

Oklahoma Policy Institute

MEDICAID AND THE AFFORDABLE CARE ACT

The Supreme Court upheld almost all of the reforms in the new national health care law - the Affordable Care Act (ACA) – but it struck down the federal government’s authority to enforce Medicaid expansion in the states. Oklahoma now has the chance to expand coverage for low-income uninsured adults.

Medicaid is the primary source of health coverage for hundreds of thousands of low-income children, persons with disabilities, and aging or chronically ill Oklahomans

- Children comprise the majority (65 percent) of the state’s Medicaid recipients, with nearly half a million currently enrolled.

Most low-income adults in Oklahoma are not currently eligible for Medicaid

- Healthy, working-age adults in Oklahoma are eligible only if they have dependent children AND earn \$7,000/yr. or less (for a family of three).
- Healthy, working-age adults without dependent children do not qualify for Medicaid, regardless of income.

Expanding Medicaid would close major gaps in health care coverage

- About 625,000 Oklahomans are uninsured, roughly 17 percent of the population.¹
- Nearly half (48 percent) the adults in Oklahoma with income below the poverty line are uninsured.²
- Beginning in 2014, states can expand Medicaid to include all adults (18-64 yrs.) earning ≤133 percent of the federal poverty level (FPL), or \$25,390/yr. for a family of three.
- Medicaid expansion would make some 130,000 - 190,000 uninsured adults eligible for coverage.²
- If Oklahoma chooses not to expand Medicaid to adults below 100 percent of the federal poverty level (FPL), they will fall into a ‘coverage crater’ and be ineligible for both Medicaid and premium assistance tax credits to buy insurance.

The state cost of expanding Medicaid would be modest

- The federal government will pay 100 percent of a state’s costs for covering this new population during the first three years, and then phase down to paying 90 percent on a permanent basis after 2020.
- Modest increases in state cost would be largely or fully offset by decreased spending on mental health and substance abuse treatment, public health, and emergency medicine.

Federal and State Medicaid Funding for Newly Eligible Adults up to 133% FPL

Year	Federal Share	State Share
2014	100%	0%
2015	100%	0%
2016	100%	0%
2017	95%	5%
2018	94%	6%
2019	93%	7%
2020 on	90%	10%

Expanding Medicaid would provide substantial economic benefit to Oklahoma

- Medicaid expansion will save Oklahoma millions in uncompensated care for the uninsured, create thousands of jobs in healthcare and related fields, and generate significant new tax revenue.³

Expanding Medicaid would improve health and quality of life for low-income adults

- Previous rounds of Medicaid expansion in other states have resulted in lower death rates.⁴
- A path-breaking controlled study compared newly eligible Medicaid recipients in Oregon with their low-income counterparts who remained uninsured. Medicaid adults had better physical and mental health, and were more financially secure than the uninsured adults. Specifically, Medicaid recipients were:
 - 40 percent less likely to experience a decline in their health over the last six months;
 - 40 percent less likely to borrow money or leave other bills unpaid in order to cover medical expenses;
 - 60 percent more likely to have had a mammogram (for women).⁵

1. <http://www.statehealthfacts.org/>

2. <https://dl.dropbox.com/u/85965051/OHCA%20Statistics%20Related%20to%20Medicaid%20Expansion%207.10.12.docx>

3. <http://garystanislowski.net/okhealthcare.info/Presentations/ACA%20Medicaid%205BRead-Only%5D.pdf>

4. http://www.statereform.org/sites/default/files/nejm_medicaid_study.pdf

5. http://www.nber.org/oregon/oregon_hie_nber.pdf