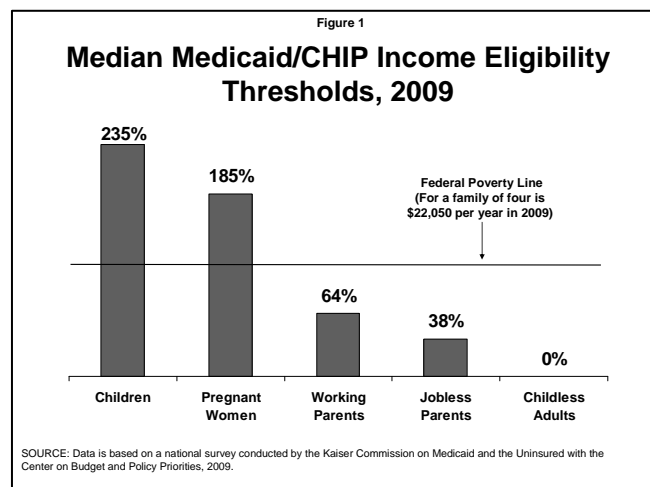
## Expanding Medicaid: Coverage for Low-Income Adults under Health Reform

The health reform legislation passed by the U.S. House of Representatives and the Senate would expand the Medicaid program to cover all of the lowest-income Americans, many of whom are now ineligible for this coverage. As lawmakers consider how to proceed with health reform, this expansion of Medicaid eligibility continues to be under discussion and is included in President Obama's health reform proposal, which was released on February 22, 2010. Both bills and the president's proposal would extend Medicaid to all individuals at or below 133% of the federal poverty line (133% of the federal poverty line was \$14,404 for an individual or \$29,327 for a family of four in 2009).<sup>1</sup> This change would primarily extend coverage to adults who are currently ineligible for Medicaid, since all states already provide public coverage to children at this income level through Medicaid and the Children's Health Insurance Program (CHIP). This expansion would establish a national foundation of coverage based on income and end the historic exclusion of individuals from Medicaid coverage based on family status, a lingering vestige of the program's early ties to welfare that is inconsistent with Medicaid's role as a health insurance program for low-income people.

As policy makers look to provide coverage to the lowest income individuals, examining the key characteristics of the 17.1 million adults who might gain coverage under a Medicaid expansion provides insight into their needs.<sup>2</sup> These adults comprise 37% of all the uninsured in the United States. The majority of these uninsured adults do not have dependent children and about half have family incomes below 50% of the federal poverty line (FPL). Uninsured adults at or below 133% FPL are at an increased risk of having problems accessing care compared to their counterparts on Medicaid, and about one-third of uninsured adults in this income group have been diagnosed with a chronic condition.

### How would this expansion of Medicaid impact coverage?

**The current structure of Medicaid leaves millions of extremely low-income adults ineligible for coverage.** Under current law, states are required to provide Medicaid to children, pregnant women, elderly and disabled individuals, and parents who meet income eligibility thresholds (Figure 1). States are currently barred from extending Medicaid coverage to adults without dependent children, and states seeking to cover these adults must either obtain a federal waiver or create fully state-funded coverage. In more than half of states, no

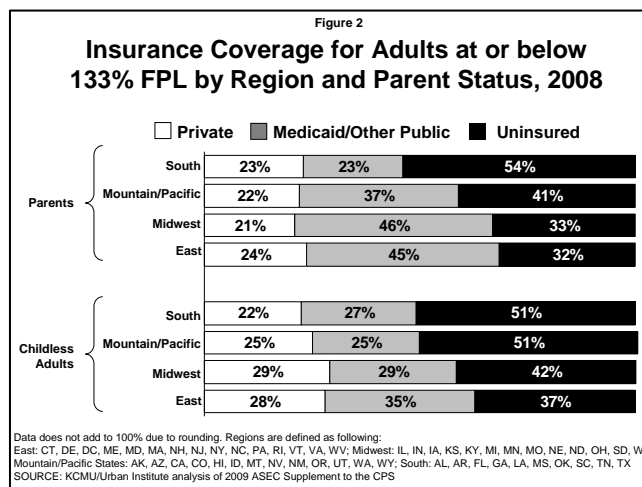


<sup>1</sup> The Senate legislation and President Obama's proposal would extend coverage to individuals at or below 133% FPL, while the House legislation would expand Medicaid to all individuals below 150% FPL.

