

How Would States Be Affected By Health Reform?

Timely Analysis of Immediate Health Policy Issues

January 2010

John Holahan and Linda Blumberg

Summary

The prospects of health reform were dealt a serious blow with the Massachusetts election. Nonetheless, the cost of failure for our nation's economy is also daunting and at this point in time some compromise between the House and Senate bills remains possible. Thus it remains important to show the effect of health reform on people in individual states. In this paper, we examine various pathways through which individuals could gain coverage because of the health reform proposals that have passed the Senate and the House of Representatives. The essence of the health reforms are to expand Medicaid eligibility for those with incomes below 133 percent of the federal poverty level (FPL)—150 percent of the FPL in the House bill—and to provide income-related subsidies for the purchase of coverage through the new health insurance exchanges to those with incomes between 100 and 400 percent of the FPL (133 to 400 percent of the FPL under the House bill).¹ All those with incomes above 100 percent of the FPL, including those with higher incomes ineligible for subsidies, could potentially benefit from the insurance exchanges and the extensive insurance reforms envisioned.²

Large shares of the population, particularly the uninsured, would have new pathways to coverage under health reform, although some of those paths are dependent upon the characteristics of employment in a family and employer decisions about offering health insurance under reform. In addition, the share of the population with access to each coverage path would vary significantly across states. It is particularly striking that a large share of the eligibility for financial assistance and thus the benefits from reform would be in many of the southern and western states, due to their currently low levels of Medicaid coverage, relatively large low-income populations, and higher uninsured rates. Some specific findings follow.

Current Law Health Insurance Coverage. We show that there is considerable variation among states in health insurance coverage today, with uninsured rates considerably higher in the South and West than in the Northeast and Midwest (estimates exclude undocumented immigrants).

Much of this variation is driven by different rates of employer sponsored insurance (ESI). For example, 45 percent of the non-elderly population is covered by ESI in New Mexico, while 74 percent have ESI in Massachusetts. Uninsured rates are much higher for those with incomes below 133 percent of the FPL—the group included in the Medicaid eligibility expansion—averaging 31.2 percent nationally. Those that would be in the main income eligibility range for the new subsidies offered through the exchange (133 to 399 percent of the FPL) have uninsurance rates today of 18.7 percent, whereas 5.8 percent of those with incomes too high to qualify for subsidies are currently uninsured.

Expanding Eligibility for Medicaid under Reform. We show that about 18.6 million people would become newly eligible for Medicaid under the Senate bill. The share of the population that would be newly eligible for Medicaid tends to be substantially higher in southern and western states than in the Northeast and Midwest. Nine southern states (e.g., Mississippi, Alabama, Louisiana, and Kentucky) and three states in the West (New Mexico, Oregon, and Hawaii) would have more than 10 percent of their population newly eligible for Medicaid. Among those that would be made newly eligible, about 56 percent are currently uninsured nationally. About 22 percent of these individuals currently have ESI, thus the risk of the Medicaid expansion displacing significant amounts of employer coverage is relatively low.

Potential Increases in Coverage among Those Currently Eligible for Medicaid/CHIP but Not Enrolled. We also show that another 22.8 million people are currently eligible for Medicaid/Children's Health Insurance Program (CHIP) but not enrolled in those programs. Of these, 9.7 million people are uninsured. Many of these uninsured individuals can be expected to enroll in Medicaid/CHIP under reform as a consequence of the new requirement that individuals enroll in health insurance coverage as well as due to increased outreach efforts and measures to simplify enrollment processes that would be implemented under reform. In the Northeast and the Midwest, about 35 percent of the currently Medicaid/CHIP eligible but unenrolled

are currently uninsured. In the South, 52 percent of the currently eligible are now uninsured. State rates range from about 13 percent in Massachusetts to roughly 74 percent in Louisiana. These differences occur largely because states in the Northeast and Midwest have already extended coverage to populations with higher income levels, and these higher income individuals are more likely to have access to and enroll in employer-sponsored coverage.

Providing Subsidies for the Purchase of Coverage

through Exchanges. We then examine the population with incomes between 133 and 400 percent of the FPL in each state, the main group potentially eligible for subsidies (while those between 100 and 133 percent of the FPL would be eligible for subsidies, they would also be eligible for Medicaid and are thus not included here). We show that about 87 million Americans are in this income range, or 33.8 percent of the population. Some states, mainly in the Northeast, have a smaller share of the population in this income range, while in others, such as Montana, Idaho, Utah, South Carolina, West Virginia, and the Dakotas, the share is higher, over 40 percent of the state population. However, only a minority of this group would likely receive income-related subsidies, due to legislative restrictions on subsidies for those with offers of employer-based coverage. Roughly 14 percent of the national population fall into this income group and have all adult workers in the family employed in large firms. Consequently, under reform, these households would very likely obtain coverage through their employers and thus few would be eligible to receive subsidies for coverage through the exchanges. Another 5.7 percent of the national population are in households in this income group with workers in both large and small firms; a small share of these may enroll in coverage through the exchange and some of those may receive income-related subsidies. Another 8.6 percent are in families with employment only in small firms; a substantial number of these would obtain coverage through exchanges and some would receive income-related subsidies. Finally, 5.8 percent of the population are in this income group and in families where the adults are self-employed, part-time employees, or not attached to the workforce. These individuals would be very likely to enroll in exchanges and receive income-related subsidies. The insurance market reforms and the mandate to obtain coverage would have widespread effects within this income group, including those not receiving subsidies through the exchange.

The Population Ineligible for Financial Assistance under Reform.

Next, we show that 95.2 million, or 37

percent of the national population, would not be eligible for subsidies under reform because their family income would exceed 400 percent of the FPL. A larger share of a state's population falls into this income group in the Northeast (e.g. over 50 percent in New Jersey, Connecticut and Massachusetts) than in other regions, particularly the South (e.g., less than 30 percent in South Carolina, Mississippi, and Arkansas). Much of this population, however, would be subject to the individual mandate to obtain coverage, would benefit from insurance reforms, and would benefit from access to coverage through the insurance exchanges.

The Currently Uninsured and Eligibility for Assistance under Reform.

Finally, we look specifically at how the reform would affect those currently uninsured. We show that the Medicaid eligibility expansion would extend eligibility to 10.1 million uninsured people. There are an additional 10.2 million uninsured who are currently eligible for Medicaid/CHIP. Together, 47.0 percent of the uninsured could potentially be covered through Medicaid once reform is in place. There are substantial differences among states and regions in the percentage of the states' uninsured populations that would be newly eligible versus previously eligible for Medicaid/CHIP. For example, in New York only about 4 percent of the uninsured would be newly eligible for Medicaid and 42 percent are currently eligible for public coverage. In contrast, in Kentucky, 41 percent would be newly eligible and 14 percent are currently eligible.

About 40 percent of the uninsured have incomes that would place them in the subsidy eligibility range nationally, but not all would receive subsidies. Just over 15.0 percent of the uninsured have incomes in the subsidy range but would be likely to obtain coverage through large employers; a small share of these could receive subsidies because of the lack of employer offers or affordability issues. Another 16.3 percent are in families employed by small firms; larger shares of these individuals would be eligible for income-related subsidies. Finally, 8.5 percent are in self-employed, part-time working, or non-working families and would clearly be eligible for income-related subsidies, ranging from 4 percent in New Jersey to 14 percent in Maine.

About 13 percent of the national uninsured population would not be eligible for subsidies as a result of their incomes being above 400 percent of the FPL. This rate would be somewhat higher in the Northeast (e.g., 20 percent in Vermont) than in other regions due to differences in state/regional income distributions.

Notes:

¹ Those between 100 and 133 percent of the FPL would be eligible for Medicaid or income-related subsidies under the Senate bill; the same would be true for those between 133 and 150 percent of the FPL under the House version. Individuals/families would be permitted to choose the option they prefer.

² Undocumented immigrants are excluded from the analysis.

Introduction

In this paper, we examine how different states would be affected by health reform legislation. States enter health reform in very different situations. Some states have high rates of employer coverage and low uninsured rates. For others, the opposite is true. Some have much larger low- and moderate-income populations who would need financial assistance. Some states have already taken steps to expand eligibility for public health insurance programs to larger segments of their populations than have other states. Because coverage and need vary across states in the current system, the reforms being considered would affect states differently. This paper shows how the effects of these reforms are likely to vary across states.

We did not tie our analysis to one specific proposal, though we generally follow the provisions of the Senate bill. There are enough common features between the House and Senate bills to allow us to provide insight into the size of the subpopulations in each state that would have new coverage options or financial support. For example, both the House and Senate proposals would extend eligibility for the Medicaid program, with the Senate proposal expanding to all individuals with incomes up to 133 percent of the federal poverty level (FPL) and the House expanding to 150 percent of the FPL. Both would provide subsidies to help low- and middle-income families purchasing coverage through new health insurance “exchanges” to those between Medicaid eligibility levels and 400 percent of the FPL. Both would allow small employers to contribute toward the cost of health insurance for their workers through the exchanges as well. Both bills include a requirement for individuals to enroll in health insurance coverage (an individual mandate), and this is expected to increase enrollment in Medicaid, subsidized coverage, and unsubsidized coverage.

We examine the distribution of current eligibility for Medicaid and simulate

the numbers of people who would be newly eligible for Medicaid and for income-related subsidies under reform. We do not make estimates of the costs that would be borne by states or of the dollars that would flow into states as a consequence of reform. Rather, we focus on the numbers of people who would be affected. The estimates are derived as if health reform was fully implemented in 2009.

First, we provide a brief overview of our methodological approach. Next, we provide the state-specific distributions of health insurance coverage under current law. We then delineate the subpopulations in each state that would be affected by different provisions of the reform proposals. We estimate the number of those currently and newly eligible for the Medicaid program; this is important because the share of Medicaid expenditures paid by the federal government (i.e., the federal matching rates) under reform would be very different for those currently and newly eligible.¹ We then show the numbers with incomes in the range of eligibility for subsidized coverage through the exchange, and those with family incomes above 400 percent of the poverty level who would not be eligible for financial assistance with coverage. Finally, we summarize the potential impacts of reform on the uninsured populations in each state.

Methods

The estimates in this analysis are based on a merged file of the 2006 and 2007 Current Population Surveys (CPS), with the data aged to 2009, adjusting for population growth and coverage changes.² The projection of coverage to 2009 is based on Holahan and Garrett (2009), which provided estimates of the impact of unemployment rates on employer-sponsored coverage, Medicaid enrollment, and the uninsured. The merged file also adjusts for the acknowledged undercount of Medicaid enrollees in household surveys by increasing the number of people on Medicaid (using administrative data) relative to the raw CPS estimates,

and thereby reducing the number of uninsured (Dubay, Holahan, and Cook 2007). Once all adjustments are made, our data include 44.1 million people on Medicaid and 49.1 million uninsured. We caution that, even with two years of data, sample sizes can be relatively small in some states, particularly when tabulations are done on the type of coverage within income groups.³

Aside from the first tables that describe the current distribution of health insurance coverage in the United States, the analyses presented focus on *eligibility* for public insurance coverage and for subsidies for the purchase of insurance coverage through the new exchanges, as opposed to estimating *enrollment* in these programs. Eligible individuals may not enroll in subsidized coverage for several reasons, including lack of awareness of their eligibility, enrollment in other sources of coverage, or a decision not to comply with the coverage mandate. In the case of subsidies through the exchange, not all of those with incomes that fall within the subsidy eligibility range would have access to exchange-based insurance; those with an offer of employer-based coverage would largely be excluded. These subtleties of eligibility as a function of employment status are discussed further later in the paper.

Eligibility for Medicaid and the Children's Health Insurance Program (CHIP) is identified using the detailed Medicaid and CHIP eligibility model developed by the Urban Institute's Health Policy Center (Dubay, Holahan, and Cook 2007). The eligibility model takes into account state eligibility rules for Medicaid and CHIP and applies them to individual- and family-level data from the CPS to simulate the actual eligibility determination process. The eligibility simulation model uses 2007 Medicaid and CHIP rules; any eligibility expansions after 2007 would not be accounted for. The model simulates eligibility for Medicaid and CHIP coverage that offer full benefits; however, some adults included in the eligibility estimates may be eligible

for coverage through Section 1115 waivers that are “closed” or cover few individuals. We did not consider these cases to be currently eligible (Kaiser Commission on Medicaid and the Uninsured 2009).⁴ Inevitably, there are some measurement errors in the model, both because of the complexity of eligibility rules and problems in reporting income in the CPS.

Under the Senate bill, undocumented immigrants are not eligible for the Medicaid program and are prohibited from purchasing coverage with or without subsidies in the health insurance exchanges (in the House bill, they may purchase coverage through the exchange with their own funds). As a consequence, we estimate the numbers of undocumented immigrants and remove them from the analyses. This affects the number of people with public and private coverage and the uninsured. To estimate whether foreign-born individuals are documented immigrants and therefore eligible for public insurance coverage, we impute legal immigration status to individuals in the CPS. Imputations are based on a simulation model that identified immigrant status (documented and undocumented) on the March 2004 CPS (Dubay, Cook, and Garrett 2009; Passell and Cohen 2009). Data from this model were used to predict immigrant status on to the merged March 2006 and 2007 Current Population Surveys. Concerns about small sample sizes and the consequent precision of estimates within states and income subgroups prevent us from providing results specific to this group. While imputing undocumented status to the noncitizen population is difficult and prone to error, failure to make any adjustments to the data would overstate the number of people newly eligible for coverage under reform.

The CPS allows respondents to report more than one form of health insurance coverage for the year. For example, individuals may have been covered by both Medicaid and employer-sponsored insurance (ESI); individuals

may have had both types of coverage simultaneously or at different points in the year. In analyses using the CPS, it is common to develop a hierarchy; if an individual reported two types of insurance coverage, they are assigned to the coverage type that is highest in the hierarchy. The order of the hierarchy chosen has no effect on the estimated rate of uninsurance because an individual in the CPS is identified as being uninsured if they report no coverage of any type. However, the choice of hierarchy does affect the number of people estimated to have public or private insurance coverage. In this analysis, we have placed Medicaid at the top of the hierarchy because we are particularly interested in the variations across states in current and potential Medicaid coverage under reform. Consequently, our estimates understate the number of people with ESI by about 4 percentage points relative to the number if ESI had been at the top of the hierarchy.

Current Law Health Insurance Coverage

This section presents data on the coverage that people have today, and how that varies across the states. Table 1 provides the distribution of health insurance coverage under current law for the nation, the four regions, and each state.

Medicaid/CHIP. The data show that the percentage of the population on Medicaid or CHIP averages 16.8 percent for the United States. It is highest in the Northeast (18.0 percent), followed by the West (17.6 percent). Midwestern states are the lowest at 15.5 percent, and the South is at 16.5 percent. Coverage by Medicaid and CHIP is much higher for children than adults (not shown). There is considerable variation within regions. For example, New Hampshire covers 9.0 percent of its population and New York covers 22.6 percent through Medicaid/CHIP. In general, however, there is considerable consistency in the share of the population covered by Medicaid/

CHIP across states and, particularly, across regions.

The share of the population covered by Medicaid/CHIP reflects many factors. First, the larger the share of the state’s population that is low-income, the larger the share of the population who would be covered under Medicaid/CHIP, all else being equal. Second, the generosity of eligibility rules and efforts made to improve outreach and ease enrollment will increase the percentage of a state’s population in public insurance. Thus, in the Northeast, some relatively high-income states such as Maine, Vermont, Rhode Island, and New York all have more than 20 percent of their population on Medicaid. For these states, high rates of Medicaid/CHIP coverage primarily reflect more generous eligibility rules. In contrast, such states as Mississippi and Louisiana have more than 20 percent of their population covered by Medicaid/CHIP, but these are among the lowest income states in the country. Despite the fact that eligibility standards are relatively restrictive in these states, a large share of these states’ populations are nonetheless eligible due to high state levels of poverty. States like California and New Mexico (19.8 percent and 20.3 percent Medicaid/CHIP coverage, respectively) have both relatively generous eligibility standards and large low-income populations.

