

Medicaid

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



The Affordable Care Act gives South 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 347,000 uninsured South Carolinians access to affordable health insurance.¹ For many of these residents, Medicaid is their only health coverage option.²

Through a Medicaid expansion, South Carolina 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 extremely low incomes: Their family income must be no more than 67 percent of poverty, which is roughly \$13,460 for a family of three in 2015. South Carolina does not provide any coverage to adults without dependent children.

South Carolina can take up the Medicaid expansion at any time but has not yet chosen to do so. If South 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 South Carolinians who would benefit from Medicaid expansion work. In fact, 53 percent—more than

183,000—of these South Carolinians are currently working or have worked within the last year. Of the 47 percent who are not working, a majority (24 percent of South 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 23 percent of South Carolinians who could be helped are unemployed.

These uninsured South 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 janitors. They work in industries that range from transportation and construction to personal care and service.

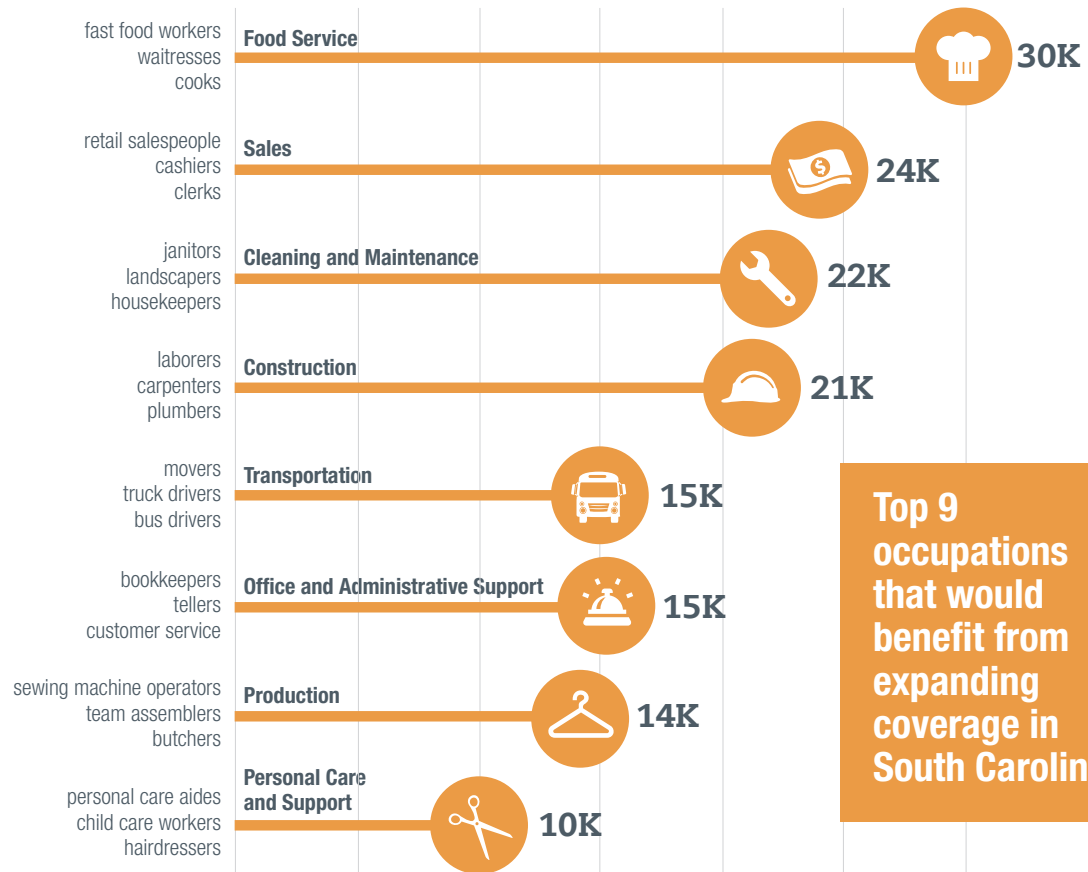
Expanding Medicaid Is an Investment in South Carolina's Workforce and Its Economy

While Governor Haley has fiercely opposed Medicaid expansion, she has focused on improving South Carolina's economy, making job creation a top priority. Early in her term, the governor stated, “When this Administration came into office... our focus was almost singular—jobs. The reason is fairly simple: if you give a person a job, you take care of a family.”⁴

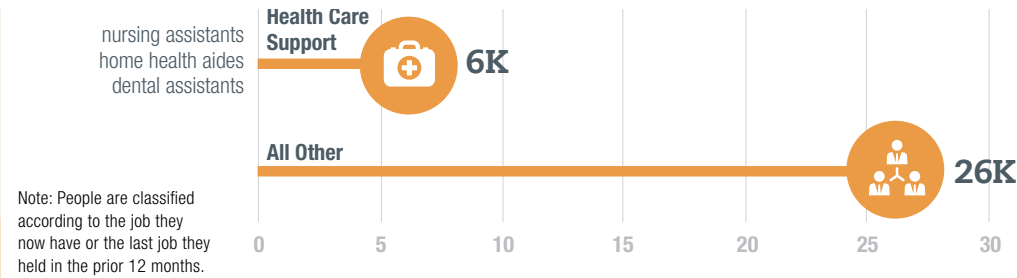
Top 9 occupations of the employed but uninsured in South Carolina who would benefit from expanding health coverage



Most of those who would benefit if South Carolina expanded health coverage are working adults. Fully 53 percent of those who could benefit work in occupations that South Carolina residents rely on, supporting industries that are the foundation of the state's economy.



Top 9 occupations that would benefit from expanding coverage in South Carolina



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

Our calculations define South 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 53 percent of the 347,000 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 (24% of the 347,000 uninsured adults), and those we define as "unemployed," who had not worked in 1-5 years (23% of the 347,000 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 South Carolina residents ages 18-64 with family incomes up to 138% of poverty (\$27,720 for a family of three in 2014).

The governor has the right idea. However, perhaps no action represents a smarter investment in South Carolina's economy (and its families) than ensuring that its workers are prospering and healthy. Expanding Medicaid would give hundreds of thousands of working South Carolinians access to affordable health insurance. That will create a healthier, more productive workforce that would benefit South Carolina's employers.^{5,6}

But expanding Medicaid will do more than provide many South Carolinians with health insurance—it will provide much-needed economic stimulus to the entire state. The federal government pays for roughly 71 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 South 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 South Carolina had expanded Medicaid in January 2014 when the option was first available, the new federal funds flowing into the state would have supported 44,000 new jobs, leading to approximately \$3.3 billion in new business activity across the state by 2020.⁷

It Is Time to Move Forward

Governor Haley is right to prioritize building a strong economy. South 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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