<sup>2</sup> Additional demographic and health care access data on this population is provided in the appendix.

public health coverage is available for childless adults, and some states with coverage for these adults offer them much more limited benefits or have programs that are not accepting new beneficiaries.<sup>3</sup> Childless adults with disabilities may qualify for Medicaid if they meet strict disability criteria. While parents in all states are covered as a mandatory eligibility group, states have a great deal of flexibility when setting income eligibility levels for parents, and 17 states have set eligibility levels for working parents below 50% FPL (\$11,025 for a family of four in 2009). Medicaid eligibility for children is typically more expansive than for their parents, with all but four states extending public coverage to children at or above 200% FPL.<sup>4</sup>

**Rates of private coverage are consistently low for adults at or below 133% of poverty, since they have limited access to employer-sponsored coverage and most would have trouble affording coverage in the non-group market.** Medicaid and other public coverage rates vary by region and family status, and the groups with less public coverage have higher uninsured rates (Figure 2). For adults at or below 133% FPL, the percentage of parents with Medicaid or other public coverage varies from 23% in the South to about 45% in the East and Midwest, which are regions where Medicaid eligibility typically extends to more parents. Public coverage rates for childless adults vary and tend to be lower than for parents due to more limited Medicaid eligibility that translates into a higher uninsured rate for childless adults<sup>5</sup>



**While the majority of uninsured adults in this group are in working families, they may not be offered health coverage through their employer or it may be unaffordable.** More than half of uninsured adults at or below 133% FPL are in families with ties to the work force, but uninsured childless adults are less likely to be in working families than their counterparts who are parents (Figure 3). The uninsured adults who are in working families may not have access to employer-sponsored insurance. The majority of working uninsured adults at or below 133% FPL work for small firms, which are less likely than larger firms to offer health insurance to their employees (Figure 4). In 2009, just 58% of firms with less than 100 employees offered employer-sponsored coverage, compared to 99% of firms with more than 500 employees.<sup>6</sup> When health insurance is offered to these adults, it would likely be unaffordable without substantial subsidies. In 2009, the average annual employees' share of individual coverage through an employer was \$779 and the full cost of that coverage averaged \$4,824. Family

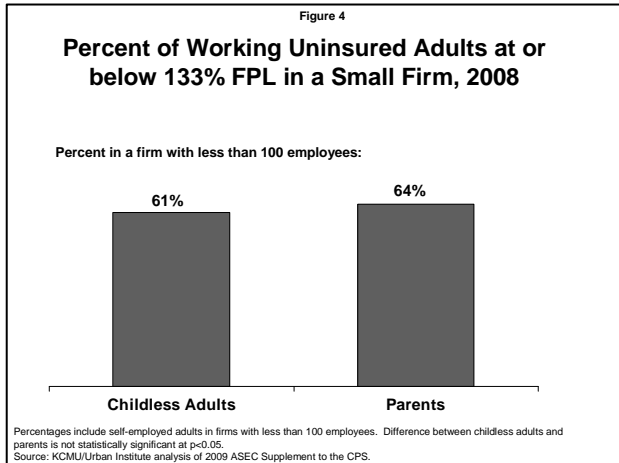
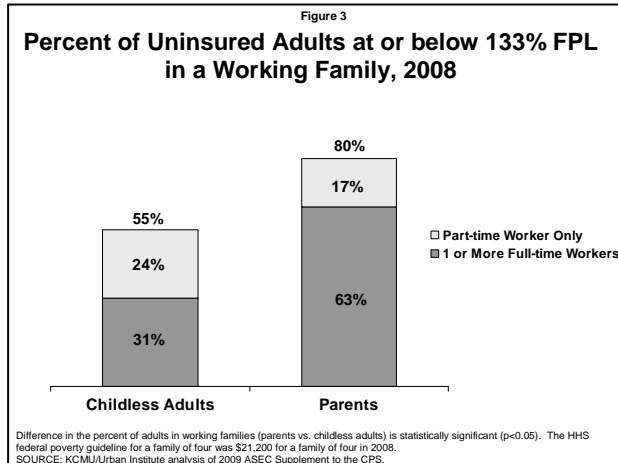
<sup>3</sup> S. Artiga. "Where Are States Today? Medicaid and State-Funded Coverage Eligibility Levels for Low-Income Adults." Kaiser Commission on Medicaid and the Uninsured, December 2009 (#7993).

