

# Uninsured Veterans and Family Members: State and National Estimates of Expanded Medicaid Eligibility Under the ACA

## Timely Analysis of Immediate Health Policy Issues

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### Summary

Analysis of the 2008–2010 American Community Survey (ACS) indicates that 535,000 uninsured veterans and 174,000 uninsured spouses of veterans—or four in 10 uninsured veterans and one in four uninsured spouses—have incomes below 138 percent of the federal poverty level (FPL) and could qualify for Medicaid or new subsidies for coverage under the Affordable Care Act (ACA). Most of these uninsured—414,000 veterans and 113,000 spouses—have incomes below 100 percent of FPL, and will therefore only have new coverage options under the ACA

if their state expands Medicaid. However, fewer than half live in states in which the governor supports their state participating in the expansion, while the majority live in states that have chosen not to expand Medicaid or have not yet decided whether to expand. The extent to which uninsured veterans and their family members with incomes below the FPL will have access to new coverage options under the ACA will depend on whether they live in a state that adopts the Medicaid expansion.

### Introduction

The ACA of 2010 includes a Medicaid expansion, new health insurance exchanges and subsidies for coverage, and an individual mandate, all of which are designed to reduce the number of individuals who lack health insurance coverage. According to estimates from the Congressional Budget Office, full implementation of the ACA, including the Medicaid expansion, would cut in half the number of uninsured in the nation.<sup>1</sup> At this point, however, it is not clear how many states will choose to expand Medicaid, which became a state option in June 2012. While governors in 25 states so far have said they support their state participating in the expansion, 14 have indicated they oppose participating, and the remaining have not made a firm commitment one way or the other.<sup>2</sup>

A number of studies have examined the cost and coverage implications of state decisions to adopt the ACA Medicaid expansion.<sup>3</sup> In this brief, we examine the number of uninsured veterans and family members nationwide, and assess—both nationally and in each state—how many uninsured veterans and their spouses could gain Medicaid coverage under the ACA. This analysis builds on our prior research, which found that over a million nonelderly

veterans—or one in 10 veterans under age 65—and nearly a million of their family members lacked health insurance coverage nationwide.<sup>4</sup>

Veterans often have distinct health care needs and health insurance options. While health care through the Department of Veterans Affairs (VA) is available to many veterans, priority and access are based on service-related disabilities, income level, and other factors.<sup>5</sup> This means that many low-income veterans are eligible for VA health care, but lack of proximity to VA facilities or lack of knowledge that VA care is available could keep some eligible veterans from enrolling. While the VA provides health care for certain eligible beneficiaries of veterans, VA care is not an option for other uninsured family members of veterans.<sup>6</sup> Coverage through Medicaid or the Children's Health Insurance Program (CHIP) is currently available to some veterans and family members who have low incomes, but Medicaid eligibility for adults is quite limited in most states: the median income eligibility level for parents is just 61 percent of FPL, and only nine states offer comprehensive Medicaid coverage to nondisabled, non-pregnant adults without dependent children.<sup>7</sup> Under the ACA, Medicaid

eligibility for adults would be expanded to 138 percent of FPL (\$15,415 for an individual, \$26,344 for a family of three in 2012), which represents a substantial eligibility expansion in most states.

While the Medicaid expansion and other coverage provisions in the ACA were not designed specifically to target uninsured veterans or their families and would not change the VA's health care system,<sup>8</sup> they offer new coverage options to veterans and their families.<sup>9</sup> In states not expanding Medicaid, those with incomes of 100 to 138 percent of FPL could qualify for exchange subsidies if they do not have access to affordable employer-sponsored insurance (ESI), but individuals with incomes below 100 percent of FPL would not be eligible for subsidies for exchange coverage.<sup>10</sup>

In our prior research, we found that nearly half of uninsured veterans and about a third of their family members had incomes below 138 percent of FPL, and thus would be eligible for Medicaid coverage under the ACA if their state were to expand.<sup>11</sup> In this brief, we present updated national estimates of the number of uninsured veterans and family members in various income groups, and examine the number of veterans and



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their spouses in each state who could enroll in Medicaid under the ACA.

## Data and Methods

**Data Source.** These estimates are derived from the ACS, an annual survey fielded by the U.S. Census Bureau.<sup>12</sup> The ACS includes a sample from each county in the nation and uses a mixed-mode approach to achieve a response rate of 98 percent.<sup>13</sup> We combine the 2008, 2009, and 2010 samples for a total of approximately 35,000 uninsured veterans and 29,000 uninsured family members.

