MODULE 4

How does the Affordable Care Act (ACA) impact inequities?

The Impact of Health Reform

The Affordable Care Act (ACA) includes several provisions that may help address inequities in coverage and financing of care among children with special health care needs (CSHCN). In this section, we will review some of these provisions and discuss their impact on the most vulnerable CSHCN.

Medicaid Expansion

As you may remember from previous modules, Latino CSHCN and those with low family income are more likely to be uninsured than other subgroups of CSHCN.[1] The Medicaid expansion provision of the ACA may improve coverage for these groups and narrow inequities based on race or ethnicity and income.

The Medicaid expansion provision [section 2001(a)(1) of the Affordable Care Act[2]] allows states to expand Medicaid to more low-income adults. Prior to the passage of the ACA, in the majority of states, childless adults ages 19 to 64 were not eligible for Medicaid at any income level, unless the state created a waiver.[3] The ACA's Medicaid expansion provision, which is optional for states, creates a pathway to Medicaid for childless adults who have no disabilities, are not pregnant, and whose income is less than 138% of the federal poverty level (FPL) (about $27,000 per year for a family of three).[4, 5] While parents were a mandatory coverage group for state Medicaid programs prior to the ACA, many states limited a parent's eligibility to those with incomes less than 100% of the FPL (about $20,000 per year for a family of three[5]). In states that chose to expand Medicaid, parents are now eligible based on the 138% FPL standard.[4*] As of March 2016, 31 states and the District of Columbia (DC) have implemented the ACA Medicaid expansion. In states that have not chosen to expand their Medicaid programs in this way, many low-income parents may remain uninsured.[5, 7]

The new 138% FPL income eligibility standard for all adults means more parents are now eligible for Medicaid coverage in states that expand the program.[8] In 2012, about 12% of children eligible for public coverage (through Medicaid or CHIP programs) were unenrolled.[9] Children are more likely to be enrolled in Medicaid when their parents also are enrolled,[10, 11, 12] so increased parental enrollment through the Medicaid expansion will impact these eligible, but unenrolled children. About

The Affordable Care Act includes several provisions that may help address inequities in coverage and financing of care among children with special health care needs, including:

- Medicaid expansion
- Twelve-month continuous eligibility for adults
- State health insurance Marketplaces
- Navigators and in-person assistors

* The ACA MAGI (Modified Adjusted Gross Income) rule described at § 435.601 and § 435.602 (http://bit.ly/aca-magi) allows for a standard 5% income disregard, so we use 138% FPL rather than 133% FPL. More information is available from the Kaiser Family Foundation at https://kaiserfamilyfoundation.files.wordpress.com/2013/04/8391.pdf

11% of Latino children have a special health care need and, by definition, they require more health care services than their peers.[1] Latino CSHCN are the most likely of any racial or ethnic group to be uninsured. Among Latino CSHCN, 15.9% are uninsured, compared to 7.3% of white CSHCN and 9.9% of black CSHCN.[1] Thus, coverage gains for Latino parents that extend to their CSHCN will have a positive impact on a group of children for whom access to insurance is a first step to accessing the increased level of care they need.[13] In addition to higher uninsurance rates, Latinos also have lower median incomes and a higher poverty rate than whites,[14] suggesting they may be more likely to benefit from the expansion of public coverage for low-income individuals.

Because of the demonstrated link between parents' coverage and children's enrollment,[10, 11, 12] the optional Medicaid expansion for all adults will likely also have an impact on low-income CSHCN of all racial and ethnic groups who are eligible for, but not enrolled in, Medicaid. Thus, the adult Medicaid expansion may help address inequities among CSHCN based on race or ethnicity and socioeconomic status.[13, 7]

Twelve-month Continuous Eligibility for Adults

Not only does parents' insurance status impact the insurance status of their child, it also affects the continuity of the child's insurance. Parents who are insured for fewer months are more likely to have uninsured children.[15] In May 2013, the Centers for Medicare and Medicaid Services (CMS) issued a bulletin that outlined five strategies for facilitating enrollment in Medicaid and the Children's Health Insurance Program (CHIP). One of these strategies was a state option to provide twelve-month continuous Medicaid eligibility for parents. This would ensure parents could keep Medicaid benefits for the year regardless of changes in household income or family size. Additionally, if the state also extended twelve-month continuous eligibility for children, it would standardize the renewal dates for the entire family, and minimize gaps in coverage.[16]

Low-income CSHCN are more likely to have inconsistent insurance coverage than those in families with higher incomes.[1] Twelve-month continuous eligibility for parents and children may help address inequities among CSHCN based on socioeconomic status by improving continuity of coverage among low-income families who are enrolled in public insurance programs.[7]

State Health Insurance Marketplaces

CSHCN in immigrant families are particularly vulnerable to the negative effects of uninsurance and gaps in coverage.[20] The ACA-created Marketplaces and the availability of financial supports, in the form of tax credits and subsidies, to purchase insurance through them may help address inequities among CSHCN based on immigration status.[23]