<sup>4</sup> D. Ross, M. Jarlenski, S. Artiga and C. Marks, "A Foundation for Health Reform: Findings of a 50 State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and CHIP for Children and Parents During 2009," Kaiser Commission on Medicaid and the Uninsured, December 2009 (#8028).

<sup>5</sup> There is a statistically significant difference between the percentage of parents and childless adults with public coverage in each region (p<0.05).

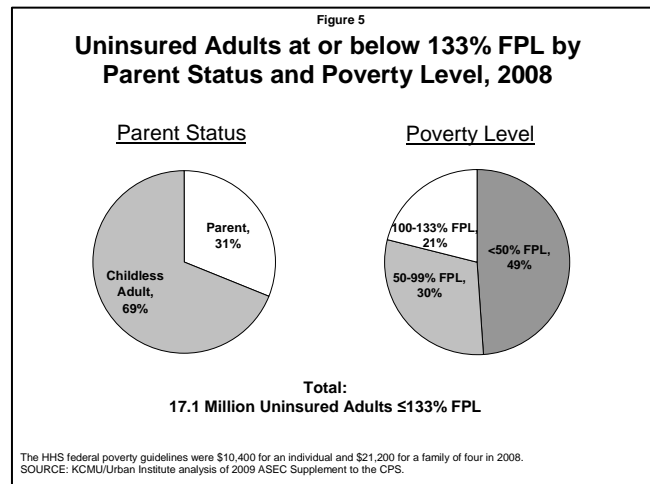
<sup>6</sup> KFF analysis of the Kaiser/HRET Employer Health Benefits 2009 Annual Survey.

coverage is more expensive, with employees paying an average of \$3,515 annually for coverage. The full annual cost of family coverage in 2009 was \$13,375.<sup>7</sup> Paying the average employee share of family coverage would require that a family of four at 133% FPL spend more than one-tenth (12%) of its income on premiums. Those with lower incomes could pay a substantially higher share of their income towards insurance premiums.



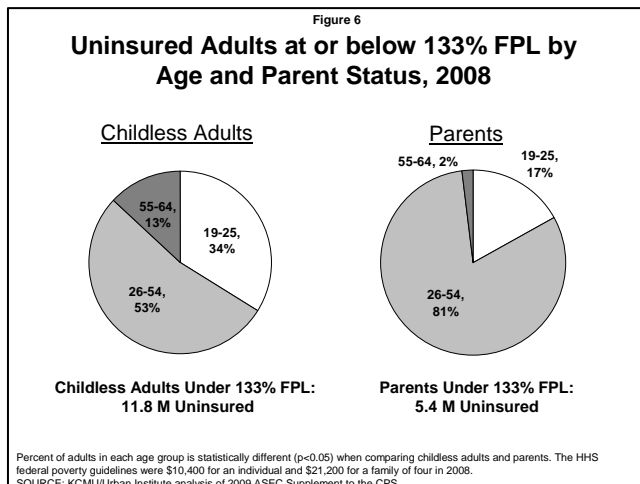
**Who are the uninsured adults below 133% FPL who would be covered by this Medicaid expansion?**

**Most of the 17.1 million uninsured adults at or below 133% FPL do not have dependent children and are very poor—about half have family incomes below 50% FPL (Figure 5).** Adults with family incomes below 50% FPL (\$5,415 for an individual or \$11,025 for a family of four in 2009) have very limited access to private coverage. Even if these adults could afford the premiums for private coverage, the co-payments and deductibles found in most private insurance plans would likely be unaffordable. The uninsured childless adults at or below 133% FPL are significantly more likely to be below 50% FPL than their counterparts who are parents, which is due to higher rates of Medicaid coverage among the lowest income parents. More than half (57%) of these uninsured childless adults have family income below 50% FPL compared to 32% of parents.