Employer-Sponsored Insurance. The rate of ESI averages 57.1 percent for the nation as a whole. ESI coverage is about 10 percentage points higher for adults than children (not shown). The rate of employer coverage tends to be much higher in the Northeast and Midwest (62.6 and 62.3 percent, respectively), than in the South (53.5 percent) and West (53.4 percent). Again, there is some variation within regions as well. For example, the ESI rate in Hawaii (65.8 percent) is substantially higher than in the west as a whole, reflecting that state’s requirement that many employers offer insurance coverage to their workers. The lowest ESI coverage

Table 1. Baseline Coverage of U.S. Nonelderly Population* (in thousands), 2009

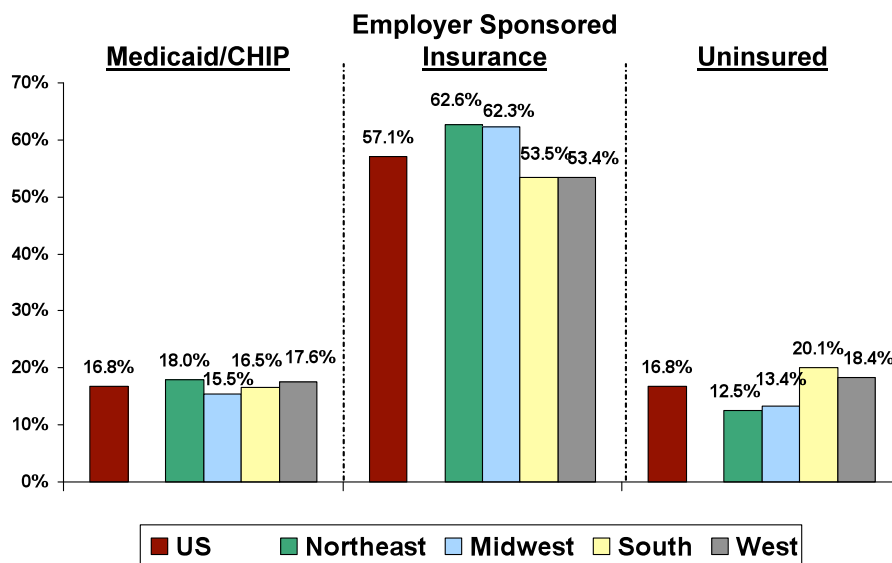
	Medicaid/CHIP		ESI		Nongroup		Other Public/Medicare		Uninsured		Total
	N	%	N	%	N	%	N	%	N	%	
United States	43,133	16.8%	146,884	57.1%	15,516	6.0%	8,411	3.3%	43,276	16.8%	257,220
Northeast	8,335	18.0%	29,077	62.6%	2,289	4.9%	907	2.0%	5,810	12.5%	46,419
Maine	246	21.4%	659	57.5%	69	6.0%	40	3.5%	133	11.6%	1,147
New Hampshire	107	9.0%	832	70.5%	64	5.4%	29	2.5%	149	12.6%	1,181
Vermont	124	22.2%	321	57.6%	25	4.4%	15	2.7%	73	13.0%	558
Massachusetts	1,032	18.4%	4,152	74.2%	230	4.1%	19	0.3%	160	2.9%	5,593
Rhode Island	199	21.3%	544	58.2%	52	5.5%	24	2.6%	116	12.4%	936
Connecticut	436	14.8%	1,985	67.4%	148	5.0%	72	2.4%	305	10.4%	2,947
New York	3,676	22.6%	9,129	56.1%	721	4.4%	278	1.7%	2,465	15.2%	16,268
New Jersey	845	11.6%	4,782	65.7%	315	4.3%	164	2.3%	1,170	16.1%	7,276
Pennsylvania	1,670	15.9%	6,673	63.5%	667	6.3%	266	2.5%	1,239	11.8%	10,514
Midwest	8,889	15.5%	35,767	62.3%	3,475	6.1%	1,613	2.8%	7,689	13.4%	57,432
Ohio	1,638	16.5%	6,104	61.6%	532	5.4%	311	3.1%	1,320	13.3%	9,905
Indiana	795	14.5%	3,489	63.9%	277	5.1%	127	2.3%	776	14.2%	5,464
Illinois	1,710	15.6%	6,716	61.2%	601	5.5%	300	2.7%	1,652	15.0%	10,980
Michigan	1,567	17.4%	5,455	60.7%	454	5.0%	247	2.7%	1,271	14.1%	8,994
Wisconsin	708	14.6%	3,208	66.3%	317	6.6%	114	2.4%	488	10.1%	4,835
Minnesota	650	14.1%	3,061	66.4%	353	7.7%	92	2.0%	458	9.9%	4,614
Iowa	358	14.2%	1,667	66.3%	170	6.7%	41	1.6%	280	11.1%	2,515
Missouri	816	16.2%	2,927	57.9%	336	6.6%	205	4.1%	769	15.2%	5,053
North Dakota	52	9.7%	337	62.6%	63	11.7%	16	3.1%	70	12.9%	539
South Dakota	86	13.0%	404	60.7%	63	9.5%	30	4.5%	82	12.4%	666
Nebraska	173	11.6%	946	63.3%	126	8.4%	47	3.1%	202	13.5%	1,493
Kansas	335	14.1%	1,452	61.2%	182	7.7%	83	3.5%	322	13.5%	2,374
South	15,465	16.5%	50,292	53.5%	5,203	5.5%	4,165	4.4%	18,849	20.1%	93,973
Delaware	114	15.7%	471	64.6%	29	3.9%	21	2.8%	95	13.0%	729
Maryland	603	12.3%	3,245	66.2%	235	4.8%	132	2.7%	683	14.0%	4,899
District of Columbia	119	26.4%	242	53.7%	31	6.8%	10	2.2%	49	10.9%	450
Virginia	707	10.4%	4,202	62.1%	339	5.0%	489	7.2%	1,026	15.2%	6,764
West Virginia	303	19.5%	865	55.8%	41	2.6%	86	5.6%	254	16.4%	1,549
North Carolina	1,365	17.5%	4,063	52.1%	496	6.4%	381	4.9%	1,491	19.1%	7,794
South Carolina	689	18.4%	1,968	52.4%	209	5.6%	174	4.6%	715	19.0%	3,755
Georgia	1,430	17.7%	4,485	55.4%	378	4.7%	356	4.4%	1,447	17.9%	8,097
Florida	2,161	14.8%	7,421	50.9%	1,008	6.9%	639	4.4%	3,344	22.9%	14,573
Kentucky	657	17.8%	1,995	54.2%	194	5.3%	204	5.5%	632	17.2%	3,682
Tennessee	970	18.5%	2,774	53.0%	347	6.6%	283	5.4%	861	16.5%	5,235
Alabama	675	17.5%	2,241	58.1%	187	4.8%	156	4.0%	601	15.6%	3,861
Mississippi	577	22.5%	1,203	47.0%	124	4.9%	111	4.3%	544	21.3%	2,559
Arkansas	464	19.1%	1,227	50.7%	127	5.3%	140	5.8%	463	19.1%	2,421
Louisiana	843	21.2%	1,943	49.0%	213	5.4%	117	2.9%	853	21.5%	3,969
Oklahoma	549	17.9%	1,582	51.5%	141	4.6%	179	5.8%	620	20.2%	3,071
Texas	3,240	15.8%	10,365	50.4%	1,103	5.4%	686	3.3%	5,172	25.1%	20,566
West	10,445	17.6%	31,747	53.4%	4,550	7.7%	1,727	2.9%	10,928	18.4%	59,396
Montana	119	14.5%	431	52.5%	79	9.6%	34	4.1%	158	19.3%	821
Idaho	192	14.9%	743	57.6%	102	7.9%	36	2.8%	217	16.8%	1,290
Wyoming	57	12.9%	267	59.8%	36	8.0%	17	3.8%	69	15.5%	446
Colorado	454	11.0%	2,462	59.6%	343	8.3%	171	4.2%	698	16.9%	4,129
New Mexico	332	20.3%	742	45.3%	97	5.9%	76	4.6%	390	23.8%	1,636
Arizona	1,024	19.7%	2,689	51.7%	266	5.1%	196	3.8%	1,029	19.8%	5,204
Utah	264	11.7%	1,419	63.2%	182	8.1%	46	2.0%	334	14.9%	2,244
Nevada	224	10.6%	1,282	60.4%	130	6.1%	76	3.6%	411	19.3%	2,123
Washington	905	16.3%	3,318	59.9%	355	6.4%	238	4.3%	726	13.1%	5,542
Oregon	453	14.5%	1,714	54.8%	258	8.2%	91	2.9%	609	19.5%	3,126
California	6,163	19.8%	15,597	50.2%	2,628	8.5%	635	2.0%	6,054	19.5%	31,077
Alaska	94	14.7%	347	54.3%	27	4.2%	53	8.3%	118	18.5%	638
Hawaii	162	14.5%	737	65.8%	48	4.3%	57	5.1%	116	10.3%	1,120

*Population does not include undocumented persons.

Note: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

Figure 1. Baseline Coverage by Region, 2009 (Percent with specified type of coverage)



Note: Excludes non-group, Medicare, and other public; does not include undocumented persons
Source: Urban Institute analysis of 2007-2008 Current Population Survey

rate in the nation is in New Mexico (45.3 percent).

The rates for employer-sponsored insurance vary for a number of reasons (Shen and Zuckerman 2003). Wage levels are a main factor. States with a large number of low-wage workers are much less likely to have firms that provide insurance coverage, whereas states with higher wage levels tend to have firms that are more likely to offer employer-sponsored insurance in their competition for workers. Unionization also increases coverage rates. Other significant determinants of ESI coverage are the size of the firms and the types of industries. States with more small firms, such as those in the South and West, tend to have lower rates of ESI. States whose economies are largely based on agriculture and services tend to also have lower rates of ESI.

Private Nongroup Coverage. The rate of private nongroup coverage averages about 6.0 percent nationally. The source of some of the variation in nongroup coverage across states is not well understood. There is some evidence that low-income individuals often report private nongroup coverage rather than Medicaid, and some of the

undercounting of Medicaid coverage in household surveys may be attributable to this misreporting (Cantor et al. 2007).

Medicare and Other Public Programs. Medicare and other public programs cover about 3 percent of the nonelderly population and are not important sources of coverage for the nonelderly. But as reform extends Medicaid coverage to higher income levels, more individuals who are currently on Medicare may become dual Medicare/Medicaid eligibles and others may be able to choose between Medicare and subsidized private coverage through the new exchanges.

The Uninsured. Variations in public and private coverage rates result in significant variation in uninsured rates across states. The uninsured rate for the United States (excluding undocumented persons) is projected to be 16.8 percent in 2009. Because of Medicaid/CHIP coverage, uninsured rates are much lower for children than adults (not shown). The uninsured rates in the Northeast (12.5 percent) and Midwest (13.4 percent) are substantially below those in the South (20.1 percent) and West (18.4 percent).

Figure 1 summarizes the variation across regions in Medicaid/CHIP, employer-sponsored insurance, and the uninsured. As explained above, there are substantial variations among states in the rates of employer-sponsored insurance. There is much less variation in Medicaid coverage; thus, the relatively low rates of uninsured persons in the Northeast and Midwest tend to be a consequence of higher rates of ESI in those states. In contrast, in the South and West, the lower rates of ESI tend to translate into higher uninsured rates. The uninsured rates in six southern and western states are above 20 percent. The states with the highest uninsured rates include Florida (22.9 percent), Texas (25.1 percent), New Mexico (23.8 percent), Mississippi (21.3 percent), Oklahoma (20.2 percent), and Louisiana (21.5 percent). Massachusetts has the lowest uninsured rate (2.9 percent), reflecting the major reform signed into law there in 2006. These results suggest that coverage expansions resulting from health reform would have the greatest impacts in states in the south and the west.

Current Law Coverage by Income

Table 2 shows the distribution of coverage by income group. Following previous Urban Institute work, we use the income breaks that would be used to determine program eligibility under the Senate bill (Dubay, Cook, and Garrett 2009); less than 133 percent of the FPL, 133 to 399 percent of the FPL, and 400 percent of the FPL and over. Table 2 shows that, today, Medicaid and CHIP cover about 44.7 percent of the population below 133 percent of the FPL under the current system. This is somewhat higher in the Northeast (50.7 percent) and Midwest (46.4 percent) than in the South (41.9 percent) and the West (43.9 percent), reflecting differences in the generosity of coverage. Medicaid/CHIP coverage rates are much lower for the higher income groups, where very few individuals are eligible for the programs.

The differences in ESI coverage rates by income are very dramatic, with only 13.7 percent of the lowest income

Table 2. Baseline Coverage by Income Group* (in thousands), 2009

	Medicaid/CHIP		ESI		Nongroup		Other Public/Medicare		Uninsured		Total
	N	%	N	%	N	%	N	%	N	%	
Less than 133% FPL											
United States	26,668	44.7%	8,190	13.7%	3,802	6.4%	2,330	3.9%	18,630	31.2%	59,620
Northeast	4,914	50.7%	1,447	14.9%	633	6.5%	293	3.0%	2,398	24.8%	9,686
Midwest	5,607	46.4%	1,786	14.8%	808	6.7%	519	4.3%	3,359	27.8%	12,080
South	9,970	41.9%	3,098	13.0%	1,286	5.4%	1,075	4.5%	8,369	35.2%	23,799
West	6,177	43.9%	1,859	13.2%	1,074	7.6%	442	3.1%	4,503	32.0%	14,055
133%-399% FPL											
United States	14,394	14.1%	58,686	57.4%	6,252	6.1%	3,864	3.8%	19,115	18.7%	102,310
Northeast	2,891	17.1%	10,170	60.1%	898	5.3%	426	2.5%	2,529	15.0%	16,914
Midwest	2,900	12.2%	15,082	63.5%	1,589	6.7%	759	3.2%	3,404	14.3%	23,735
South	4,848	12.8%	20,918	55.1%	2,027	5.3%	1,941	5.1%	8,257	21.7%	37,992
West	3,755	15.9%	12,515	52.9%	1,738	7.3%	736	3.1%	4,925	20.8%	23,669
400% FPL and over											
United States	2,071	2.2%	80,008	84.0%	5,462	5.7%	2,218	2.3%	5,531	5.8%	95,290
Northeast	530	2.7%	17,461	88.1%	758	3.8%	188	0.9%	883	4.5%	19,819
Midwest	381	1.8%	18,899	87.4%	1,077	5.0%	334	1.5%	926	4.3%	21,617
South	646	2.0%	26,276	81.6%	1,889	5.9%	1,148	3.6%	2,223	6.9%	32,182
West	514	2.4%	17,373	80.2%	1,738	8.0%	548	2.5%	1,500	6.9%	21,672

*Population does not include undocumented persons.

Note: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

group having it, compared with 57.4 percent in the middle group and 84.0 percent in the higher income group. Even within each income group, ESI rates vary by region, with the highest rates in the Northeast and Midwest. This, no doubt, reflects differences in firm size and types of industries, as well as variations in prevailing wage levels. Because of these differences in both public coverage and employer coverage, the Northeast and Midwest have lower uninsured rates within each income group than do the South and the West. The uninsured rates in the South and the West for the low-income population are strikingly high—35.2 percent in the South and 32.0 percent in the West. In the middle income group, uninsured rates are about 21 percent in the South and West and about 14 to 15 percent in the Northeast and Midwest. The rates are much lower in the higher income group, ranging from 4.3 to 6.9 percent across the regions. The uninsured rates for each region for the three income groups are summarized in figure 2.

