

Medicaid

# Medicaid Expansion in Maine: Health Insurance for Working Individuals and Families



The Affordable Care Act gives Maine the option to extend affordable health insurance to more low-income adults by expanding the state's Medicaid program. Expanding Medicaid would give more than 44,000 uninsured Mainers access to affordable health insurance.<sup>1</sup> For many of these residents, Medicaid is their only health coverage option.<sup>2</sup>

Through a Medicaid expansion, Maine 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 very low incomes: Their family income must be no more than 105 percent of poverty, which is roughly \$21,090 for a family of three in 2015. Maine does not provide any coverage to adults without dependent children.

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

## **More than Two-Thirds of Those Who Would Be Helped by a Medicaid Expansion Are Working**

More than two-thirds of the uninsured Mainers who would benefit from a Medicaid expansion work. In fact, 70 percent—more than 31,000—of

these Mainers are currently working or have worked within the last year. Of the 30 percent who are not working, about half (14 percent of Mainers 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 16 percent of Mainers who could be helped are unemployed.

These uninsured Mainers work in occupations that most people encounter and rely on every day. These workers are industries that are critical to 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.

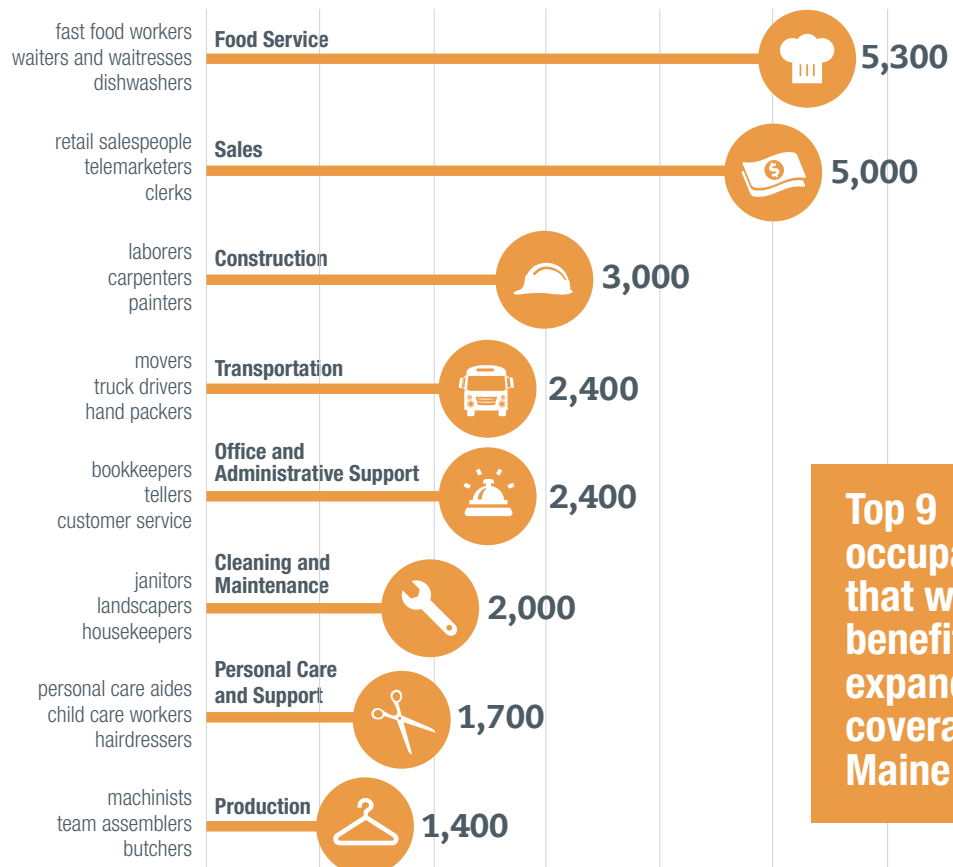
## **Expanding Medicaid Is an Investment in Maine's Workforce and Its Economy**