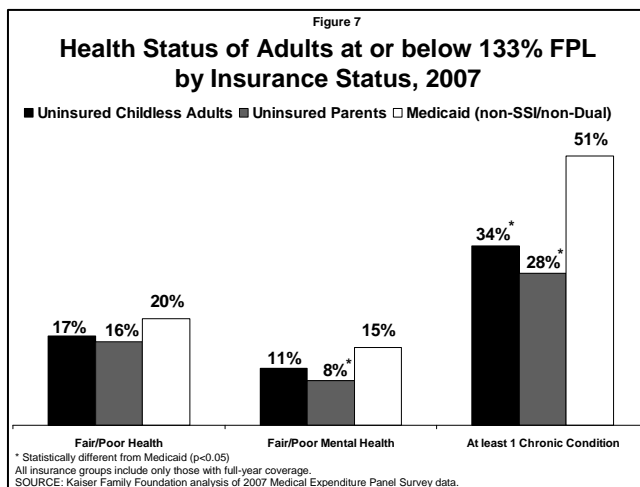


<sup>7</sup> Kasier Family Foundation and Health Research and Educational Trust, "Employer Health Benefits 2009 Annual Survey," (September 2009).

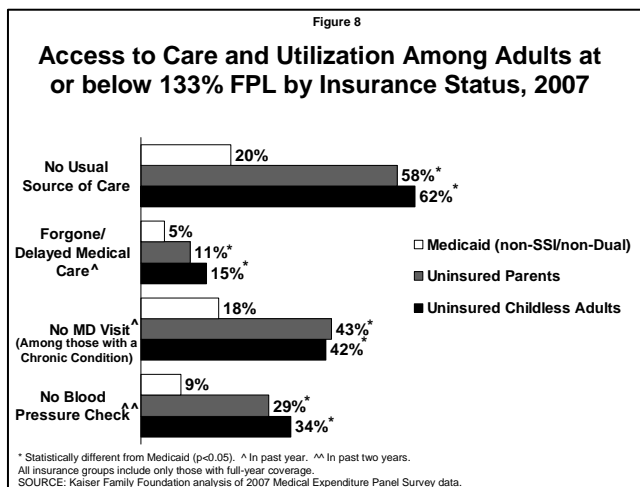
**Adults age 25 and younger comprise a minority of uninsured adults at or below 133% FPL (Figure 6).** Most uninsured adults in this income group are between ages 26-54. Uninsured parents are predominantly in this age range, with 81% of these adults falling in the 26-54 year-old age group. Uninsured childless adults span a broader age spectrum and are more likely to be either on the younger end of the age spectrum (34% are age 19-25) or to be older adults (13% are age 55-64) compared to parents. The uninsured adults ages 55-64 are particularly vulnerable when uninsured, since they are at an increased risk of serious health problems.



**Many uninsured adults in this income group face health problems that may worsen due to their lack of coverage.** About one-in-six of these uninsured adults is in fair or poor health and about one-third have a diagnosed chronic condition (Figure 7). While fewer uninsured adults at or below 133% FPL have been diagnosed with a chronic condition compared to those on Medicaid, that difference may be due to higher rates of undiagnosed chronic conditions among the uninsured and the fact that some of the sickest adults may have qualified for Medicaid because of a disability.



