

# Impact of Expanding Medicaid on Uninsured Veterans

## Timely Analysis of Immediate Health Policy Issues

March 2013

### In Summary

- There are 1.3 million uninsured veterans in the United States.
- An estimated 40 percent of uninsured veterans (535,000 people) have incomes that, under provisions of the Affordable Care Act (ACA), could qualify them for Medicaid.
- Whether or not these veterans could qualify for Medicaid under the ACA depends on whether—and which—states opt to expand Medicaid.
  - Most of those eligible—about 414,000 uninsured veterans—will only have new coverage options if they live in a state that expands Medicaid.

### Background

Nationally, about 1.3 million veterans under age 65 are uninsured. While veterans are less likely to be uninsured than the U.S. population as a whole, about 10 percent lack health coverage.

While many assume all veterans receive health care offered by the Department of Veterans Affairs (VA), priority is based on service-related disabilities, income and other factors. Many low-income veterans eligible for VA care may not live close to VA facilities or may not know that VA care is available. Most spouses of veterans do not qualify for VA care, and many also do not qualify for Medicaid under the current requirements, which vary by state.

Provisions in the ACA would help extend coverage to uninsured veterans and their spouses. While the Medicaid expansion was not designed specifically to help veterans and their spouses, many among this group stand to benefit.

### Expanding Medicaid to Cover Uninsured Veterans and Their Spouses

The ACA's Medicaid expansion provision allows states to voluntarily extend Medicaid coverage to people with incomes

below 138 percent of the federal poverty level (FPL) – or \$15,415 for an individual, or \$26,344 for a family of three in 2012.

Of the 1.3 million uninsured veterans, roughly 535,000 have incomes that would make them eligible for Medicaid if they live in a state that expands the program. However, of those potentially eligible, less than half live in states which are committed to expanding Medicaid. Of the 645,000 uninsured spouses of veterans, more than one-quarter could qualify for expanded Medicaid under the ACA if their states choose to expand.

### Insurance Exchange Subsidies for Uninsured Veterans and Their Spouses

In states not expanding Medicaid, those with incomes of 100-138 percent of FPL could qualify for subsidies to purchase insurance through their state's health insurance exchange if they do not have access to affordable employer-sponsored insurance. In total, 66,000 veterans and 35,000 spouses have incomes between 100-138 percent of FPL and live in states that may not expand Medicaid, making them potentially eligible for insurance exchange subsidies.

However, of the half-million uninsured veterans who would be potentially Medicaid eligible under the ACA, three-quarters—414,000 people—have incomes below 100 percent of FPL and would not qualify for exchange subsidies if their state does not expand Medicaid. Likewise, two-thirds of veterans' spouses who could qualify for expanded Medicaid under the ACA would not be eligible for exchange subsidies should their state not expand Medicaid.

### Conclusion

Roughly half a million uninsured veterans stand to gain health insurance coverage through Medicaid expansion under the ACA. Many could remain without coverage, however, because they live in states that may elect not to expand Medicaid benefits, and/or because their incomes do not enable them to receive subsidies to purchase affordable insurance through their state's health insurance exchange.

