

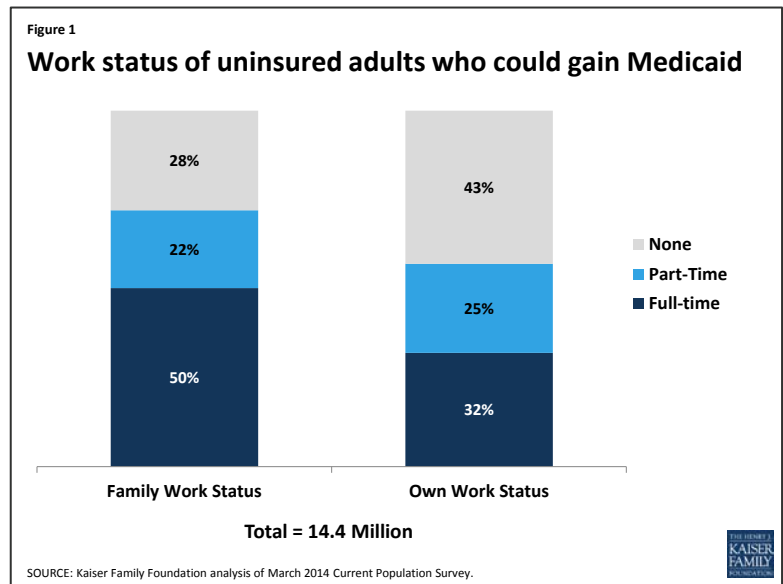
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Are Uninsured Adults Who Could Gain Medicaid Coverage Working?

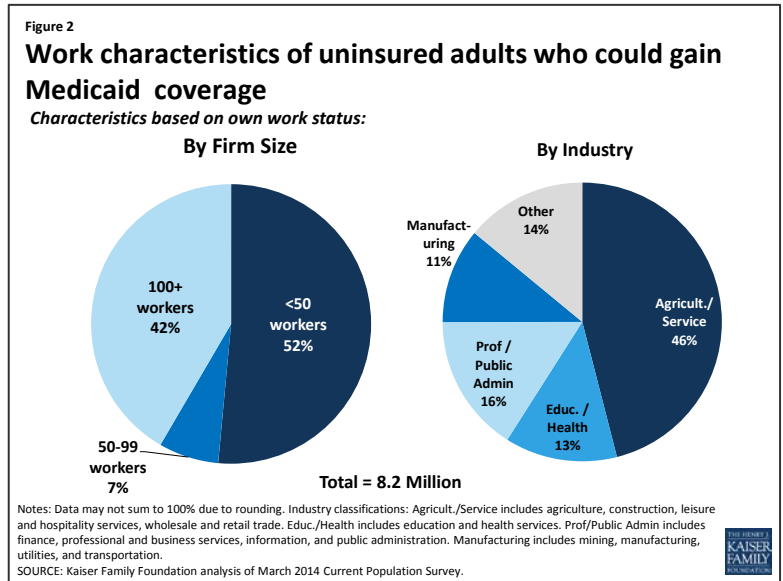
Under the Affordable Care Act (ACA), Medicaid was intended to play a key role in efforts to reduce the number of uninsured by expanding eligibility to nearly all low income adults with incomes at or below 138% FPL (\$16,242 per year for an individual in 2015), but the Supreme Court ruling on the ACA's constitutionality effectively made the expansion a state option. As of February 2015, 29 states including DC have adopted the expansion and in upcoming months, a number of other states will be debating whether to implement the expansion as governors release budgets for state fiscal year 2016 and state legislatures convene. An estimated 14 million uninsured adults would meet the Medicaid eligibility requirements (based on income, immigration status, and age) if all states had implemented the Medicaid expansion. The estimated 14 million includes adults who were eligible but not enrolled under pre-ACA rules in all states, those made newly eligible in expansion states, and in non-expansion states those in the coverage gap and those with incomes between 100-138% FPL who may now have access to tax credits in the marketplace.