**Identification of Veterans and Their Family Members.** Nonelderly veterans are identified as those ages 19 to 64 who had ever served on active duty, but are no longer serving. Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans, but who live in a household with a 19- to 64-year-old veteran who is their spouse; children of veterans are those age 18 or younger who live in a household with a 19- to 64-year-old veteran who is their biological parent, adoptive parent, or stepparent.<sup>14</sup>

### Identification of Insurance Status.

Respondents identified coverage of each individual in their households by the following types of health insurance or health plans at the time of the survey:

- a. Insurance through a current or former employer or union (of this person or another family member);
- b. Insurance purchased directly from an insurance company (by this person or another family member);
- c. Medicare, for people 65 or older, or people with certain disabilities;
- d. Medicaid, Medical Assistance, or any kind of government-assistance plan for those with low incomes or a disability;
- e. TRICARE or other military health care;
- f. VA (including those who have ever used or enrolled for VA health care);
- g. Indian Health Service; and
- h. Any other type of health insurance or health coverage plan (respondents are asked to specify).

Multiple types of coverage can be identified for each person, and people identified as not having coverage under categories a through f (or recoded to another category from the write-in option, category h) are considered uninsured.<sup>15</sup> Thus, we classify veterans as uninsured if they report neither using VA services nor having comprehensive health insurance coverage. Although some uninsured veterans could qualify for VA health services, the available data do not indicate how many uninsured veterans could enroll in the VA health care system or live near a VA health care facility, nor why they do not report using VA care. Following prior research, veterans reporting only VA coverage are considered insured.<sup>16</sup> (Although veterans enrolled in VA health care receive services through the Veterans Health Administration, we refer to this as VA coverage to remain consistent with the term used in the ACS questionnaire.)

**Identification of Income Groups.** Income is categorized based on how it will be calculated under the ACA, defined as the ratio of modified adjusted gross income (MAGI) relative to the poverty guidelines. We examine three income groups based on their potential eligibility for Medicaid or other subsidized coverage under the ACA: (1) those below 100 percent of FPL who would be eligible for Medicaid coverage under the ACA if their state expands Medicaid, but would not be eligible for exchange subsidies if their state does not participate in the expansion; (2) those between 100 percent and 138 percent of FPL, who would also be eligible for Medicaid coverage under the ACA if their state expands, but who would be eligible for exchange subsidies if their state does not expand Medicaid, and they do not have access to affordable ESI; and (3) those above 138 percent of FPL.<sup>17</sup>

**State Medicaid Expansion Status.** In addition to presenting estimates of uninsured veterans and their spouses in each state, we categorize states into three groups according to their governors' stated plan as of February 26, 2013, to expand Medicaid in 2014: (1) the 25 states whose governors have announced they support participating in the Medicaid expansion, (2) the 14 states whose governors have announced they oppose participating in

the Medicaid expansion, and (3) the 12 states whose governors have not made a firm commitment.<sup>18</sup>

**Additional Analyses.** We also present findings on access to care differences between uninsured and insured veterans and family members of all income groups using another data source, the 2009 and 2010 National Health Interview Survey (NHIS). Details on these measures are available in a prior report.<sup>19</sup>

## Results

**Number of Uninsured Veterans and Family Members.** Table 1 presents the number of uninsured veterans and family members overall and by income group. Nationally, there are 1.3 million uninsured nonelderly veterans. While veterans are less likely to be uninsured than the population as a whole, approximately one in 10 veterans in the nation lacks coverage (data not shown).<sup>20</sup> Nearly one-third of these uninsured veterans, or 414,000, have incomes below 100 percent of FPL, another 121,000 are between 100 percent and 138 percent of FPL, and the remainder are above 138 percent of FPL. Therefore, more than four in 10—or an estimated 535,000 uninsured veterans—have incomes below 138 percent of FPL and could be eligible for Medicaid under the ACA if their state participates in the Medicaid expansion. This is in line with estimates for the population as a whole, which indicate that almost half of all nonelderly uninsured have incomes below 138 percent of FPL and could qualify for Medicaid under the ACA.<sup>21</sup> The Medicaid expansion constitutes a substantial increase in Medicaid eligibility for uninsured veterans since only an estimated one in 10 uninsured veterans could qualify for Medicaid under current eligibility rules (data not shown).<sup>22</sup> Of the half-million uninsured veterans who would be potentially Medicaid eligible under the ACA, three-quarters have incomes below 100 percent of FPL and would not qualify for exchange subsidies if their state does not expand Medicaid.

