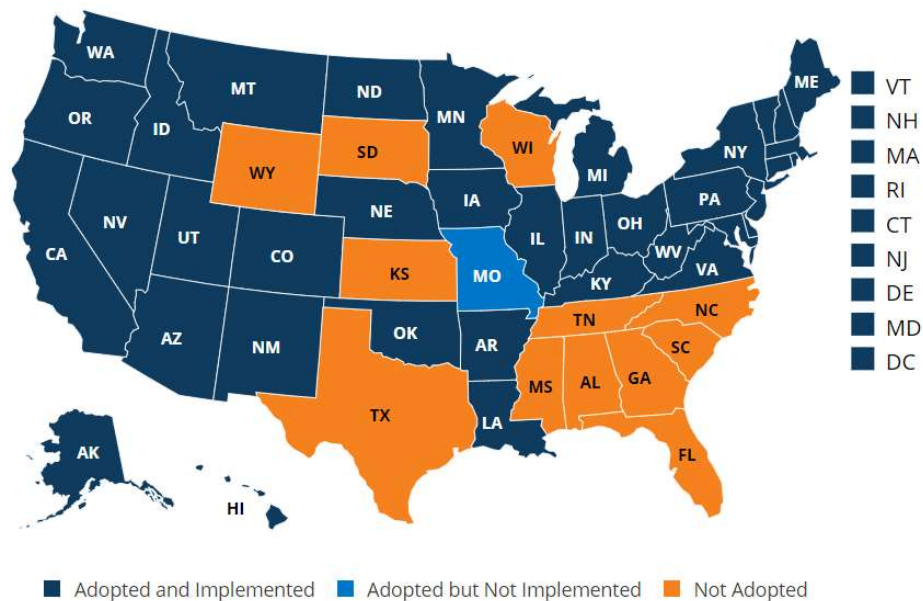


The Medicaid Coverage Gap: What Is It? Who's in It?

- When the Affordable Care Act (ACA) was passed in 2010, it included a provision expanding Medicaid to cover low-income, non-disabled, childless adults under age 65, with incomes up to 138% of the federal poverty level—\$17,774 for an individual in fiscal year 2021.
- In June 2012, however, the U.S. Supreme Court, while upholding the ACA, ruled that Congress could not mandate that states expand Medicaid. States could still choose to cover these additional individuals.
- Thirty-eight states plus the Territories and District of Columbia have expanded Medicaid, while 12 states, including North Carolina, have continued to reject Medicaid expansion, causing a **coverage gap** in those states.
- In states that did not expand Medicaid, two groups of individuals were left with **no** affordable coverage. Individuals in the first group earn too much to qualify for traditional Medicaid and are not eligible for premium tax credits and cost-sharing subsidies with which to purchase ACA plans. The second group qualifies for premium tax credits and cost sharing subsidies of ACA Marketplace plans but cannot afford them.

Status of State Action on the Medicaid Expansion Decision



Who Would Benefit from Medicaid Expansion in North Carolina?

- Individuals with incomes below 100% of the FY2021 poverty level who qualify **neither** for traditional Medicaid **nor** for financial assistance to purchase ACA plans.
- Individuals with incomes between 100% and 138% of the federal poverty level (\$12,880 - \$17,774) who **cannot afford** ACA marketplace plans.
- In North Carolina, at least 500,000 people were estimated to benefit from Medicaid expansion before the pandemic.
- Since the pandemic, it is estimated that a total of 682,000 people would benefit from Medicaid expansion ([NC Justice Center, https://www.ncjustice.org/american-rescue-plan-medicaid/](https://www.ncjustice.org/american-rescue-plan-medicaid/)).
- Most of the people in the coverage gap (86 percent) work at low-wage jobs or small businesses that don't offer employer-sponsored health insurance. Their incomes are too high to qualify for traditional Medicaid yet too low to afford plans available in the ACA marketplace.
- The non-working uninsured population includes those who perform unpaid caregiving, live with a chronic illness or disability, attend school, are retired, work only part-time, or have trouble finding work.
- An estimated 12,000 military veterans who fell in the coverage gap before COVID-19 would become eligible for coverage if North Carolina expanded Medicaid.
- The COVID-19 pandemic has had a disproportionately negative impact on Black and Hispanic North Carolinians, many of whom are essential workers lacking insurance coverage. ([NC Justice Center, https://www.ncjustice.org/american-rescue-plan-medicaid/](https://www.ncjustice.org/american-rescue-plan-medicaid/).)

The League of Women Voters believes the U.S. health care system should provide a basic level of quality health care at an affordable cost to all U.S. residents. For further information about Medicaid in North Carolina, go to [LWV-Wake: Healthcare](#).