**Uninsured adults at or below 133% FPL have significantly worse access to care and receive less preventive care than their counterparts with Medicaid (Figure 8).** Uninsured parents and uninsured childless adults at or below 133% FPL have similar levels of access problems, and these problems could potentially put their health at risk. About 60% of these uninsured adults have no usual source of care, which can make it more difficult for them to access care when needed and may make it less likely that they will receive preventive care. About one-third of these adults have not had



their blood pressure checked in the past two years, even though this low-cost screening can detect hypertension before it leads to disability or death. Similar results were found for other types of preventive care (see Appendix). Among those with a chronic condition, more than four-in-ten uninsured adults at or below 133% FPL did not have a doctor's office visit in the past year.

### **Policy Implications**

The uninsured adults with incomes at or below 133% FPL who could gain Medicaid coverage under the health reform proposals in the House and Senate are a diverse group but include many poor and sick individuals for whom public and private coverage is often unavailable. These uninsured adults are currently at an increased risk of going without needed medical care and often lack even basic preventive screenings. Extending Medicaid coverage to these adults would provide them with coverage that is designed to meet the unique needs of the low-income population through a comprehensive benefits package and cost-sharing that is affordable for those with limited incomes.

Eliminating the historical exclusion of adults without dependent children from Medicaid is a key step to reducing the number of low-income uninsured in the U.S. In addition, establishing a floor of Medicaid eligibility based on income would reduce long-standing disparities across states in the reach of public coverage, build on Medicaid's role as a cost-effective source of health coverage for those with low-incomes who cannot afford or obtain private coverage, and facilitate access to preventive and coordinated care for millions of uninsured Americans.

This Kaiser Commission on Medicaid and the Uninsured policy brief was prepared by Karyn Schwartz and Anthony Damico of the Kaiser Family Foundation.

**Appendix  
Uninsured Adults at or below 133% FPL, 2008**

	All Adults ≤133% FPL (millions)	Percent of All Adults ≤133% FPL	Uninsured Adults ≤133% FPL (millions)	Percent of Uninsured Adults ≤133% FPL	Uninsured Rate for Adults ≤133% FPL
<b>Total - Adults ≤ 133% FPL</b>	<b>39.1</b>	<b>100.0%</b>	<b>17.1</b>	<b>100.0%</b>	<b>44%</b>
<b>Family Poverty Level<sup>1</sup></b>					
<50%	16.0	41%	8.4	49%	52%
50%-99%	13.6	35%	5.2	30%	38%
100-133%	9.5	24%	3.6	21%	38%
<b>Family Work Status</b>					
2 full-time workers	0.9	2%	0.4	3%	48%
1 full-time worker	13.2	34%	6.7	39%	50%
Part-time worker	8.2	21%	3.7	22%	46%
Non-Workers	16.9	43%	6.3	37%	37%
<b>Education</b>					
Less than high school	10.6	27%	5.3	31%	50%
High school graduate	14.3	37%	6.6	38%	46%
Some college/Assoc. degree	10.2	26%	3.9	23%	38%
College grad or greater	3.9	10%	1.4	8%	35%
<b>Gender</b>					
Male	18.2	47%	9.0	52%	49%
Female	20.9	53%	8.2	48%	39%
<b>Age</b>					
Age 19-25	11.6	30%	4.9	29%	43%
Age 26-34	8.6	22%	4.4	26%	52%
Age 35-54	13.8	35%	6.1	36%	44%
Age 55-64	5.2	13%	1.6	9%	31%
<b>Marital Status</b>					
Married adults	10.6	27%	4.5	26%	42%
Not married	28.5	73%	12.6	74%	44%
<b>Region</b>					
South	11.4	29%	5.9	34%	52%
East	9.5	24%	3.4	20%	35%
Midwest	8.5	22%	3.3	19%	39%
Mountain/Pacific	9.7	25%	4.6	27%	47%
<b>Race/Ethnicity</b>					
White only (non-Hispanic)	19.2	49%	7.3	42%	38%
Black only (non-Hispanic)	7.6	19%	3.1	18%	40%
Hispanic	9.5	24%	5.6	33%	59%
Asian/S. Pacific Islander	1.8	5%	0.8	5%	43%
Am. Indian/Alaska Native	0.4	1%	0.2	1%	46%
Two or More Races	0.5	1%	0.2	1%	41%

<sup>1</sup> The HHS federal poverty guidelines were \$10,400 for an individual and \$21,200 for a family of four in 2008. The term family as used in family poverty level is defined as a health insurance unit.