One aspect of the uninsured population that could gain Medicaid coverage that is poorly understood is their attachment to the workforce. As additional states consider whether to implement the expansion, some have raised pursuing waiver authority to tie Medicaid eligibility for adults under the expansion to work requirements. This fact sheet profiles uninsured adults who could gain Medicaid coverage under the ACA by their relationship to the workforce and job-based coverage.

Most uninsured adults who could gain Medicaid coverage are already working or in a family with a worker. Nearly three out of four (72%) of the uninsured adults who could gain Medicaid coverage live in a family with at least one full-time or a part time worker and more than half (57%) are working full or part-time themselves. (Figure 1) Among the 14 million uninsured adults who could gain Medicaid coverage men and women are evenly split and older adults (ages 46-64) account for nearly one-third (32%). About half live in states that adopted the expansion and half in states not implementing the expansion. (Table 1)

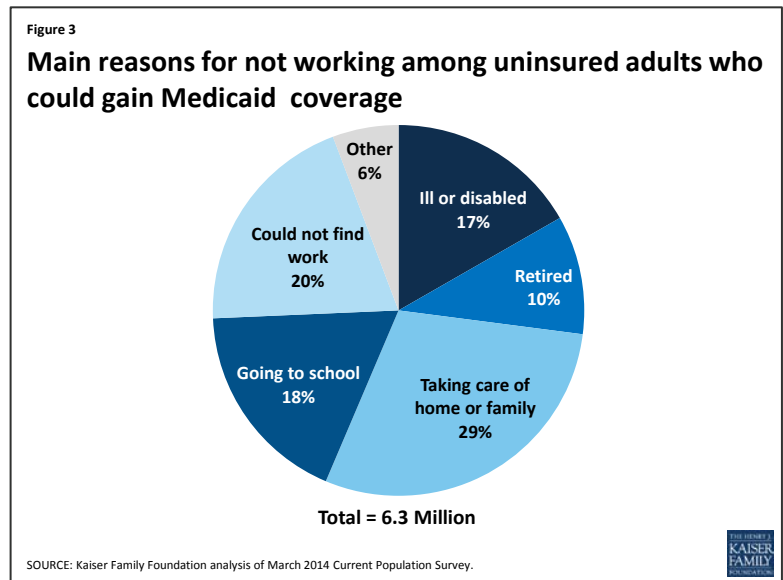


Most working uninsured adults who would be eligible for Medicaid are employed by small firms or in industries with low ESI offer rates. Most uninsured adults who would be eligible for the Medicaid expansion work in firms and industries that often have limited employer-based coverage options. The majority of workers in this group (52%) work for small firms with less than 50 employees that will not be subject to ACA penalties for not offering coverage (Figure 2). Further, many firms do not offer coverage to part-time workers. A majority of workers targeted for the Medicaid expansion also work in industries with historically low insurance rates, such as the agriculture and service industries. Since the Medicaid expansion was designed to reach low-income adults left out of the employer-based system, it is not surprising that among those who work, most are unlikely to have access to health coverage through a job.



Of the uninsured who could gain Medicaid coverage who were not working, most report major impediments in their ability to work.

Nearly one in three (29%) reported that they were taking care of home or family; 20% reported they were looking for work; 18% were in school; 17% were ill or disabled; 10% were retired, and 6% had another reason. This is consistent with data that show that fewer women compared to men (53% compared to 60%) and fewer of those in the 46-64 age range compared to younger adults (47% compared to 62% ages 26-45 and 60% ages 19-25) are working. Women are more likely than men to care for family and older adults are more likely to have health reasons that would make it difficult to work. (Figure 3)



In negotiations over the Medicaid expansion, a few states have been interested in using waiver authority to tie Medicaid eligibility to programs. Federal law does not allow for work requirements in Medicaid, and HHS has stated that waivers that condition Medicaid eligibility on work would not be approved because they do not further the purposes of the program, which are to provide health coverage. However, proposals that include a referral to work programs (without a condition of Medicaid eligibility) could be approved. New Hampshire has proposed a work referral program and other states like Indiana and Utah are considering state-run work search and training programs that are separate from the Medicaid expansion. Data show that most uninsured who could gain coverage are working or in a family with a worker. Medicaid offers a source of coverage to fill in the gaps faced by low-income workers in low-wage jobs where affordable coverage in the workplace is out of reach and for many who face impediments to work.

