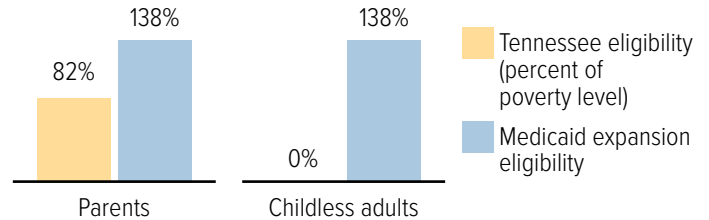


# The Medicaid Coverage Gap in Tennessee

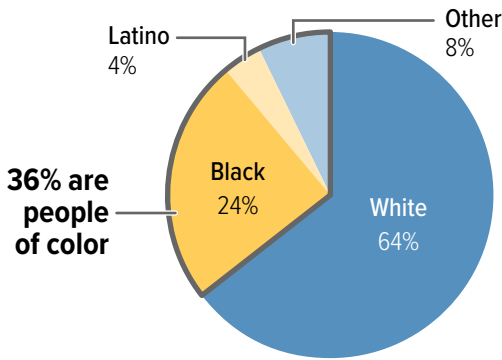
Nationwide, over 1.6 million adults fall into the Medicaid coverage gap, lacking any affordable health coverage option — their income is too high to qualify for their state’s Medicaid program but too low to qualify for financial assistance in the Affordable Care Act (ACA) marketplace. In Tennessee, some **95,000** uninsured adults in the coverage gap would become eligible if the state expanded Medicaid.

Expanding Medicaid to 138 percent of the federal poverty level (\$20,780 for an individual in 2024) would provide coverage to Tennesseans who are now shut out of coverage. To qualify for Medicaid in Tennessee, parents must earn less than 82 percent of the federal poverty level (or less than \$21,170 for a family of three annually).<sup>\*</sup> Adults without dependent children are not eligible for Medicaid at all.

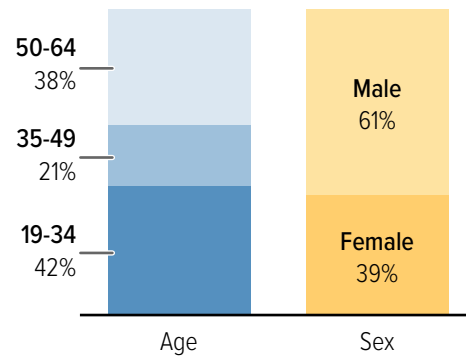


## Who Is in the Coverage Gap in Tennessee?

### Race and Ethnicity



### Age and Sex



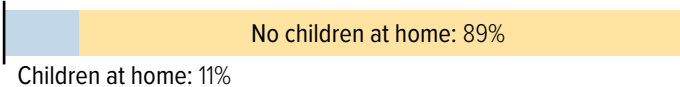
### Work and Family

53 percent of people in the coverage gap are in families with at least one worker, and 11 percent are parents with children at home. 22 percent are women of reproductive age. Most people outside the labor market are in school, caring for family members, or living with a disability.

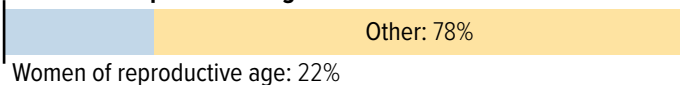
#### In a Family with at Least One Worker



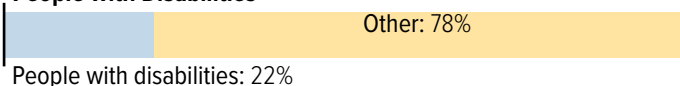
#### Parents with Children at Home



#### Women of Reproductive Age

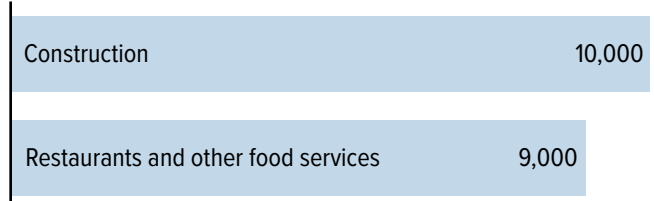


#### People with Disabilities



### Industry

Many work in jobs that are crucial to the state’s economy but often pay little and do not offer health insurance. The most common industries for people in the coverage gap in Tennessee are restaurants and other food services and construction.

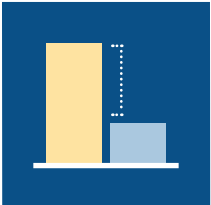


# How Would Closing the Coverage Gap Help Tennesseans?



## Improving access to care and health outcomes

- Expanding coverage increases the use of preventive care, reduces utilization of emergency care, and improves health outcomes for pregnant and postpartum people, babies, and people with cancer, mental health conditions, and other health conditions.
- Medicaid expansion prevents premature deaths; due to the state's decision not to expand Medicaid, **964** Tennesseans aged 55-64 died prematurely between 2014 and 2017 alone.



## Reducing racial and ethnic disparities

- People of color make up 65 percent of the coverage gap population nationwide and **36 percent** in Tennessee.
- Closing the coverage gap is one of the most effective ways to reduce inequities in coverage and health outcomes as well as reduce inequities in delayed care and unmet need for care.



## Covering more children

- When parents have coverage, children are more likely to be enrolled and to access health services.
- Between 2016 and 2019, a time of rising uninsured rates, the uninsured rate among children in non-expansion states grew at nearly three times the rate in expansion states.



## Improving financial security

- People with coverage are less likely to face catastrophic medical costs, leave bills unpaid, face eviction, or borrow money to pay for medical care.
- Between 2013 and 2020, states that expanded Medicaid in 2014 experienced a decline in new medical debt that was **34** percentage points greater than that of states that did not expand Medicaid over this period.



## Reducing uncompensated care costs and creating state savings

- Research shows that state costs of expanding coverage are largely or fully offset by savings in uncompensated care and other areas.
- The American Rescue Plan offers an additional **\$1 billion** to Tennessee should it expand Medicaid.



## Keeping Rural Hospitals Open

- Since 2010, **15** rural hospitals have closed in Tennessee. Being located in a Medicaid expansion state decreases the likelihood that a rural hospital will close by **62 percent**.
- When rural hospitals close, a critical source of health care and employment disappears in rural communities, and strain falls on surrounding hospitals.

Sources: CBPP analysis of 2022 American Community Survey. For a description of the general methodology, see Appendix II of “Closing Medicaid Coverage Gap Would Help Diverse Group and Narrow Racial Disparities” [link]; CBPP calculations based on supplemental estimates from “Medicaid and Mortality: New Evidence from Linked Survey and Administrative Data” [link]; “Children Are Left Behind When States Fail to Expand Medicaid” [link]; “Medicaid Expansion Frequently Asked Questions” [link]; “191 Rural Hospital Closures and Conversions since January 2005” [link]

\*Medicaid eligibility thresholds as of January 2023 (KFF survey); dollar amounts shown reflect 2024 Poverty Guidelines determined by the U.S. Department of Health and Human Services (HHS)