

Making the Medicaid Expansion an ACA Option: How Many Low-Income Americans Could Remain Uninsured

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The Supreme Court's ruling on the Affordable Care Act put the decision to expand Medicaid coverage to non-elderly people with incomes below 138 percent of the federal poverty level in the hands of the states. Before the ACA, few states covered non-disabled parents up to this income level, and even fewer states covered non-disabled adults without dependent children in Medicaid. With full implementation of the Medicaid expansion in all states, the Congressional Budget Office estimated that the enrollment increases in Medicaid would have accounted for about half the total coverage increases projected under the ACA, [with substantial variation expected across states](#).

If a state does not implement the ACA's Medicaid expansion, some people who would have received Medicaid could instead receive federal tax credits and other subsidies, but cost-sharing requirements would be higher than they would have been under Medicaid. Federal tax credits and subsidies would not be available for most people with incomes below the federal poverty level, however. As a consequence, the uninsured above poverty could receive help, but those below poverty would not.

In states that do not implement the Medicaid expansion, many poor people will remain uninsured. Table 1 contains estimates from the 2010 American Community Survey on the number of non-elderly people who could be covered by Medicaid under the ACA, nationally and for each state.¹ Nationally, an estimated 22.3 million uninsured people could qualify for Medicaid by having incomes below 138 percent of the Federal Poverty Level, constituting 47 percent of the nation's uninsured. Moreover, 80 percent of these Medicaid eligible uninsured individuals have incomes below the poverty level.

As for the states, three have more than a million uninsured people potentially eligible for Medicaid with incomes less than 138 percent of the Federal Poverty Level: California, Texas, and Florida have 2.9 million, 2.5 million, and 1.8 million, respectively. In addition, in five states (Alabama, Kentucky, Mississippi, South Dakota, and West Virginia), uninsured Medicaid-eligible people comprise over 60 percent of the state's total uninsured population.

These estimates indicate that if all states expand Medicaid eligibility under the ACA to 138 percent of the Federal Poverty Level in 2014, 22.3 million uninsured people could be covered under Medicaid. Should states choose not to expand Medicaid at all, coverage would be at risk for these people, particularly for the 17.8 million with incomes below the poverty level who are not eligible for exchange subsidies.

At this point it is not clear whether and how many states will choose to expand Medicaid up to 138 percent of the Federal Poverty Level as allowed under the ACA. In the wake of yesterday's decision, a number of governors have said that they plan to expand Medicaid, [while some state officials have indicated that they may not choose to expand Medicaid under the ACA](#).

In addition, [27 states challenged the constitutionality of the Medicaid expansion](#). However, it is clear that state decisions regarding whether or not to expand Medicaid will affect significant numbers of individuals and families and will have dramatic implications for the number who remain uninsured.

¹ These estimates are derived from the 2010 American Community Survey (ACS). They are based on Urban Institute analysis of data from the Integrated Public Use Microdata Series (IPUMS) that reflect an adjustment for the possible misreporting of insurance coverage on the ACS. Potential eligibility for Medicaid is determined by having income for the Health Insurance Unit below 138 percent of the Federal Poverty Level and meeting the immigration requirements for Medicaid coverage. These estimates focus just on the uninsured who would be eligible for Medicaid under the ACA and do not consider those with non-group or employer coverage who would be eligible or who would take up Medicaid coverage under the ACA (see Holahan and Headen, 2010 "[Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 138 percent of the FPL](#)." The Kaiser Commission on Medicaid and the Uninsured, for analysis that considers these issues.)

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Table 1: Uninsured Potentially Eligible for Medicaid under the ACA, by State (Number in 1,000's)

	Medicaid Eligible Uninsured, by Income			All Uninsured ²	Share of Uninsured Potentially Medicaid Eligible
	Less Than 100 Percent FPL ¹	Between 100 and 138 Percent FPL ¹	All Less than 138 Percent FPL ¹		
United States	17,782	4,565	22,347	47,346	47.2%
Alabama	358	77	435	701	62.0%
Alaska	40	14	53	123	43.5%
Arizona	350	113	463	1,068	43.3%
Arkansas	217	58	275	497	55.3%
California	2,263	612	2,875	6,844	42.0%
Colorado	264	87	351	796	44.1%
Connecticut	96	26	122	319	38.4%
Delaware	33	9	42	90	47.2%
District of Columbia	18	3	21	48	43.9%
Florida	1,430	365	1,795	3,938	45.6%
Georgia	792	181	974	1,876	51.9%
Hawaii	44	8	51	100	51.2%
Idaho	112	38	150	281	53.3%
Illinois	646	135	782	1,754	44.6%
Indiana	410	108	517	947	54.6%
Iowa	116	32	148	283	52.2%
Kansas	153	47	200	387	51.8%
Kentucky	324	75	399	653	61.0%
Louisiana	345	77	422	793	53.2%
Maine	47	17	64	142	44.8%
Maryland	205	46	251	651	38.6%
Massachusetts	95	22	117	302	38.7%
Michigan	581	149	730	1,228	59.5%
Minnesota	159	43	202	472	42.7%
Mississippi	279	54	333	528	63.2%
Missouri	352	100	452	780	58.0%
Montana	67	20	88	169	51.9%
Nebraska	84	26	110	216	51.1%
Nevada	213	53	266	599	44.4%
New Hampshire	48	16	64	143	44.7%
New Jersey	325	70	395	1,146	34.5%
New Mexico	157	30	187	406	46.1%
New York	731	172	903	2,295	39.4%
North Carolina	632	172	804	1,584	50.7%
North Dakota	24	12	35	68	52.3%
Ohio	627	161	789	1,384	57.0%
Oklahoma	281	66	348	697	49.9%
Oregon	256	69	325	658	49.4%
Pennsylvania	532	149	682	1,293	52.7%
Rhode Island	47	9	57	126	45.1%
South Carolina	369	78	447	801	55.8%
South Dakota	46	13	59	97	60.9%
Tennessee	409	92	501	906	55.3%
Texas	1,955	547	2,502	5,840	42.8%
Utah	143	46	190	428	44.3%
Vermont	14	4	18	50	35.9%
Virginia	378	84	462	1,002	46.1%
Washington	337	82	419	948	44.2%
West Virginia	134	32	166	265	62.5%
Wisconsin	217	57	274	545	50.2%
Wyoming	28	7	34	81	42.2%

Notes: Urban Institute tabulations of the 2010 American Community Survey (ACS). Estimates adjust for the underreporting of Medicaid and CHIP on the ACS. Universe limited to nonelderly (0-64) civilian non-institutionalized population. ¹ indicates estimates only include US citizens and noncitizens with at least five years US residency. ² indicates estimates include the entire nonelderly population. Standard errors are available upon request.