If all states expand their Medicaid programs in 2014, nearly half of the nation’s uninsured veterans would gain a pathway to affordable health care coverage. According to an Urban Institute report, 10 percent of the nation’s 12.5 million non-elderly veterans do not have health coverage. Nearly half of uninsured veterans have incomes below 138 percent of the poverty line, which would make them eligible for Medicaid if their states choose to adopt health reform’s Medicaid expansion. Another 40 percent of uninsured veterans (with incomes up to 400 percent of the poverty line) will likely qualify for subsidized exchange coverage (see Figure 1).

Military veterans face numerous difficulties after completing their service, including obtaining health coverage. While employer-sponsored insurance is the primary source of coverage for veterans, for those without access to job-based coverage, substantial coverage gaps exist. Some receive services through the Department of Veterans Affairs (VA) health system, but not all veterans qualify; eligibility is based on a number of factors such as veteran status, the nature of their discharge from service, length of service, service-related disabilities, income, and the VA’s financial resources.

With the Supreme Court decision upholding health reform, states can choose whether to expand Medicaid to cover most non-elderly people with incomes up to 138 percent of the poverty line. If states take up the expansion, many veterans who do not qualify for Medicaid under current eligibility rules will be able to enroll starting in 2014. According to the Urban Institute, more than 600,000 uninsured veterans today have incomes below 138 percent of the poverty line, but only 10 percent of these uninsured veterans are currently eligible. A significant portion of uninsured veterans would become newly eligible for Medicaid if all states expand. Notably, states that have publicly opposed the expansion, such as Georgia, Florida, Mississippi and Louisiana, are likely to see larger gains in coverage among veterans than other states. Just as these states have a higher rate of uninsurance in general, veterans who live in these states are more likely to be uninsured. In Louisiana, for example, 14.1 percent of veterans are uninsured, compared to just 10.5 percent nationally.

The ACA’s Medicaid expansion thus makes affordable health care available to many low-income, uninsured Americans, including veterans. With the federal government picking up nearly all of the costs of the expansion, states should take up this unique opportunity to provide health care coverage to their uninsured residents.

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1 Data on the insurance status of veterans in all states are available in Jennifer Haley and Genevieve Kenney, “Uninsured Veterans and Family Members: Who Are They and Where Do They Live?” Urban Institute, May 2012.