

Frequently Asked Questions About “Partial” Medicaid Expansion



States that have expanded Medicaid under the Affordable Care Act (ACA) to low-income adults have [seen](#) large gains in coverage; improvements in access to care, financial security, and health; reductions in uncompensated care costs; and, in many cases, state budget savings. Now, some states are considering adopting only a “partial” expansion of Medicaid instead of full expansion.

What Is Partial Medicaid Expansion?

Partial Medicaid expansion refers to expanding Medicaid to cover adults below the poverty line, but not those with incomes between 100 and 138 percent of the poverty line (\$12,490 to \$17,236 for a single person). Near-poor adults would have access to subsidized coverage through the ACA marketplaces, as they do in non-expansion states.

Do Partial Expansions Leave People Uninsured?

Yes. Supporters of partial expansion argue that near-poor adults wouldn’t lose out under partial expansion because they’d retain access to marketplace coverage. But Medicaid [better meets the needs](#) of near-poor adults than marketplace coverage. Medicaid generally doesn’t charge premiums and has lower cost sharing than marketplace plans. It also lets people sign up for coverage anytime during the year, instead of just during a once-per-year open enrollment, a flexibility especially important to low-income people. Low-income people can also find themselves barred from marketplace subsidies if they have an offer of employer coverage, even if it requires them to pay premiums that are nearly 10 percent of their income and provides a plan with a multi-thousand-dollar deductible.

For these reasons, the Center for Medicare & Medicaid Services (CMS) Actuary [reportedly](#) estimates that 30 percent of near-poor adults who would be covered under full expansion would be uninsured under partial expansion. That’s consistent with Census data showing that 33.6 percent of near-poor, non-elderly adults in non-expansion states were uninsured in 2017, compared to 16.7 percent in expansion states.

Can States Receive “Enhanced Match” for Partial Expansion?

For states implementing full expansion of Medicaid, the federal government pays an “enhanced” match rate covering at least 90 percent of the cost, compared to regular Medicaid match rates that range from [50 percent to 76 percent](#).

No state has ever received enhanced match for partial expansion. CMS [guidance](#) says that the enhanced match is only available for full expansion, and the Trump Administration as of April 2019 has declined to approve requests for enhanced match for partial expansion from three states (Arkansas, Massachusetts, and Utah). While CMS leadership may favor allowing enhanced match for partial expansion, the White House [reportedly](#) rejected CMS’ recommendation to approve enhanced match for Utah’s partial expansion in 2018. There may also be legal questions about whether states can receive the ACA’s enhanced match rate without implementing the full expansion the ACA calls for.

How Does Partial Expansion Without Enhanced Match Affect State Budgets?

States implementing partial expansion at regular match will spend *more* state dollars to cover *fewer* people than under full expansion.

For example, in Utah, where policymakers repealed a voter-passed initiative calling for full expansion and replaced it with partial expansion, about [70,000–90,000 people](#) are expected to gain coverage under partial expansion, compared to about 150,000 people under full expansion. But because the state will have to pay about 32 percent of the cost of partial expansion under its regular match rate, compared to 10 percent of the cost of full expansion, Utah expects to [spend more](#) to provide Medicaid coverage to far fewer people. Similarly, Wisconsin, the only state that has implemented a partial Medicaid expansion, has so far spent more than [\\$1 billion](#) more in state funds than it would have if it had fully extended Medicaid coverage to an additional [176,000](#) people.

For a version of this fact sheet with links to sources, see <https://www.cbpp.org/research/health/frequently-asked-questions-about-partial-medicaid-expansion>.