Table 1: Uninsured Nonelderly Adults Who Could Gain Medicaid Coverage

	All		Expansion States		Non- Expansion States	
Overall weighted N	14,442,754		7,194,309		7,248,446	
Family Work Status						
Multiple full-time workers in family	1,640,583	11%	833,142	12%	807,441	11%
One full-time worker in family	5,607,318	39%	2,671,425	37%	2,935,893	41%
Only part-time workers in family	3,152,435	22%	1,697,283	24%	1,455,152	20%
No workers in family	4,042,418	28%	1,992,458	28%	2,049,960	28%
Gender						
Male	7,255,044	50%	3,743,080	52%	3,511,964	48%
Female	7,187,710	50%	3,451,228	48%	3,736,482	52%
Age						
19-25	3,509,957	24%	1,664,956	23%	1,845,001	25%
26-45	6,256,073	43%	3,140,116	44%	3,115,957	43%
46-64	4,676,724	32%	2,389,237	33%	2,287,488	32%
Own Work Status - Not Working All Last Year	6,266,796	43%	3,148,695	44%	3,118,101	43%
Gender						
Male	2,894,012	46%	1,523,602	48%	1,370,410	44%
Female	3,372,784	54%	1,625,093	52%	1,747,691	56%
Age						
19-25	1,404,817	22%	631,705	20%	773,113	25%
26-45	2,394,229	38%	1,229,340	39%	1,164,889	37%
46-64	2,467,749	39%	1,287,650	41%	1,180,100	38%
Main reason you did not work last year?						
Ill or disabled	1,047,296	17%	470,778	15%	576,518	18%
Retired	648,434	10%	357,884	11%	290,550	9%
Taking care of home or family	1,838,079	29%	877,212	28%	960,867	31%
Going to school	1,123,197	18%	556,228	18%	566,970	18%
Could not find work	1,249,918	20%	693,972	22%	555,946	18%
Other	359,872	6%	192,622	6%	167,250	5%
Own Work Status - Working Anytime Last Year	8,175,958	57%	4,045,614	56%	4,130,345	57%
Full- Time or Part- Time Status						
Full-time	4,615,103	56%	2,149,396	53%	2,465,708	60%
Part-time	3,560,855	44%	1,896,218	47%	1,664,637	40%
Firm size						
<50 workers	4,219,835	52%	2,075,003	51%	2,144,832	52%
50-99 workers	545,877	7%	279,391	7%	266,486	6%
100+ workers	3,410,246	42%	1,691,219	42%	1,719,027	42%
Gender						
Male	4,361,032	53%	2,219,478	55%	2,141,554	52%
Female	3,814,926	47%	1,826,136	45%	1,988,790	48%
Age						
19-25	2,105,140	26%	1,033,251	26%	1,071,889	26%
26-45	3,861,843	47%	1,910,776	47%	1,951,068	47%
46-64	2,208,975	27%	1,101,587	27%	1,107,388	27%
Industry						
Agriculture / Service	3,778,333	46%	1,749,997	43%	2,028,336	49%
Professional / Public Administration	1,329,765	16%	679,514	17%	650,251	16%
Education / Health Services	1,053,044	13%	557,305	14%	495,740	12%
Manufacturing	869,977	11%	448,386	11%	421,591	10%
Other	1,144,838	14%	610,412	15%	534,426	13%

NOTE: Industry classifications: Agriculture/Service includes agriculture, construction, leisure and hospitality services, wholesale and retail trade. Education/Health Services includes education and health services. Professional/Public Administration includes finance, professional and business services, information, and public administration. Manufacturing includes mining, manufacturing, utilities, and transportation.

SOURCE: Kaiser Family Foundation analysis of March 2014 Current Population Survey.