

Medicaid Expansion in Pennsylvania Is Good For Families

January 2013

Pennsylvania Health Law Project &
Georgetown University Health Policy Institute Center for Children and Families

Pennsylvania has an unprecedented opportunity to improve the lives and health of tens of thousands of parents by adopting the Medicaid expansion provision under the Affordable Care Act. Increasing coverage among parents is expected to have a number of positive impacts on the overall health of Pennsylvania's families. Expanding Medicaid would cover 131,000 parents, the majority of whom are working and already have a child enrolled in Medicaid or CHIP.¹

The U.S. Supreme Court made expanding Medicaid a state option. As a result, Pennsylvania must now decide whether or not to implement this expansion. It is important for Pennsylvania lawmakers to consider the value of this opportunity.

Covering Parents is Vital to Children

More than one million children in Pennsylvania receive their health coverage through Medicaid (also known as Medical Assistance in Pennsylvania). According to research compiled by the Georgetown University Center on Children and Families, when the health system works well for parents, entire families benefit:

- **Providing Medicaid coverage to women between pregnancies can improve birth outcomes.** Continuing parents' coverage between births to address obesity, hypertension, diabetes, asthma, smoking, and other health issues can improve women's overall health and help address the causes of early births and infant and maternal mortality.² Ongoing coverage and care for women can reduce neonatal intensive care and other health care expenses for low birth weight infants, often covered by Medicaid.

Supporters

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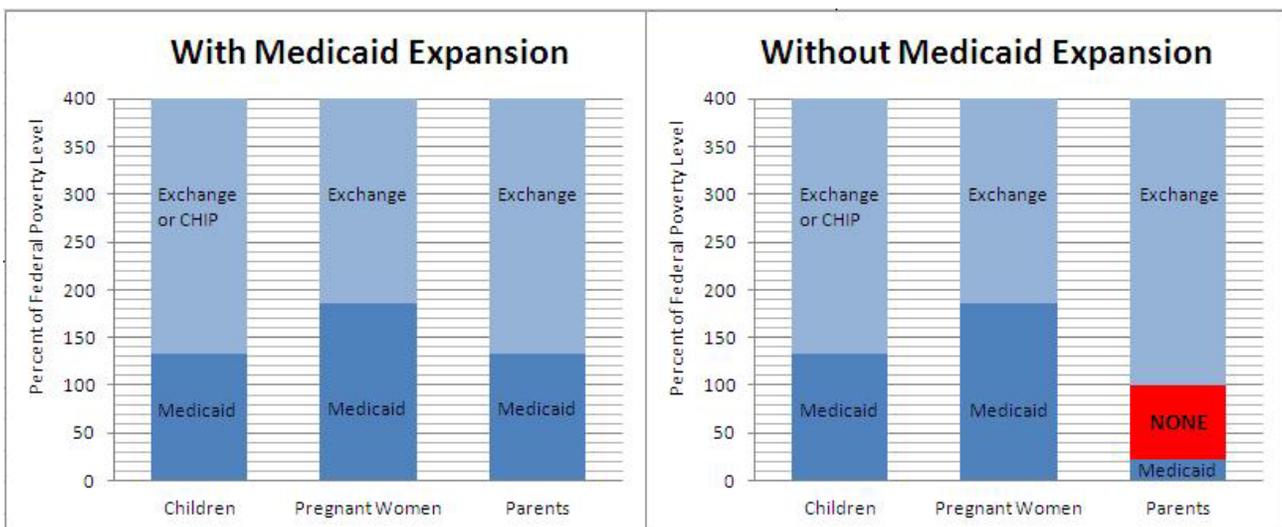
- **Expanding Medicaid to cover parents makes it more likely that children will receive needed preventive care and other health care services.** Studies show that insured children with insured parents are more likely to receive check-ups and other care, compared to insured children with uninsured parents.³
- **Parents' health can affect children's health and well-being.** The Institute of Medicine reported that a parent's poor physical or mental health can contribute to a stressful family environment and may impair the health and well-being of a child.⁴ Moreover, uninsured parents who can't obtain care may be unable to work or may face significant medical bills when they seek care. In each case, the financial consequences can have a significant impact on children even if the children have coverage.⁵ As an example, expanding Medicaid could allow more mothers to obtain appropriate behavioral health care when they have been screened for depression as part of prenatal care, a child's pediatric visit, or a regular check-up.⁶
- **Expanding Medicaid to cover parents means that more eligible children will enroll in health coverage.** Children who are eligible for health insurance are *three times more likely* to enroll if their parents also have insurance.⁷ The Kaiser Family Foundation reports that over 100,000 uninsured children in Pennsylvania are eligible for Medicaid.⁸ Previous expansions of Medicaid coverage for parents have led to a significant increase in enrollment of eligible children and a drop in the number of uninsured children.
- **Expanding Medicaid to cover parents means children are more likely to *stay enrolled*.** Studies have found that covering parents makes it less likely that children have breaks in their own Medicaid coverage.⁹ Expanding Medicaid to cover more parents, eligible children are more likely to stay continuously enrolled.
- **Medicaid coverage provides economic security that benefits the whole family.** Medicaid beneficiaries are 40 percent less likely to ignore other bills, or borrow money, in order to pay medical expenses.¹⁰ As a result, parents with Medicaid coverage are less likely to forgo paying for other necessary household expenses that are important to their children's health and security. By expanding Medicaid to low-income parents, particularly mothers who are more likely to be single parents and face financial hardships, Pennsylvania can better ensure that children are healthy and financially secure.¹¹

