

Medicaid

Medicaid Expansion in Alaska: Health Insurance for Working Individuals and Families



The Affordable Care Act gives Alaska the option to extend health insurance to more low-income adults by expanding the state's Medicaid program. Expanding Medicaid would give more than 35,000 uninsured Alaskans access to affordable health insurance.¹ For many of these residents, Medicaid is their only health coverage option.²

By expanding Medicaid, Alaska could cover residents with incomes up to 138 percent of the federal poverty level, which is \$27,720 for a family of three in 2015. The state's current Medicaid program covers only parents with low incomes: Their family income must be no more than 146 percent of poverty, which is roughly \$29,330 for a family of three in 2015. Alaska does not provide any coverage to adults without dependent children.

Alaska can take up the Medicaid expansion at any time but has not yet chosen to do so. If Alaska does expand Medicaid, the federal government will pay virtually all costs of the expansion.³

Nearly Two-Thirds of Those Who Would Be Helped by a Medicaid Expansion Are Working

Nearly two-thirds of the uninsured Alaskans who would benefit from Medicaid expansion work. In fact, 65 percent—nearly 23,000—of

these Alaskans are currently working or have worked within the last year. Of the 35 percent who are not working, many (15 percent of Alaskans who could gain coverage under a Medicaid expansion) are classified as “not in the workforce.” They include people with disabilities, students, non-working spouses, and people who have left the workforce. The remaining 20 percent of Alaskans who could be helped are unemployed.

These uninsured Alaskans work in occupations that most people encounter and rely on every day. These workers are in occupations that are the backbone of the state's economy: They are cooks, cashiers, clerks, and construction workers. They work in industries that range from food service and transportation to production and sales.

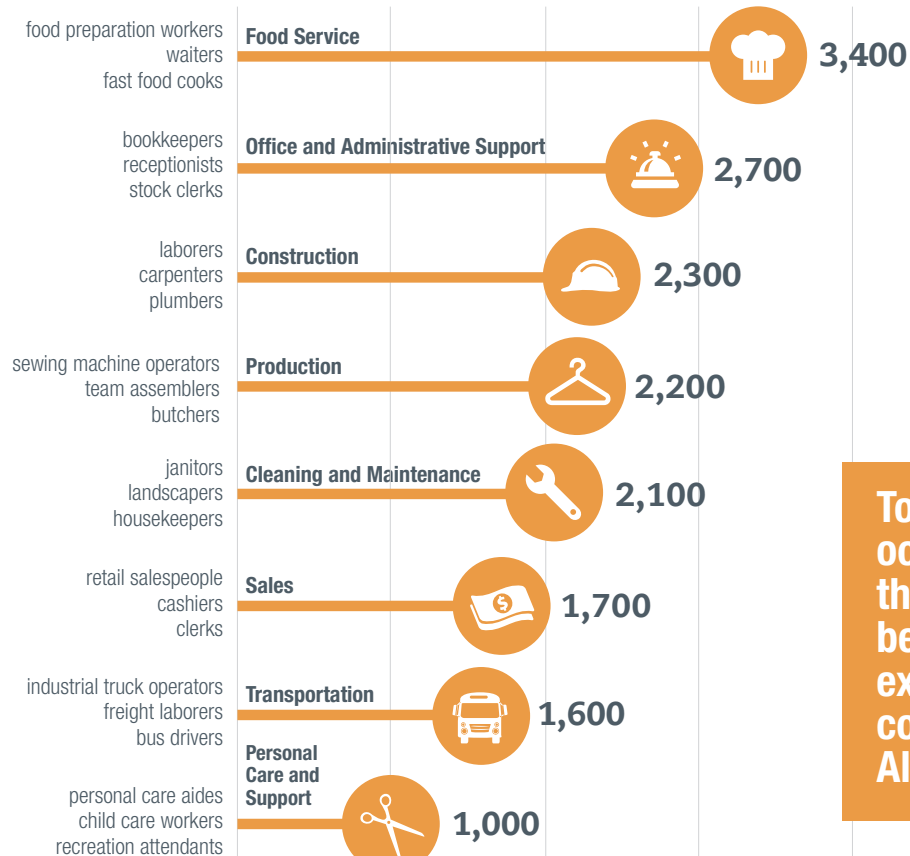
Expanding Medicaid Is an Investment in Alaska's Workforce and Its Economy

