Study Finds Medicaid Coverage Gaps in States

Adults who qualify for Medicaid often must have incomes well below the federal poverty line, while adults who have no dependent children are allowed to receive benefits in only nine of the 50 states, according to a survey released on Wednesday.

The survey by the nonpartisan Kaiser Family Foundation provides a snapshot of widespread coverage gaps in the national healthcare program for the poor, less than a year before Medicaid is scheduled to undergo a dramatic expansion under President Barack Obama's healthcare reform law.

Kaiser, which tracks health issues, found that Medicaid coverage in 2012 was stable for children and pregnant women, who are among the program's targeted beneficiary groups.

But eligibility for parents was limited on average to those earning no more than 61 percent of the federal poverty line, which equals about $19,000 a year for a family of three. Thirty-three states required parents to earn less than the poverty rate, with 16 restricting eligibility to less than 50 percent.

Nine states extended full Medicaid coverage to adults without dependent children while three states, Hawaii, Illinois and Minnesota, reduced eligibility for adults where it was not required by federal rules.

Medicaid, which is run by states but has federal funding and oversight, represents a major budget expenditure for state governments. Many have sought to curtail benefits and eligibility in recent years because of fiscal constraints imposed by the recession and a slow economic recovery.

Benefits and eligibility can vary widely from state to state, with many limiting Medicaid coverage to defined groups, including children and their parents, pregnant women, the very old and people suffering from certain health conditions.

But the Obama administration's chief officer for Medicaid said the program has made years of progress in enrollment and will become more accessible next year under the reform law, even in states that do not participate in the coming expansion.

"As enrollment barriers are eliminated, participation rates of eligible people increases and the uninsured rate for individuals declines," Medicaid director Cindy Mann said at event marking the survey's release.

Obama's health care reform law, known as the Patient Protection and Affordable Care Act, offers states Medicaid funding to provide health coverage for most Americans earning up to 133 percent of the poverty rate from January 1, 2014. The cut-off equals about $24,000 for a family of three in 2012 dollars.

Industry and Public Pressure

But the expansion has encountered political resistance, mainly from Republicans.

In a ruling last June, the U.S. Supreme Court gave states the option not to participate, and more than half of state governors have yet to support the expansion. Just over a dozen have rejected the plan as a costly and unnecessary government program and more are expected to decide whether to back the expansion in coming weeks, as they roll out budget proposals for the new year.

The administration has recently proposed rules allowing states greater flexibility for increasing Medicaid charges on beneficiaries as a way of easing budget worries.

Access to healthcare would remain elusive to adults earning less than the poverty rate in states that reject the Medicaid expansion. Those with annual incomes at or above the poverty level would be eligible to receive federal subsidies to purchase private insurance in new state online marketplaces known as health insurances exchanges, another creation of the law.

Officials in states that have not opted to join the expansion face intensive pressure from the healthcare industry, which stands to gain millions of new customers.

A poll released on Tuesday by the American Cancer Society, which favors expansion, also showed that large majorities of registered voters in seven states favor accepting the federal subsidies that would fund expansion. Five of the seven states—Florida, Kentucky, Iowa, Michigan and New Jersey—are undecided. The two others are Texas, which opposes expansion, and New Mexico, whose Republican governor supports it.

But even as state Medicaid programs fail to reach large numbers of the country’s poor, Kaiser reported that nearly all states are pressing forward with federally funded technological improvements to streamline their Medicaid enrollment systems and provide online access under the healthcare law.

As of January 1, 37 states had an online application for Medicaid or the federal program for children, up four from a year earlier. Twenty-eight states now allow families to renew their benefits online, an increase of eight since the start of 2012.

“On balance, states made more positive improvements than adverse changes (in 2012), often capitalizing on technology to gain administrative efficiencies and reduce paperwork,” the Kaiser survey said.