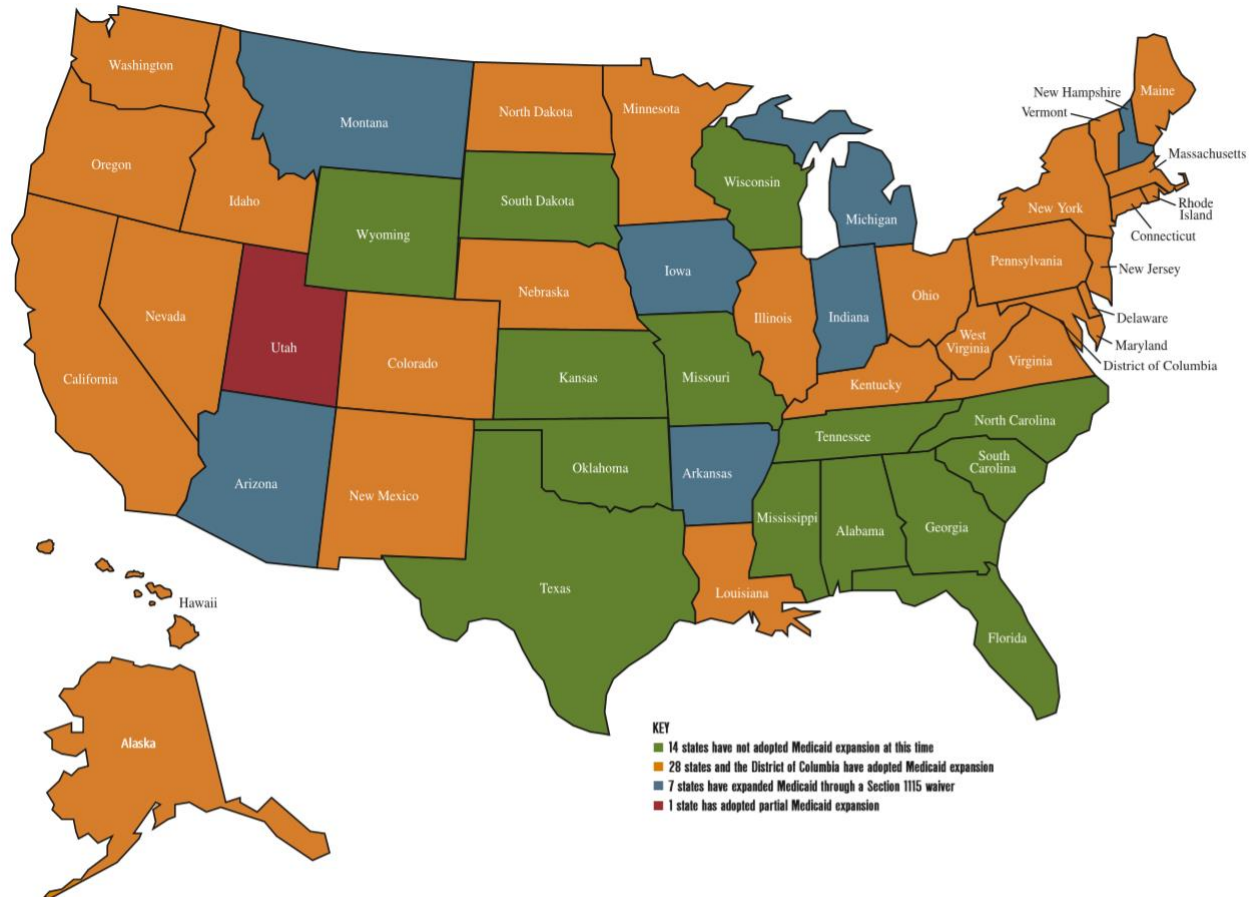


MEDICAID EXPANSION



Traditional Medicaid Expansion

As of March 2019, more than 72 million individuals are enrolled in Medicaid and CHIP.¹ As of December 2016, nearly 20 million people gained health insurance coverage under the Affordable Care Act (ACA).² The greatest declines in the number of uninsured have been in the states that expanded Medicaid eligibility to include individuals, largely working adults without children with incomes up to 138 percent of the federal poverty level (FPL). States expanding coverage to this population are eligible for an enhanced federal medical assistance percentage (FMAP) in which the federal government pays 93 percent of the cost of Medicaid services in 2019 and 90 percent in 2020 and beyond, significantly higher than the FMAP for services offered to the “traditional,” non-expansion Medicaid population, including children, the disabled, elderly people, and pregnant women.

Thirty-six states and DC have expanded Medicaid to cover 12.7 million people.³ If the remaining 14 states expanded Medicaid, approximately 4.4 million additional people in current non-expansion states would be eligible for Medicaid coverage.⁴

¹ Centers for Medicare & Medicaid Services. (2019). “March 2019 Medicaid & CHIP Enrollment Highlights.” Web.