Of the 645,000 uninsured spouses of veterans, 113,000 are below the FPL and another 61,000 have incomes between 100 percent and 138 percent of FPL, indicating

**Table 1: Number of Uninsured Veterans and Family Members, by Income Group, 2008–2010**

	Total (1,000's)	Below 100% FPL (1,000's)	100–138% FPL (1,000's)	Above 138% FPL (1,000's)
Veterans	1,311.5	414.2	120.8	776.4
Spouses of Veterans	645.1	112.5	61.3	471.3
Children of Veterans	318.0	49.2	28.7	240.1
Veterans and Their Family Members Combined	2,274.6	576.0	210.8	1,487.8

**Notes:** Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans but who live in a household with a 19- to 64-year-old veteran who is their spouse. Children of veterans are those age 18 or younger who live in a household with a 19- to 64-year-old veteran who is their biological, adoptive, or stepparent.

**Source:** Based on 2008–2010 American Community Survey data from the Integrated Public Use Microdata Series. Estimates reflect additional Urban Institute adjustments to coverage status.

that more than one-quarter could qualify for expanded Medicaid under the ACA—much higher than the estimated 9 percent who are eligible under current rules (data not shown). Two-thirds of veterans’ spouses who could qualify for expanded Medicaid under the ACA would not be eligible for exchange subsidies should their state not expand Medicaid, and since most spouses of veterans likely do not qualify for VA coverage, most would not have other public or newly subsidized coverage options.

An additional 318,000 children of veterans are uninsured. Because Medicaid/CHIP eligibility for children is more expansive than it is for adults, a much larger share of these children are currently eligible, and their eligibility is not dependent on states’ decisions regarding the Medicaid expansion under the ACA.<sup>23</sup>

#### **Variation Across States and State Groupings.**

Table 2 presents estimates of veterans in these income groups across states. Seven states (California, Florida, Georgia, Michigan, North Carolina, Ohio, and Texas) are home to 43 percent of all poor uninsured veterans, or more than 175,000 uninsured veterans. Each of these states has more than 15,000 poor uninsured veterans; California, Florida, and Texas each have more than 30,000 uninsured veterans with incomes in this range. An additional 51,000 veterans between 100 percent and 138 percent of FPL live in these seven states.

When we categorize states according to their governors’ support for, or opposition to, the ACA Medicaid expansion, we find that 196,000 uninsured veterans below 100 percent of FPL are in one of the 25 states whose governors have committed to expanding Medicaid, while 144,000 are

in one of the 14 states committed to not expanding Medicaid, and 74,000 are in one of the 12 states that are undecided. All together, an estimated 218,000 uninsured veterans with incomes below 100 percent of the FPL—or 53 percent of the nation’s poor uninsured veterans—are in states that may not expand their Medicaid programs, and thus would not qualify for any new subsidies for coverage under the ACA if their states choose not to expand Medicaid. An additional 66,000 veterans with incomes between 100 percent and 138 percent of FPL in states in which the governor opposes the expansion or are undecided could qualify for Medicaid if their states choose to expand, but would only have access to exchange subsidies in the absence of an expansion.

**Uninsured Spouses of Veterans.** As with the veterans themselves, uninsured spouses of veterans in these income groups are concentrated in certain large states (Table 3). In addition, of the 113,000 poor uninsured spouses of veterans, 64,000 are in states whose administrations oppose participating in the Medicaid expansion or are undecided about whether to participate, and an additional 35,000 with incomes between 100 percent and 138 percent of FPL are in these states.<sup>24</sup> Thus, a majority of veterans’ spouses who could qualify for expanded Medicaid coverage under the ACA live in states that may not expand, and, as is the case for the uninsured population as a whole,<sup>25</sup> most of these are below 100 percent of FPL and therefore would have no new coverage options under the ACA if their states do not expand.

**Access to Care.** According to the 2009 and 2010 NHIS, uninsurance among veterans and their family members at all

income levels is associated with greater problems accessing health care (Table 4). For instance, among uninsured veterans, 41.2 percent reported they had unmet health needs in the prior year, compared with just 12.7 percent of insured veterans. One-third of uninsured veterans (33.7 percent) had delayed care due to cost, compared with just 8.4 percent of insured veterans. The same patterns held true for veterans’ uninsured family members, with 54.8 percent reporting unmet needs, and 44.1 percent delaying care due to cost—significantly higher than among insured family members of veterans.

## **Discussion**

Nationally, an estimated 535,000 uninsured veterans have incomes below 138 percent of FPL and could qualify for coverage under the ACA if their state expands Medicaid. Three-quarters of these—over 400,000—have incomes below 100 percent of FPL and would not be eligible for new exchange subsidies; that group will qualify for new coverage options under the ACA only if their state expands Medicaid. However, over half of these uninsured veterans live in states in which the governors have indicated that they are not intending to expand Medicaid in 2014 or are undecided about whether to expand. If all states were to expand Medicaid under the ACA, four in 10 uninsured veterans and one in four uninsured spouses of veterans could gain Medicaid coverage.