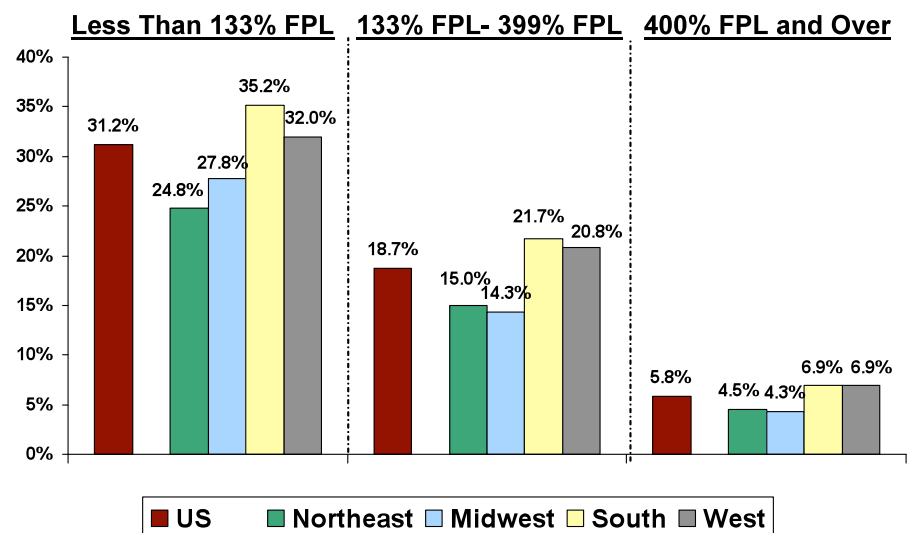
Health Reform and Expanding Coverage

In this section, we examine how people in different circumstances would be

affected by health reform and how these effects would vary among states. The effects also would vary with the income breaks used above. All those with incomes below 133 percent of the federal poverty level would be eligible for Medicaid under the Senate bill (in the House bill, those below 150 percent of the FPL would be eligible); those with incomes between 133 and 400

percent of the FPL would be eligible for subsidized insurance coverage if purchased through the exchange; and those with higher incomes would be ineligible for new financial assistance.⁵ The higher income population would, however be affected by the individual mandate⁶ as well as the proposed insurance reforms. As shown in figure 3, regions (and states) vary in income

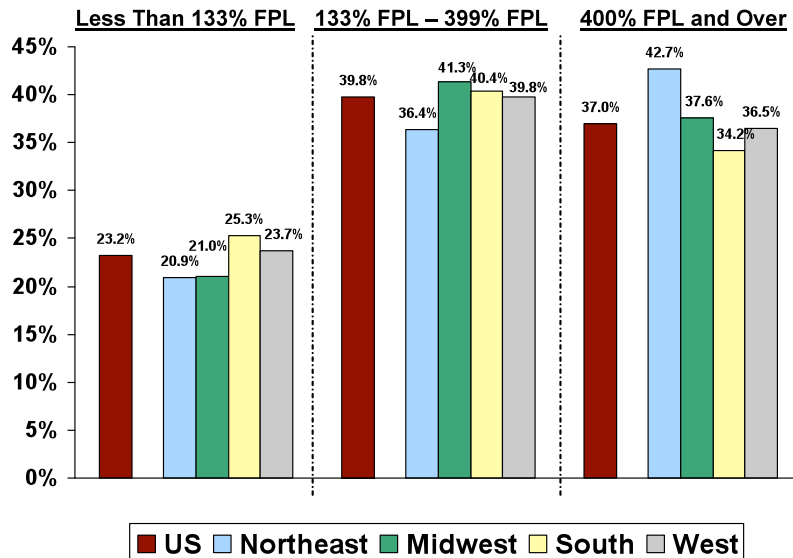
Figure 2. Uninsurance Rates by Income and Region, 2009



Note: Does not include undocumented persons

Source: Urban Institute analysis of 2007-2008 Current Population Survey

Figure 3. Percent of Population In Each Income Group, By Region, 2009



Note: Does not include undocumented persons
Source: Urban Institute analysis of 2007-2008 Current Population Survey

distribution. In general, states in the South and West have the largest populations with incomes less than 133 percent of the FPL. The Northeast has the smallest share of its population with incomes in the subsidy range; the Northeast also has the largest share with incomes above 400 percent of the FPL and the South the smallest share.

Expanding Medicaid to Individuals with Income up to 133 Percent of the Federal Poverty Level

Both the House and Senate proposals would expand Medicaid eligibility considerably, with the federal government paying a very high share of the incremental cost of expansion. In this analysis, we follow the Senate proposal to extend eligibility to 133 percent of the FPL. All of those newly eligible for Medicaid under reform would be adults, since all states currently make children up to 133 percent of the FPL eligible for Medicaid or CHIP. Table 3 shows that, under the Senate proposal, 18.6 million adults would become newly eligible for Medicaid nationally. Of these, about half would be in the South (8.9 million). This represents 9.5 percent of the population in this region, constituting a significant increase in eligibility for

Medicaid coverage. The large share in the South also reflects the fact that 37 percent of the nation's population is in the South. Another 4.4 million newly eligible would be residents of the West, or 7.3 percent of the population in that region. Several states in the South would see Medicaid expanded to more than 10 percent of their populations; Mississippi, for example, would see Medicaid extended to 13.6 percent of its population, and 12.1 percent would become eligible in Louisiana. Hawaii, New Mexico, and Oregon would also have Medicaid expanded to more than 10 percent of the states' nonelderly populations. Several mountain states—Montana, Idaho and Wyoming—would see Medicaid eligibility increases of close to 10 percent of the state nonelderly population. If enrollment increased consistent with these eligibility expansions under reform, this would mean a large influx of new federal dollars into these states' economies.

Only 3.5 percent of the population in the Northeast and 6.5 percent in the Midwest would be newly Medicaid eligible under the Senate bill. Not only would there be fewer new eligibles in the Northeast and Midwest, a slightly

smaller share of them (51-52 percent) are currently uninsured. This follows from the previous section that shows a higher baseline level of employer-sponsored coverage. In contrast, about 57 to 59 percent of those that would be newly eligible in the South and the West are currently uninsured.

About 22 percent of the newly Medicaid eligible currently have employer-sponsored insurance nationally. Thus, those with ESI represent a relatively small share of those who would be newly eligible; therefore, the risk of “crowding out” large amounts of employer coverage is fairly low. The share of the population that would be newly eligible and currently has ESI is higher in the Northeast and Midwest than in the South and the West, simply because the rate of ESI coverage is greater to begin with.

Another 22 percent of the population that would be newly eligible now has private nongroup coverage or is enrolled in Medicare or other public coverage. For the United States, 13 percent of those that would be newly eligible have nongroup coverage and the remainder Medicare or other public coverage. Those with private nongroup insurance are likely to take up Medicaid coverage when they become newly eligible because their private coverage is expensive and has fewer benefits than Medicaid. Those with Medicare or other public coverage (e.g., military insurance) are highly unlikely to leave this coverage to enroll in Medicaid. Some Medicare recipients who would be newly eligible for Medicaid could enroll in Medicaid to obtain financial assistance with uncovered benefits and Medicare's cost-sharing requirements (i.e., Medicaid could provide them with “wrap-around” coverage).

Thus, the expansion of eligibility under Medicaid offers the potential to cover many Americans who are currently without insurance (figure 4). It would also extend coverage to many who have private nongroup coverage, which is associated with significant premiums and limited benefits. The risk

Table 3: Baseline Coverage of Those Newly Eligible for Medicaid*

	Total Newly Eligible Population		ESI		Nongroup, Other Public, and Medicaid		Uninsured	
	N	% of non-elderly	N	%	N	%	N	%
United States	18,642,311	7.2%	4,091,751	21.9%	4,026,509	21.6%	10,524,050	56.5%
Northeast	1,634,440	3.5%	376,855	23.1%	418,118	25.6%	839,466	51.4%
Maine	54,707	4.8%	12,340	22.6%	15,276	27.9%	27,091	49.5%
New Hampshire	70,136	5.9%	18,359	26.2%	18,354	26.2%	33,423	47.7%
Vermont	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Massachusetts	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Rhode Island	58,980	6.3%	14,908	25.3%	10,747	18.2%	33,324	56.5%
Connecticut	148,560	5.0%	32,120	21.6%	38,256	25.8%	78,185	52.6%
New York	188,749	1.2%	40,600	21.5%	52,786	28.0%	95,363	50.5%
New Jersey	476,277	6.5%	98,746	20.7%	88,764	18.6%	288,767	60.6%
Pennsylvania	637,031	6.1%	159,782	25.1%	193,936	30.4%	283,314	44.5%
Midwest	3,736,602	6.5%	894,743	23.9%	899,666	24.1%	1,942,192	52.0%
Ohio	785,249	7.9%	186,481	23.7%	178,151	22.7%	420,617	53.6%
Indiana	374,080	6.8%	92,042	24.6%	70,365	18.8%	211,673	56.6%
Illinois	797,343	7.3%	175,494	22.0%	177,276	22.2%	444,573	55.8%
Michigan	468,310	5.2%	133,854	28.6%	106,770	22.8%	227,685	48.6%
Wisconsin	291,769	6.0%	70,204	24.1%	80,213	27.5%	141,351	48.4%
Minnesota	260,470	5.6%	61,023	23.4%	87,829	33.7%	111,619	42.9%
Iowa	5,161	0.2%	1,731	33.5%	1,078	20.9%	2,353	45.6%
Missouri	385,388	7.6%	87,587	22.7%	96,844	25.1%	200,957	52.1%
North Dakota	32,773	6.1%	8,087	24.7%	8,892	27.1%	15,794	48.2%
South Dakota	48,607	7.3%	10,297	21.2%	15,800	32.5%	22,510	46.3%
Nebraska	108,553	7.3%	17,694	16.3%	36,394	33.5%	54,464	50.2%
Kansas	178,900	7.5%	50,250	28.1%	40,055	22.4%	88,596	49.5%
South	8,906,133	9.5%	1,875,374	21.1%	1,771,441	19.9%	5,259,318	59.1%
Delaware	7,989	1.1%	3,179	39.8%	1,606	20.1%	3,203	40.1%
Maryland	301,443	6.2%	76,654	25.4%	52,627	17.5%	172,163	57.1%
District of Columbia	32,028	7.1%	8,057	25.2%	11,341	35.4%	12,630	39.4%
Virginia	499,518	7.4%	126,871	25.4%	107,868	21.6%	264,778	53.0%
West Virginia	161,355	10.4%	37,670	23.3%	29,006	18.0%	94,679	58.7%
North Carolina	751,886	9.6%	178,705	23.8%	180,489	24.0%	392,693	52.2%
South Carolina	402,873	10.7%	81,507	20.2%	98,591	24.5%	222,775	55.3%
Georgia	773,908	9.6%	171,142	22.1%	148,598	19.2%	454,168	58.7%
Florida	1,171,792	8.0%	238,456	20.3%	247,724	21.1%	685,612	58.5%
Kentucky	425,777	11.6%	90,102	21.2%	75,148	17.6%	260,528	61.2%
Tennessee	365,643	7.0%	47,593	13.0%	105,268	28.8%	212,782	58.2%
Alabama	430,512	11.1%	98,422	22.9%	105,949	24.6%	226,142	52.5%
Mississippi	348,341	13.6%	63,442	18.2%	58,856	16.9%	226,044	64.9%
Arkansas	251,191	10.4%	43,645	17.4%	60,192	24.0%	147,355	58.7%
Louisiana	482,028	12.1%	119,919	24.9%	70,142	14.6%	291,967	60.6%
Oklahoma	331,935	10.8%	75,563	22.8%	53,873	16.2%	202,499	61.0%
Texas	2,167,914	10.5%	414,449	19.1%	364,165	16.8%	1,389,301	64.1%
West	4,365,137	7.3%	944,778	21.6%	937,284	21.5%	2,483,075	56.9%
Montana	78,671	9.6%	12,274	15.6%	24,673	31.4%	41,724	53.0%
Idaho	105,758	8.2%	27,108	25.6%	19,484	18.4%	59,166	55.9%
Wyoming	37,613	8.4%	8,740	23.2%	9,731	25.9%	19,141	50.9%
Colorado	286,388	6.9%	59,974	20.9%	62,667	21.9%	163,747	57.2%
New Mexico	182,051	11.1%	31,807	17.5%	33,300	18.3%	116,945	64.2%
Arizona	59,037	1.1%	17,346	29.4%	18,353	31.1%	23,339	39.5%
Utah	174,702	7.8%	62,089	35.5%	36,578	20.9%	76,034	43.5%
Nevada	157,568	7.4%	26,769	17.0%	29,639	18.8%	101,160	64.2%
Washington	411,076	7.4%	97,667	23.8%	103,532	25.2%	209,878	51.1%
Oregon	327,466	10.5%	57,727	17.6%	68,165	20.8%	201,575	61.6%
California	2,378,145	7.7%	484,114	20.4%	500,845	21.1%	1,393,186	58.6%
Alaska	49,996	7.8%	10,152	20.3%	8,850	17.7%	30,994	62.0%
Hawaii	116,666	10.4%	49,013	42.0%	21,467	18.4%	46,186	39.6%

*Population does not include undocumented persons.

*Simulated as if reforms were fully implemented in 2009.

Note: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

of crowding out employer-sponsored insurance seems low in most states since relatively small shares of the population that would be newly eligible for Medicaid have ESI under the current system.

Coverage of Those Currently Eligible for Medicaid/CHIP but Not Enrolled

There are a large number of children and adults currently eligible for Medicaid and CHIP who have not enrolled in the programs. This group may be more likely to enroll in Medicaid under health reform because of the new requirement to obtain coverage. The penalties associated with the individual mandate are relatively weak for low-income populations; in fact, no penalties would be assessed to those with incomes below the poverty level. However, we expect some level of compliance with the individual mandate irrespective of the penalties, and this will be true for the low-income populations as well. Previous research has found that public program eligibility expansions have been associated with increased participation among those already eligible (Dubay and Kenney 2003). States may become more aggressive in their efforts to enroll individuals in the public programs for which they are eligible, since

federal funds that currently help to finance care for the uninsured, such as disproportionate-share hospital payments, would be reduced under reform. However, it is also possible that some states would not encourage those currently eligible to participate because the federal government would pay current matching rates for their costs instead of the higher rates that would be paid on behalf of those made newly eligible.

There is also a relatively large group of individuals eligible but not enrolled in Medicaid/CHIP reporting incomes above 133 percent of the FPL. In the Senate bill, which we are following here, states would be required to continue to cover all children under reform who are currently eligible regardless of income, but the same is not true for adults. (The House bill would require states to continue coverage of higher income Medicaid/CHIP eligibles). We include all children who are currently eligible in this section, but not adults. We assume states would drop these current higher income adult Medicaid eligibles from their programs (though the final bill may provide additional incentives for states to continue covering those covered through Section 1115 waivers). These adults would then be income

eligible for the new subsidies in the exchange; they are included in the data presented in the next section.

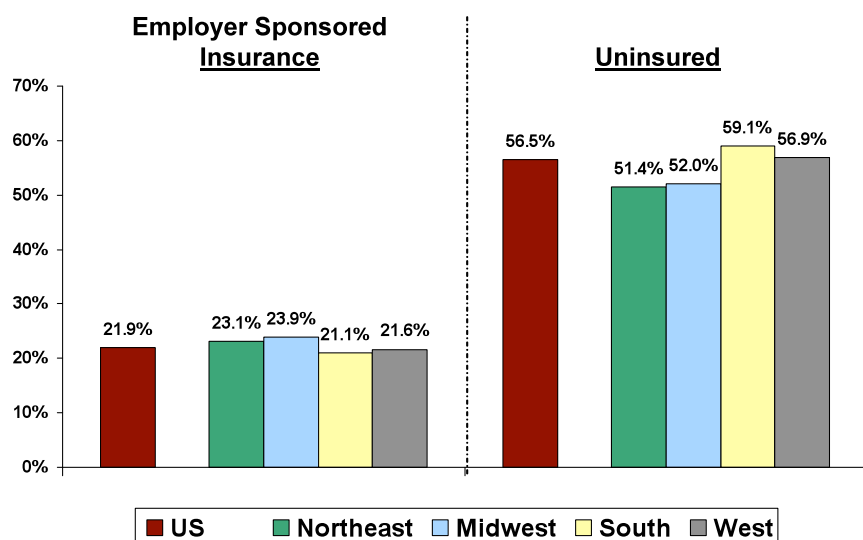
There is a large pool of currently Medicaid/CHIP-eligible but unenrolled individuals—22.8 million, as shown in table 4. This is substantially larger than the number of those who would become newly eligible (18.6 million, table 3). The currently eligible unenrolled average 8.9 percent of the population nationally. A somewhat higher share of the states' populations are currently eligible in the Northeast (11.3 percent) and in the West (9.5 percent). The South has fewer who were currently eligible for public insurance but not enrolled simply because their Medicaid/CHIP eligibility levels are lower to begin with. Figure 5 summarizes the differences across regions in the percent of the population currently and that would be newly eligible for Medicaid/CHIP.

A smaller share of those currently eligible for public coverage are uninsured, compared with the newly eligible (43.0 vs. 56.5 percent nationally), primarily because the large number of eligibles who would have been uninsured are in Medicaid. In the Northeast, 35.2 percent of those currently eligible for Medicaid/CHIP but not enrolled are uninsured, and the same is true for 36.2 percent of this group in the Midwest. In contrast, in the South, 51.6 percent of the currently eligible unenrolled are uninsured as are 44.4 percent of those in the West. The implications are that a smaller share of the increased enrollment among the currently eligible would come from the uninsured compared with the increased enrollment among new eligibles.