During his campaign, Governor Walker made expanding Medicaid one of his top priorities.⁴ In his recent State of the Budget address, the governor said, “...our common interest must be to strengthen Alaska's future and to enable opportunity for all Alaskans.”⁵

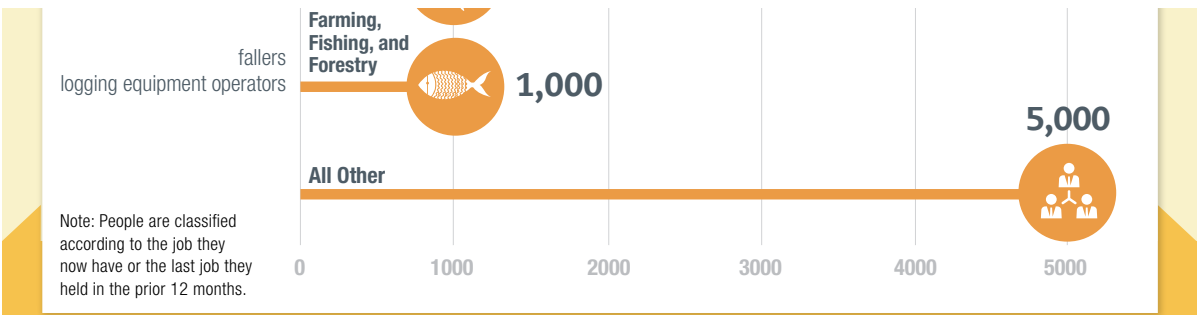
Top 9 occupations of the employed but uninsured in Alaska who would benefit from expanding health coverage



Most of those who would benefit if Alaska expanded health coverage are working adults. Fully 65 percent of those who could benefit work in occupations that Alaska residents rely on, supporting industries that are the foundation of the state's economy.



Top 9 occupations that would benefit from expanding coverage in Alaska



Expanding coverage is a sound investment for Alaska, creating a healthier workforce and strengthening the state's economy.

Our calculations define Alaska adults with incomes under 138% of poverty who are employed but lack health insurance and who are currently working or who have worked in the last 12 months. This population is equal to 65 percent of the 35,000 uninsured adults who could benefit if the state expanded health coverage. It excludes the following: people who have never worked or who have been out of the workforce for 5 years or more (15% of the 35,000 uninsured adults), and those we define as "unemployed," who had not worked in 1-5 years (20% of the 35,000 uninsured adults).

Source: These data are based on information from the American Community Survey, which is conducted by the U.S. Census Bureau. Data are based on an analysis of uninsured Alaska residents ages 18-64 with family incomes up to 138% of poverty (\$27,720 for a family of three in 2015).

The governor has the right idea. However, perhaps no action represents a smarter investment in Alaska's economy and its future than ensuring that its workers are prospering and healthy. Expanding Medicaid would give tens of thousands of working Alaskans access to affordable health insurance. That will create a healthier, more productive workforce that would benefit Alaska's employers.^{6,7}

But expanding Medicaid will do more than provide many Alaskans with health insurance—it will provide much-needed economic stimulus to the entire state. The federal government pays for roughly 50 percent of the current Medicaid program, and the state pays the rest. For the expansion, federal funding will be much more generous: The federal government will pay all of the costs of the expansion through 2016. The federal share will then gradually decline to 90 percent in 2020, where it will stay.

If Alaska opts to take up the Medicaid expansion, substantial new federal funds will come into the state over the next several years. This influx of

new dollars will have a significant impact on the state's economy. If Alaska had taken up this option when it was first available in January 2014, the new federal funds flowing into the state would have supported approximately 3,500 jobs by 2017 with a cumulative increase in economic output of more than \$2.49 billion from 2014 to 2020.⁸

It Is Time to Move Forward

Alaska can choose to have a healthier workforce and more jobs at any time. It can expand health insurance rather than leave its workers behind—and walk away from federal dollars on the table. The decision is in the hands of state lawmakers.

For a complete list of citations and the methodology for this publications, visit: www.familiesusa.org/product/expanding-health-coverage-working-individuals-and-families

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