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of the 2009 ASEC Supplement to the CPS

**Appendix  
Uninsured Childless Adults at or below 133% FPL, 2008**

	All Childless Adults ≤133% FPL (millions)	Percent of All Childless Adults ≤133% FPL	Uninsured Childless Adults ≤133% FPL (millions)	Percent of Uninsured Childless Adults ≤133% FPL	Uninsured Rate for Childless Adults ≤133% FPL
<b>Total - Childless Adults ≤ 133% FPL</b>	<b>26.0</b>	<b>100.0%</b>	<b>11.8</b>	<b>100.0%</b>	<b>45%</b>
<b>Family Poverty Level<sup>1</sup></b>					
<50%	11.9	46%	6.7	57%	56%
50%-99%	8.6	33%	3.1	26%	36%
100-133%	5.5	21%	2.0	17%	37%
<b>Family Work Status</b>					
2 full-time workers	0.2	1%	0.1	1%	52%
1 full-time worker	6.4	25%	3.6	31%	56%
Part-time worker	5.8	22%	2.8	24%	49%
Non-Workers	13.6	52%	5.3	45%	39%
<b>Education</b>					
Less than high school	6.4	25%	3.2	27%	50%
High school graduate	9.5	36%	4.6	39%	48%
Some college/Assoc. degree	7.2	28%	2.9	25%	41%
College grad or greater	3.0	11%	1.0	9%	35%
<b>Gender</b>					
Male	14.2	55%	7.1	61%	50%
Female	11.8	45%	4.6	39%	39%
<b>Age</b>					
Age 19-25	9.1	35%	4.0	34%	44%
Age 26-34	4.2	16%	2.5	21%	60%
Age 35-54	7.9	30%	3.7	32%	47%
Age 55-64	4.8	18%	1.5	13%	31%
<b>Marital Status</b>					
Married adults	3.8	15%	1.5	13%	40%
Not married	22.2	85%	10.2	87%	46%
<b>Region</b>					
South	7.5	29%	3.8	32%	51%
East	6.6	25%	2.4	21%	37%
Midwest	5.7	22%	2.4	20%	42%
Mountain/Pacific	6.3	24%	3.2	27%	51%
<b>Race/Ethnicity</b>					
White only (non-Hispanic)	14.1	54%	5.6	47%	40%
Black only (non-Hispanic)	5.0	19%	2.2	19%	44%
Hispanic	5.0	19%	3.1	26%	62%
Asian/S. Pacific Islander	1.3	5%	0.6	5%	45%
Am. Indian/Alaska Native	0.3	1%	0.1	1%	53%
Two or More Races	0.4	1%	0.2	1%	42%

<sup>1</sup> The HHS federal poverty guidelines were \$10,400 for an individual and \$21,200 for a family of four in 2008. The term family as used in family poverty level is defined as a health insurance unit.

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of the 2009 ASEC Supplement to the CPS

