



pennsylvania  
DEPARTMENT OF HUMAN SERVICES

# MEDICAID EXPANSION

R E P O R T

*Update*



2019

## INTRODUCTION

**ON MARCH 23, 2010**, the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), together referred to as the Affordable Care Act (ACA), were signed into law. The ACA included a provision that expanded Medicaid eligibility for low-income adults and families earning up to 138 percent of the Federal Poverty Level (FPL). On June 28, 2012, the United States Supreme Court ruled in *National Federation of Independent Business (NFIB) v. Sebelius* that states could decide whether or not to expand eligibility rules and access to their Medicaid programs.

In February 2015, Governor Tom Wolf announced that Pennsylvania would join what was then 31 states and the District of Columbia to expand Medicaid using the traditional approach permitted under the ACA. This decision replaced the Healthy Pennsylvania (Healthy PA) program with HealthChoices — Pennsylvania’s Medicaid managed care program.

In January 2017, the Department of Human Services (DHS) released a report summarizing the first year of Medicaid expansion. The report detailed the initial impact on Pennsylvanians and the commonwealth, analyzing coverage improvements, economic impact, and population health. In the time since the initial report, the ACA and Medicaid expansion’s future have been in question federally, but expansion continues to benefit Pennsylvanians across the commonwealth. This report serves to update findings of the initial report considering the broader perspective as Pennsylvania reaches four years of Medicaid expansion.

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## BACKGROUND ON MEDICAID EXPANSION

**BEFORE THE ACA**, Medicaid primarily provided health care coverage to low-income children, pregnant women, parents or caretakers of dependent children, individuals with disabilities, and the elderly. Individuals who did not fall into one of these categories, and who did not otherwise receive health insurance through their employer or Medicare, were left to try to buy coverage on their own from a health insurer. But health insurers could refuse to sell insurance to people with pre-existing conditions such as diabetes, asthma, or a history of cancer, or increase their premiums to unaffordable levels. This left many people, particularly low-income adults, without access to health insurance.

Household size	Income at 138% FPL, 2018
1	\$16,753
2	\$22,715
3	\$28,676
4	\$34,638
5	\$40,600
6	\$46,561

The ACA enabled Pennsylvania to dramatically expand access to affordable healthcare coverage. The law allows states to offer health care to adults with incomes up to 133 percent of the FPL. Incomes are calculated using the Modified Adjusted Gross Income (MAGI) methodology and disregards 5 percent of the total, making 138 percent of the FPL a more accurate threshold for eligibility.

For an individual with no dependents to fall below 138 percent of the FPL, their income would be a maximum of \$16,753 annually. As a point of reference, if a person were to work 40 hours a week at a job making Pennsylvania’s \$7.25 minimum wage, their annual salary would be \$15,080 before taxes (See accompanying chart breaking down 138 percent of FPL into a maximum annual salary for different household sizes).