Beyond the Medicaid expansion, the health insurance coverage and health care access of veterans will likely be affected by other policy changes in the coming years. In particular, the implementation of other ACA provisions—such as the “no

**Table 2: Number of Uninsured Veterans (19–64), by Income Group, State, and ACA Medicaid Expansion Group, 2008–2010**

	Total (1,000's)	Below 100% FPL (1,000's)	100–138% FPL (1,000's)	Above 138% FPL (1,000's)
<b>United States</b>	<b>1,311.51</b>	<b>414.2</b>	<b>120.8</b>	<b>776.4</b>
<b>Support Medicaid Expansion</b>	<b>617.6</b>	<b>196.3</b>	<b>54.4</b>	<b>366.9</b>
Arizona	29.6	8.7	2.0	18.9
Arkansas	20.3	6.1	2.4	11.8
California	106.8	37.0	8.8	60.9
Colorado	25.5	7.5	2.0	16.0
Connecticut	7.3	2.3	0.3 #	4.7
Delaware	3.5	0.7	0.5	2.3
District of Columbia	1.6	0.8	0.1 #	0.7 #
Florida	103.7	32.3	8.9	62.5
Hawaii	3.6	1.6	0.3 #	1.7
Illinois	41.9	14.4	3.2	24.3
Maryland	17.7	5.8	1.1	10.8
Massachusetts	7.8	2.2	0.4 #	5.2
Michigan	44.1	15.3	4.8	24.1
Minnesota	15.5	4.5	0.9	10.1
Missouri	30.9	9.3	3.5	18.2
Montana	9.2	3.4	0.6 #	5.2
Nevada	15.9	4.5	1.5	9.9
New Hampshire	6.2	1.0	0.5 #	4.7
New Jersey	19.2	5.8	1.5	11.9
New Mexico	12.6	4.1	1.1	7.4
North Dakota	1.7	0.4 #	0.3 #	1.0
Ohio	51.6	18.4	6.2	27.1
Rhode Island	3.4	0.8	0.3 #	2.3
Vermont	1.8	0.2 #	0.2 #	1.3
Washington	36.1	9.3	2.9	23.9
<b>Oppose Medicaid Expansion</b>	<b>457.8</b>	<b>144.5</b>	<b>42.8</b>	<b>270.5</b>
Alabama	26.8	10.6	2.4	13.8
Georgia	56.3	20.4	4.5	31.4
Idaho	10.0	3.0	0.8	6.2
Iowa	10.1	3.2	0.6	6.3
Louisiana	26.2	7.4	2.5	16.3
Maine	7.6	1.8	0.9	4.9
Mississippi	16.2	5.9	1.2	9.0
North Carolina	52.7	17.4	5.9	29.5
Oklahoma	26.4	7.4	2.6	16.5
Pennsylvania	45.5	14.7	4.4	26.4
South Carolina	28.9	9.8	3.2	15.9
South Dakota	4.1	1.1	0.5 #	2.6
Texas	130.3	36.6	12.3	81.4
Wisconsin	16.7	5.2	1.2	10.3
<b>Undecided</b>	<b>236.1</b>	<b>73.5</b>	<b>23.6</b>	<b>139.0</b>
Alaska	6.4	1.8	0.6 #	4.1
Indiana	31.0	10.2	3.5	17.3
Kansas	14.4	4.6	1.1	8.8
Kentucky	20.6	7.4	2.1	11.1
Nebraska	6.6	1.6	0.5 #	4.5
New York	38.3	10.8	3.6	23.9
Oregon	26.0	8.2	2.6	15.1
Tennessee	35.3	11.9	3.9	19.6
Utah	9.8	3.2	0.6	6.0
Virginia	32.1	9.6	2.7	19.8
West Virginia	11.3	3.5	1.8	6.0
Wyoming	4.2	0.6 #	0.6 #	2.9

**Notes:** # indicates the standard error is greater than 30 percent of the estimate and should be interpreted with caution. ACA Medicaid expansion groups are derived from The Advisory Board Company (Feb. 26, 2013) and indicate governors' stated positions on participation in the ACA Medicaid expansion.

**Source:** Based on 2008–2010 American Community Survey data from the Integrated Public Use Microdata Series. Estimates reflect additional Urban Institute adjustments to coverage status.

