

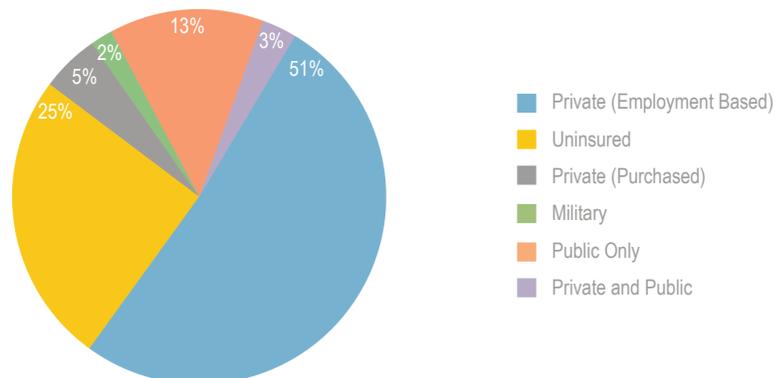
As of January 2014, individuals in the United States are required to carry health insurance as a mandate under the Affordable Care Act (ACA), or they may be subject to a financial penalty. This brief describes coverage options for the uninsured in Mississippi and examines alternative coverage models being tested in other states.

The Affordable Care Act (ACA) includes two primary components aimed at providing financial assistance for low-income uninsured persons to obtain coverage: Medicaid expansion and subsidized coverage through Health Insurance Marketplaces (formerly known as “Exchanges”). The ACA’s expansion of Medicaid initially eliminated categorical requirements (e.g. disability, age, or pregnancy), and allowed for coverage for all individuals based solely on financial status at or below 133 percent of the federal poverty level (FPL). The June 2012 U.S. Supreme Court decision that upheld the individual mandate allows for states to opt out of the Medicaid expansion. Mississippi is among the 25 states not moving forward with expanding Medicaid in 2014.

Health Insurance Marketplaces are intended to provide access to private health insurance plans. Individuals whose incomes are between 100 percent and 400 percent FPL may qualify for federally subsidized coverage, based on a sliding scale, which will only be offered through the Marketplace. Marketplaces can be either state-based, federally operated, or a combination. Mississippi is one of 27 states which have a federally facilitated Marketplace in 2014.

Because low-income children, pregnant women, the disabled and the elderly currently may qualify for Medicaid or Medicare, they are less likely to be uninsured. Therefore, the target population for federally subsidized coverage under the ACA consists primarily of adults 19-64 years of age. Figure 1 illustrates the sources of health coverage for this group in Mississippi.

FIGURE 1. ADULTS 19-64 YEARS OF AGE BY HEALTH COVERAGE STATUS, MISSISSIPPI (2012)



Source: American Community Survey. (2012). United States Census Bureau. Data Compiled by C4MHP using IPUMS-ACS.
Note: Percentages may not total 100 due to rounding.

133% OR 138%?
Federal law provides for the expansion of Medicaid to all individuals whose Modified Adjusted Gross Income (MAGI) is at or below 133% FPL. Because the law also includes a 5% “income disregard” for Medicaid eligibility, the effective limit is 138% FPL. This report will use 133% or 138%, depending on the context.
133%: Used to describe eligibility level
138%: Used to calculate the eligible population

ANNUAL INCOMES ASSOCIATED WITH 2014 FEDERAL POVERTY PERCENTAGES

% FEDERAL POVERTY LEVEL	SINGLE	FAMILY OF FOUR
100%	\$11,670	\$23,850
138%	\$16,105	\$32,913
400%	\$46,680	\$95,400

Source: The poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 USC 9002(2).

Mississippi's Uninsured: A Closer Look

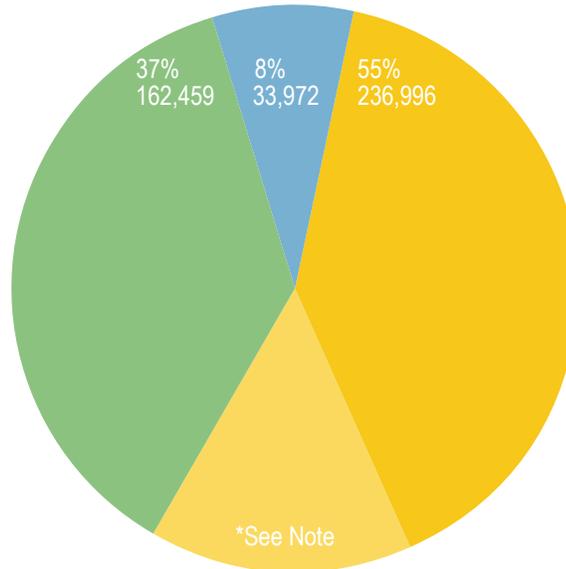
FIGURE 2. MISSISSIPPI UNINSURED ADULTS 19-64 YEARS OF AGE BY FEDERAL POVERTY LEVEL (FPL) (2012)

OVER 400 PERCENT FPL

Individuals with incomes over 400 percent FPL are not eligible for subsidized coverage through the Marketplace. They are allowed to purchase insurance through the Marketplace, if they choose. Eight percent of uninsured non-elderly adults in Mississippi have incomes over 400 percent FPL.

