

Medicaid

Medicaid Expansion in North Carolina: Health Insurance for Working Individuals and Families



The Affordable Care Act gives North Carolina 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 689,000 uninsured North Carolinians access to affordable health insurance.¹ For many of these residents, Medicaid is their only health coverage option.²

Through a Medicaid expansion, North Carolina could cover residents with incomes up to 138 percent of the federal poverty level, which is \$27,310 for a family of three in 2014. The state's current Medicaid program covers only parents with extremely low incomes: Their family income must be no more than 50 percent of poverty, which is roughly \$9,900 for a family of three. North Carolina does not provide any coverage to adults without dependent children.

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

More than Half of Those Who Would Be Helped by the Medicaid Expansion Are Working

More than half of the uninsured North Carolinians who would benefit from Medicaid expansion work. In fact, 59 percent—more than

407,000—of these North Carolinians are currently working or have worked within the last year. Of the 41 percent who are not working, a majority (22 percent of North Carolinians 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 19 percent of North Carolinians who could be helped are unemployed.

These uninsured North Carolinians work in occupations that most people encounter and rely on every day. These workers are in industries that are critical to the state's economy: They are fast food cooks, cashiers, clerks, and construction workers. They work in industries that range from transportation and production to cleaning and maintenance.

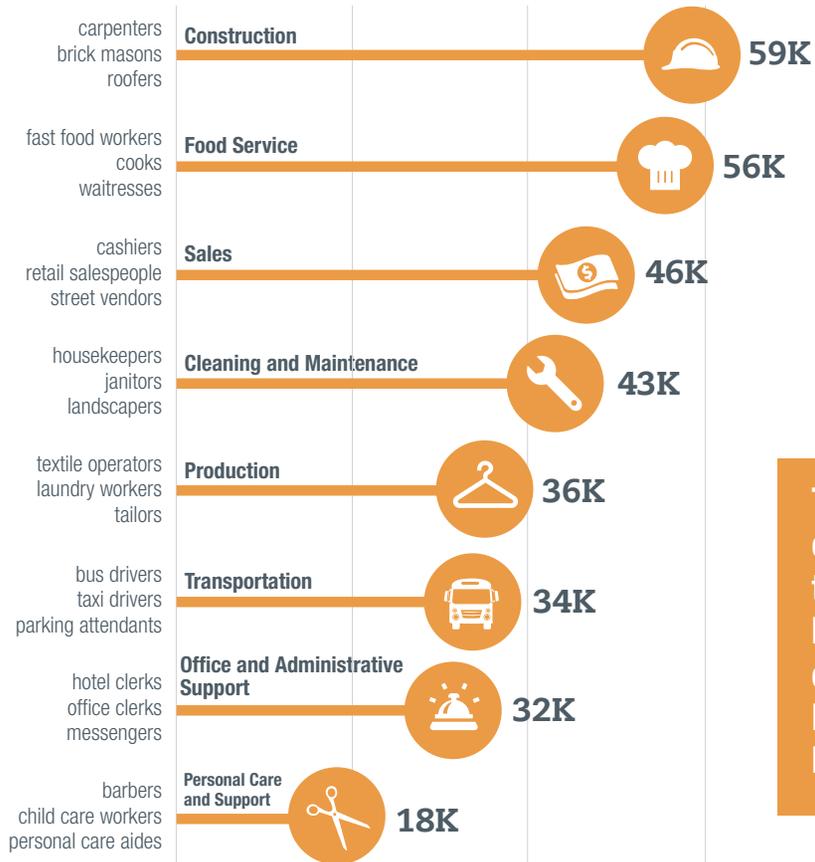
Expanding Medicaid Is an Investment in North Carolina's Workforce and Its Economy

While Governor McCrory has so far not pushed for Medicaid expansion, he has made the creation of jobs a top priority. In his 2013 “State of the State Address,” the governor said, “No one will out work this governor... in our effort to grow, recruit and retain North Carolina jobs.”⁴

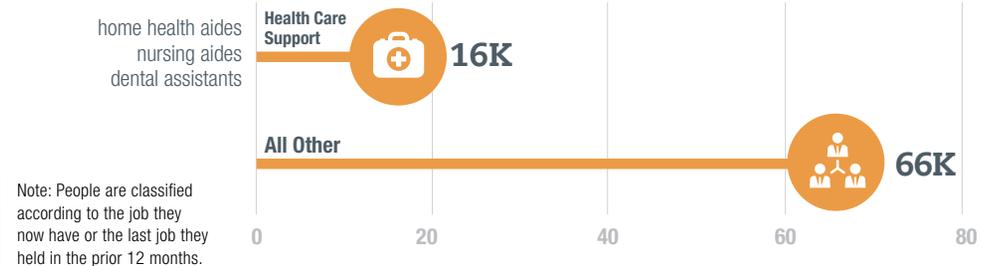
Top 9 occupations of the employed but uninsured in North Carolina who would benefit from expanding Medicaid



Most of those who would benefit if North Carolina expanded Medicaid are working adults. Fully 59 percent of those who could benefit work in occupations that North Carolina residents rely on, supporting industries that are the foundation of the state's economy.



Top 9 occupations that would benefit from expanding Medicaid in North Carolina



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

Our calculations define North Carolina 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 59 percent of the 689,000 uninsured adults who could benefit if the state expanded Medicaid. It excludes the following: people who have never worked or who have been out of the workforce for 5 years or more (22% of the 689,000 uninsured adults), and those we define as "unemployed," who had not worked in 1-5 years (19% of the 689,000 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 North Carolina residents ages 18-64 with family incomes up to 138% of poverty (\$27,310 for a family of three in 2014).

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The governor has the right idea. However, perhaps no action will more effectively help recruit and retain jobs in North Carolina than ensuring its workers are prospering and healthy. Expanding Medicaid would give hundreds of thousands of working North Carolinians access to affordable health insurance. That will create a healthier, more productive workforce that would benefit North Carolina's employers.^{5,6}

But expanding Medicaid will do more than provide many North Carolinians with health insurance—it will provide much-needed economic stimulus to the entire state. The federal government pays for roughly 66 percent of the current Medicaid program, and the state pays the rest. For the expansion, federal funding is 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 North Carolina 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 North Carolina had expanded Medicaid in January 2014 when the option was first available, the new federal funds flowing into the state would have generated approximately 25,000 jobs and led to an increase of roughly \$1.7 billion in the state domestic product by 2016.⁷

It Is Time to Move Forward

Governor McCrory is right to prioritize creating jobs and strengthening the economy. North Carolina 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 publication, visit: www.familiesusa.org/product/expanding-health-coverage-working-individuals-and-families

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