**Table 3: Number of Uninsured Spouses of Veterans (19–64), by Income Group, State, and ACA Medicaid Expansion Group, 2008–2010**

	Total (1,000's)	Below 100% FPL (1,000's)	100–138% FPL (1,000's)	Above 138% FPL (1,000's)
<b>United States</b>	<b>645.1</b>	<b>112.5</b>	<b>61.3</b>	<b>471.3</b>
<b>Support Medicaid Expansion</b>	<b>287.8</b>	<b>49.0</b>	<b>26.0</b>	<b>212.8</b>
Arizona	13.7	2.2	1.3	10.2
Arkansas	12.7	2.7	1.8	8.2
California	47.5	8.9	3.2	35.4
Colorado	12.2	2.3	1.1	8.7
Connecticut	2.7	0.5 #	0.2 #	2.0
Delaware	1.6	0.2 #	0.1 #	1.4
District of Columbia	0.1 #	0.0	0.0	0.1 #
Florida	51.7	8.9	4.5	38.3
Hawaii	1.5	0.4 #	0.1 #	1.0
Illinois	17.9	3.0	1.4	13.5
Maryland	5.7	0.8	0.2 #	4.8
Massachusetts	1.9	0.3 #	0.1 #	1.5
Michigan	19.9	3.7	2.0	14.2
Minnesota	8.0	0.9	0.5 #	6.6
Missouri	17.0	3.2	1.7	12.2
Montana	4.5	0.8	0.4	3.2
Nevada	7.8	1.2	0.6	6.0
New Hampshire	4.1	0.3 #	0.5 #	3.2
New Jersey	7.6	0.8	0.6	6.2
New Mexico	5.2	0.9	0.5 #	3.8
North Dakota	0.9	0.0 #	0.1 #	0.7
Ohio	24.0	3.8	3.3	16.8
Rhode Island	1.4	0.3 #	0.1 #	1.0
Vermont	1.1	0.0 #	0.1 #	1.0
Washington	16.9	2.9	1.4	12.6
<b>Oppose Medicaid Expansion</b>	<b>242.4</b>	<b>41.7</b>	<b>23.6</b>	<b>177.1</b>
Alabama	13.5	3.2	1.7	8.6
Georgia	27.5	4.3	2.8	20.3
Idaho	5.8	1.2	0.4 #	4.3
Iowa	4.6	0.5	0.5	3.6
Louisiana	13.7	2.4	1.6	9.7
Maine	3.2	0.5 #	0.5	2.2
Mississippi	9.9	2.3	1.0	6.6
North Carolina	29.1	5.1	3.3	20.7
Oklahoma	15.7	2.6	1.6	11.4
Pennsylvania	19.7	3.2	1.6	14.9
South Carolina	15.0	3.1	1.8	10.1
South Dakota	2.4	0.6 #	0.2 #	1.6
Texas	73.4	11.5	6.1	55.9
Wisconsin	8.9	1.3	0.5	7.1
<b>Undecided</b>	<b>115.0</b>	<b>21.8</b>	<b>11.7</b>	<b>81.4</b>
Alaska	3.1	0.4 #	0.2 #	2.6
Indiana	15.3	3.1	1.8	10.4
Kansas	6.7	1.2	0.5	5.0
Kentucky	13.3	3.3	2.0	8.1
Nebraska	3.6	0.4 #	0.4 #	2.8
New York	14.9	1.9	1.1	11.9
Oregon	12.4	2.7	1.3	8.4
Tennessee	16.6	3.6	1.6	11.3
Utah	5.1	0.8	0.2 #	4.1
Virginia	14.9	2.7	1.4	10.8
West Virginia	7.2	1.5	1.1	4.6
Wyoming	1.9	0.3 #	0.2 #	1.5

**Notes:** Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans but who live in a household with a 19- to 64-year-old veteran who is their spouse. # indicates the standard error is greater than 30 percent of the estimate and should be interpreted with caution. ACA Medicaid expansion groups are derived from The Advisory Board Company (Feb. 26, 2013) and indicate governors' stated positions on participation in the ACA Medicaid expansion.

**Source:** Based on 2008–2010 American Community Survey data from the Integrated Public Use Microdata Series. Estimates reflect additional Urban Institute adjustments to coverage status.

**Table 4: Unmet and Delayed Medical Needs, Nonelderly Veterans and Veterans' Nonelderly Family Members, by Insurance Status, 2009–2010**

	Veterans		Family Members of Veterans	
	Uninsured	Insured	Uninsured	Insured
Any Unmet (Nondental) Health Needs	41.2% **	12.7%	54.8% **	12.3%
Delayed Care due to Cost	33.7% **	8.4%	44.1% **	7.6%

**Notes:** Based on the 2009 and 2010 National Health Interview Survey. Indicators for unmet needs and delayed care refer to problems in access over the past 12 months. \*\* indicates that the insured percentage is significantly different from the uninsured percentage at the 0.01 level.

wrong door” policy, whereby applications to Medicaid, CHIP, or exchange coverage can be screened for a variety of health insurance programs; the individual mandate; and the use of trained navigators to assist individuals who are seeking health insurance coverage—could affect veterans’ enrollment in VA services by increasing their awareness of and interest in VA services and making it easier to enroll.<sup>26</sup> The inclusion of screening questions about veteran status on Medicaid/exchange applications and the use of data matches to identify and enroll eligible veterans could increase take-up of coverage among veterans.<sup>27</sup> It remains to be seen the extent to which uninsured veterans would seek coverage through Medicaid, the VA, or other options under the ACA, and whether and how this will vary across states.