UNDER 100 PERCENT FPL

Because it was initially defined in the law that individuals up to 133 percent FPL would be covered by an expanded Medicaid program, the ACA did not include individuals under 100 percent FPL in the subsidies or cost-reduction programs. In states like Mississippi that are not expanding Medicaid, individuals under 100 percent FPL will not be eligible for public coverage unless they meet a categorical requirement, such as disability, age, or pregnancy. Because their incomes fall below the 100 percent FPL threshold, individuals in this group will not be eligible for subsidies or cost-sharing reductions through the Marketplace. This group represents approximately 37 percent of the uninsured non-elderly adult population in Mississippi.



BETWEEN 100 AND 400 PERCENT FPL

Individuals with incomes between 100 percent and 400 percent FPL may be eligible for subsidized coverage through the Marketplace. Options for the uninsured will depend on an individual's annual income and family size, as well as the availability and comprehensiveness of employer-based coverage. Approximately 55 percent of the uninsured non-elderly adult population in Mississippi falls between 100 percent and 400 percent FPL.

**Note: Individuals between 100 percent and 138 percent FPL may be eligible for expanded Medicaid or subsidies through the Marketplace, depending on policy decisions at the state level. If a state expands Medicaid, this subgroup will be included in that coverage. If a state does not expand Medicaid, this subgroup may be eligible for subsidized coverage through the Marketplace. Approximately 15 percent of uninsured non-elderly adults in Mississippi (63,126) fall in this subgroup.*

Source: American Community Survey, (2012). United States Census Bureau. Data Compiled by C4MHP using IPUMS-ACS.

Employment and Health Coverage

IMPACT OF EMPLOYER COVERAGE

If an individual has access to employer-based health coverage that is deemed "affordable" and of "minimal value," he or she will not be eligible for subsidies, regardless of income.

AFFORDABLE: Employee contribution for employee-only coverage does not exceed 9.5% of annual income

MINIMUM VALUE: Pays for at least 60% of the actuarial value of services included in the plan

If an individual has access to employer-based health coverage (through their own employer or a spouse's employer) that is deemed "affordable" and of "minimal value," he or she will not be eligible for subsidies, regardless of income. The determination of whether the premium is affordable is based on the cost of employee-only coverage compared to the household income. Consequently, a policy may be classified as "affordable" even though the family premium may be more than the family can pay, resulting in some members remaining uninsured. The family members may be exempt from individual mandate penalties, however, because a different definition of affordability applies to penalties. Figure 3 illustrates an example of this situation for a family of four with an annual income of \$47,000 (200% FPL).

FIGURE 3. EXAMPLE OF DETERMINATIONS OF AFFORDABILITY

	Employee Share of Monthly Premium	Premium as % of Income	Deemed Affordable?
Single Coverage	\$0	0%	Yes
Family Coverage	\$593	15%	Yes* *Because "affordable" definition is based on cost of single coverage

Half (51%) of Mississippi’s non-elderly adults have private, employment-based insurance coverage, a significantly ($p<.01$) lower rate of private health insurance coverage than the national average, which is 58 percent (2012). Mississippians who work for small employers (fewer than 50 employees) are more at risk to remain uninsured, as only 29 percent of small employers in the state offered health insurance in 2012.

FIGURE 4. LEADING OCCUPATIONS IN MISSISSIPPI WITH UNINSURED WORKERS AT OR BELOW 138% FPL

Cashiers	14,656	Stock Clerks & Order Fillers	3,035
Cooks	9,907	Laborers & Movers	2,918
Waiters & Waitresses	8,002	Personal Care Aides	2,682
Medical Aides	6,668	Carpenters	2,488
Maids & Housekeepers	6,430	Grounds Maintenance Workers	2,380
Truck & Other Drivers (Sales)	6,077	Agriculture Workers	2,362
Janitors & Cleaners	4,982	Other Production Workers	2,326
Construction Laborers	4,500	Painters & Maintenance	2,142
Retail Salespersons	3,340	Retail Sales Supervisors	2,058
Assemblers & Fabricators	3,216	Childcare Workers	1,780

Source: American Community Survey, (2012). United States Census Bureau. Data compiled by C4MHP using IPUMS-ACS.

Selected Alternative Models

Some states not opting to expand Medicaid as outlined in the ACA are testing alternative models for expanding coverage. A few examples are listed below:

Wisconsin is not currently pursuing Medicaid expansion and will participate in the federally facilitated Marketplace. The state has proposed to decrease Medicaid eligibility for all types of beneficiaries from 200 percent to 100 percent FPL, and shift the uninsured over 100 percent of poverty to the Marketplace for coverage subsidized by the federal government. The money saved by removing this population from the Medicaid program would be spent to cover low-income persons, including approximately 82,000 childless adults up to 100 percent FPL.

Oklahoma is participating in the federally facilitated Marketplace, and did not elect to expand Medicaid under the ACA. In September 2013, the state was issued an 1115 Medicaid waiver which modifies eligibility for “Insure Oklahoma,” a program in place since 2005, to include the population between Medicaid and the Marketplace subsidies. Previously, Insure Oklahoma served as a Medicaid premium assistance program for 30,000 low income workers, providing individual policies and coverage purchased through small employers.

Arkansas had an 1115 Medicaid waiver approved in September 2013 to allow the state to use Medicaid funds to purchase coverage in the private market through the state Marketplace for a newly eligible category of recipients, including adults with incomes under 138 percent FPL. The demonstration, which has been approved for three years, will cover an estimated 225,000 newly eligible individuals.

Additional Information

For more detailed information on health insurance coverage in Mississippi, Health Insurance Exchanges, or Medicaid Expansion, please see the Center's issue briefs, fact sheet, and chart books on these topics.