**Appendix  
Uninsured Parents at or below 133% FPL, 2008**

	All Parents ≤133% FPL (millions)	Percent of All Parents ≤133% FPL	Uninsured Parents ≤133% FPL (millions)	Percent of Uninsured Parents ≤133% FPL	Uninsured Rate for Parents ≤133% FPL
<b>Total - Parents ≤ 133% FPL</b>	<b>13.1</b>	<b>100.0%</b>	<b>5.4</b>	<b>100.0%</b>	<b>41%</b>
<b>Family Poverty Level<sup>1</sup></b>					
<50%	4.1	31%	1.7	32%	41%
50%-99%	5.0	38%	2.1	39%	42%
100-133%	4.0	30%	1.5	29%	39%
<b>Family Work Status</b>					
2 full-time workers	0.7	5%	0.3	6%	47%
1 full-time worker	6.8	52%	3.1	57%	45%
Part-time worker	2.4	18%	0.9	17%	39%
Non-Workers	3.2	25%	1.0	20%	32%
<b>Education</b>					
Less than high school	4.2	32%	2.1	38%	49%
High school graduate	4.9	37%	2.0	37%	41%
Some college/Assoc. degree	3.1	23%	1.0	18%	32%
College grad or greater	1.0	7%	0.3	6%	33%
<b>Gender</b>					
Male	4.0	30%	1.8	34%	46%
Female	9.1	70%	3.5	66%	39%
<b>Age</b>					
Age 19-25	2.4	19%	0.9	17%	37%
Age 26-34	4.4	34%	1.9	36%	44%
Age 35-54	5.9	45%	2.4	45%	41%
Age 55-64	0.4	3%	0.1	2%	31%
<b>Marital Status</b>					
Married adults	6.8	52%	3.0	56%	44%
Not married	6.3	48%	2.4	44%	38%
<b>Region</b>					
South	3.9	30%	2.1	39%	54%
East	2.9	22%	0.9	17%	32%
Midwest	2.8	21%	0.9	17%	33%
Mountain/Pacific	3.5	26%	1.4	26%	41%
<b>Race/Ethnicity</b>					
White only (non-Hispanic)	5.2	39%	1.7	32%	33%
Black only (non-Hispanic)	2.6	20%	0.9	16%	34%
Hispanic	4.5	34%	2.5	46%	55%
Asian/S. Pacific Islander	0.6	4%	0.2	4%	37%
Am. Indian/Alaska Native	0.2	1%	0.1	1%	35%
Two or More Races	0.2	1%	0.1	1%	37%

<sup>1</sup> The HHS federal poverty guidelines were \$10,400 for an individual and \$21,200 for a family of four in 2008. The term family as used in family poverty level is defined as a health insurance unit.

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of the 2009 ASEC Supplement to the CPS

**Appendix**  
**Health Status, Access to Care and Utilization for Adults (19-64) at or below 133% FPL**  
**by Insurance Status and Parent Status, 2007**