It is possible that some veterans now enrolled in VA care will also enroll in Medicaid and use care through Medicaid in addition to or instead of VA providers.<sup>28</sup> It is common for VA users to have other sources of coverage,<sup>29</sup> and while concerns have been raised about care coordination and continuity of care for veterans with dual coverage,<sup>30</sup> having both Medicaid and VA care could promote greater provider choice and convenience for veterans. Participation in Medicaid could increase access to care, particularly for those in more remote areas without a VA facility nearby. At the same time, being in the VA system could connect veterans with other benefits, such as job placement services, educational assistance, and housing assistance, and increase the likelihood that

their care meets their particular needs, particularly related to mental and behavioral health services. The VA is currently exploring how to help veterans successfully navigate the changing health care landscape under the ACA.<sup>31</sup> Given the uncertainty around how demand for VA services could change under the ACA and the likelihood that the share of veterans with dual coverage might grow, it will be important to assess the extent to which VA provider supply meets the demand for care, and to implement efforts to reduce fragmentation of care among veterans enrolled in both VA and other coverage, such as electronic medical records sharing.<sup>32</sup>

VA care is not an option for most uninsured family members of veterans. Enrollment in Medicaid and CHIP is expected to increase under the ACA for those who are already eligible for coverage. This could address coverage gaps for some family members, particularly among uninsured children, most of whom qualify for Medicaid or CHIP under current law. However, uninsured spouses will not have new public coverage options in those states that choose not to expand. For these uninsured, particularly for those with incomes below 100 percent of FPL, access to affordable health insurance will depend critically upon state implementation of the Medicaid expansion.<sup>33</sup> An additional complication for some veterans is the fact that VA care only covers the veteran, and not additional family members, which may be an issue for some families who prefer having coverage that includes all family members.

Those with family incomes between 100 percent and 138 percent of FPL in states without a Medicaid expansion, as well as some of those with incomes above 138 percent of FPL, could qualify for subsidies for coverage in new health insurance exchanges. However, eligibility would be conditional on not having access to affordable ESI, which is defined as having an offer of coverage for the worker that costs less than 9.5 percent of family income, even if the cost of family coverage is higher. Thus, even among veterans and their family members who could qualify for subsidized coverage, some could remain uninsured if they cannot afford the available ESI for themselves or their families. In addition, exchange coverage is likely to have higher premiums, deductibles, and out-of-pocket cost-sharing than would be required under Medicaid.

While the ACA provides an opportunity for states to dramatically reduce uninsurance among veterans and other uninsured adults with incomes below 138 percent of FPL by expanding Medicaid, states are also considering a number of other issues as they debate whether to expand.<sup>34</sup> This analysis suggests that, as is the case for the rest of the nonelderly uninsured, the Medicaid expansion could help address coverage gaps for veterans and their family members in many states. As with the general population, uninsurance among veterans and their family members is related to greater problems accessing care,<sup>35</sup> suggesting that increased enrollment in Medicaid would increase the likelihood that their health care needs are being met.

