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Where are States Today?

Medicaid and State-Funded Coverage Eligibility Levels for Low-Income Adults

Leading health reform proposals in Congress would expand coverage for low- to moderate-income individuals through a combination of a Medicaid expansion and subsidies to help individuals purchase coverage through new health insurance Exchanges. One group that would significantly benefit from an expansion in coverage is low-income adults. Low-income adults (below 200% of poverty) account for just over half (55%) of the non-elderly uninsured, reflecting limited access to affordable private coverage and limited eligibility for Medicaid. Following is a brief overview of low-income adults' current eligibility for Medicaid and state-funded programs and discussion of how this coverage may be impacted by health reform.

Low-income adults currently have limited access to Medicaid or other public coverage.

States are required to cover certain groups through Medicaid, including children, pregnant women, elderly and disabled individuals, and parents, to federal minimum levels and have the option to expand eligibility to higher incomes. The federal minimum for parents is set by reference to a state's 1996 welfare eligibility level, which is below poverty in every state and below 50% of poverty in many states. Some states have used their optional authority to expand eligibility to parents above these levels (called Section 1931 expansions). Further, some states have expanded eligibility through waivers or state-funded programs. However, overall, parent eligibility levels remain low, with 34 states limiting Medicaid eligibility to less than 100% of poverty and 17 of these states limiting eligibility to less than 50% of poverty (Table 1).

Childless adults are not included in the categories of people states can cover through Medicaid under current federal rules. States can only cover these adults if they obtain a waiver or create a fully state-funded program. Reflecting these limitations, more than half of states do not provide coverage to childless adults, regardless of income (Table 1). Five states provide coverage that is comparable to Medicaid, fifteen states only provide coverage more limited than Medicaid, and four states solely cover childless adults through a premium assistance program that is limited to adults who meet certain employment-related eligibility requirements.

Expanding Medicaid would significantly expand coverage options for low-income adults.

Reform proposals would expand Medicaid to all individuals below a specified income level, creating a national floor of coverage and significantly increasing coverage options for low-income adults. The House Leadership bill (H.R. 3962) would expand Medicaid to all individuals at or below 150% of poverty and the Senate Leadership bill (H.R.3590) would expand eligibility to 133% of poverty. The bills vary in terms of requirements for states to maintain eligibility above the new minimum, the federal financing provided to states for expansion costs, and the scope of coverage provided to newly eligible adults.¹ These factors will have important implications for states and low-income adults' access to care. Further, depending on the final design of reform, whether a state has already expanded coverage to adults and how that coverage was expanded (i.e., 1931 expansion, waiver, or state-funded program) (Table 2) could impact the level of federal financing the state would receive for the expansion under reform.

In sum, Medicaid provides a strong base of coverage for our nation's low-income population but many low-income adults remain ineligible for the program and without affordable coverage options. Expanding Medicaid could be an effective and efficient strategy for increasing their coverage that would strengthen the floor of coverage for the low-income population.

¹ For more details, see "Medicaid and Children's Health Insurance Program Provisions in Health Reform Bills: Affordable Health Care for America Act and the Patient Protection and Affordable Care Act," at <http://www.kff.org>.

**Table 1:
Medicaid & State-Funded Coverage Income Limits for Low-Income Adults by Scope of Coverage, 2009**

	Medicaid or Medicaid Look-Alike		More Limited than Medicaid		Premium Assistance with Work-Related Eligibility Requirements	
	Parents	Childless Adults	Parents	Childless Adults	Parents	Childless Adults
Alabama	24%					
Alaska	81%					
Arizona	106%	110%				
Arkansas	17%				200%	200%
California	106%					
Colorado	66%					
Connecticut	191%		300%	300%		
Delaware	121%	110%				
District of Columbia	207%			211%		
Florida	53%					
Georgia	50%					
Hawaii	100%	100% (closed)	200%	200%		
Idaho	27%				185%	185%
Illinois	185%					
Indiana	25%		200%	200%		
Iowa	83%		250%	250%		
Kansas	32%					
Kentucky	62%					
Louisiana	25%					
Maine	206%		300%	100% (closed)/ 300%*		
Maryland	116%			116% (primary care only)		
Massachusetts	133%		300%	100%/300%*		
Michigan	64%			45%		
Minnesota	215%		275%	250%		
Mississippi	44%					
Missouri	25%					
Montana	56%					
Nebraska	58%					
Nevada	88%				200%	
New Hampshire	49%					
New Jersey	200%					
New Mexico	67%		250% (closed)	250% (closed)	250%	250%
New York	150%	100%				
North Carolina	49%					
North Dakota	59%					
Ohio	90%					
Oklahoma	47%				200%	200%
Oregon	40%		100% (closed)/ 185% (closed)*	100% (closed)/ 185% (closed)*	185%	185%
Pennsylvania	34%		208% (closed)	213% (closed)		
Rhode Island	181%					
South Carolina	89%					
South Dakota	52%					
Tennessee	129%				\$55,000/year (closed)	\$55,000/year (closed)
Texas	26%					
Utah	44%		150% (closed) (primary care only)	150% (closed) (primary care only)	150%	150%
Vermont	191%	160%	300%	300%		
Virginia	29%					
Washington	74%		200% (closed)	200% (closed)		
West Virginia	33%					
Wisconsin	200%			200% (closed)		
Wyoming	52%					

SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, 2009.

Note: Income thresholds are for working parents and childless adults and take earnings disregards, when applicable, into account. Computations are based on a family of three with one earner. States may use additional disregards in determining eligibility.

* See "Appendix A: State Notes" for program details.

Programs in **bold** are funded solely with state dollars.

"Closed" denotes enrollment closed for eligible adults at any time between January 2009 and December 2009.

**Table 2:
Medicaid and State-Funded Coverage Income Limits for Low-Income Adults by Type of Coverage, 2009**

	Working Parents			Childless Adults	
	1931 Eligibility	1115 Waiver	State-Funded	1115 Waiver	State Funded
Alabama	24%				
Alaska	81%				
Arizona	42%	106%		110%	
Arkansas	17%	200%		200%	
California	106%				
Colorado	66%				
Connecticut	191%		300%		300%
Delaware	121%	106%		110%	
District of Columbia	207%				211%
Florida	53%				
Georgia	50%				
Hawaii	100%	100%/200%*		100% (closed)/ 200%*	
Idaho	27%	185%		185%	
Illinois	185%				
Indiana	25%	200%		200%	
Iowa	83%	250%		250%	
Kansas	32%				
Kentucky	62%				
Louisiana	25%				
Maine	206%		300%	100% (closed)	300%
Maryland	116%			116%	
Massachusetts	133%	133%/300%*		100%/300%*	
Michigan	64%			45%	
Minnesota	121%	215%/275%*			250%
Mississippi	44%				
Missouri	25%				
Montana	56%				
Nebraska	58%				
Nevada	88%	200%			
New Hampshire	49%				
New Jersey	133%	200%			
New Mexico	67%	250% (closed)		250% (closed)	
New York	90%	150%		100%	
North Carolina	49%				
North Dakota	59%				
Ohio	90%				
Oklahoma	47%	200%		200%	
Oregon	40%	100% (closed)/ 185% (closed)*		100% (closed)/ 185% (closed)*	
Pennsylvania	34%		208% (closed)		213% (closed)
Rhode Island	116%	181%			
South Carolina	89%				
South Dakota	52%				
Tennessee	129%		\$55,000/year (closed)		\$55,000/year (closed)
Texas	26%				
Utah	44%	150% (closed)		150% (closed)	
Vermont	112%	191%/300%*		160%/300%*	
Virginia	29%				
Washington	74%		200% (closed)		200% (closed)
West Virginia	33%				
Wisconsin	100%	200%		200% (closed)	
Wyoming	52%				

SOURCE: Based on a national survey conducted by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, 2009.

Income thresholds take earnings disregards, when applicable, into account. Computations are based on a family of three with one earner. States may use additional disregards in determining eligibility.

* See "Appendix A: State Notes" for program details.

"Closed" denotes enrollment closed for eligible adults at any time between January 2009 and December 2009. In New Mexico, Oregon, and Utah, enrollment is closed except for income-eligible adults who also meet certain work-related eligibility requirements.

Appendix A: State Notes

Arkansas: Parents and childless adults up to 200% FPL are eligible for the ArHealthNetworks waiver premium assistance program; individuals must meet income requirements and work for a qualifying, participating employer.

Connecticut: Parents and childless adults up to 300% FPL are eligible for the fully state-funded premium subsidy program called Charter Oak.

District of Columbia: Childless adults are eligible for more limited coverage through the fully district-funded DC Healthcare Alliance program. In addition, the District has a Medicaid waiver for non-disabled childless adults age 50-64 with income below 50% FPL. Enrollment in the waiver program closed in 2005.