Unlike the newly eligible, a large share of those currently eligible for Medicaid/CHIP but not enrolled have coverage through employers (figure 6). For the United States, 44.8 percent of the currently eligible unenrolled have employer-sponsored insurance (10.2 million people). That is, they accepted their employers' offers of coverage rather than enrolling in Medicaid. These rates are particularly high in the

Figure 4. Baseline Coverage of the Newly Eligible for Medicaid*

(Percent with specified type of coverage)



*Simulated as if reforms were fully implemented in 2009.

Source: Urban Institute analysis of 2007-2008 Current Population Survey

Table 4: Baseline Coverage of the Currently Eligible Not Currently on Medicaid*, 2009

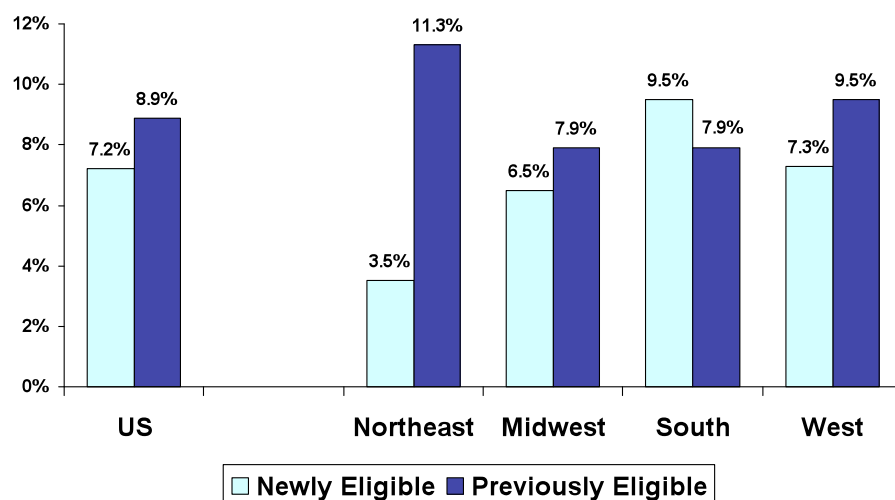
Region/State		Total		ESI		Nongroup, Other Public, and Medicare		Uninsured	
		N	% of non-elderly	N	%	N	%	N	%
United States	TOTAL	22,840,799	8.9%	10,227,226	44.8%	2,794,930	12.2%	9,818,643	43.0%
Northeast		5,234,246	11.3%	2,796,892	53.4%	594,664	11.4%	1,842,689	35.2%
Maine	1	42,505	3.7%	20,623	48.5%	6,464	15.2%	15,417	36.3%
New Hampshire	2	94,318	8.0%	64,927	68.8%	8,003	8.5%	21,388	22.7%
Vermont	3	64,209	11.5%	28,019	43.6%	10,692	16.7%	25,498	39.7%
Massachusetts	4	585,340	10.5%	417,512	71.3%	93,862	16.0%	73,966	12.6%
Rhode Island	5	53,337	5.7%	33,307	62.4%	4,849	9.1%	15,181	28.5%
Connecticut	6	245,404	8.3%	156,581	63.8%	31,640	12.9%	57,184	23.3%
New York	7	2,182,456	13.4%	873,242	40.0%	271,113	12.4%	1,038,101	47.6%
New Jersey	8	810,029	11.1%	476,745	58.9%	46,849	5.8%	286,435	35.4%
Pennsylvania	9	1,156,649	11.0%	725,936	62.8%	121,193	10.5%	309,520	26.8%
Midwest		4,555,833	7.9%	2,345,297	51.5%	561,059	12.3%	1,649,477	36.2%
Ohio	10	775,749	7.8%	454,137	58.5%	74,595	9.6%	247,017	31.8%
Indiana	11	382,054	7.0%	203,848	53.4%	38,759	10.1%	139,446	36.5%
Illinois	12	778,648	7.1%	336,941	43.3%	115,965	14.9%	325,743	41.8%
Michigan	13	858,859	9.5%	358,332	41.7%	105,191	12.2%	395,336	46.0%
Wisconsin	14	225,960	4.7%	141,858	62.8%	26,787	11.9%	57,315	25.4%
Minnesota	15	396,642	8.6%	256,838	64.8%	33,530	8.5%	106,275	26.8%
Iowa	16	334,621	13.3%	158,422	47.3%	51,816	15.5%	124,383	37.2%
Missouri	17	511,065	10.1%	294,087	57.5%	60,113	11.8%	156,865	30.7%
North Dakota	18	32,730	6.1%	10,854	33.2%	7,864	24.0%	14,012	42.8%
South Dakota	19	30,900	4.6%	14,195	45.9%	6,000	19.4%	10,705	34.6%
Nebraska	20	69,670	4.7%	31,763	45.6%	12,151	17.4%	25,756	37.0%
Kansas	21	158,938	6.7%	84,024	52.9%	28,289	17.8%	46,626	29.3%
South		7,420,539	7.9%	2,762,726	37.2%	828,668	11.2%	3,829,146	51.6%
Delaware	22	85,139	11.7%	38,203	44.9%	10,169	11.9%	36,767	43.2%
Maryland	23	436,518	8.9%	258,540	59.2%	32,334	7.4%	145,643	33.4%
District of Columbia	24	31,306	7.0%	17,172	54.9%	4,660	14.9%	9,474	30.3%
Virginia	25	445,761	6.6%	198,683	44.6%	74,278	16.7%	172,801	38.8%
West Virginia	26	87,158	5.6%	57,189	65.6%	6,784	7.8%	23,185	26.6%
North Carolina	27	572,161	7.3%	223,157	39.0%	50,208	8.8%	298,796	52.2%
South Carolina	28	162,922	4.3%	56,106	34.4%	21,786	13.4%	85,031	52.2%
Georgia	29	534,307	6.6%	212,930	39.9%	59,249	11.1%	262,128	49.1%
Florida	30	1,317,684	9.0%	430,933	32.7%	152,500	11.6%	734,250	55.7%
Kentucky	31	236,127	6.4%	115,988	49.1%	29,871	12.7%	90,267	38.2%
Tennessee	32	622,457	11.9%	285,341	45.8%	129,017	20.7%	208,099	33.4%
Alabama	33	256,011	6.6%	130,917	51.1%	22,443	8.8%	102,652	40.1%
Mississippi	34	191,049	7.5%	50,155	26.3%	10,540	5.5%	130,355	68.2%
Arkansas	35	160,859	6.6%	67,047	41.7%	19,230	12.0%	74,583	46.4%
Louisiana	36	167,117	4.2%	36,822	22.0%	7,475	4.5%	122,820	73.5%
Oklahoma	37	210,352	6.8%	86,960	41.3%	29,452	14.0%	93,941	44.7%
Texas	38	1,903,611	9.3%	496,582	26.1%	168,673	8.9%	1,238,356	65.1%
West		5,630,181	9.5%	2,322,311	41.2%	810,539	14.4%	2,497,331	44.4%
Montana	39	48,636	5.9%	16,065	33.0%	6,569	13.5%	26,002	53.5%
Idaho	40	75,516	5.9%	38,424	50.9%	11,513	15.2%	25,579	33.9%
Wyoming	41	20,561	4.6%	9,680	47.1%	5,160	25.1%	5,722	27.8%
Colorado	42	241,418	5.8%	87,834	36.4%	27,706	11.5%	125,878	52.1%
New Mexico	43	99,407	6.1%	26,181	26.3%	13,037	13.1%	60,189	60.5%
Arizona	44	809,939	15.6%	255,299	31.5%	101,124	12.5%	453,517	56.0%
Utah	45	200,512	8.9%	115,388	57.5%	17,929	8.9%	67,196	33.5%
Nevada	46	221,766	10.4%	107,039	48.3%	14,371	6.5%	100,357	45.3%
Washington	47	319,688	5.8%	186,137	58.2%	66,303	20.7%	67,247	21.0%
Oregon	48	164,916	5.3%	66,107	40.1%	26,808	16.3%	72,002	43.7%
California	49	3,234,488	10.4%	1,287,085	39.8%	491,247	15.2%	1,456,155	45.0%
Alaska	50	46,468	7.3%	18,346	39.5%	9,983	21.5%	18,139	39.0%
Hawaii	51	146,867	13.1%	108,727	74.0%	18,791	12.8%	19,350	13.2%

*Population does not include undocumented persons.

Note: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

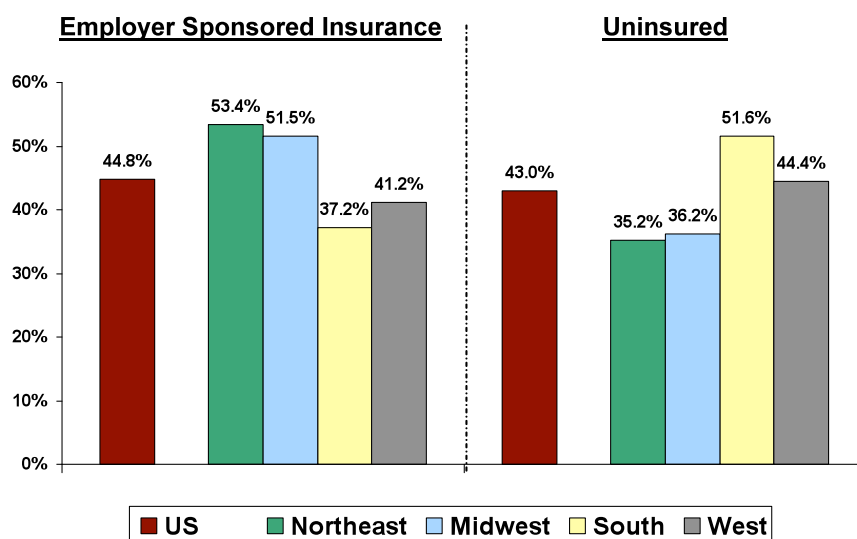
Figure 5. Percent of Population Currently and Newly Eligible for Medicaid/CHIP*



*Simulated as if reforms were fully implemented in 2009.
Source: Urban Institute analysis of 2007-2008 Current Population Survey

Figure 6. Baseline Coverage of the Currently Eligible But Unenrolled

(Percent with specified type of coverage)



Note: Excludes Medicare and other public coverage.
Source: Urban Institute analysis of 2007-2008 Current Population Survey

Northeast and Midwest, where about 50 percent of those currently eligible have ESI. This means a large share of those already eligible have chosen to stay with their employers' coverage. Thus, the share of the currently eligible but unenrolled who would take up Medicaid, even under a mandate, would likely be substantially lower than the share of those made newly eligible.

The share of the currently eligible but unenrolled with ESI is smaller in the South (37.2 percent) and West (41.2 percent) than it is in the Northeast and Midwest due to lower rates of ESI.

Thus, health reform, with the combination of coverage mandates and more enhanced outreach efforts, would likely reach many of those currently eligible for public insurance but who

remain uninsured today. It is less likely that those who have employer-based insurance today would abandon that for Medicaid, given that they have the opportunity to do that today but have declined to do so. Those currently eligible but uninsured represent about 43 percent of the currently eligible unenrolled population and could potentially add about 10 million new enrollees to Medicaid. If all the currently eligible but uninsured in this group were to participate, about two-thirds of new enrollees would come from the South and West.

The Subsidy Eligible Population under Reform

Table 5 shows the population by state in the 133 percent of the FPL to 400 percent of the FPL income group. There are 86.9 million Americans in this income range, or 33.8 percent of the nation's population. The share is slightly lower in the Northeast (28.9 percent) and higher in the Midwest (35.9 percent) and South (35.3 percent). Idaho and North Dakota have the highest share of their state population in this income group (43.6 percent) and Massachusetts and New Jersey the lowest (22.9 and 22.7 percent, respectively). The congressional bills would provide subsidies to individuals and families in this income range who purchased insurance coverage through a health insurance exchange; as we explain below, however, these subsidies would not be available to all in this income group.⁷

As discussed above, some people in this income range currently report having Medicaid coverage. This can happen for several reasons. First, all states already extend public coverage above 133 percent of the FPL for children and several do so for adults. Second, some states have programs for individuals who incur large medical expenses and "spend down" to Medicaid eligibility. Third, some have Medicaid for part of the year when they experience a spell with very low incomes, although their annual incomes would place them outside of the eligibility range.

Table 5. Subsidy Eligible People by Family Employer Size, Families with Incomes between 133% and 400% of the Federal Poverty Level* (in thousands)

	Total Population 133%-400% FPL		Large-firm employment only		Small- and large-firm employment		Small-firm employment only		Self-employment, part-time employment, or not attached to work force	
	N	% of State Population	N	% of State Population	N	% of State Population	N	% of State Population	N	% of State Population
United States	86,934	33.8%	35,055	13.6%	14,693	5.7%	22,181	8.6%	15,005	5.8%
Northeast	13,433	28.9%	5,116	11.0%	2,146	4.6%	3,740	8.1%	2,431	5.2%
Maine	460	40.1%	154	13.4%	109	9.5%	104	9.1%	94	8.2%
New Hampshire	348	29.5%	125	10.6%	67	5.7%	99	8.4%	57	4.8%
Vermont	194	34.8%	61	10.9%	38	6.9%	57	10.2%	38	6.9%
Massachusetts	1,282	22.9%	476	8.5%	212	3.8%	320	5.7%	273	4.9%
Rhode Island	290	31.0%	107	11.4%	47	5.0%	76	8.1%	60	6.4%
Connecticut	743	25.2%	292	9.9%	115	3.9%	190	6.4%	146	5.0%
New York	5,182	31.9%	1,915	11.8%	787	4.8%	1,597	9.8%	882	5.4%
New Jersey	1,652	22.7%	626	8.6%	215	3.0%	515	7.1%	297	4.1%
Pennsylvania	3,281	31.2%	1,360	12.9%	555	5.3%	782	7.4%	584	5.6%
Midwest	20,616	35.9%	8,522	14.8%	3,967	6.9%	4,766	8.3%	3,362	5.9%
Ohio	3,484	35.2%	1,519	15.3%	635	6.4%	795	8.0%	534	5.4%
Indiana	2,171	39.7%	940	17.2%	405	7.4%	529	9.7%	299	5.5%
Illinois	3,928	35.8%	1,655	15.1%	734	6.7%	922	8.4%	617	5.6%
Michigan	3,165	35.2%	1,322	14.7%	530	5.9%	726	8.1%	586	6.5%
Wisconsin	1,812	37.5%	738	15.3%	357	7.4%	413	8.5%	304	6.3%
Minnesota	1,446	31.3%	547	11.9%	282	6.1%	324	7.0%	292	6.3%
Iowa	907	36.1%	381	15.1%	208	8.3%	189	7.5%	129	5.1%
Missouri	1,751	34.7%	696	13.8%	355	7.0%	384	7.6%	316	6.2%
North Dakota	235	43.6%	74	13.7%	57	10.5%	74	13.7%	30	5.6%
South Dakota	282	42.3%	95	14.2%	70	10.5%	76	11.5%	41	6.2%
Nebraska	594	39.8%	221	14.8%	157	10.5%	134	9.0%	82	5.5%
Kansas	842	35.5%	335	14.1%	176	7.4%	199	8.4%	132	5.5%
South	33,172	35.3%	13,957	14.9%	5,435	5.8%	8,319	8.9%	5,461	5.8%
Delaware	270	37.1%	113	15.5%	44	6.0%	63	8.7%	51	6.9%
Maryland	1,283	26.2%	539	11.0%	180	3.7%	321	6.5%	243	5.0%
District of Columbia	116	25.8%	55	12.2%	7	1.5%	32	7.0%	23	5.1%
Virginia	2,237	33.1%	881	13.0%	352	5.2%	594	8.8%	410	6.1%
West Virginia	625	40.3%	270	17.4%	100	6.4%	128	8.3%	127	8.2%
North Carolina	2,993	38.4%	1,197	15.4%	519	6.7%	766	9.8%	511	6.6%
South Carolina	1,601	42.6%	678	18.1%	289	7.7%	392	10.4%	242	6.4%
Georgia	2,574	31.8%	1,154	14.3%	412	5.1%	614	7.6%	394	4.9%
Florida	5,329	36.6%	1,959	13.4%	759	5.2%	1,586	10.9%	1,026	7.0%
Kentucky	1,382	37.5%	554	15.0%	266	7.2%	332	9.0%	230	6.2%
Tennessee	1,820	34.8%	871	16.6%	280	5.4%	391	7.5%	278	5.3%
Alabama	1,429	37.0%	637	16.5%	226	5.9%	318	8.2%	248	6.4%
Mississippi	842	32.9%	354	13.8%	143	5.6%	228	8.9%	117	4.6%
Arkansas	918	37.9%	366	15.1%	165	6.8%	240	9.9%	148	6.1%
Louisiana	1,375	34.6%	534	13.5%	204	5.1%	383	9.6%	254	6.4%
Oklahoma	1,157	37.7%	469	15.3%	199	6.5%	287	9.4%	202	6.6%
Texas	7,220	35.1%	3,327	16.2%	1,292	6.3%	1,644	8.0%	958	4.7%
West	19,712	33.2%	7,459	12.6%	3,146	5.3%	5,356	9.0%	3,752	6.3%
Montana	354	43.1%	99	12.1%	72	8.8%	117	14.2%	66	8.0%
Idaho	562	43.6%	192	14.9%	124	9.6%	154	11.9%	92	7.1%
Wyoming	178	39.9%	63	14.1%	39	8.7%	50	11.2%	26	5.9%
Colorado	1,378	33.4%	576	13.9%	202	4.9%	343	8.3%	258	6.2%
New Mexico	608	37.1%	221	13.5%	107	6.5%	172	10.5%	108	6.6%
Arizona	1,913	36.8%	822	15.8%	307	5.9%	468	9.0%	315	6.1%
Utah	908	40.5%	387	17.2%	204	9.1%	213	9.5%	104	4.6%
Nevada	825	38.9%	402	19.0%	113	5.3%	171	8.1%	138	6.5%
Washington	1,812	32.7%	699	12.6%	289	5.2%	419	7.6%	405	7.3%
Oregon	1,193	38.2%	421	13.5%	206	6.6%	328	10.5%	238	7.6%
California	9,313	30.0%	3,304	10.6%	1,382	4.4%	2,750	8.8%	1,877	6.0%
Alaska	275	43.1%	99	15.5%	52	8.2%	73	11.4%	51	8.0%
Hawaii	394	35.2%	172	15.4%	50	4.4%	97	8.7%	75	6.7%

*Population does not include undocumented persons.

