



## How Would the Medicaid Expansion Affect Alabama?



### Who is eligible for Medicaid today in Alabama?

Medicaid eligibility today varies greatly from state to state. In many states, parents cannot get coverage unless their incomes are very low and many adults without dependent children cannot get coverage at all. In Alabama, the income eligibility thresholds for Medicaid for the different categories of eligibility are as follows:

Current Medicaid Eligibility Levels for Select Groups (as % of poverty line)				
Alabama	PARENTS		ADULTS without DEPENDENT CHILDREN	
	Jobless	Working	Jobless	Working
	10%	23%	0%	0%

### How many currently uninsured adults would be eligible for Medicaid in Alabama?

In Alabama, there are currently 397,000 uninsured adults who would be eligible for Medicaid if the state expanded its Medicaid program. Of these, 321,000 would be newly eligible for Medicaid if the state expanded, while 76,000 are eligible for the program under current rules but are not enrolled.<sup>1</sup>

### How many more people would enroll in Medicaid if Alabama expanded?

If Alabama expands Medicaid, an additional 313,000 adults who will be newly eligible for the program will enroll. These comprise mostly uninsured adults, but also include some adults who currently have other health care coverage.

Even if Alabama does not expand, enrollment is expected to increase by 58,000 as parents and children who are already eligible for Medicaid enroll in health coverage because other aspects of the Affordable Care Act (ACA) including the requirement for people to have coverage or pay a penalty, outreach to enroll people into exchange subsidies, and improved coordination and simplified eligibility procedures.<sup>2</sup>

### How much would it cost Alabama to cover these individuals through Medicaid?

Alabama will spend \$199 million more on Medicaid to cover additional enrollment of currently eligible children and parents through 2022 with or without the expansion. The expansion would increase state spending by \$1.1 billion. Altogether, this additional spending is just 5.6 percent more than what Alabama would have spent on Medicaid in the absence of the ACA.<sup>3</sup>

<sup>1</sup> Genevieve Kenney, et. al., *Opting Out of the Medicaid Expansion Under the ACA: How Many Uninsured Adults Would Not Be Eligible for Medicaid*, Urban Institute, July 2012. These figures are only those uninsured adults who would be eligible under the ACA Medicaid expansion and does not include children. Numbers may not add due to rounding.

<sup>2</sup> John Holahan, et. al., *The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Results*, Urban Institute and Kaiser Family Foundation, November 2012. Among those uninsured newly eligible for Medicaid, participation is assumed to be 74 percent. Participation rates for others (those who are currently insured or who are currently eligible for Medicaid but not enrolled) generally are assumed to be lower.

<sup>3</sup> Ibid.