Hawaii: Parents and childless adults up to 100% FPL are covered under the QUEST Medicaid managed care waiver program. As of November 2009, enrollment in QUEST is closed except for some groups, including parents. Parents and childless adults up to 200% FPL are eligible for more limited coverage under the QUEST-ACE waiver program. Further, adults previously enrolled in Medicaid whose income increases above 200% FPL can purchase limited QUEST-NET coverage by paying a monthly premium.

Idaho: Parents and childless adults up to 185% FPL are eligible for premium assistance under a waiver. Individuals must meet income requirements and work for a qualified small employer.

Indiana: Parents and childless adults up to 200% FPL are eligible for limited coverage that resembles a Health Savings Account under the Healthy Indiana waiver program. Enrollment in the program is closed as of 2009.

Iowa: Parents and childless adults up to 250% FPL are eligible for more limited coverage under the IowaCare waiver program.

Maine: Childless adults up to 100% FPL are eligible for more limited coverage under the MaineCare waiver program. Enrollment was closed as of 2009. The state also offers a fully state-funded premium subsidy program, called Dirigo Health, to parents and childless adults up to 300% FPL.

Massachusetts: Parents up to 133% FPL are covered under the MassHealth Medicaid waiver and long-term unemployed childless adults up to 100% FPL are eligible for more limited MassHealth Essential coverage under the waiver. Additionally, the state offers a premium subsidy program, called Commonwealth Care, to parents and childless adults up to 300% FPL.

Minnesota: Parents receive coverage under the MinnesotaCare waiver program, and childless adults receive coverage under the fully state-funded portion of MinnesotaCare. Parents above 215% FPL and childless adults are categorized as receiving more limited coverage because they have a \$10,000 annual limit on inpatient hospital care.

Nevada: Parents up to 200% FPL are eligible for premium assistance under the Check Up Plus waiver program. Parents must meet income requirements and work for a qualified small business.

New Mexico: Parents and childless adults up to 250% FPL are eligible for premium assistance under the State Coverage Insurance waiver program. Individuals must meet income requirements and work for a participating employer; if they do not work for a participating employer; they can obtain coverage as an individual by covering both the employer and employee share of premium costs. Enrollment is closed as of November 2009, except for those working for a qualified employer.

Oklahoma: Parents up to 208% FPL and childless adults up to 213% FPL are eligible for premium assistance under the Insure Oklahoma waiver program. In addition to meeting income requirements, adults must also work for a small employer, be self-employed, be unemployed and seeking work, be working disabled, be a full-time college student, or be the spouse of a qualified worker.

Oregon: Parents and childless adults up to 100% FPL are eligible for limited coverage under the OHP Standard waiver program and parents and childless adults up to 185% FPL are eligible for premium assistance for individual or employer-sponsored insurance (ESI) under the Family Health Insurance Assistance Program (FHIAP). OHP Standard enrollment has been closed since July 1, 2004 except for a limited open enrollment period in January 2008. As of November 2009, FHIAP enrollment is closed except for those with access to ESI.

Pennsylvania: Parents up to 208% FPL and childless adults up to 213% FPL are eligible for the fully state-funded adultBasic program. Enrollment in the program is closed as of November 2009.

Tennessee: The state offers a premium subsidy program, called CoverTN, to workers of qualified businesses, self-employed individuals, and recently unemployed workers earning (or who earned) up to \$55,000 per year. As of December 2009, enrollment is closed.

Utah: Parents and childless adults up to 150% FPL are eligible for coverage of primary care services under the Primary Care Network waiver program or can receive premium assistance through the Utah Premium Partnership for Health Insurance waiver program if they meet work-related eligibility requirements. Enrollment in the Primary Care Network is closed except for limited open enrollment periods.

Vermont: Parents up to 191% FPL and childless adults up to 160% FPL are covered under the Vermont Health Access Plan (VHAP) waiver program. Additionally, the state offers a premium subsidy plan, called Catamount Health, to parents and childless adults up to 300% FPL.

Washington: Parents and childless adults up to 200% FPL are eligible for the fully state-funded Basic Health program. Enrollment in the program is closed as of 2009.

Wisconsin: Parents up to 200% FPL are covered under the BadgerCare Plus waiver program. Childless adults receive more limited coverage under the BadgerCare Plus Core Plan for Childless Adults.

This brief was prepared by Samantha Artiga of the Kaiser Commission on Medicaid and the Uninsured, Kaiser Family Foundation.

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The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for the low-income population, with a special focus on Medicaid's role and coverage of the uninsured. Begun in 1991 and based in the Kaiser Family Foundation's Washington, DC office, the Commission is the largest operating program of the Foundation. The Commission's work is conducted by Foundation staff under the guidance of a bipartisan group of national leaders and experts in health care and public policy.