While Governor LePage has resisted expanding Medicaid, he has made economic development one of his top priorities.<sup>4</sup> The governor's 2014 State of the State Address focused on his goals of creating economic opportunities in Maine, including “a business climate that encourages investment that will employ Maine people.”<sup>5</sup>

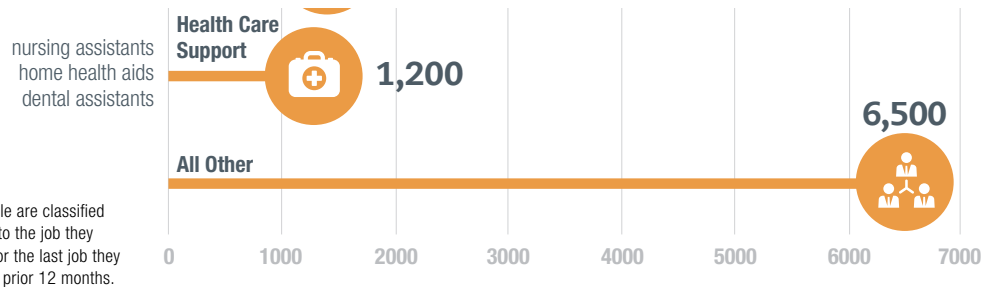
## Top 9 occupations of the employed but uninsured in Maine who would benefit from expanding health coverage



Most of those who would benefit if Maine expanded health coverage are working adults. Fully 70 percent of those who could benefit work in occupations that Maine residents rely on, supporting industries that are the foundation of the state's economy.



Top 9 occupations that would benefit from expanding coverage in Maine



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

Our calculations define Maine 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 70 percent of the 44,000 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 (14% of the 44,000 uninsured adults), and those we define as "unemployed," who had not worked in 1-5 years (16% of the 44,000 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 Maine 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 Maine's economy and its future than ensuring that its workers are prospering and healthy. Expanding Medicaid would give tens of thousands of working Mainers access to affordable health insurance. That will create a healthier, more productive workforce that would benefit Maine's employers.<sup>6,7</sup>

But expanding Medicaid will do more than provide many Mainers with health insurance—it will provide much-needed economic stimulus to the entire state. The federal government pays for roughly 63 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 Maine opts to take up the Medicaid expansion, substantial new federal funds will come into the state over the next 10 years. This influx of new

dollars will have a significant impact on the state's economy. If Maine had expanded Medicaid in January 2014 when the option was first available, the new federal funds flowing into the state would have supported 3,200 jobs, leading to approximately \$347 million in new business activity across the state by 2016.<sup>8</sup>

## It Is Time to Move Forward

Governor LePage is right to prioritize building a strong economy. Maine can choose to have a healthier workforce and more jobs at any time. It can expand Medicaid rather than leave its workers behind—and walk away from federal dollars on the table. The decision is in the hands of state leaders.

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

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This publication was written by:

**Dee Mahan**, Director of Medicaid Advocacy

**Kathleen Stoll**, Director of Health Policy

Data Consultant: Rahul Nayak

The following Families USA staff contributed to the preparation of this material (listed alphabetically):

Andrea Callow, Medicaid Policy Analyst

Sanjay Kishore, Villers Fellow

Evan Potler, Art Director

Carla Uriona, Director of Content Strategy

Ingrid VanTuinen, Director of Editorial

Alexandra Walker, Senior Web Editor

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**FAMILIESUSA** 

THE VOICE FOR HEALTH CARE CONSUMERS

1201 New York Avenue NW, Suite 1100

Washington, DC 20005

202-628-3030

[info@familiesusa.org](mailto:info@familiesusa.org)

[www.FamiliesUSA.org](http://www.FamiliesUSA.org)

facebook / FamiliesUSA

twitter / @FamiliesUSA