Health Status	Medicaid (non-SSI, non-dual) at or below 133%		Uninsured at or below 133%		vs. Medicaid	Uninsured Parents at or below 133%		vs. Medicaid	Uninsured Childless Adults at or below 133%		vs. Medicaid
	Population 4,378,994	% 100.0%	Population 13,877,185	% 100.0%		Population 4,918,518	% 100.0%		Population 8,958,666	% 100.0%	
<b>Health Status</b>											
General Health: % in Fair/Poor Health	868,266	20.0%	2,217,942	16.3%		770,938	15.7%		1,447,004	16.7%	
Mental Health: % in Fair/Poor Health	632,949	14.6%	1,339,578	9.8%	*	412,304	8.4%	*	927,274	10.7%	
% with zero Chronic Conditions	2,163,566	49.4%	9,462,890	68.2%	*	3,518,581	71.5%	*	5,944,309	66.4%	*
% with at least 1 Chronic Condition	2,215,429	50.6%	4,414,295	31.8%	*	1,399,937	28.5%	*	3,014,357	33.6%	*
% with only 1 Chronic Condition	833,613	19.0%	2,517,076	18.1%		852,000	17.3%		1,665,076	18.6%	
% with 2 or more Chronic Conditions	1,381,815	31.6%	1,897,219	13.7%	*	547,938	11.1%	*	1,349,281	15.1%	*
% with Mental Chronic Condition only	355,647	8.1%	988,078	7.1%		323,467	6.6%		664,611	7.4%	
% with both Mental and Physical Chronic Conditions	632,399	14.4%	657,833	4.7%	*	176,542	3.6%	*	481,290	5.4%	*
% Limited or Unable to Work	544,188	12.4%	873,953	6.3%	*	181,868	3.7%	*	692,086	7.7%	*
<b>Access to Care</b>											
No Usual Source of Care	887,037	20.4%	8,078,295	60.5%	*	2,807,554	58.0%	*	5,270,741	62.0%	*
No Doctor Visit	1,515,049	34.6%	9,669,565	69.7%	*	3,224,387	65.6%	*	6,445,178	71.9%	*
Unable to Receive/ Delayed Getting Medical Care	229,923	5.3%	1,835,257	13.5%	*	543,617	11.1%	*	1,291,640	14.8%	*
Unable to Receive/ Delayed Getting Rx	191,044	4.4%	1,188,189	8.7%	*	272,801	5.6%	*	915,387	10.5%	*
<b>Access to Care among people with 1+ Chronic Conditions</b>											
No Usual Source of Care	348,818	15.9%	2,086,342	48.0%	*	692,666	49.5%	*	1,393,676	47.3%	*
No Doctor Visit	390,890	17.6%	1,862,959	42.2%	*	604,196	43.2%	*	1,258,763	41.8%	*
Unable/Delayed Getting Medical Care	166,075	7.5%	1,033,394	23.6%	*	257,036	18.4%	*	776,358	26.1%	*
Unable/Delayed Getting Rx	133,496	6.0%	873,416	20.0%	*	204,710	14.7%	*	668,706	22.5%	*
<b>Prevalence Rates</b>											
Cancers, Leukemias, Other Malignancies	104,792	2.4%	135,715	1.0%		59,471	1.2%		76,244	0.9%	
Diabetes Mellitus	423,348	9.7%	524,126	3.8%	*	231,367	4.7%	*	292,759	3.3%	*
Heart Conditions	172,364	3.9%	242,075	1.7%	*	42,033	0.9%	*	200,042	2.2%	*
Hypertension	685,263	15.6%	1,051,090	7.6%	*	346,861	7.1%	*	704,229	7.9%	*
Hyperlipidemias	377,009	8.6%	526,491	3.8%	*	130,821	2.7%	*	395,670	4.4%	*
Chronic Pulmonary Conditions	377,665	8.6%	549,113	4.0%	*	150,304	3.1%	*	398,809	4.5%	*
Kidney Disorders	31,460	0.7%	15,449	0.1%	*	4,633	0.1%	*	10,816	0.1%	*
Vertebral Disc Problems	100,023	2.3%	312,883	2.3%		122,543	2.5%		190,340	2.1%	
Psychoses	177,887	4.1%	149,662	1.1%	*	67,849	1.4%	*	81,813	0.9%	*
Depression	715,647	16.3%	1,109,038	8.0%	*	266,661	5.4%	*	842,378	9.4%	*
<b>Use of Medical Care</b>											
No Medical Care in 2007	805,356	18.4%	7,032,043	50.7%	*	2,240,986	45.6%	*	4,791,057	53.5%	*
Check-up in past 2 years	3,200,336	76.4%	5,974,150	46.8%	*	2,276,690	48.4%	*	3,697,460	45.9%	*
BP Check in past 2 years	3,840,107	91.4%	8,635,636	67.8%	*	3,329,466	71.1%	*	5,306,170	66.0%	*
Cholesterol Check in past 2 yrs (35+ M / 45+ F)	808,938	74.5%	2,063,767	45.7%	*	561,353	41.4%	*	1,502,414	47.5%	*
Pap Smear in past 3 years (all Females)	2,724,571	89.7%	3,775,600	65.4%	*	2,187,086	77.6%	*	1,588,514	53.7%	*
Mammogram in past 2 years (Female 50+ yrs)	234,829	71.7%	525,226	44.5%	*	108,945	58.9%	*	416,280	41.8%	*

\* Statistically significant difference from Medicaid (p<0.05).

Note: All insurance categories are for full-year coverage. Individuals with part-year coverage were not included in this analysis.

Source: KFF analysis of 2007 Medical Expenditure Panel Survey Data

This publication (#8052) is available on the Kaiser Family Foundation's website at [www.kff.org](http://www.kff.org).