*Simulated as if reforms were fully implemented in 2009.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

We include children in families with incomes above 133 percent of the FPL who report having Medicaid today as currently eligible for Medicaid/CHIP, and they are not included in the data presented in Table 5. On the other hand, we assume current adult eligibles above 133 percent of the FPL would become eligible for exchange-based subsidies under reform due to what we perceive as weak maintenance of effort requirements for adults under the Senate bill, and thus we include them in the estimates in this section.

While subsidies for the purchase of health insurance through the new health insurance exchanges would be made available to individuals and families in this income range under the reform proposals, not all people in this income range would have access to these subsidies. Under the Senate bill, those employed in large firms and who have an offer of ESI coverage would not be eligible for subsidies in the exchange unless their employee contribution exceeded 8 percent of their income. Since 95 percent of employers with 100 or more workers offered health insurance to their employees in 2008,⁸ and since it would be unusual for employee contributions to exceed 8 percent of family income, the vast majority of full-time workers in large firms are likely to maintain their ESI after reform.⁹ This limitation on access to exchange subsidies for workers with employer offers of health insurance coverage applies to the dependents of these workers as well.

Table 5 shows that 13.6 percent of the population is in the 133 to 400 percent of the FPL income group and have all adult workers in their family employed by large firms, with at least one worker employed full time. The vast majority of these 35.1 million individuals are expected to have ESI outside of the exchanges once reform is in place. Nevada has the highest proportion of its population in large firm only households and within this income group (19.0 percent), while Massachusetts and New

Jersey have the lowest (8.5 and 8.6 percent, respectively).

Another 5.7 percent of the population is comprised of those in this income range and in households with adult workers in both small and large firms. If both of a household's employers offer health insurance coverage, workers in this group may have the choice of obtaining ESI through a health insurance exchange (since small employers would be able to offer coverage through exchanges) or through a non-exchange group plan. Many of these households would be required to take up employer coverage, but a small share of this population would purchase coverage as individuals and would be eligible for income-related subsidies if they enroll in a plan offered in the exchange. This latter group is expected to be quite small—those without an employer-based offer of insurance through either employer in the household.

The next group, comprising 8.6 percent of the population, is made up of those in the 133 to 400 percent of the FPL income group who are living in households with working adults employed only in small firms, defined as 100 or fewer workers. Under the Senate proposal, small employers with fewer than 100 workers would have the choice of offering coverage to their workers through a health insurance exchange or through the non-exchange insurance market. Employers with fewer than 50 workers would not be required to offer coverage to their workers or pay a fee, meaning many of these small employers might continue to *not* offer coverage to their workers—as of 2008, only 43.2 percent did offer coverage.¹⁰ Workers in any size firm without ESI offers would be eligible to purchase insurance coverage on their own through an exchange and would be eligible for financial assistance to do so.

Employers of 50 or more workers would be required to offer coverage to their workers or pay a penalty. Workers in this income group whose employers contribute toward the cost of their

coverage in the exchanges would only be eligible for subsidies if their own contribution exceeded 8 percent of their income, again, an unlikely occurrence. Whether using employer contributions or enrolling independently of employers, many of those with small employers are likely to obtain their health insurance coverage through exchanges under reform.

Self-employed workers, part-time workers, and those not attached to the labor force with incomes in the subsidy eligibility range amount to 5.8 percent of the population in the United States. This percentage is relatively consistent across the regions, although specific states range from 4.1 percent (New Jersey) to 8.2 percent (West Virginia and Maine). Under the Senate proposal, these individuals could purchase coverage through the exchange or through private carriers continuing to operate outside the exchange. However, all would be eligible for income-related subsidies if purchasing insurance through the exchange; consequently, the vast majority could be expected to do so. The largest federal subsidies outside of the Medicaid program would go to this group and to others without employer contributions to insurance coverage.

The Population with Income above 400 Percent of the FPL

Those with incomes above 400 percent of the FPL would not be eligible for any financial assistance under current health reform proposals, although as we discuss below, they are affected by many provisions of the reform proposals. Table 6 shows that 95 million nonelderly Americans live in households that fall into this income group. There is a higher share of the population with incomes above 400 percent of the FPL in the Northeast (42.7 percent) and a lower percentage in the South (34.2 percent). Massachusetts, Connecticut, and New Jersey have at least half of their population in this income range; West Virginia, Kentucky, Mississippi, Arkansas, Oklahoma, New Mexico, and Hawaii have 30 percent or less of their populations in this higher

Table 6. Subsidy-Ineligible People by Family Employer Size, Families with Incomes above 400% of the Federal Poverty Level* (in thousands)

	Total Population 400% FPL and above		Large-firm employment only		Small- and large-firm employment		Small-firm employment only		Self-employment, part-time employment, or not attached to work force	
	N	% of State Population	N	% of State Population	N	% of State Population	N	% of State Population	N	% of State Population
United States	95,227	37.0%	43,910	17.1%	26,182	10.2%	15,623	6.1%	9,512	3.7%
Northeast	19,801	42.7%	8,967	19.3%	5,768	12.4%	3,342	7.2%	1,724	3.7%
Maine	430	37.5%	161	14.1%	165	14.4%	61	5.3%	43	3.7%
New Hampshire	584	49.4%	229	19.4%	194	16.4%	115	9.7%	46	3.9%
Vermont	221	39.6%	74	13.3%	77	13.9%	45	8.1%	24	4.3%
Massachusetts	2,974	53.2%	1,370	24.5%	893	16.0%	470	8.4%	241	4.3%
Rhode Island	402	43.0%	184	19.7%	113	12.1%	57	6.1%	48	5.1%
Connecticut	1,474	50.0%	641	21.8%	461	15.6%	245	8.3%	127	4.3%
New York	5,988	36.8%	2,802	17.2%	1,562	9.6%	1,044	6.4%	580	3.6%
New Jersey	3,642	50.1%	1,693	23.3%	979	13.5%	641	8.8%	328	4.5%
Pennsylvania	4,087	38.9%	1,813	17.2%	1,323	12.6%	663	6.3%	287	2.7%
Midwest	21,608	37.6%	9,908	17.3%	6,578	11.5%	3,284	5.7%	1,838	3.2%
Ohio	3,546	35.8%	1,673	16.9%	1,076	10.9%	510	5.2%	287	2.9%
Indiana	1,878	34.4%	860	15.7%	579	10.6%	269	4.9%	170	3.1%
Illinois	4,171	38.0%	1,903	17.3%	1,198	10.9%	726	6.6%	344	3.1%
Michigan	3,285	36.5%	1,618	18.0%	946	10.5%	469	5.2%	253	2.8%
Wisconsin	2,011	41.6%	921	19.1%	654	13.5%	255	5.3%	180	3.7%
Minnesota	2,059	44.6%	934	20.2%	656	14.2%	319	6.9%	149	3.2%
Iowa	996	39.6%	425	16.9%	352	14.0%	128	5.1%	92	3.6%
Missouri	1,714	33.9%	779	15.4%	488	9.7%	258	5.1%	189	3.7%
North Dakota	202	37.4%	66	12.2%	73	13.6%	43	8.0%	19	3.6%
South Dakota	237	35.6%	83	12.4%	79	11.9%	48	7.2%	27	4.0%
Nebraska	588	39.4%	245	16.4%	197	13.2%	100	6.7%	47	3.1%
Kansas	922	38.8%	403	17.0%	278	11.7%	159	6.7%	81	3.4%
South	32,160	34.2%	15,152	16.1%	8,551	9.1%	5,214	5.5%	3,243	3.5%
Delaware	283	38.8%	142	19.5%	76	10.4%	45	6.2%	20	2.7%
Maryland	2,377	48.5%	1,201	24.5%	647	13.2%	348	7.1%	181	3.7%
District of Columbia	175	39.0%	101	22.5%	30	6.7%	29	6.5%	15	3.3%
Virginia	3,035	44.9%	1,470	21.7%	839	12.4%	453	6.7%	273	4.0%
West Virginia	427	27.6%	216	13.9%	120	7.8%	54	3.5%	37	2.4%
North Carolina	2,379	30.5%	985	12.6%	754	9.7%	328	4.2%	312	4.0%
South Carolina	1,085	28.9%	506	13.5%	308	8.2%	162	4.3%	110	2.9%
Georgia	3,049	37.7%	1,435	17.7%	834	10.3%	508	6.3%	272	3.4%
Florida	5,178	35.5%	2,248	15.4%	1,242	8.5%	1,054	7.2%	634	4.4%
Kentucky	1,103	30.0%	539	14.6%	289	7.8%	143	3.9%	132	3.6%
Tennessee	1,634	31.2%	795	15.2%	398	7.6%	282	5.4%	160	3.0%
Alabama	1,188	30.8%	509	13.2%	368	9.5%	197	5.1%	113	2.9%
Mississippi	717	28.0%	337	13.2%	215	8.4%	85	3.3%	80	3.1%
Arkansas	713	29.4%	330	13.6%	211	8.7%	106	4.4%	66	2.7%
Louisiana	1,241	31.3%	488	12.3%	347	8.7%	291	7.3%	114	2.9%
Oklahoma	920	30.0%	433	14.1%	260	8.5%	127	4.1%	100	3.2%
Texas	6,653	32.4%	3,415	16.6%	1,613	7.8%	1,002	4.9%	624	3.0%
West	21,657	36.5%	9,882	16.6%	5,285	8.9%	3,783	6.4%	2,707	4.6%
Montana	256	31.1%	87	10.6%	77	9.4%	52	6.3%	40	4.9%
Idaho	401	31.1%	157	12.2%	117	9.1%	80	6.2%	47	3.6%
Wyoming	169	37.8%	67	14.9%	56	12.6%	30	6.8%	16	3.5%
Colorado	1,901	46.1%	842	20.4%	502	12.1%	334	8.1%	224	5.4%
New Mexico	490	29.9%	211	12.9%	122	7.5%	91	5.6%	65	4.0%
Arizona	1,687	32.4%	837	16.1%	417	8.0%	241	4.6%	192	3.7%
Utah	776	34.6%	342	15.2%	221	9.8%	127	5.7%	86	3.9%
Nevada	743	35.0%	372	17.5%	162	7.6%	116	5.4%	92	4.4%
Washington	2,320	41.9%	1,169	21.1%	583	10.5%	325	5.9%	243	4.4%
Oregon	1,111	35.5%	441	14.1%	279	8.9%	194	6.2%	197	6.3%
California	11,288	36.3%	5,120	16.5%	2,624	8.4%	2,100	6.8%	1,444	4.6%
Alaska	196	30.7%	80	12.6%	61	9.5%	37	5.9%	18	2.8%
Hawaii	319	28.5%	157	14.0%	64	5.7%	55	4.9%	43	3.8%

*Population does not include undocumented persons.

*Simulated as if reforms were fully implemented in 2009.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

income group. Thus, a minority of the population in almost all states would be outside the income range that could make them eligible for financial assistance under reform.

Individuals with incomes above 400 percent of the FPL would still be affected by reform, however. The new health exchanges and insurance market reforms would provide guaranteed access to individually purchased health insurance for those without offers of employer-sponsored health insurance. Those currently disadvantaged in the purchase of coverage due to preexisting conditions would be able to obtain coverage at premiums unrelated to their health status. In addition, most of those falling into this income group would be subject to the new requirement for purchasing coverage. Some, particularly those with incomes just above 400 percent of the FPL and without employer offers of coverage, would be exempt from the purchase requirement due to the full price of coverage being high relative to their income. The exemptions are most likely for older adults in this income group who would face significantly higher premiums due to the Senate bill's provisions allowing 3:1 age rating bands to be used by insurers.¹¹ However, 74 percent of the higher income population (27.2 percent of the total population) has some large-firm, full-time employment in the household, making them highly likely to have and continue to have offers of ESI coverage.

Households in this higher income group that have some small-firm employment (16.3 percent of the population) may have the opportunity to purchase coverage through an exchange, likely at lower premiums than many small firms can obtain today. This would represent a particular change for those households with only small-firm employment (6.1 percent of the population). While some small employers would contribute to their workers health insurance coverage, as is true today, a significant number of households with only small-

firm employment would not be offered ESI. Higher income families in that situation would have access to coverage through reformed private insurance markets, with exchange coverage newly available to them, albeit at unsubsidized prices. Insurance reforms combined with the introduction of exchanges would, however, provide coverage at lower administrative cost than current nongroup markets and without discrimination in price or access to insurance related to health status. Thus, a more stable and predictable array of insurance products would be made available to this group than they generally can find today.

Finally, those higher income families with only self-employment, part-time work or with no attachment to the workforce (3.7 percent nationally) would have a large array of insurance options available to them through the exchange; under the Senate approach, some may purchase nongroup coverage outside the exchange as well. Most would benefit from insurance reforms that would be enacted, allowing them access to different levels of coverage comprehensiveness and premium pricing independent of health status or past use of medical care.

Coverage of the Uninsured by States

We conclude by looking at how the components of reform would affect the current uninsured population in each state. Table 7 shows that a very large share of the uninsured population in each state would be eligible for health insurance coverage with some federal financial assistance. The uninsured as a share of the states' populations are much larger in the South and West than in the Northeast and Midwest. The differences in the pathways to coverage under reform are illustrated in figure 7 for the Northeast and South. Financial assistance would be available to those currently eligible for Medicaid/CHIP, those made newly eligible for Medicaid by the reforms, and those with family incomes that place them in

the eligibility range for subsidies in the exchanges.

Newly Medicaid Eligible. Just over 24 percent of the currently uninsured population would be made newly eligible for Medicaid under the Senate proposal, although this varies considerably among states depending upon their current eligibility rules. Over 40 percent of the state uninsured would be newly eligible for Medicaid in Kentucky and Mississippi. Twelve states, most but not all in the South, would see over 30 percent of their uninsured made newly eligible for the program. In contrast, those states with significantly more expansive current Medicaid or other state health programs would see very little change in the share of their uninsured eligible for Medicaid. For example, Vermont, Massachusetts, New York, Iowa, and Delaware would have less than 5 percent of their state uninsured population made newly eligible for Medicaid. Considerable variation in this measure is found within regions, but the largest increases in Medicaid eligibility would be found in the southern states.

