



# The Affordable Care Act:

## Expanding Medicaid Access

Andrew Cray and Kellan Baker    May 30, 2013

Every state operates a Medicaid program that provides low- or no-cost health coverage for some lower-income people, some parents and children, and people with disabilities. The Affordable Care Act makes several significant changes to Medicaid that will help many more LGBT people and their families get coverage.

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### What is the difference between Medicaid and Medicare?

Medicaid and Medicare are two separate programs.

Medicare is a program run by the federal government. It provides health coverage for people age 65 or older, people under 65 with certain disabilities, and people of any age with End-Stage Renal Disease.

Medicaid is a program run by each state. It provides health coverage for some people who are living on lower incomes, some families and children, and most people with disabilities.

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### Who is eligible for Medicaid?

Right now, there is significant variation between different states in who is eligible for Medicaid. In particular, every state has a different definition of “lower income.”

In Texas, for example, a nonpregnant working parent with two children is only eligible for Medicaid coverage if she makes less than about \$400 per month. If she didn’t have children, she wouldn’t be eligible for Medicaid coverage in Texas at all.

In some other states, people without children are eligible for Medicaid, and the income limits are higher. In New York, for example, a parent of two can make up to about \$2,400 per month before losing Medicaid coverage, and a person who isn’t a parent can make up to \$931 per month.

People with disabilities also qualify for Medicaid in every state. In some states, people with disabilities qualify automatically if they are receiving Supplemental Security Income benefits, but in other states, they must go through income and financial asset tests to establish eligibility. Unfortunately, people living with HIV must currently have a disabling AIDS diagnosis before they can qualify for Medicaid coverage in most states.

All states provide coverage for children through Medicaid and the Children's Health Insurance Program, or CHIP. Children are eligible for coverage in every state if their family's income is up to about \$45,000 per year (for a family of four), and some states have higher income ceilings.

Currently, only a handful of states allow people who aren't parents to receive Medicaid coverage. As a result, many LGBT people have historically not been eligible for Medicaid.

Keep reading to learn how the Affordable Care Act changes the Medicaid program so that it can serve more LGBT people and their families. To learn more about current Medicaid eligibility standards, visit <http://www.medicaid.gov>.

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## What does health reform change about Medicaid eligibility?

The Affordable Care Act required all states to extend Medicaid coverage to every person making less than about \$15,000 per year, including people who are not parents. This reform was supposed to take effect in all states on January 1, 2014.

In June 2012, however, the Supreme Court ruled that the federal government cannot penalize states for failing to expand their Medicaid programs. As a result, each state government is now deciding for itself whether it will expand its Medicaid program.

Advocates are working in all of these states to encourage their governors to expand Medicaid. If a state does expand its program, the federal government will pay 100 percent of the costs of the expanded coverage for the first three years, and federal support will drop only slightly, to 90 percent, in subsequent years. Since the federal support that states currently receive for their Medicaid programs only averages around 50 percent, the expansion makes a lot of financial sense for states.

Expanding Medicaid will also significantly benefit LGBT people and people living with HIV. LGBT people, particularly parents with children, transgender people, and LGBT people of color, are disproportionately likely to be lower income and uninsured. Under the Medicaid expansion, many more members of the LGBT community will be able to get coverage. What's more, in states that expand their programs, lower-income people living with HIV will not be forced to endure a disabling AIDS diagnosis before they become eligible for Medicaid coverage.

To learn more about where your state stands on Medicaid eligibility expansion, visit <http://www.statereforum.org/medicaid-expansion-decisions>.

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## What does Medicaid cover?

The specific benefits covered for adults through Medicaid vary between states, but there is a certain core of benefits that must be covered by Medicaid in every state. These benefits include laboratory services, inpatient and outpatient hospital services, family planning services and supplies, long-term care services, medical and surgical dental services, services provided in health clinics, and prescription drugs.

In states that expand their Medicaid programs, newly eligible individuals will get a package of benefits based on an Essential Health Benefits standard that includes many of the benefits available through traditional Medicaid. Details on what must be included in this standard are currently being decided by the states, under federal guidance.

For more information about what health care reform does for LGBT people, visit <http://www.healthcare.gov/news/factsheets/2011/01/new-options-for-lgbt-americans.html>.

### **Questions? Email:**

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