The ACA created health insurance Marketplaces (also called "exchanges") where individuals can purchase coverage if they do not have access to affordable, adequate employer-sponsored insurance (ESI). Federal subsidies are available for those with household income between 100% and 400% FPL to help offset the cost of purchasing private insurance policies. As you may remember from Module 3 (*How can policies and programs improve inequities in your state?*), the Personal Responsibility and Work Reconciliation Act (PRWORA) of 1996 prohibited legally residing immigrants from receiving Medicaid for their first five years in the U.S.[19] However, the 2009 reauthorization of the Children's Health Insurance Program (CHIPRA) contained a provision giving states the option to waive this five-year waiting period for immigrant children and pregnant women who are legally residing in the U.S. This state plan option allows states to cover legally residing immigrant children in Medicaid and CHIP,[19] which currently, 29 states do.[20]

In states that have not waived the five-year waiting period, immigrant CSHCN and their parents remain ineligible for public coverage until they have been in the U.S. for at least five years. However, lawfully present parents of CSHCN can purchase insurance for themselves and their child(ren) in the Marketplace and receive federal assistance based on household income.[21] If they are not eligible for Medicaid due to the five-year waiting period, they can still purchase Marketplace coverage and receive subsidies, without a five-year waiting period, if income is less than 100% FPL.[21] Thus, the ACA-created Marketplaces and available subsidies may help address inequities among CSHCN based on immigration status by creating a pathway to coverage for a group of immigrants who previously had few options for affordable coverage.[18]

Navigators and In-Person Assistors

As described in previous modules, CSHCN from families where English is not the primary language have higher uninsurance rates than those from English-speaking families.[1] The availability of enrollment assistance may help address inequities based on language differences.

The ACA includes funding for navigator entities – often community-based organizations – that provide education, outreach, and enrollment assistance to families as they enroll in public insurance coverage and Marketplace plans. Only about half of parents with limited income believe their CSHCN are eligible for public coverage, but more than 90% of these parents said they would enroll their children if they were eligible.[22] Thus, consumer assistors may help families – especially those with limited income – learn more about whether their child is eligible for coverage and address inequities among CSHCN based on socioeconomic status. Navigators provide culturally competent, accessible information to help individuals and families understand eligibility for Medicaid and CHIP and options for Marketplace health insurance coverage. Navigators can help enroll low-income CSHCN who were already eligible for Medicaid, but remained uninsured because of lack of knowledge or misinformation about eligibility.[23] While all states have consumer assistance programs, in-person assistance is only required in states with partnership Marketplaces and at the state's option in state-based Marketplaces. In-Person Assistors (IPAs) may help address inequities among CSHCN based on language, as families for whom English is not the primary language can work with an IPA who speaks their preferred language. IPAs are not available in states with federally facilitated Marketplaces (although other organizations, such as Family-to-Family Health Information Centers,* may provide this type of help).

The Future of Health Reform?

While the ACA contains a number of provisions that may address inequities among CSHCN based on race or ethnicity, language, immigration status, or income, gaps still remain and future work advancing health care reform is necessary to make an impact on addressing inequities in coverage and financing of health care.

Coverage may improve for Latinos and low-income families in states that have expanded Medicaid, but inequities will persist in states that have not.[4, 13] The adoption of the provision by all 50 states will help further reduce racial/ethnic- and income-related inequities and will also address geographic disparities.

Additionally, while the ACA-created Marketplaces create a new pathway to coverage for immigrant CSHCN and their families, even with tax credits and subsidies, the availability of subsidized Marketplace plans may be too costly for some low-income immigrant families. States that opt to remove the five-year waiting period for lawfully residing immigrant children and pregnant women would create a pathway to public coverage that would help reduce inequities based on immigration status.

*http://www.familyvoices.org/page?id=0034

WORKSHEET TO ADDRESS INEQUITIES IN YOUR STATE - MODULE 4

YOUR TURN: How does the Affordable Care Act (ACA) impact inequities?

Module 4 contains a list of ACA provisions that may help address inequities in coverage and financing of care among children and youth with special health care needs (CSHCN). Complete the following checklist to show which ACA provisions your state has enacted and which might be effective options for your state to consider in moving forward to address inequities.

ACA Provisions that May Address Inequities for Children with Special Health Care Needs in _____

(your state)

Policy	Enacted	Not Enacted	Notes*
Adult Medicaid Expansion List of states that have expanded Medicaid[1]			
12-month Continuous Eligibility for Children List of states that have 12-month continuous eligibility for children in their Medicaid and/or CHIP programs[2]			
In-person Assisters What type of ACA Marketplace each state runs[3] List of consumer assistance organizations in each state[4]	In-person assisters (IPAs) are available in state-partnership Marketplaces and some state-based Marketplaces. Navigators (but not IPAs) are available in federally facilitated Marketplaces. Type of Marketplace: _____		

*You may wish to review the list of Questions to Consider on pages 28 - 29 and note any comments or ideas you have.

[1]http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/

[2]http://www.medicaid.gov/medicaid-chip-program-information/by-topics/outreach-and-enrollment/continuous.html

[3]http://kff.org/health-reform/state-indicator/state-health-insurance-marketplace-types/

[4]http://www.statecoverage.org/files/KidsWell_Helping_Consumers_Enroll.pdf

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This document, *Health Care Coverage and Financing for Children with Special Health Care Needs: A Tutorial to Address Inequities,* is available in its entirety on the web at http://cahpp.org/resources/inequities-tutorial

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