## Endnotes

- <sup>1</sup> *Estimates for the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision*. Washington: Congressional Budget Office, 2012, <http://www.cbo.gov/sites/default/files/cbofiles/attachments/43472-07-24-2012-CoverageEstimates.pdf>.
- <sup>2</sup> *Where Each State Stands on ACA's Medicaid Expansion*. Washington: Advisory Board Company, 2013, <http://www.advisory.com/Daily-Briefing/2012/11/09/MedicaidMap> (updated February 26, 2013). In this analysis, DC is counted as a state. Although we are classifying states according to their governors' stated plans, it is possible that some states' decisions could change or that their legislatures could reach a different decision.
- <sup>3</sup> Kenney GM, Zuckerman S, Dubay L, et al. "Opting in to the Medicaid Expansion under the ACA: Who Are the Uninsured Adults Who Could Gain Health Insurance Coverage?" Washington: The Urban Institute, 2012. <http://www.urban.org/publications/412630.html>; Holahan J, Buettgens M, Carroll C, et al. "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis." Washington: Kaiser Commission on Medicaid and the Uninsured, 2012. <http://www.urban.org/publications/412707.html>.
- <sup>4</sup> Haley J and Kenney GM. "Uninsured Veterans and Family Members: Who Are They and Where Do They Live?" Washington: The Urban Institute, 2012. <http://www.urban.org/publications/412577.html>.
- <sup>5</sup> *Federal Benefits for Veterans, Dependents and Survivors: Chapter 1 VA Health Care Benefits*. Washington: U.S. Department of Veterans Affairs, [http://www.va.gov/opa/publications/benefits\\_book/benefits\\_chap01.asp](http://www.va.gov/opa/publications/benefits_book/benefits_chap01.asp) (accessed March 5, 2013).
- <sup>6</sup> Some dependents and survivors of veterans with service-connected disabilities are eligible for the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), and certain veterans' children who have been diagnosed with spina bifida are entitled to VA health care benefits. (*CHAMPVA*. Washington: U.S. Department of Veterans Affairs, 2012, <http://www.va.gov/hac/forbeneficiaries/champva/champva.asp>; *Spina Bifida*. Washington: U.S. Department of Veterans Affairs, 2011, <http://www.va.gov/hac/forbeneficiaries/spina/spina.asp>. Panangala SV and Jansen DJ. *TRICARE and VA Health Care: Impact of the Patient Protection and Affordable Care Act (P.L. 111-148)*. Washington: Congressional Research Service).
- <sup>7</sup> These thresholds reflect eligibility for comprehensive Medicaid or Medicaid-equivalent benefits. Some additional states offer more limited benefits to low-income adults. Heberlein M, Brooks T, Alker J, et al. *Getting into Gear for 2014: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2012-2013*. Washington: Kaiser Commission on Medicaid and the Uninsured, 2013, <http://www.kff.org/medicaid/upload/8401.pdf>.
- <sup>8</sup> *Affordable Care Act and the Veterans Health Administration*, Washington: U.S. Department of Veterans Affairs, <http://www.va.gov/health/aca.asp> (accessed March 5, 2013); Panangala and Jansen 2010.
- <sup>9</sup> Heiss C and McMahon SM. "Veterans and the ACA: How Health Reform Boosts Eligibility for VA Health Care." Hamilton, NJ: Center for Health Care Strategies, 2012. [http://www.chcs.org/usr\\_doc/Veterans\\_and\\_the\\_ACA2.pdf](http://www.chcs.org/usr_doc/Veterans_and_the_ACA2.pdf).
- <sup>10</sup> Kenney et al.
- <sup>11</sup> In contrast, just 1 in 10 veterans appears eligible for Medicaid under current law (Haley and Kenney 2012).
- <sup>12</sup> We use an augmented version of the ACS prepared by the University of Minnesota Population Center, known as the Integrated Public Use Microdata Sample (IPUMS), which uses the public use sample of the ACS and contains edits for family relationships and other variables (Ruggles S, Alexander TJ, Genadek K, et al. *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database]. Minneapolis, MN: University of Minnesota, 2010). All estimates use weights provided by the U.S. Census Bureau. Coverage estimates reflect edits that are conducted if other information collected in the survey and simulated Medicaid eligibility status suggest a sample case's coverage has been misclassified. The universe is limited to noninstitutionalized civilians.
- <sup>13</sup> *U.S. Census Bureau, American Community Survey: Response Rates—Data*. Washington: U.S. Census Bureau, 2012, [http://www.census.gov/acs/www/methodology/response\\_rates\\_data/index.php](http://www.census.gov/acs/www/methodology/response_rates_data/index.php). Additional details about the survey and our analysis are included in the appendix to Haley and Kenney 2012.
- <sup>14</sup> A small number of family members of veterans are identified by being the parent or sibling of a veteran between the ages of 19 and 22 who appears to be a full-time student and who lives in their household.
- <sup>15</sup> The Indian Health Service (IHS) is not typically counted as health insurance coverage because of limitations in the scope of available services and geographic reach of IHS facilities. Turner J and Boudreaux M. "Health Insurance Coverage in the American Community Survey: A Comparison to Two Other Federal Surveys." *Databases for Estimating Health Insurance Coverage for Children: A Workshop Summary*. Washington: National Academies Press, 2010.
- <sup>16</sup> State Health Access Data Assistance Center. "Comparing Health Insurance Estimates from the American Community Survey and the Current Population Survey." Princeton, NJ: Robert Wood Johnson Foundation, 2010. <http://www.shadac.org/files/shadac/publications/IssueBrief22.pdf>.
- <sup>17</sup> Under the ACA, income eligibility will be based on the Internal Revenue Service tax definition of MAGI, and includes the following types of income for everyone who is not a tax-dependent child: wages, business income, retirement income, Social Security, investment income, alimony, unemployment compensation, and financial and educational assistance. The ACS asks only indirectly about unemployment compensation, alimony, Social Security, and financial and educational assistance when it asks about "other income," and because unemployment compensation appears to affect our results and "other income" includes any other sources of income, we compute the amount of unemployment compensation separately from other income amounts, based on imputations from a model developed for the Current Population Survey (CPS). MAGI also includes the income of any dependent children required to file taxes, which for 2009 is wage income greater than \$5,700 and investment income greater than \$950. To compute family income as a ratio of the poverty level, we sum the person-level MAGI across the tax unit. For ACA eligibility, the tax unit includes parents and their dependent children and married people regardless of whether they file separately. In situations where a dependent child is away at school, the ACS does not contain data on the family income and other family information on the child's record or the presence of the dependent child on the records of family members, so we assign some college students to families before computing family MAGI. While the ACA uses a threshold of 133 percent of FPL, a standard 5 percent disregard will be applied, bringing the threshold to 138 percent of FPL. Our income measure likely understates the number of people who will qualify for Medicaid under the ACA among those whose income fluctuates from month to month: eligibility will be determined using monthly income; however, the ACS collects income as an annual measure, and thus our monthly income variable represents an average for the calendar year. The definition of MAGI used here is an approximation of how income will be assessed for the purposes of determining eligibility for Medicaid under the ACA and is slightly different than the measure used in Haley and Kenney (2012), based on updated regulations that have been released. In particular, these estimates include Social Security income as part of MAGI, which is why the estimated number of uninsured veterans and family members with incomes below 138 percent of FPL is lower than in our earlier estimates.
- <sup>18</sup> Advisory Board Company.
- <sup>19</sup> Haley and Kenney. <sup>20</sup> Ibid.
- <sup>21</sup> Kenney et al.
- <sup>22</sup> Haley and Kenney; Kenney et al.
- <sup>23</sup> Heberlein et al. Some of the family members of veterans below 138 percent of FPL, particularly children, would enroll in Medicaid/CHIP even if their state chooses not to expand Medicaid under the ACA, although the increased take-up of Medicaid and CHIP among current eligibles is expected to be higher in states that expand Medicaid under the ACA (Holahan et al. 2012). Children of veterans do not qualify for VA care.

