

This message is from Ellen Pinnes and The Disability Coalition.

Update: In addition to a new bulletin on the expansion of Medicaid eligibility that's coming in 2014 (below), we have an update to our first bulletin about the ways the Affordable Care Act is already increasing access to health coverage. In Bulletin #1, we reported that 2.5 million young people have gotten insurance coverage as a result of the Act's provision that allows them to be covered by their parents' insurance up to age 26. That number was reported by the federal Department of Health and Human Services last year. But last week, the Commonwealth Fund, a respected research organization, reported that the number is now much higher: in a new study, they estimate that 6.6 million young adults who otherwise would be uninsured have coverage due to this provision of the ACA.

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Health Care Reform Information Series – Bulletin #6

What's Coming in 2014

Part I. Medicaid – Expanding coverage to low-income adults

**** Coverage expansion** – Currently, being poor isn't enough to qualify for Medicaid. You have to be both "poor and something else" – such as a child, a parent with minor children in the home, or a person with a disability. If you don't fall into a category of people who are eligible, you can be extremely poor and still not qualify for coverage. That will change in 2014, when almost everyone with income under 138% of the federal poverty level (FPL) will become eligible for Medicaid coverage as a result of the Affordable Care Act. (In 2012, 138% FPL is about \$1,284 a month for a single person and \$2,651 a month for a family of four.) This expansion will make coverage available to many people who are too poor to buy health insurance but haven't qualified for Medicaid in the past because they aren't in one of the recognized eligibility categories.

**** The federal government, not the state, will pay almost all the cost of covering the newly eligible enrollees** – For the first three years (2014-16), the federal government will pick up the entire cost of covering people who become eligible for Medicaid as a result of the 2014 eligibility expansion. From 2017 to 2020, the federal share will phase down from 95% to 90%, and stay at that level in years after 2020. That means the state will pay nothing for these enrollees for three years and then only 5% to 10% of the cost after that.

**** People who become "newly eligible" for Medicaid through the 2014 expansion may not get the same benefits as people who are currently eligible** – While states may choose to give newly eligible enrollees the full package of benefits that current Medicaid recipients get, the ACA authorizes giving them a somewhat reduced package called "benchmark" benefits. We don't know yet exactly what that will look like, but it will have to include all the "essential health benefits" the ACA requires for both Medicaid and private insurance, which we'll discuss in a future bulletin.

**** Many immigrants also won't be eligible for the Medicaid expansion** – Undocumented immigrants are not eligible for Medicaid now and won't be eligible under the expansion that begins in 2014. In addition, most adult immigrants who are lawful residents are barred from Medicaid coverage for their first five years in the United States, and that "five-year bar" will continue.

**** Eligibility will be protected for many who now qualify at income levels above 138% FPL, but not all** – Individuals who are in nursing facilities or receiving services through a home- and community-based services waiver like the Developmental Disabilities and Disabled & Elderly waivers will continue to be eligible up to three times the Supplemental Security Income (SSI) level, which is about 225% FPL. Children's eligibility – which in New Mexico is 235% FPL for most kids – also will remain unchanged until at least 2019.

However, the “maintenance of effort” requirement that prevents states from making changes in Medicaid eligibility through the end of 2013 will expire, and states will be allowed to end Medicaid coverage for some people with incomes above 138% FPL. In New Mexico, the Human Services Department plans to end eligibility above that level for the Working Disabled Individuals program and for coverage in the breast and cervical cancer, pregnancy, and family planning categories. Instead of Medicaid, these individuals will be eligible for subsidies to help them purchase insurance through the new Health Insurance Exchange, which we’ll talk about in a future bulletin.

Next: What’s coming in 2014 – Additional health insurance improvements and protections