The Impact of Medicaid Expansion on Pennsylvania

Currently, Medicaid does not cover all low-income people equally. Children's eligibility levels are far more generous than those for parents. In Pennsylvania, the Medicaid eligibility level for most parents is *well below* the federal poverty level at 23 percent (\$4,391 or \$366 a month for a family of three).¹² Medicaid expansion would cover parents with income up to 138 percent of the federal poverty level; nearly *six times* the current eligibility level (\$26,344 annually or \$2,116 a month for a family of three).

Impact on Families

If Pennsylvania fails to expand Medicaid, tens of thousands of uninsured parents whose income is between current eligibility levels yet still below the poverty line will be left without a path to coverage.¹³ That is because **only** parents with incomes **above** 100 percent of poverty can receive a subsidy to purchase coverage in the new health insurance exchange. The chart below shows the gap in coverage for parents without Medicaid expansion.



Failure to expand Medicaid in Pennsylvania means that parents in a family of four with household income of \$75,000 per year will receive financial support to buy health insurance. The parents in the family of four with household income of \$23,000 will receive **no financial support**.

Fiscal Impact

Pennsylvania's Medicaid expansion can begin in January 2014. However, lawmakers must act now to leverage the full fiscal benefits of three years of 100 percent federal funding. From 2014 to 2017, the federal government will pay 100 percent of the cost of coverage for states that expand the Medicaid program, and then will pay 95 percent in 2018, phasing down to 90 percent of those costs in 2020 and thereafter. This is significantly more than the 54 percent of the costs Pennsylvania now receives for Medicaid spending on health care. See PHLP's analysis "[Expanding Medicaid in PA: Consider the Savings.](#)"

Conclusion: Expanding Medicaid Strengthens Families

The most compelling reason for Pennsylvania to expand Medicaid speaks directly to the key goal of reform: to provide more people with the opportunity to obtain health insurance coverage, improve their quality of life, effectively manage their medical conditions, and for many, to increase their potential to contribute to society. A Medicaid expansion for parents has the added value of helping their children access coverage and care resulting in improved child health outcomes and school performance.

¹ Martha Heberlein *et al.*, [*Medicaid Coverage for Parents Under the Affordable Care Act*](#), Georgetown University Center for Families and Children, June 2012.

² Kay Johnson, [*Addressing Women's Health Needs and Improving Birth Outcomes: Results from a Peer-to-Peer State Medicaid Learning Project*](#), The Commonwealth Fund, August 2012; See also Glen Stream, [*Testimony on Medicaid Expansion to the U.S. House of Representatives' Energy and Commerce Committee*](#), The American Academy of Family Physicians, December 12, 2012.

³ Leighton Ku and Matthew Broaddus, [*Coverage of Parents Helps Children, Too*](#), Center on Budget and Policy Priorities, October 2006.

⁴ Committee on the Consequences of Uninsurance, Institute of Medicine, [*Health Insurance Is a Family Matter*](#), Washington, DC: National Academy Press, 2002. See also Mark Olfsson *et al.*, "Parental Depression, Child Mental Health Problems and Health Care Utilization," *Medical Care*, 41(6):716-21, 2003 (noting that the children of parents who suffer from depression have a higher rate of mental health problems themselves and require greater amounts of mental health care and general health care).

⁵ Karyn Schwartz, [*Spotlight on Uninsured Parents: How a Lack of Coverage Affects Parents and Their Families*](#), Kaiser Commission on Medicaid and the Uninsured, June 2007.

⁶ Olivia Golden, Karina Fortuny, [*Improving the Lives of Young Children: Meeting Parents' Health and Mental Health Needs through Medicaid and CHIP So Children Can Thrive*](#), The Urban Institute, March 2011.

⁷ Heberlein *et al.*, (citing Karyn Schwartz, [*Spotlight on Uninsured Parents: How a Lack of Coverage Affects Parents and Their Families*](#), Kaiser Commission on Medicaid and the Uninsured (June 2007)).