<sup>24</sup> Compared to uninsured veterans, a lower share of uninsured family members are below 138 percent of FPL because uninsured veterans who do not live with nonelderly family members have lower income levels, on average, than those with family members in their households (Haley and Kenney 2012).

<sup>25</sup> Kenney et al.

<sup>26</sup> Enrollment in VA health care will fulfill the requirements for minimum essential coverage under the ACA (Panangala and Jansen 2010).

<sup>27</sup> Heiss and McMahon.

<sup>28</sup> *Potential Costs of Veterans' Health Care*. Washington: Congressional Budget Office, 2010, [http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/118xx/doc11811/2010\\_10\\_7\\_vahealthcare.pdf](http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/118xx/doc11811/2010_10_7_vahealthcare.pdf).

<sup>29</sup> Ibid.

<sup>30</sup> Kizer KW. "Veterans and the Affordable Care Act." *Journal of the American Medical Association* 307, no. 8 (2012):789–790; Pizer SD and Gardner JA. 2011. "Is Fragmented Financing Bad for Your Health?" *Inquiry* 48:109–122.

<sup>31</sup> *R-VA Implementation support for the Affordable Care Act (ACA)*, Washington: Federal Business Opportunities, 2013, [https://www.fbo.gov/?s=opportunity&mode=form&id=fc676dd7d6a9a513386467182e932065&tab=core&\\_cview=0](https://www.fbo.gov/?s=opportunity&mode=form&id=fc676dd7d6a9a513386467182e932065&tab=core&_cview=0).

<sup>32</sup> Congressional Budget Office 2010; Kizer, Pizer and Gardner.

<sup>33</sup> Most uninsured veterans and spouses of veterans below 138 percent of FPL (about three-quarters) are ineligible for Medicaid under current law.

For the remainder, who appear eligible under current law, enrollment in Medicaid will likely grow due to the implementation of the ACA, although the increased take-up of Medicaid and CHIP among current eligibles is expected to be higher in states that expand Medicaid under the ACA (Holahan et al. 2012).

<sup>34</sup> Holahan et al.

<sup>35</sup> Institute of Medicine. *America's Uninsured Crisis: Consequences for Health and Health Care*. Washington: National Academies Press, 2009; Finkelstein A, Taubman S, Wright B, et al., *The Oregon Health Insurance Experiment: Evidence from the First Year*, Working Paper 17190. Cambridge, MA: National Bureau of Economic Research, 2011, <http://www.nber.org/papers/w17190>.



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