² Kaiser Family Foundation. (2018). “Key Facts about the Uninsured Population.” Web.

³ Kaiser Family Foundation. (2017). “Medicaid Expansion Enrollment.” Web.

⁴ Kaiser Family Foundation. (2019). “Uninsured Adults in States that Did Not Expand Who Would Become Eligible for Medicaid under Expansion.” Web.

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Alternatives to Traditional Expansion

Medicaid Demonstration Waiver

Section 1115 of the *Social Security Act* gives the U.S. Secretary of Health and Human Services (HHS) the authority to approve experimental, pilot, or demonstration projects that promote the objectives of the Medicaid and CHIP programs. The waiver must increase and strengthen overall coverage and health outcomes of low-income individuals in the state, stabilize and strengthen providers and provider networks in the state, or increase Medicaid efficiency through service delivery network reform while also being “budget neutral.” Seven states (AZ, AR, IA, IN, MI, MT, NH) have expanded Medicaid through the Section 1115 process. In June 2018, Virginia became the first state to concurrently expand Medicaid and institute work requirements through the Section 1115 process.

Ballot Initiative

Absent state legislative action, four states (ID, ME, NE, UT) have expanded Medicaid by ballot initiative, although legislatures in Idaho and Utah took steps to limit the scope of expansion after being approved by voters. After a 2018 [ballot initiative](#) in Montana narrowly failed to permanently reauthorize that state’s Medicaid expansion, the legislature passed a law to extend expansion while also establishing a work requirement component for the first time, which remains subject to federal approval. Of the remaining fourteen states that have not expanded Medicaid, six (FL, MO, MS, OK, SD, WY) allow citizens to initiate ballot measures. [Qualifications](#) to include initiatives on the ballot vary by state.

Partial Expansion

In March 2019, Utah became the first state to receive federal [approval](#) for a partial Medicaid expansion for individuals with incomes up to 100 percent FPL. Under this arrangement, the government does not pay the 90 percent, enhanced Medicaid expansion FMAP, but rather the 70 percent FMAP associated with the state’s traditional Medicaid expansion. A separate proposal to secure an enhanced FMAP for the partial expansion population was unexpectedly [rejected](#) by the Trump administration in July 2019. This triggered a provision in the original Utah law that, if the state does not secure an accommodation by the federal government, would allow for full Medicaid expansion in Utah. [Georgia](#) also passed legislation which allows the state to submit a partial expansion waiver plan for CMS approval by June 2020. Given Utah’s experience, it’s unclear if Georgia plans to continue with partial expansion.

Consequences of not expanding Medicaid

A July 2014 [report](#) by President’s Council of Economic Advisers found that not expanding Medicaid could result in millions of citizens not experiencing the greater financial security and better health outcomes associated with insurance coverage.⁵ According to a July 2019 study by the National Bureau of Economic Research, more than 15,600 deaths could have been averted in non-expansion states had they chosen to expand.⁶ Medicaid expansion has also allowed for more certainty for hospitals, especially rural facilities; hospitals in expansion states were 84 percent less likely to close than their non-expansion state counterparts.⁷ Overall uncompensated care costs nationwide would decrease by \$8 billion should all states expand.⁸

Finally, the Robert Graham Center [found](#) that states that haven’t expanded Medicaid forego the opportunity to expand their primary care workforces by a total of 1,525 physicians. Increased demand from expansion states and a limited primary care physician pool may provide a pull across state lines to the disadvantage of non-expansion states. Evidence also suggests that primary care physicians generate up to \$1.5 million in annual revenues and 23 new jobs per physician.⁹

Updated: August 2019

⁵ Executive Office of the President of the United States. (2014). “Missed Opportunities: The Consequences of State Decisions Not to Expand Medicaid.” Retrieved from

https://obamawhitehouse.archives.gov/sites/default/files/docs/missed_opportunities_medicaid_0.pdf

⁶ Miller S, Altekruze S, Johnson N, Wherry L. (2019). “Medicaid and Mortality: New Evidence from Linked Survey and Administrative Data.” *National Bureau of Economic Research*. Web.

⁷ Lindrooth R, Perrillon M, Hardy R, Tung G. (2018). “Understanding the Relationship Between Medicaid Expansions and Hospital Closures.” *Health Affairs*. Web.

⁸ Buettgens M. (2018). “The Implications of Medicaid Expansion in the Remaining States: 2018 Update.” *Urban Institute*. Web.

⁹ Lin M, Patterson S, Gibbons C, Finnegan S, Bazemore A. (2015). “Opting Out of Medicaid Expansion May Cost States Additional Primary Care Physicians.” *Robert Graham Center*. Web.