

Most Uninsured People Gaining Medicaid Eligibility under Potential Expansion Would Have Incomes below the Federal Poverty Level

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As of December 2020, 14 states had not yet expanded Medicaid eligibility to people with incomes up to 138 percent of the federal poverty level (FPL) as permitted under Affordable Care Act. Though people with incomes above the FPL are often eligible for Marketplace subsidies in these states (hereafter “nonexpansion states”), most people in such states with incomes below the FPL are ineligible for any subsidized coverage and have few coverage options. Here we build on our earlier work to examine changes in Medicaid eligibility by income relative to the FPL had the 14 nonexpansion states expanded Medicaid in 2020.¹

We estimate that 6.8 million uninsured people would have been eligible for Medicaid under expansion in the nonexpansion states in 2020, 4.8 million of whom would have been newly eligible under the expansion. Most of those gaining eligibility would have had incomes below the FPL (about 3.5 million, or 72 percent); 1.3 million (28 percent) would have had incomes above the FPL. The distribution of new Medicaid eligibility by income would have been similar in all nonexpansion states, except Wisconsin. Wisconsin had not expanded Medicaid, but its Medicaid program already covers people with incomes below the FPL.

TABLE 1

Increases in the Number of Uninsured People Eligible for Medicaid under Medicaid Expansion in Nonexpansion States, by Income Relative to the Federal Poverty Level, 2020

Thousands of people

	Total uninsured people	Uninsured People Eligible for Medicaid with Incomes below the FPL			Uninsured People Eligible for Medicaid with Incomes above the FPL		
		Without expansion	With expansion	Change	Without expansion	With expansion	Change
All	14,650	1,193	4,687	3,494	761	2,109	1,347
Alabama	499	30	219	189	13	76	63
Florida	2,692	213	944	731	114	346	232
Georgia	1,421	98	493	394	40	177	137
Kansas	336	24	98	75	27	57	30
Mississippi	370	36	162	126	25	72	47
Missouri	689	51	244	193	52	137	85
North Carolina	1,213	81	396	315	31	145	114
Oklahoma	546	59	190	131	60	103	44
South Carolina	589	45	225	180	22	89	67
South Dakota	93	6	26	20	5	15	9
Tennessee	754	46	232	186	25	122	98
Texas	4,983	412	1,356	944	289	674	385
Wisconsin	395	87	87	0	50	81	31
Wyoming	69	5	16	11	9	15	6

Source: Urban Institute analysis using the Health Insurance Policy Simulation Model for 2020.

Notes: FPL = federal poverty level. Reform simulated in the last three quarters of 2020. Missouri and Oklahoma had adopted Medicaid expansion but not yet implemented it.

¹ Matthew Buettgens, “Medicaid Expansion Would Have a Larger Impact Than Ever during the COVID-19 Pandemic” (Washington, DC: Urban Institute, 2021).