# ENROLLMENT & UNINSURED RATES

## HIGHLIGHTS // YEAR ONE

**559,851**

**Newly eligible individuals** were enrolled in Medicaid at the end of 2015 due to Medicaid expansion.

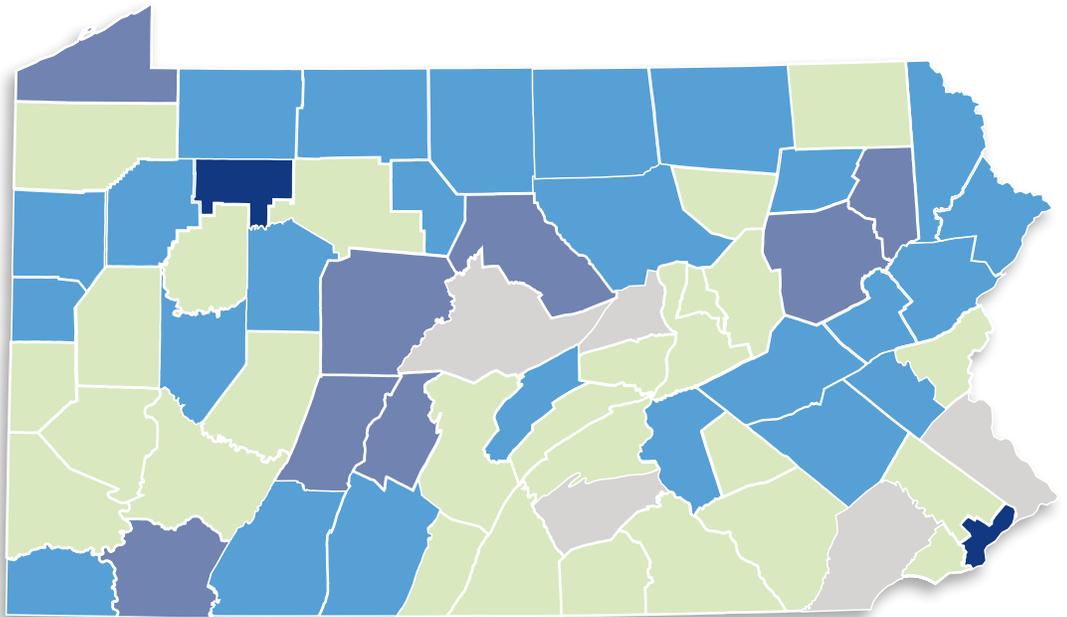


**The 2015 statewide uninsured rate** for adults ages 18 to 64, a decrease from 11.7 percent in 2014.

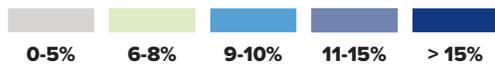
*Note: Every county in the commonwealth experienced a 14-18 percent increase in Medicaid enrollment.*

**PRESENTLY, 700,000 INDIVIDUALS** have coverage for health care services because of Medicaid expansion. More than 1.4 million people – or about 1 in 7 Pennsylvanians aged 19-64 – have been covered due to Medicaid expansion at some point since February 2015. Pennsylvania’s uninsured rate fell from 10.2 percent in 2010 to 5.6 percent in 2016 and continued falling to 5.5 percent in 2017 – the lowest rate on record.

Medicaid expansion serves working Pennsylvanians, students, and Pennsylvanians not yet eligible for Medicare. It is a lifeline for people who otherwise cannot access quality health coverage. Services covered by Medicaid help people maintain their health, access treatment for a substance use disorder, and identify potentially life-threatening illnesses and treat them without fear of financial ruin.



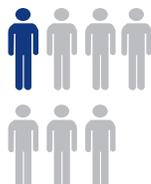
### PERCENT OF 19-64 YEAR OLDS COVERED DUE TO MEDICAID EXPANSION



*Enrollment numbers are as of Aug. 17, 2018*

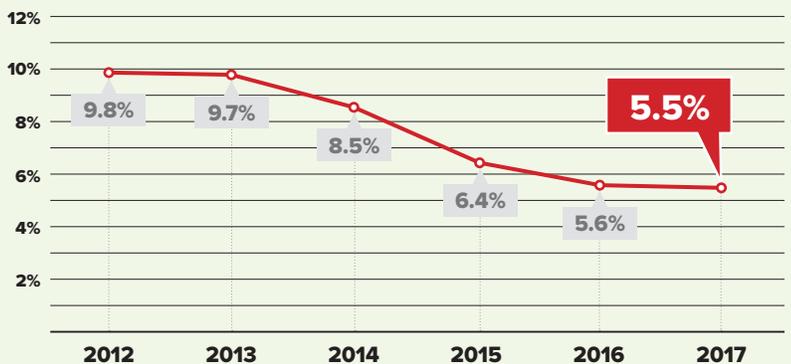
**1.4 million**

**Pennsylvanians** – or 1 in 7 people ages 19-64 – covered by Medicaid expansion since February 2015.



### PENNSYLVANIA UNINSURED RATE, AGES 18-64

*2017 population is 7,861,335; Data comes from census 2017 Population Estimate.*



# IMPACT ON UNCOMPENSATED CARE

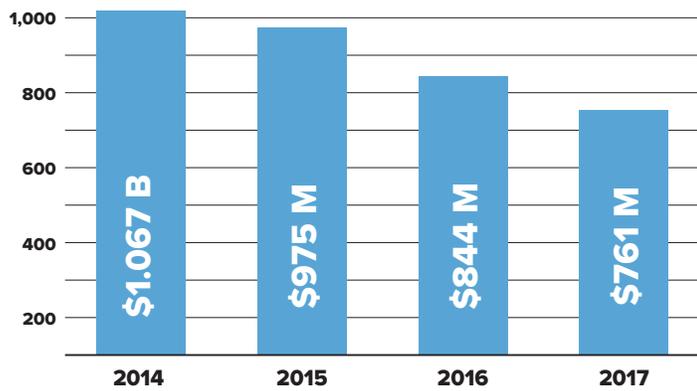
## HIGHLIGHTS // YEAR ONE

**\$92 million**

The decrease in statewide uncompensated care costs in 2015 — an 8.6 percent drop — following Medicaid expansion, according to data from the Pennsylvania Cost Containment Council (PHC4). Prior to 2015, uncompensated care costs incurred by general acute care hospitals had increased every year from 2001-14.