Currently Medicaid/CHIP Eligible but Unenrolled. Another 22.7 percent of the uninsured are currently eligible for Medicaid or CHIP nationally.¹² Increased outreach efforts and enrollment simplifications under reform combined with the new requirement to obtain health insurance coverage could increase public program enrollment dramatically for this group of uninsured. The states that have gone further to expand public program eligibility to those higher up the income scale (e.g., Massachusetts, Vermont, New York, Delaware, Iowa, and Arizona) have higher shares of their uninsured populations already eligible, and public insurance eligibility in these states would expand little or not at all under reform. States in the Northeast have 31.7 percent of their uninsured populations currently eligible for Medicaid. This implies that these states could still

Table 7. Health Reform and the Uninsured, By State* (in thousands)

	Total uninsured		Newly Medicaid-eligible uninsured up to 133% FPL		Currently Medicaid-eligible uninsured		Subsidy-eligible uninsured in families with large and mixed firm employment only		Subsidy-eligible uninsured in families with small firm employment only		Subsidy-eligible uninsured in families with self-employment, part-time employment, or not attached to the work force		Ineligible uninsured for Medicaid or subsidy	
	N	% of State Population	N	%	N	%	N	%	N	%	N	%	N	%
United States	43,276	16.8%	10,524	24.3%	9,819	22.7%	6,676	15.4%	7,054	16.3%	3,675	8.5%	5,528	12.8%
Northeast	5,810	12.5%	839	14.4%	1,843	31.7%	754	13.0%	992	17.1%	500	8.6%	882	15.2%
Maine	133	11.6%	27	20.3%	15	11.6%	24	18.1%	29	21.6%	19	14.4%	19	14.0%
New Hampshire	149	12.6%	33	22.5%	21	14.4%	22	14.8%	28	18.7%	15	10.4%	29	19.3%
Vermont	73	13.0%	0	0.0%	25	35.1%	9	12.2%	15	20.2%	9	12.4%	15	20.1%
Massachusetts	160	2.9%	0	0.0%	74	46.2%	22	13.5%	19	11.7%	19	12.1%	26	16.4%
Rhode Island	116	12.4%	33	28.6%	15	13.0%	17	14.9%	23	19.5%	11	9.7%	17	14.2%
Connecticut	305	10.4%	78	25.6%	57	18.7%	38	12.5%	48	15.7%	40	13.2%	44	14.3%
New York	2,465	15.2%	95	3.9%	1,038	42.1%	313	12.7%	450	18.3%	207	8.4%	361	14.6%
New Jersey	1,170	16.1%	289	24.7%	286	24.5%	152	13.0%	159	13.6%	71	6.1%	212	18.2%
Pennsylvania	1,239	11.8%	283	22.9%	310	25.0%	157	12.6%	222	17.9%	107	8.6%	160	12.9%
Midwest	7,689	13.4%	1,942	25.3%	1,649	21.5%	1,290	16.8%	1,162	15.1%	720	9.4%	925	12.0%
Ohio	1,320	13.3%	421	31.9%	247	18.7%	213	16.1%	213	16.2%	95	7.2%	131	9.9%
Indiana	776	14.2%	212	27.3%	139	18.0%	136	17.5%	123	15.9%	65	8.3%	100	13.0%
Illinois	1,652	15.0%	445	26.9%	326	19.7%	299	18.1%	249	15.1%	154	9.3%	179	10.8%
Michigan	1,271	14.1%	228	17.9%	395	31.1%	201	15.8%	160	12.6%	119	9.4%	167	13.2%
Wisconsin	488	10.1%	141	29.0%	57	11.7%	81	16.7%	85	17.5%	54	11.1%	69	14.1%
Minnesota	458	9.9%	112	24.4%	106	23.2%	77	16.9%	64	14.0%	46	10.0%	53	11.5%
Iowa	280	11.1%	2	0.8%	124	44.5%	39	13.9%	38	13.6%	32	11.4%	44	15.9%
Missouri	769	15.2%	201	26.1%	157	20.4%	131	17.0%	112	14.5%	81	10.5%	88	11.5%
North Dakota	70	12.9%	16	22.7%	14	20.2%	12	17.1%	13	19.1%	6	8.5%	9	12.4%
South Dakota	82	12.4%	23	27.3%	11	13.0%	11	13.8%	18	22.0%	8	10.2%	11	13.7%
Nebraska	202	13.5%	54	27.0%	26	12.8%	44	21.9%	35	17.2%	19	9.2%	24	12.0%
Kansas	322	13.5%	89	27.6%	47	14.5%	45	14.1%	50	15.7%	42	13.0%	49	15.1%
South	18,849	20.1%	5,259	27.9%	3,829	20.3%	2,959	15.7%	3,123	16.6%	1,457	7.7%	2,222	11.8%
Delaware	95	13.0%	3	3.4%	37	38.9%	14	15.0%	14	14.8%	12	12.8%	14	15.1%
Maryland	683	14.0%	172	25.2%	146	21.3%	102	14.9%	108	15.8%	59	8.6%	97	14.2%
District of Columbia	49	10.9%	13	25.7%	9	19.3%	7	14.4%	8	15.7%	4	9.1%	8	15.9%
Virginia	1,026	15.2%	265	25.8%	173	16.8%	149	14.5%	171	16.7%	79	7.7%	190	18.5%
West Virginia	254	16.4%	95	37.2%	23	9.1%	42	16.6%	38	15.0%	27	10.4%	30	11.6%
North Carolina	1,491	19.1%	393	26.3%	299	20.0%	248	16.6%	265	17.8%	142	9.5%	144	9.7%
South Carolina	715	19.0%	223	31.2%	85	11.9%	129	18.1%	144	20.2%	63	8.8%	70	9.8%
Georgia	1,447	17.9%	454	31.4%	262	18.1%	220	15.2%	210	14.5%	94	6.5%	206	14.2%
Florida	3,344	22.9%	686	20.5%	734	22.0%	458	13.7%	722	21.6%	295	8.8%	449	13.4%
Kentucky	632	17.2%	261	41.2%	90	14.3%	95	15.0%	80	12.7%	46	7.2%	61	9.6%
Tennessee	861	16.5%	213	24.7%	208	24.2%	127	14.7%	118	13.7%	84	9.7%	112	13.0%
Alabama	601	15.6%	226	37.6%	103	17.1%	78	13.0%	85	14.2%	44	7.3%	65	10.8%
Mississippi	544	21.3%	226	41.6%	130	24.0%	56	10.2%	73	13.5%	24	4.3%	35	6.4%
Arkansas	463	19.1%	147	31.8%	75	16.1%	73	15.7%	81	17.5%	44	9.4%	44	9.5%
Louisiana	853	21.5%	292	34.2%	123	14.4%	118	13.9%	129	15.1%	65	7.6%	126	14.8%
Oklahoma	620	20.2%	202	32.7%	94	15.2%	96	15.5%	108	17.5%	44	7.0%	76	12.2%
Texas	5,172	25.1%	1,389	26.9%	1,238	23.9%	948	18.3%	768	14.9%	332	6.4%	496	9.6%
West	10,928	18.4%	2,483	22.7%	2,497	22.9%	1,672	15.3%	1,778	16.3%	999	9.1%	1,499	13.7%
Montana	158	19.3%	42	26.4%	26	16.4%	25	15.6%	29	18.2%	18	11.4%	19	12.0%
Idaho	217	16.8%	59	27.3%	26	11.8%	35	16.2%	48	22.2%	23	10.6%	26	11.9%
Wyoming	69	15.5%	19	27.7%	6	8.3%	11	16.3%	17	24.8%	7	9.9%	9	13.1%
Colorado	698	16.9%	164	23.5%	126	18.0%	114	16.3%	98	14.1%	63	9.1%	133	19.1%
New Mexico	390	23.8%	117	30.0%	60	15.5%	59	15.1%	71	18.3%	38	9.9%	44	11.3%
Arizona	1,029	19.8%	23	2.3%	454	44.1%	232	22.6%	141	13.7%	81	7.9%	98	9.5%
Utah	334	14.9%	76	22.8%	67	20.1%	65	19.3%	63	18.9%	24	7.3%	39	11.6%
Nevada	411	19.3%	101	24.6%	100	24.4%	63	15.3%	57	13.9%	32	7.8%	57	13.9%
Washington	726	13.1%	210	28.9%	67	9.3%	133	18.3%	120	16.6%	83	11.5%	112	15.4%
Oregon	609	19.5%	202	33.1%	72	11.8%	69	11.3%	111	18.3%	61	10.0%	95	15.5%
California	6,054	19.5%	1,393	23.0%	1,456	24.1%	833	13.8%	988	16.3%	539	8.9%	845	14.0%
Alaska	118	18.5%	31	26.3%	18	15.4%	20	17.0%	20	17.3%	15	12.6%	14	11.5%
Hawaii	116	10.3%	46	39.9%	19	16.7%	14	12.2%	12	10.5%	14	12.1%	10	8.6%

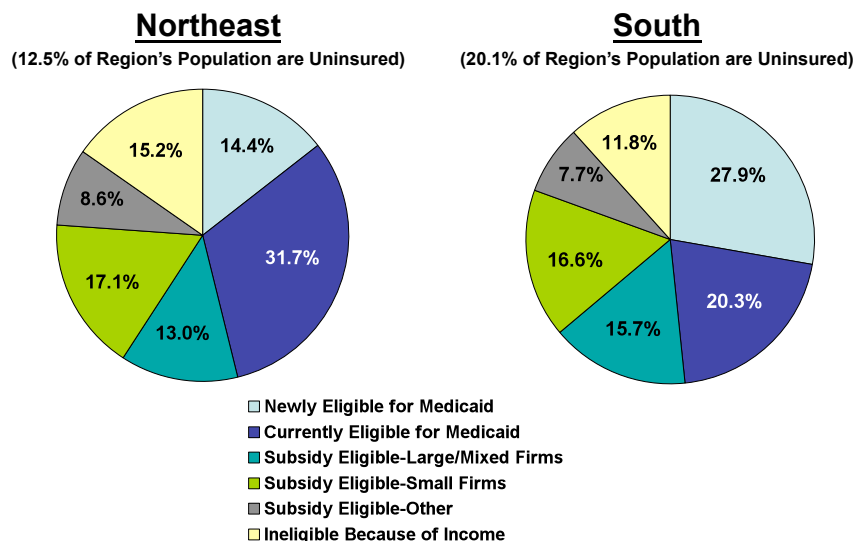
*Population does not include undocumented persons.

*Simulated as if reforms were fully implemented in 2009.

Note: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

Figure 7. Health Reform and the Uninsured*



*Does not include undocumented persons

*Simulated as if reforms were fully implemented in 2009.

Source: Urban Institute analysis of 2007-2008 Current Population Survey

see significant increases in Medicaid enrollment under reform, but, in doing so, would receive federal matching funds at the lower current-law levels. With very few exceptions, states in the South have a much smaller shares of their uninsured populations currently eligible (20.3 percent in the region) for Medicaid because of more restrictive eligibility policies.

In total, after reform, 47.0 percent of the nation's uninsured would be eligible for public health insurance, either through new or old eligibility rules. This ranges from 65.6 percent of the uninsured in Mississippi, 56.6 percent in Hawaii, 55.5 percent in Kentucky, and 54.7 percent in Alabama, down to 31.9 percent in Maine, 35.1 percent in Vermont, 36.0 percent in Wyoming, and 36.9 percent in New Hampshire. This means that state success in reducing the uninsured under reform would fall heavily on states' abilities to enroll and retain eligibles in the Medicaid program. Given that states face mixed incentives in doing so, particularly for the currently eligible for whom they would receive lower federal matching contributions, the federal government would have an interest in monitoring and overseeing state outreach, enrollment, and

retention efforts (Kenney, Cook and Dubay 2009).

Subsidy Eligible. Another 40 percent of the nation's uninsured population have incomes (133 to 400 percent of the FPL) that would make them at least potentially eligible for subsidies through the health insurance exchanges. Just over 15 percent of the uninsured are in this income eligibility group and are in families with large- or mixed-firm-size employment; 16.3 percent are in families with small-firm employment only, and 8.5 percent are in families with self-employment, part-time employment, or who are unattached to the workforce. Taken together, individuals in this income eligibility category account for 54.1 percent of the uninsured in Maine to 28.0 percent of the uninsured in Mississippi where a much higher proportion of the uninsured and the general population is very low income.

Almost 6.7 million of these uninsured live in families with at least some full-time employment in a large firm. Some may not have ESI offers—while this is unusual for those with large firm employment, it does happen, particularly in firms with large low-

wage workforces. In such cases, these workers would have the opportunity to purchase coverage through an exchange with federal financial assistance. Others may be required to enroll in employer-based insurance once the reform is in place. Those whose contributions to employer coverage are high relative to their income (over 8 percent of income in the Senate proposal) would have the option of obtaining coverage in the exchange with federal subsidies as well.

Just over 7 million uninsured individuals in this income group have only small-firm employment in their households. This group is much less likely to have an employer-sponsored insurance offer under reform, and thus the lion's share of this group will also have the opportunity to purchase coverage through an exchange with a subsidy. There are 3.7 million uninsured people in this income group who live in families where the adults are self-employed, part-time workers, and non-workers. They would be clearly eligible for subsidies for the purchase of insurance coverage in the exchange. Maine has the highest share of its uninsured middle-income population falling within this group, about 14.4 percent.

Ineligible for Subsidies Because of Income. Finally, 12.8 percent of the nation's uninsured population would not be eligible for Medicaid or subsidies under reform because of income. These individuals live in households with incomes greater than 400 percent of the federal poverty line. There is some variation among states, with low-income states in the South having the smallest shares of their uninsured populations falling into this group. Higher shares of individuals in this income range are in the Northeast and the West. These individuals would be required to obtain coverage under reform, unless they do not have access to affordable coverage. Those without affordable access are most likely to be older adults (due to the higher premiums associated with age under the Senate bill) and those

with incomes between 400 and 500 percent of the FPL. Some of this higher income uninsured group would take up coverage through an employer, while others would have the option of purchasing coverage through the exchange or through other private insurers operating outside it. They may benefit significantly from the insurance reforms and access to an array of more equitably priced insurance options.

The undocumented immigrant population, excluded from this analysis, would be ineligible for Medicaid or subsidies through the exchange, and as currently proposed in the Senate bill, would also be prohibited from purchasing unsubsidized insurance coverage through the exchange. While some in this population have private insurance coverage today and would most likely continue that coverage after reform, many others would remain uninsured. The financial burden of providing care to this uninsured population falls most heavily on states with the highest immigrant populations, such as Texas, California, New York, Florida, New Jersey, and Arizona. Some federal disproportionate-share hospital payments would continue to provide states with additional funds that could be devoted to this group, but no comprehensive reform designed to address this population's health care needs is currently being considered at the federal level.

Conclusion

Health reform of the type currently being considered by Congress would extend coverage to large numbers of Americans and would provide new coverage options to many others. Almost 90 percent of the currently uninsured would be eligible for Medicaid or have incomes in the subsidy eligibility range under reform. Most of those currently uninsured would obtain coverage either through Medicaid or through income-related subsidies, while others would be required to obtain coverage through their employers or to purchase coverage individually through health insurance exchanges or private carriers operating outside of them. Under the Senate bill, those for whom the employee share of employer-based coverage exceeded 8 percent of income would qualify for subsidized coverage in the exchanges as well.

As estimated by the Congressional Budget Office (2009) and Urban Institute analysts (2009), the individual mandate to obtain coverage would not be fully effective under the proposals being considered, and some individuals would fall through the cracks. However, our analyses show that large numbers of the currently uninsured population in every state would have some pathway to insurance coverage with reform in place.

In general, states in the South and West would benefit the most from these reforms because they have more low-income people and higher uninsurance rates. These states would benefit disproportionately from the Medicaid expansions that would be part of health reform. Federal matching rates would continue to vary among states but would be much higher for expenses incurred by those newly eligible for Medicaid than for those eligible under current rules. Most states in the South and many in the West would benefit greatly from the very high matching rates on new eligibles and because a higher share of their new enrollment in Medicaid and CHIP would be those newly eligible as opposed to currently eligible.

Many states in the South and West would also benefit the most from the income-related subsidies because they have larger uninsured populations and more low-income people. Thus, higher shares of their populations would be eligible for federal financial assistance. Health reform would mean a significant transfer of income from higher to lower income people because of the expansion of Medicaid and the introduction of income-related subsidies. But there would also be a significant transfer of income from the nation as a whole to lower income states in the South and West, ironically those that have tended to be less supportive of health reform.

