



The Future of the Medicaid Expansion and Effects on People Experiencing Homelessness

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Part of a series of briefs developed by the Technical Assistance Collaborative, Inc. (TAC) to assist policy makers, providers, and advocates to understand and capitalize upon opportunities in the Affordable Care Act (ACA) to help improve the lives of people with disabilities.

On June 28th the Supreme Court upheld the constitutionality of the majority of the Affordable Care Act (ACA). In doing so, it preserved many provisions that could have a positive effect on the health and well-being of people experiencing homelessness or those at risk of homelessness. These include:

- Improved access to mental health and substance abuse services
- Expanded options for states to serve individuals in home and community-based settings as opposed to institutions
- Improved access to primary and preventative care services
- Improved coordination between physical and behavioral health

One important provision that could have helped many people experiencing homelessness gain access to health care services, the required expansion of the Medicaid program, was struck down. The high court concluded that Congress could not compel the states to expand their Medicaid programs, thus making the expansion optional for the states.

Prior to the ruling the ACA had required states to cover childless adults under age 65 with incomes up to 133% of the federal poverty level (FPL), those earning approximately \$14,400 dollars per year, through their Medicaid program¹ or risk losing their federal funding for their entire Medicaid program. Today, in most states, childless adults under 65 who are not disabled, even those at or below the federal poverty level, are not eligible for Medicaid. As of 2009, more than half of all

¹ Under the ACA, income eligibility for Medicaid will use the modified adjusted gross income standard, which uses a 5% income disregard, effectively raising the income level to 138%.

states did not cover single adults through the Medicaid program.²

It is important to understand that ruling did not eliminate the Medicaid expansion it simply changed it from a requirement to an option. While some states will move forward with their plans to expand their Medicaid programs in 2014, governors in several states have indicated that they will not. This is despite the fact the federal government will pay the vast majority of the cost of the expansion.³ Data from the Kaiser Family Foundation indicate that the estimated state costs of the expansion between 2014 and 2019 are relatively modest, even for states like Utah, Nevada, and Oregon that anticipate large increases in the percentage of people who enroll in their Medicaid programs.⁴

Twenty-five states⁵ were part of the lawsuit alleging that the Medicaid expansion was “coercive,” however it is still too early to tell which states will ultimately choose not to expand. Some states may also elect to expand but not up to the 133% permitted under the ACA; while others may wait to expand until after 2014 so they can learn from the experiences of states that chose to expand first.

² Kaiser Commission on Medicaid and the Uninsured. (2009). *Where are the States Today? Medicaid and State-Funded Coverage Eligibility Levels for Low-Income Adults*. Author.

³The ACA includes provisions for the federal government to pay 100% of the medical costs associated with the expansion of Medicaid for the first three years, with the percentage gradually decreasing to 90% by 2020.

⁴ Kaiser Family Foundation. *Medicaid Expansion to 133% of FPL: Estimated Increase in Enrollment and Spending Relative to Baseline by 2019*. Retrieved on July 10, 2012 from:

<http://www.statehealthfacts.org/comparereport.jsp?rep=68&cat=4>

⁵ The Commonwealth of Virginia also filed a lawsuit challenging the constitutionality of the ACA however it did not include the Medicaid expansion issue.

States that were part of the lawsuit alleging the Medicaid expansion was coercive

Alabama	Georgia
Alaska	Idaho
Arizona	Indiana
Colorado	Iowa
Florida	Kansas
Louisiana	Ohio
Maine	Pennsylvania
Michigan	South Carolina
Mississippi	South Dakota
Nebraska	Texas
Nevada	Utah
North Dakota	Washington
Wisconsin	Wyoming

Source: Kaiser State Health Facts

So what can advocates do to help promote access to health insurance and health care services for people experiencing homelessness?

- **Advocate with elected officials in your state who share your desire to expand access to Medicaid for low-income people.** Health care and other public safety net providers who risk losing reimbursement for services they provide to the uninsured will be particularly strong allies.
- **Continue efforts to assist people who are experiencing homelessness and are disabled with accessing Supplemental Security Income (SSI).** In most states, SSI is a pathway to Medicaid eligibility.

- **Encourage your state to explore amending its Medicaid plan to take advantage of the various home and community-based services options available as part of the ACA.** These options can promote alternatives to institutionalization and assist people who are homeless with disabilities gain access to the services and supports they need to attain and sustain housing. To learn more about if your state has taken action on these and other important opportunities made possible by the ACA, such as creating health homes for individuals with chronic conditions, expanding Medicaid early to low-income adults, and developing models to improve care delivery for people who are dually eligible for Medicare and Medicaid, visit: <http://www.statehealthfacts.org/comparereport.jsp?rep=120&cat=4>
- **Learn about other options that may exist for promoting access to health insurance for low-income people in your state.** For example, some states may choose to pursue a Basic Health Program (BHP), while others may choose to move people into Affordable Insurance Exchanges; though making these options available to people under 133% of the FPL will require changes to federal laws and regulations. More information about the BHP and Affordable Insurance Exchanges can be found at: <http://www.healthcare.gov/index.html>

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