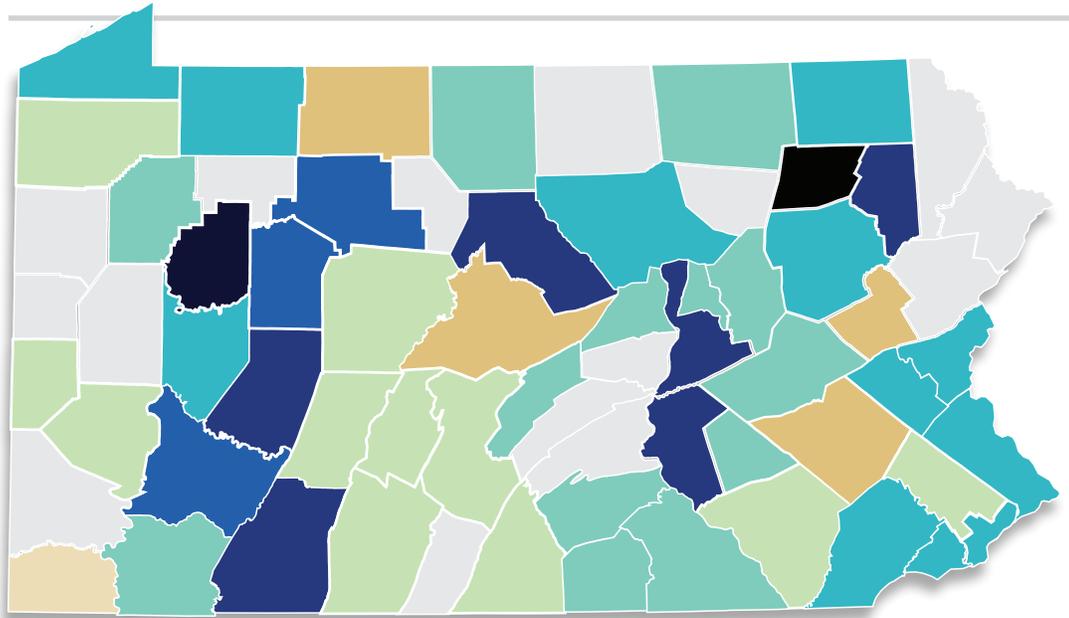
**SINCE 2015, UNCOMPENSATED CARE COSTS** have continued to decline. Since peaking in 2014, uncompensated care costs across Pennsylvania decreased by about 30 percent, or \$330 million, through 2017. These are costs that hospitals no longer need to make up through amounts paid by patients with private insurance. As Pennsylvania and other states look for opportunities to bend the health care cost curve and address private insurance and care costs, the significant benefit of Medicaid expansion for hospitals' financial stability — especially for rural hospitals — should be recognized.

### UNCOMPENSATED CARE FOREGONE REVENUE

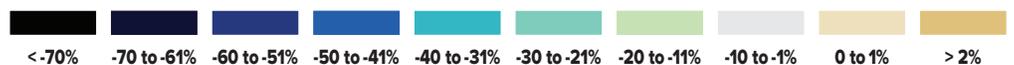


**▼ 29%**

**DECREASE** in uncompensated care foregone revenue for Pennsylvania hospitals from FY2014-17.



### CHANGE IN UNCOMPENSATED CARE RATE BY COUNTY, 2014-17



Average change determined by dividing the combined total dollar decrease of all hospitals in the county by the number of hospitals in the county. Hospitals with no uncompensated care foregone revenue in both 2014 and 2017 are not included in the determination.

# SERVICE UTILIZATION & PREVENTIVE SCREENINGS

## HIGHLIGHTS // YEAR ONE

**Newly eligible Medicaid enrollees gained access to life-saving preventive screenings,** including diabetes screenings, blood pressure checks, cholesterol screenings, colonoscopies, mammograms, prostate exams, vaccines, well-child visits, and other tests necessary to identify potential health issues as they develop and when they are easier to treat or manage. From March 2015 to April 2016, newly eligible enrollees utilized the following services:

**423,675**

AT LEAST ONE  
PRIMARY CARE VISIT

**228,648**

AT LEAST ONE  
EMERGENCY ROOM VISIT

**40,874**

ADMITTED TO HOSPITAL  
AT LEAST ONCE

**PREVENTIVE SCREENINGS ARE A VITAL PART** of monitoring health and identifying disease and other health issues. Regular preventive screenings can detect diseases and conditions such as high blood pressure, diabetes, and cancer at a stage when they are easier to treat, manage, or cure. Early identification of potential health risks typically involves less costly and less invasive treatment. Expanding access to preventive screenings and encouraging patients to get these screenings on the regular recommended schedule is an investment that reduces health care spending and helps people live longer, healthier lives.

Access to these screenings saves lives. More than 37,000 cancer diagnoses have been made within the Medicaid expansion population. Medicaid gives them access to life-saving medical care without fear of how they will afford treatment, allowing them to focus on getting healthy.