⁸ Kaiser Family Foundation's State Health Facts, [*Pennsylvania: Health Insurance Coverage of Children 0-18 Living in Poverty \(under 100% FPL\)*](#), December 2012.

⁹ Sara Rosenbaum, [*Parental Health Insurance Coverage as Child Health Policy: Evidence from the Literature*](#), Department of Health Policy, George Washington University, June 2007.

¹⁰ National Women’s Law Center, [*What the Medicaid Eligibility Expansion Means for Women*](#), October 2012.

¹¹ National Women’s Law Center, [*What the Medicaid Eligibility Expansion Means for Women*](#), October 2012; Jeanne M. Lambrew, [*Health Insurance: A Family Affair*](#), The Commonwealth Fund, May 2001.

¹² Pennsylvania limits parents’ eligibility for Medicaid to the very poor. Non-disabled parents caring for non-disabled children must have income that is less than half of poverty (23 percent)—the equivalent of Temporary Assistance to Needy Families (TANF)—to be eligible for Medicaid. Some parents may qualify for Medicaid at a slightly higher level by disregarding 50% of their earned income.

¹³ See also Genevieve M. Kenney *et al.*, [*Opting in to the Medicaid Expansion under the ACA Who are the Uninsured Adults Who Could Gain Health Insurance Coverage*](#), The Urban Institute, August 2012 at Table 7 (citing the number of Uninsured Adults Newly Eligible for Medicaid Under the ACA with Incomes Below 100% of FPL).

Pennsylvania: Uninsured Parents Potentially Eligible for Medicaid Under the ACA¹

There are an estimated 4.7 million uninsured parents nationwide who will be eligible for Medicaid under the Affordable Care Act on January 1, 2014, who have a child who is currently enrolled in Medicaid/CHIP or an uninsured child who is eligible for Medicaid/CHIP but not enrolled. One hundred, thirty-one thousand, or 2.8 percent, of these parents live in Pennsylvania. Below is a snapshot of the key demographic and socioeconomic characteristics of these parents in Pennsylvania as compared to the United States.

Uninsured Parents	Pennsylvania	United States
Total Uninsured Parents	274,000	11,460,000
Uninsured Parents <133% FPL	131,000	4,724,000
As a Share of All Uninsured Parents	47.7%	41.2%
Characteristics of Uninsured Parents <133% FPL	131,000	4,724,000
Medicaid Eligibility		
Parent Currently Eligible for Medicaid	37.3%	46.5%
Parent with a Child Enrolled in Medicaid	74.7%	74.5%
Parent with a Child Eligible for Medicaid, but Uninsured	25.3%	25.5%
Family Income		
<51% FPL	31.8%	37.9%
51-100% FPL	41.3%	36.0%
101-138 % FPL	26.9%	26.0%
Work Status		
Full-time Workers	30.1%	30.5%
Part-time Workers	23.4%	23.1%
Unemployed/Not in Workforce	46.4%	46.4%
Ethnicity/Race ²		
Hispanic	9.5%	29.4%
White	70.7%	47.0%
African American	14.7%	17.0%
Asian/Pacific Islander	3.0%	3.4%
Family Citizenship Status		
All Citizens	93.1%	81.0%
Mixed Citizenship	5.8%	17.9%
All Non-Citizens	1.2% *	1.1%
Language Spoken at Home ³		
English	77.9%	66.9%
Spanish	8.9%	25.9%
Other Languages	10.5%	7.2%
SNAP Usage (i.e., Food Stamps)		
Received SNAP Benefits	37.2%	43.3%
Did Not Receive SNAP Benefits	62.8%	56.7%

Source: Urban Institute tabulations of 2010 American Community Survey (ACS) data from the Integrated Public Use Microdata Series (IPUMS). See Georgetown CCF's "Medicaid Coverage for Parents under the Affordable Care Act" for complete methodological notes.

Notes: Eligible parents are aged 19-64 with income below 133% FPL (plus a five percentage point disregard) who are citizens or immigrants with more than five years of US residency. Documentation status is imputed for non-citizens. Estimates reflect an adjustment for misreporting of coverage on the ACS. Due to rounding, percentages in a category may not add to 100 percent.

* Indicates that the standard error is greater than 30 percent of the estimate and should be interpreted with caution.

1. Of the 4.91 million uninsured parents potentially eligible for Medicaid under the ACA, an estimated 190,000 uninsured parents do not have a child who is enrolled in Medicaid/CHIP or eligible for Medicaid/CHIP but uninsured. Most of these parents have a child with private coverage.

2. Due to the exclusion of groups with small numbers of observations, the ethnicity/race category does not sum to 100 percent.

3. Due to the exclusion of groups with small numbers of observations, the language spoken at home category does not sum to 100 percent.

--- Indicates no observations in that category.