Notes

- 1 In both the House and Senate bills, any new enrollees who are eligible under current rules as well as current enrollees would receive federal matching funds at current levels. New enrollees would receive higher matching rates. In the Senate bill, there would be 100 percent federal funding for new enrollees between 2014 and 2016. Beginning in 2017, the federal matching rates would be lowered. By 2019, the states would receive an FMAP increase of 32.3 percentage points for the newly eligible. In the interim, higher matching rates would be given to states that would experience greater increases in new enrollment. In the House bill, states would receive 100 percent federal financing through 2014 and 91 percent federal financing beginning in year 2015.
- 2 CPS imputes coverage to those respondents that do not answer the insurance coverage questions in the survey. The imputation process tends to overstate coverage in high-coverage states and understate coverage in low-coverage states. Thus, the estimates of coverage and the uninsured are subject to some errors across states.
- 3 In each of the tables in this paper, we indicate in italics the estimates that were derived from cells with fewer than 50 observations, sample sizes that, according to Census Bureau guidelines, are too small to be considered reliable (Davern et al. 2007).
- 4 We examined waiver program provisions as well as actual enrollment data to determine whether programs in states such as Utah, New Mexico, Hawaii, and Oregon were truly “operational.” If programs were “closed” or if there was no indication of enrollment through waiver programs, we considered individuals in these categories as not eligible and therefore newly eligible under reform.
- 5 Under the Senate bill, those with incomes between 100 and 133 percent of the federal poverty level would be income eligible for Medicaid or exchange-based subsidies—families could choose their preferred source of coverage. However, for simplicity, we categorize these families as Medicaid eligible in this analysis.
- 6 Not all of those with incomes above 400 percent of the federal poverty level would be required to obtain health insurance, however. Those for whom the lowest cost coverage available exceeded 8 percent of income would be exempt from any penalties associated with remaining uninsured. This exemption is most likely to affect individuals and families in the 400 to 500 percent of the FPL income group and older adults impacted by the age rating provisions in the Senate proposal.

- 7 As noted in an earlier section, the Senate bill would make those between 100 and 133 percent of the FPL eligible for Medicaid or for subsidized coverage in the exchange. Each family in that income group could choose the option best for them. In this analysis, this income group is characterized as Medicaid eligible.
- 8 Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2008 Medical Expenditure Panel Survey-Insurance Component. Data table available at http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2008/tia2.pdf.
- 9 Those for whom the cost of ESI falls between 8 and 9.8 percent of income could apply their employers' contributions to health insurance toward the purchase of exchange-based coverage, thus accessing any subsidies for which they might be eligible.
- 10 2008 Medical Expenditure Panel Survey-Insurance Component.
- 11 As currently proposed, these age rating bands allow insurers to charge the oldest nonelderly adults up to three times the premium for the youngest adults for the same coverage.
- 12 Again, children in families with incomes above 133 percent of the FPL eligible under current Medicaid/CHIP rules are included here, but any adults above 133 percent of the FPL are considered here to be eligible for the subsidies through the exchanges, but not Medicaid eligible due to the likelihood that states would not maintain their current adult eligibility rules once federal subsidies for exchange-related coverage are in place.

References

- Cantor, Joel C., Alan C. Monheit, Susan Brownlee, and Carl Schneider. 2007. “The Adequacy of Household Survey Data for Evaluating the Non-Group Health Insurance Market.” *Health Services Research* 42(4): 1739–57.
- Congressional Budget Office. 2009. “Patient Protection and Affordable Care Act, Incorporating the Manager’s Amendment.” Washington, DC: The Congressional Budget Office. http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf.
- Davern, Michael, Holly Rodin, Lynn A. Blewett, and Kathleen T. Call. 2007. “Are the Current Population Survey Uninsurance Estimates Too High? An Examination of the Imputation Process.” *Health Services Research* 42(5): 2038–55.
- Dubay, Lisa, and Genevieve Kenney. 2003. “Expanding Public Health Insurance to Parents: Effects on Children’s Coverage under Medicaid.” *Health Services Research* 38(5): 1283–1302.
- Dubay, Lisa, John Holahan, and Allison Cook. 2007. “The Uninsured and the Affordability of Health Insurance Coverage.” *Health Affairs* 26(1): w22–w30.
- Dubay, Lisa, Allison Cook, and Bowen Garrett. 2009. “How will the Uninsured be Affected by Health Reform?” Washington, DC: The Urban Institute. <http://www.urban.org/url.cfm?ID=411950>.
- Garrett, Bowen, Lisa Clemans-Cope, and Matthew Buettgens. 2009. “Premium and Cost-Sharing Subsidies under Health Reform: Implications for Coverage, Costs, and Affordability.” Washington, DC: The Urban Institute. <http://www.urban.org/url.cfm?ID=411992>.
- Holahan, John, and A. Bowen Garrett. 2009. “Rising Unemployment, Medicaid and the Uninsured.” Washington, DC: The Kaiser Commission on Medicaid and the Uninsured. <http://www.kff.org/uninsured/upload/7850.pdf>.
- Kaiser Commission on Medicaid and the Uninsured. 2009. “Where are States Today? Medicaid and State Funded Coverage Eligibility Levels for Low Income Adults.” <http://www.kff.org/medicaid/upload/7993.pdf>.
- Passel, Jeffrey S., and D’Vera Cohen. 2009. “A Portrait of Unauthorized Immigrants in the United States.” Washington, DC: Pew Hispanic Center.
- Shen, Yu-Chu, and Stephen Zuckerman. 2003. “Why Is There State Variation in Employer Sponsored Insurance?” *Health Affairs* 22(1): 241–51.

**Appendix Table 1. Baseline Coverage of U.S. Nonelderly Population by Income*
For People under 133% FPL by State**

	Medicaid		ESI		Nongroup		Other Public/Medicare		Uninsured		Total
	N	%	N	%	N	%	N	%	N	%	
United States	26,668,359	44.7%	8,190,087	13.7%	3,802,055	6.4%	2,329,572	3.9%	18,629,753	31.2%	59,619,826
Northeast	4,914,065	50.7%	1,446,675	14.9%	633,442	6.5%	293,415	3.0%	2,398,008	24.8%	9,685,604
Maine	128,824	60.5%	23,029	10.8%	13,353	6.3%	<i>7,269</i>	<i>3.4%</i>	40,452	19.0%	212,926
New Hampshire	49,747	33.9%	30,209	20.6%	13,630	9.3%	<i>9,248</i>	<i>6.3%</i>	44,009	30.0%	146,844
Vermont	44,458	50.9%	11,457	13.1%	<i>5,170</i>	<i>5.9%</i>	<i>4,518</i>	<i>5.2%</i>	21,668	24.8%	87,271
Massachusetts	620,317	62.4%	223,713	22.5%	77,493	7.8%	<i>7,715</i>	<i>0.8%</i>	64,667	6.5%	993,905
Rhode Island	101,264	55.5%	25,112	13.8%	<i>7,506</i>	<i>4.1%</i>	<i>5,950</i>	<i>3.3%</i>	42,472	23.3%	182,304
Connecticut	244,044	48.8%	70,701	14.1%	34,990	7.0%	28,251	5.7%	121,868	24.4%	499,854
New York	2,203,571	53.4%	543,941	13.2%	220,289	5.3%	92,073	2.2%	1,070,152	25.9%	4,130,025
New Jersey	497,384	38.1%	196,987	15.1%	<i>60,121</i>	<i>4.6%</i>	<i>57,273</i>	<i>4.4%</i>	493,265	37.8%	1,305,030
Pennsylvania	1,024,456	48.2%	321,527	15.1%	200,889	9.4%	81,119	3.8%	499,456	23.5%	2,127,446
Midwest	5,607,278	46.4%	1,786,479	14.8%	808,422	6.7%	518,954	4.3%	3,359,101	27.8%	12,080,234
Ohio	1,124,313	49.2%	322,056	14.1%	123,508	5.4%	105,888	4.6%	609,976	26.7%	2,285,741
Indiana	546,281	47.3%	179,329	15.5%	<i>49,692</i>	<i>4.3%</i>	<i>45,028</i>	<i>3.9%</i>	334,989	29.0%	1,155,319
Illinois	1,007,597	42.7%	336,000	14.2%	152,751	6.5%	123,082	5.2%	739,077	31.3%	2,358,507
Michigan	1,022,018	48.1%	314,614	14.8%	108,986	5.1%	88,981	4.2%	591,472	27.8%	2,126,070
Wisconsin	435,378	49.5%	153,181	17.4%	67,572	7.7%	<i>35,241</i>	<i>4.0%</i>	187,876	21.4%	879,248
Minnesota	330,813	44.6%	115,081	15.5%	91,348	12.3%	<i>21,070</i>	<i>2.8%</i>	183,668	24.8%	741,980
Iowa	210,669	47.4%	77,249	17.4%	31,628	7.1%	<i>7,936</i>	<i>1.8%</i>	116,602	26.3%	444,083
Missouri	525,994	46.4%	141,802	12.5%	77,942	6.9%	54,767	4.8%	331,890	29.3%	1,132,395
North Dakota	34,875	36.5%	15,900	16.6%	11,611	12.1%	<i>3,731</i>	<i>3.9%</i>	29,514	30.9%	95,630
South Dakota	51,087	44.1%	15,112	13.0%	13,214	11.4%	<i>5,920</i>	<i>5.1%</i>	30,476	26.3%	115,809
Nebraska	97,424	38.6%	30,545	12.1%	38,618	15.3%	<i>8,714</i>	<i>3.5%</i>	76,953	30.5%	252,254
Kansas	220,829	44.8%	85,610	17.4%	41,554	8.4%	<i>18,596</i>	<i>3.8%</i>	126,609	25.7%	493,198
South	9,970,338	41.9%	3,098,360	13.0%	1,286,323	5.4%	1,075,225	4.5%	8,369,226	35.2%	23,799,472
Delaware	61,904	44.6%	29,557	21.3%	<i>5,667</i>	<i>4.1%</i>	<i>5,756</i>	<i>4.1%</i>	35,958	25.9%	138,842
Maryland	367,600	42.2%	143,946	16.5%	45,029	5.2%	<i>27,550</i>	<i>3.2%</i>	287,081	33.0%	871,205
District of Columbia	79,468	60.8%	14,485	11.1%	11,684	8.9%	<i>3,950</i>	<i>3.0%</i>	21,047	16.1%	130,633
Virginia	441,876	36.4%	218,822	18.0%	81,602	6.7%	72,645	6.0%	399,248	32.9%	1,214,193
West Virginia	201,606	50.4%	51,451	12.9%	<i>8,575</i>	<i>2.1%</i>	<i>24,992</i>	<i>6.2%</i>	113,737	28.4%	400,362
North Carolina	908,298	44.6%	277,689	13.6%	119,652	5.9%	100,170	4.9%	632,743	31.0%	2,038,551
South Carolina	455,595	46.3%	117,392	11.9%	<i>62,659</i>	<i>6.4%</i>	<i>52,730</i>	<i>5.4%</i>	296,038	30.1%	984,413
Georgia	879,214	44.5%	248,999	12.6%	75,038	3.8%	109,545	5.6%	660,908	33.5%	1,973,703
Florida	1,170,333	35.6%	471,259	14.3%	229,494	7.0%	132,097	4.0%	1,280,955	39.0%	3,284,137
Kentucky	461,572	45.2%	133,555	13.1%	48,810	4.8%	45,293	4.4%	332,354	32.5%	1,021,584
Tennessee	688,438	48.0%	164,950	11.5%	104,044	7.3%	85,989	6.0%	389,517	27.2%	1,432,938
Alabama	480,162	44.5%	155,995	14.4%	76,853	7.1%	<i>46,290</i>	<i>4.3%</i>	320,714	29.7%	1,080,015
Mississippi	374,586	43.1%	85,244	9.8%	<i>35,106</i>	<i>4.0%</i>	<i>33,465</i>	<i>3.9%</i>	340,605	39.2%	869,005
Arkansas	293,535	44.9%	73,807	11.3%	30,398	4.7%	<i>43,929</i>	<i>6.7%</i>	211,527	32.4%	653,196
Louisiana	577,720	48.8%	133,797	11.3%	<i>33,420</i>	<i>2.8%</i>	<i>41,633</i>	<i>3.5%</i>	397,822	33.6%	1,184,391
Oklahoma	347,542	43.1%	105,901	13.1%	<i>42,713</i>	<i>5.3%</i>	<i>28,050</i>	<i>3.5%</i>	281,458	34.9%	805,664
Texas	2,180,894	38.1%	671,511	11.7%	275,579	4.8%	221,142	3.9%	2,367,515	41.4%	5,716,641
West	6,176,679	43.9%	1,858,573	13.2%	1,073,868	7.6%	441,977	3.1%	4,503,419	32.0%	14,054,516
Montana	68,757	38.4%	17,762	9.9%	<i>17,568</i>	<i>9.8%</i>	<i>10,503</i>	<i>5.9%</i>	64,379	36.0%	178,968
Idaho	108,060	41.2%	46,007	17.6%	<i>17,924</i>	<i>6.8%</i>	<i>10,922</i>	<i>4.2%</i>	79,193	30.2%	262,105
Wyoming	31,168	39.0%	12,953	16.2%	8,617	10.8%	<i>3,961</i>	<i>5.0%</i>	23,269	29.1%	79,967
Colorado	247,907	36.7%	91,157	13.5%	57,164	8.5%	<i>19,397</i>	<i>2.9%</i>	259,970	38.5%	675,594
New Mexico	185,438	43.4%	42,509	10.0%	<i>24,504</i>	<i>5.7%</i>	<i>18,289</i>	<i>4.3%</i>	156,114	36.6%	426,853
Arizona	619,369	46.4%	176,917	13.2%	<i>57,006</i>	<i>4.3%</i>	<i>56,480</i>	<i>4.2%</i>	425,655	31.9%	1,335,427
Utah	147,416	34.9%	105,736	25.0%	33,510	7.9%	<i>11,734</i>	<i>2.8%</i>	124,048	29.4%	422,444
Nevada	135,812	30.8%	80,296	18.2%	30,279	6.9%	<i>10,334</i>	<i>2.3%</i>	184,625	41.8%	441,345
Washington	490,121	47.3%	141,942	13.7%	92,083	8.9%	<i>48,573</i>	<i>4.7%</i>	263,002	25.4%	1,035,720
Oregon	286,013	39.3%	93,974	12.9%	70,106	9.6%	<i>19,028</i>	<i>2.6%</i>	257,868	35.5%	726,989
California	3,685,950	45.8%	944,923	11.7%	638,522	7.9%	214,752	2.7%	2,558,926	31.8%	8,043,073
Alaska	58,666	41.6%	21,994	15.6%	<i>4,840</i>	<i>3.4%</i>	9,672	6.9%	45,987	32.6%	141,159
Hawaii	112,004	39.3%	82,405	28.9%	21,746	7.6%	<i>8,332</i>	<i>2.9%</i>	60,385	21.2%	284,873

*Population does not include undocumented persons.