### DOCTORS' VISITS

**485,151**

**236,391**

**54%**

Adult doctor's office visits in 2017

Adult new patient visits in 2017

Adults who had a doctor's office visit during 2017



### BREAST CANCER

**54,061**

**1,598**

Women screened in 2017 due to Medicaid expansion

Breast cancer diagnoses resulting from 2017 screenings



### COLON CANCER

**31,042**

**5,143**

**386**

Adults screened in 2017 due to Medicaid expansion

Adults with colon polyps removed in 2017; cancer averted

Colon cancer diagnoses resulting from 2017 screenings



### CERVICAL CANCER

**79,997**

**843**

Women screened in 2017 due to Medicaid expansion

Cervical cancer diagnoses resulting from 2017 screenings



### PROSTATE CANCER

**22,401**

**769**

Adult screened in 2017 due to Medicaid expansion

Prostate cancer diagnoses resulting from 2017 screenings

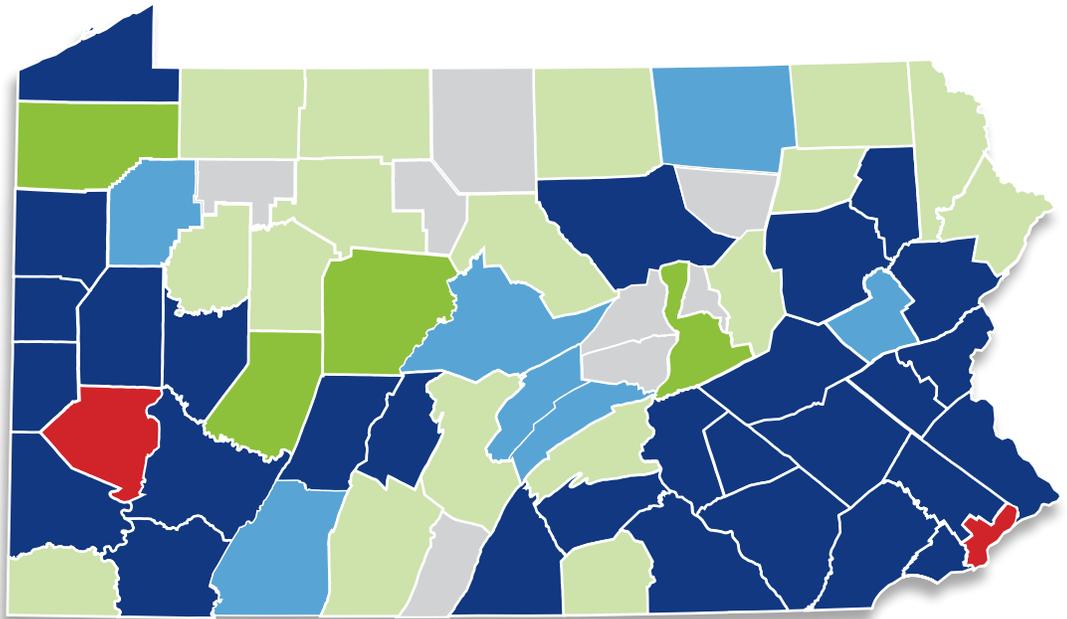
# EXPANDED ACCESS TO SUBSTANCE USE DISORDER TREATMENT

## HIGHLIGHTS // YEAR ONE

**261,737**

Individuals covered due to Medicaid expansion who were **diagnosed with and/or treated for a substance use disorder and/or mental health condition** between March 2015 and April 2016.

**AS PENNSYLVANIA AND THE NATION** face an unprecedented heroin and prescription opioid crisis, expanding and ensuring access to treatment is one of the most critical tools for helping individuals affected by substance use disorder. There are more than 130,000 newly eligible Medicaid enrollees with a substance use disorder, and more than 72,000 who were diagnosed with an opioid use disorder in 2017. Medicaid expansion makes it possible for them to access substance use disorder treatment and other physical and behavioral health care necessary to help them achieve recovery.



**INDIVIDUALS NEWLY ENROLLED IN MEDICAID AFFECTED BY SUBSTANCE USE DISORDER, 2017**



## CONCLUSION

**WHEN GOVERNOR WOLF ANNOUNCED HIS DECISION** to transition to a simple, traditional Medicaid expansion, the goal was to ensure that “hundreds of thousands of Pennsylvanians have greater access to the health insurance they need.” In the years since then, more than 1.4 million Pennsylvanians have been covered at some point because of this expansion. The expansion has reduced uncompensated care for providers, created jobs, increased state revenues — and more importantly — saved lives. More than 2.9 million people are able stay healthy and live better because of Medicaid, and the expansion will continue to be a lifeline for hundreds of thousands of Pennsylvanians who otherwise would not have access to quality health coverage otherwise.

REVISED: FEBRUARY 2019