

HEALTH REFORM: Medicaid expansion will allow more to get more

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Those with low incomes or limited means can now seek affordable coverage, advocates say.

(HealthDay)—Millions of Americans struggle to make ends meet but they don't qualify for Medicaid, the government-sponsored health program for the poor. Yet they don't make enough money to afford private health insurance.

The Affordable Care Act, President Barack Obama's historic and controversial [health reform](#) law, seeks to narrow that insurance gap by:

- Expanding Medicaid to more low-income people.
- Helping people of limited means buy health insurance through newly created state health insurance exchanges, also known as "marketplaces."

Those two parts of the health reform law are scheduled to take effect on Jan. 1, 2014.

Few people realize that Medicaid leaves so many unemployed, homeless or working uninsured people without coverage. Every state has its own rules, but typically you have to be pregnant, disabled, a child or a parent or caregiver—and *poor*—to qualify for Medicaid.

Katherine Mather of Portsmouth, Va., got dropped from Medicaid in 2012 after her son turned 18. The news sent her into a panic because Mather, who is 49, is coping with multiple [medical conditions](#), including a fractured back.

Now uninsured and unable to work, she has applied for disability insurance but has yet to be approved. In the meantime, she is receiving charity care from doctors and hospitals affiliated with a local nonprofit, Catholic health system.

"You know, it's really humbling, the whole process," said Mather, who worked in sales for many years while raising three children on her own, "and now I'm asking for help every day."

The Affordable Care Act, sometimes called "Obamacare," aims to plug some of the gaps in Medicaid, so people like Mather won't lose or go without coverage. Adults who no longer have dependent children or who are not disabled are among those who will benefit the most from the Medicaid expansion.

The law also helps uninsured Americans who make too much money to qualify for Medicaid but not enough to buy their own insurance. They can get tax subsidies to buy their own coverage through the new insurance marketplaces.

Consumers can begin enrolling in Medicaid or shopping for a private health plan through their state's health insurance exchange beginning Oct. 1. You don't need to know which type of coverage you qualify for. There's a single application and, based on your household size and income, you'll be advised of your options.

How Obamacare's Medicaid expansion affects the uninsured

The Medicaid expansion is based on income, not whether you have dependents or a disability. If you're under age 65 and you earn up to 138 percent of the federal poverty level—as much as \$15,856 for an individual and \$37,384 for a family of four—you may be eligible for coverage. Even those who have been turned down by Medicaid in the past could qualify this time around, depending on the state they live in.

But for many, there's a catch.

In its 2012 decision upholding the constitutionality of the Affordable Care Act, the U.S. Supreme Court also ruled that states can opt out of expanding Medicaid. So far, just 24 states and the District of Columbia are moving forward on the 2014 Medicaid expansion.

If you live in one of those places, you may already be in luck. Five states—California, Connecticut, Minnesota, New Jersey and Washington—as well as the District of Columbia decided to expand their Medicaid programs early.

"We have close to 600,000 Californians who now have Medicaid-like coverage prior to Jan. 1, 2014, and who will be automatically shifted into full Medi-Cal (California's Medicaid program) on Jan. 1," said Anthony Wright, executive director of the consumer advocacy coalition Health

Access California.

If you live in a state that isn't expanding Medicaid, you won't be penalized for not having coverage. It's possible, though, that you may be eligible for federal subsidies to buy private coverage through your state insurance exchange. The exchanges are available to people who otherwise would have been eligible for Medicaid with incomes between 100 and 138 percent of the federal poverty level. That's \$11,490 to \$15,856 for a single person and \$23,550 to \$32,499 for a family of four.

But in states that are not expanding Medicaid, there's no relief for the poorest of the poor, whose income falls below the federal poverty level. They won't be eligible for coverage through the state exchanges.

Georgia is one of the 27 states that won't expand Medicaid in 2014. "There will be a lot of people who will be left out," said Cindy Zeldin, executive director of Georgians for a Healthy Future, an Atlanta-based consumer advocacy group that supports extending Medicaid to the state's 650,000 low-income uninsured.

But it's still worth applying for coverage, Zeldin said. "We would encourage people to go and see if they're eligible for exchange coverage," she said.

Why bother with health insurance, anyway?

The Affordable Care Act requires most people to have health insurance or pay a fine. That mandate is meant to keep health insurance rates reasonable by coaxing everyone, including healthy people, to buy coverage.

There are exceptions, though. People who earn too little to file taxes are automatically exempt from the mandate. Plus, anyone who is homeless,

facing eviction, or experiencing another type of hardship can seek an exemption.

Still, having insurance is much better than going without. The uninsured often delay or forgo needed medical care, and get sicker and die earlier than people who have [health insurance](#). When they do receive care, they pay more out-of-pocket. Sometimes consumers amass perilous amounts of medical debt because they lack insurance or their coverage is inadequate.

In a one-of-a-kind study, researchers at the Harvard School of Public Health and Massachusetts Institute of Technology examined Oregon's 2008 Medicaid expansion and found striking differences between low-income adults who made it into the program and those who didn't. Having Medicaid improved people's access to care and use of health services. It nearly eliminated catastrophic medical expenses and boosted their mental well-being.

But will having Medicaid ensure access to care? In California, fewer doctors take Medicaid due to low reimbursement rates, Wright conceded. But, he added, "It's also very clear that getting on Medicaid is much more preferred than being uninsured."

More information: Community Catalyst and Georgetown University Health Policy Institute's "Health Insurance 101" website can tell you more about key provisions of the [Affordable Care Act](#).

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