Notes: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

**Appendix Table 2. Baseline Coverage of U.S. Nonelderly Population by Income*
For People from 133%–399% FPL by State**

	Medicaid		ESI		Nongroup		Other Public/Medicare		Uninsured		Total
	N	%	N	%	N	%	N	%	N	%	
United States	14,394,376	14.1%	58,685,746	57.4%	6,251,840	6.1%	3,863,563	3.8%	19,114,739	18.7%	102,310,265
Northeast	2,891,159	17.1%	10,170,098	60.1%	898,015	5.3%	426,365	2.5%	2,528,790	15.0%	16,914,427
Maine	104,185	20.7%	274,784	54.6%	27,357	5.4%	23,225	4.6%	74,116	14.7%	503,667
New Hampshire	47,879	10.6%	284,460	63.2%	25,833	5.7%	15,488	3.4%	76,161	16.9%	449,820
Vermont	65,758	26.3%	130,683	52.4%	8,842	3.5%	<i>7,852</i>	<i>3.1%</i>	36,430	14.6%	249,565
Massachusetts	336,260	20.7%	1,133,572	69.8%	78,537	4.8%	<i>7,042</i>	<i>0.4%</i>	69,070	4.3%	1,624,481
Rhode Island	75,731	21.6%	187,072	53.3%	20,597	5.9%	<i>10,350</i>	<i>2.9%</i>	57,418	16.4%	351,168
Connecticut	163,752	16.8%	588,960	60.6%	54,778	5.6%	<i>25,596</i>	<i>2.6%</i>	139,497	14.3%	972,582
New York	1,238,435	20.2%	3,449,921	56.2%	272,471	4.4%	147,567	2.4%	1,033,935	16.8%	6,142,329
New Jersey	303,708	13.0%	1,399,315	60.1%	107,993	4.6%	<i>54,126</i>	<i>2.3%</i>	464,028	19.9%	2,329,170
Pennsylvania	555,453	12.9%	2,721,331	63.4%	301,607	7.0%	135,120	3.1%	578,135	13.5%	4,291,645
Midwest	2,900,110	12.2%	15,082,118	63.5%	1,589,079	6.7%	759,458	3.2%	3,403,914	14.3%	23,734,679
Ohio	448,275	11.0%	2,631,794	64.7%	277,000	6.8%	134,159	3.3%	578,589	14.2%	4,069,816
Indiana	227,996	9.4%	1,678,614	69.0%	141,445	5.8%	<i>42,965</i>	<i>1.8%</i>	340,175	14.0%	2,431,194
Illinois	626,841	14.1%	2,728,647	61.3%	219,721	4.9%	140,664	3.2%	733,893	16.5%	4,449,766
Michigan	474,207	13.2%	2,267,399	63.3%	209,246	5.8%	118,809	3.3%	512,182	14.3%	3,581,842
Wisconsin	242,696	12.5%	1,283,995	66.0%	132,567	6.8%	<i>53,364</i>	<i>2.7%</i>	231,671	11.9%	1,944,293
Minnesota	279,249	15.4%	1,104,999	61.0%	154,985	8.6%	51,896	2.9%	221,429	12.2%	1,812,558
Iowa	129,222	12.0%	727,330	67.7%	80,079	7.5%	<i>18,932</i>	<i>1.8%</i>	118,756	11.1%	1,074,319
Missouri	258,764	11.7%	1,311,327	59.5%	175,548	8.0%	110,984	5.0%	348,095	15.8%	2,204,718
North Dakota	14,759	6.1%	152,052	62.9%	33,807	14.0%	9,869	4.1%	31,360	13.0%	241,847
South Dakota	32,380	10.3%	195,750	62.5%	29,896	9.5%	14,508	4.6%	40,689	13.0%	313,223
Nebraska	67,113	10.3%	407,749	62.5%	56,404	8.6%	20,179	3.1%	100,717	15.4%	652,162
Kansas	98,609	10.3%	592,462	61.8%	78,382	8.2%	43,130	4.5%	146,359	15.3%	958,943
South	4,848,469	12.8%	20,918,043	55.1%	2,026,969	5.3%	1,941,445	5.1%	8,257,097	21.7%	37,992,023
Delaware	47,589	15.5%	194,872	63.4%	11,710	3.8%	<i>8,893</i>	<i>2.9%</i>	44,355	14.4%	307,419
Maryland	205,519	12.5%	1,001,267	60.9%	89,216	5.4%	49,530	3.0%	299,627	18.2%	1,645,159
District of Columbia	34,787	24.2%	75,482	52.5%	9,434	6.6%	<i>3,748</i>	<i>2.6%</i>	20,325	14.1%	143,777
Virginia	239,546	9.5%	1,490,933	59.4%	124,855	5.0%	220,049	8.8%	436,590	17.4%	2,511,974
West Virginia	87,994	12.2%	453,877	62.9%	<i>20,031</i>	<i>2.8%</i>	48,186	6.7%	111,248	15.4%	721,336
North Carolina	416,984	12.4%	1,859,283	55.1%	196,318	5.8%	189,915	5.6%	713,460	21.1%	3,375,959
South Carolina	204,954	12.2%	955,265	56.7%	88,325	5.2%	88,201	5.2%	348,132	20.7%	1,684,877
Georgia	479,519	15.6%	1,705,062	55.5%	145,769	4.7%	160,966	5.2%	579,756	18.9%	3,071,070
Florida	849,599	13.9%	2,939,501	48.1%	392,429	6.4%	311,420	5.1%	1,613,677	26.4%	6,106,625
Kentucky	170,923	11.0%	947,210	60.8%	97,634	6.3%	102,029	6.6%	239,177	15.4%	1,556,972
Tennessee	239,344	11.0%	1,323,348	61.0%	137,842	6.4%	107,195	4.9%	359,984	16.6%	2,167,713
Alabama	176,599	11.1%	1,034,687	65.0%	68,341	4.3%	97,658	6.1%	215,435	13.5%	1,592,719
Mississippi	178,424	18.3%	530,705	54.6%	48,263	5.0%	<i>46,994</i>	<i>4.8%</i>	168,205	17.3%	972,592
Arkansas	153,239	14.5%	568,298	53.9%	56,161	5.3%	69,804	6.6%	207,507	19.7%	1,055,007
Louisiana	239,995	15.6%	833,316	54.0%	76,295	4.9%	<i>63,936</i>	<i>4.1%</i>	328,987	21.3%	1,542,530
Oklahoma	186,791	13.9%	725,763	54.0%	64,280	4.8%	105,729	7.9%	262,589	19.5%	1,345,152
Texas	936,663	11.4%	4,279,175	52.2%	400,065	4.9%	267,194	3.3%	2,308,044	28.2%	8,191,141
West	3,754,638	15.9%	12,515,487	52.9%	1,737,777	7.3%	736,296	3.1%	4,924,938	20.8%	23,669,135
Montana	46,945	12.2%	215,228	55.7%	31,861	8.2%	17,412	4.5%	74,915	19.4%	386,361
Idaho	78,599	12.5%	369,574	59.0%	50,877	8.1%	<i>16,034</i>	<i>2.6%</i>	111,751	17.8%	626,834
Wyoming	23,290	11.8%	113,626	57.6%	16,056	8.1%	7,500	3.8%	36,832	18.7%	197,304
Colorado	176,446	11.4%	873,036	56.3%	143,131	9.2%	53,741	3.5%	304,256	19.6%	1,550,610
New Mexico	133,266	18.5%	317,645	44.1%	42,854	6.0%	36,556	5.1%	189,506	26.3%	719,827
Arizona	327,577	15.0%	1,129,616	51.8%	122,076	5.6%	96,155	4.4%	505,596	23.2%	2,181,020
Utah	97,930	9.4%	687,405	65.8%	78,392	7.5%	<i>10,423</i>	<i>1.0%</i>	171,103	16.4%	1,045,253
Nevada	76,241	8.1%	600,871	64.1%	54,706	5.8%	36,977	3.9%	168,848	18.0%	937,643
Washington	367,023	16.8%	1,191,859	54.6%	154,778	7.1%	119,365	5.5%	351,002	16.1%	2,184,028
Oregon	141,903	11.0%	747,493	58.1%	99,198	7.7%	<i>41,379</i>	<i>3.2%</i>	257,051	20.0%	1,287,025
California	2,206,021	18.8%	5,730,725	48.8%	914,063	7.8%	235,557	2.0%	2,650,243	22.6%	11,736,609
Alaska	32,306	10.7%	168,550	56.0%	11,842	3.9%	29,717	9.9%	58,497	19.4%	300,912
Hawaii	47,092	9.1%	369,859	71.7%	17,941	3.5%	35,480	6.9%	45,338	8.8%	515,708

*Population does not include undocumented persons.

Notes: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007–2008 Current Population Surveys

**Appendix Table 3. Baseline Coverage of U.S. Nonelderly Population by Income*
For People 400% FPL and above by State**

	Medicaid		ESI		Nongroup		Other Public/Medicare		Uninsured		Total
	N	%	N	%	N	%	N	%	N	%	
United States	2,070,690	2.2%	80,007,935	84.0%	5,462,449	5.7%	2,218,180	2.3%	5,531,066	5.8%	95,290,320
Northeast	529,717	2.7%	17,460,694	88.1%	757,683	3.8%	187,672	0.9%	882,984	4.5%	19,818,751
Maine	12,669	2.9%	361,118	83.9%	28,017	6.5%	9,845	2.3%	18,692	4.3%	430,341
New Hampshire	9,237	1.6%	517,334	88.5%	24,394	4.2%	4,614	0.8%	28,691	4.9%	584,269
Vermont	13,907	6.3%	179,160	81.0%	10,607	4.8%	2,814	1.3%	14,579	6.6%	221,067
Massachusetts	75,021	2.5%	2,794,548	94.0%	73,752	2.5%	4,541	0.2%	26,300	0.9%	2,974,162
Rhode Island	22,163	5.5%	332,013	82.6%	23,661	5.9%	7,705	1.9%	16,508	4.1%	402,049
Connecticut	28,410	1.9%	1,325,836	89.9%	58,447	4.0%	17,853	1.2%	43,618	3.0%	1,474,165
New York	233,508	3.9%	5,135,343	85.7%	227,946	3.8%	37,889	0.6%	361,023	6.0%	5,995,708
New Jersey	44,315	1.2%	3,185,530	87.5%	146,851	4.0%	52,813	1.5%	212,362	5.8%	3,641,871
Pennsylvania	90,489	2.2%	3,629,811	88.6%	164,009	4.0%	49,600	1.2%	161,213	3.9%	4,095,121
Midwest	381,385	1.8%	18,898,587	87.4%	1,077,478	5.0%	334,255	1.5%	925,646	4.3%	21,617,351
Ohio	65,415	1.8%	3,150,470	88.8%	131,687	3.7%	70,599	2.0%	131,152	3.7%	3,549,323
Indiana	20,567	1.1%	1,631,101	86.9%	86,149	4.6%	39,461	2.1%	100,465	5.4%	1,877,744
Illinois	75,558	1.8%	3,651,736	87.5%	229,004	5.5%	36,104	0.9%	179,240	4.3%	4,171,642
Michigan	70,672	2.2%	2,873,374	87.4%	135,753	4.1%	38,893	1.2%	167,222	5.1%	3,285,914
Wisconsin	29,710	1.5%	1,770,372	88.0%	116,817	5.8%	25,593	1.3%	68,698	3.4%	2,011,189
Minnesota	39,754	1.9%	1,841,419	89.4%	106,620	5.2%	18,761	0.9%	52,618	2.6%	2,059,171
Iowa	18,412	1.8%	861,967	86.5%	57,907	5.8%	14,326	1.4%	44,399	4.5%	997,010
Missouri	31,365	1.8%	1,474,090	85.9%	82,405	4.8%	39,177	2.3%	89,222	5.2%	1,716,259
North Dakota	2,702	1.3%	169,535	84.1%	17,829	8.8%	2,893	1.4%	8,630	4.3%	201,588
South Dakota	3,019	1.3%	193,050	81.5%	20,296	8.6%	9,243	3.9%	11,267	4.8%	236,875
Nebraska	8,474	1.4%	507,291	86.2%	31,008	5.3%	17,638	3.0%	24,194	4.1%	588,605
Kansas	15,737	1.7%	774,183	84.0%	62,004	6.7%	21,567	2.3%	48,539	5.3%	922,030
South	645,889	2.0%	26,275,861	81.6%	1,889,420	5.9%	1,147,899	3.6%	2,222,799	6.9%	32,181,869
Delaware	4,747	1.7%	246,691	87.1%	11,406	4.0%	5,984	2.1%	14,302	5.1%	283,130
Maryland	30,236	1.3%	2,099,698	88.1%	100,390	4.2%	55,144	2.3%	96,790	4.1%	2,382,257
District of Columbia	4,363	2.5%	151,809	86.5%	9,572	5.5%	2,014	1.1%	7,810	4.4%	175,568
Virginia	25,266	0.8%	2,492,375	82.1%	132,996	4.4%	196,669	6.5%	190,267	6.3%	3,037,573
West Virginia	13,126	3.1%	359,257	84.1%	12,388	2.9%	13,076	3.1%	29,514	6.9%	427,361
North Carolina	39,301	1.7%	1,925,710	80.9%	179,562	7.5%	91,077	3.8%	144,315	6.1%	2,379,964
South Carolina	28,623	2.6%	895,114	82.5%	58,127	5.4%	33,269	3.1%	70,345	6.5%	1,085,479
Georgia	71,626	2.3%	2,531,058	82.9%	157,272	5.2%	85,823	2.8%	206,009	6.8%	3,051,788
Florida	140,804	2.7%	4,009,981	77.4%	386,474	7.5%	195,724	3.8%	449,035	8.7%	5,182,017
Kentucky	24,539	2.2%	914,468	82.9%	47,463	4.3%	56,389	5.1%	60,520	5.5%	1,103,379
Tennessee	41,762	2.6%	1,285,730	78.7%	104,923	6.4%	89,938	5.5%	111,767	6.8%	1,634,119
Alabama	18,450	1.6%	1,050,709	88.4%	41,965	3.5%	12,331	1.0%	64,939	5.5%	1,188,395
Mississippi	23,770	3.3%	586,747	81.8%	41,031	5.7%	30,807	4.3%	35,030	4.9%	717,386
Arkansas	16,753	2.3%	585,252	82.1%	40,795	5.7%	26,118	3.7%	44,038	6.2%	712,956
Louisiana	25,639	2.1%	975,917	78.6%	103,127	8.3%	11,051	0.9%	126,113	10.2%	1,241,847
Oklahoma	14,800	1.6%	750,745	81.6%	34,199	3.7%	45,054	4.9%	75,539	8.2%	920,337
Texas	122,087	1.8%	5,414,601	81.3%	427,730	6.4%	197,432	3.0%	496,466	7.5%	6,658,316
West	513,699	2.4%	17,372,793	80.2%	1,737,868	8.0%	548,355	2.5%	1,499,637	6.9%	21,672,351
Montana	3,660	1.4%	198,015	77.3%	29,579	11.6%	5,832	2.3%	18,957	7.4%	256,042
Idaho	5,510	1.4%	327,719	81.7%	32,760	8.2%	9,399	2.3%	25,739	6.4%	401,125
Wyoming	2,944	1.7%	140,302	83.2%	11,036	6.5%	5,347	3.2%	9,064	5.4%	168,692
Colorado	30,040	1.6%	1,497,824	78.7%	142,687	7.5%	98,321	5.2%	133,528	7.0%	1,902,401
New Mexico	13,729	2.8%	381,518	77.9%	29,504	6.0%	20,990	4.3%	43,937	9.0%	489,678
Arizona	76,650	4.5%	1,382,051	81.9%	87,282	5.2%	43,567	2.6%	97,807	5.8%	1,687,357
Utah	18,225	2.3%	625,518	80.6%	70,082	9.0%	23,745	3.1%	38,555	5.0%	776,125
Nevada	12,114	1.6%	600,550	80.8%	44,967	6.0%	28,766	3.9%	57,203	7.7%	743,600
Washington	48,211	2.1%	1,984,130	85.4%	108,165	4.7%	70,016	3.0%	111,950	4.8%	2,322,472
Oregon	24,943	2.2%	872,730	78.5%	88,402	8.0%	31,014	2.8%	94,537	8.5%	1,111,626
California	271,340	2.4%	8,921,175	79.0%	1,075,083	9.5%	185,138	1.6%	844,813	7.5%	11,297,550
Alaska	3,171	1.6%	156,360	79.7%	9,842	5.0%	13,319	6.8%	13,541	6.9%	196,234
Hawaii	3,161	1.0%	284,903	89.2%	8,478	2.7%	12,900	4.0%	10,008	3.1%	319,450

*Population does not include undocumented persons.

Notes: Italicized numbers indicate a sample size less than 50 observations.

Source: Urban Institute analysis of 2007-2008 Current Population Surveys

The views expressed are those of the authors and should not be attributed to any campaign or to the Robert Wood Johnson Foundation, or the Urban Institute, its trustees, or its funders.

About the Authors and Acknowledgements

John Holahan, Ph.D., is center director and Linda Blumberg is a senior fellow at the Health Policy Center of the Urban Institute.

This research was funded by the Robert Wood Johnson Foundation. The authors are very appreciative of the advice given by Genevieve Kenney and Stephen Zuckerman and the very valuable research assistance provided by Irene Headen.

About the Urban Institute

The Urban Institute is a nonprofit, nonpartisan policy research and educational organization that examines the social, economic, and governance problems facing the nation. For more information, visit www.urban.org.

About the Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation focuses on the pressing health and health care issues facing our country. As the nation's largest philanthropy devoted exclusively to improving the health and health care of all Americans, the Foundation works with a diverse group of organizations and individuals to identify solutions and achieve comprehensive, meaningful, and timely change. For more than 35 years, the Foundation has brought experience, commitment, and a rigorous, balanced approach to the problems that affect the health and health care of those it serves. When it comes to helping Americans lead healthier lives and get the care they need, the Foundation expects to make a difference in your lifetime. For more information, visit www.rwjf.org.

About State Coverage Initiatives

The State Coverage Initiatives (SCI) program provides timely, experience-based information and assistance to state leaders in order to help them move health care reform forward at the state level. SCI offers an integrated array of policy and technical assistance services and products to help state leaders with coverage expansion efforts as well as with broader health care reform. SCI is a national program of the Robert Wood Johnson Foundation administered by AcademyHealth. For more information, visit www.statecoverage.org.