

COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State

A Closer Look at Enrollment Given an Unprecedented Month

HMA has estimated how the economic downturn primarily driven by the COVID-19 pandemic could impact enrollment in Medicaid, the Affordable Care Act (ACA) Marketplaces, Employer Sponsored coverage as well as the potential change in the number of uninsured individuals. Given the current uncertainty of the US economy, we have included three scenarios representing various publicly reported estimates of the potential increase in the US unemployment rate. We intend to update our model as more information becomes available.

Table 1: Estimated Impact to Health Insurance Coverage due to COVID-19 Economic Downturn

Scenario	Unemployment Rate	US Population (in millions)			
		Medicaid	Marketplace ¹	Employer-Sponsored	Uninsured
Pre-COVID	3%	71	13	163	29
Low	10%	82	12-13	151	30-31
Medium	17.5%	88	13-14	140	34-35
High	25%	94	13-15	128	39-40

High Level Observations

- 1. The number of people receiving coverage from an employer could decline by 12 to 35 million, including both workers and family members.** We estimate the economic impact to the labor market could disproportionately affect the roughly 58 million non-elderly individuals who have employer sponsored coverage and earn less than \$50,000 annually.
- 2. Medicaid enrollment could increase from 71 million to 82-94 million.** Medicaid enrollment could increase by 11 to 23 million across all states over the next several months. The extent to which this will be realized will be based on several factors, including:
 - Whether displaced workers and their families, who historically have limited experience with Medicaid, have proper contacts with the Medicaid eligibility system and ultimately enroll in Medicaid.
 - The operational capacity to process new applications and enroll a significant number of individuals prior to health and economic recovery. State efforts to streamline eligibility processes will require alignment amongst entities with roles in the process and associated eligibility system adjustments.
 - Substantial decisions related to the Families First Coronavirus Response Act, state and federal policy clarifications, and CMS response to waiver applications impact the sensitivity of the estimates.
- 3. Medicaid enrollment could grow by 5 million regardless of the number of people who lose their jobs.** The Families First Coronavirus Response Act encourages states to curtail disenrollment of individuals during the public health emergency, except for state residency change or voluntary termination. We have included the estimated increase in Medicaid enrollment due to this provision in our model.
- 4. Uninsured numbers could increase to 40 million, with bigger impacts in non-expansion states.** While job loss will qualify many people for Medicaid in expansion states, one-third of all jobs are in non-expansion states. Given the inability of some newly unemployed individuals in non-expansion states to qualify for Medicaid, we estimate the uninsured rate could increase more acutely in these areas compared to expansion states.

¹ Marketplace totals include on-and off-Marketplace individual coverage.

COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State

- 5. Marketplaces will likely see both new entrants and attrition due to job loss.** Over 11 million Americans have individual coverage through the state and federal Marketplaces, while another 1-2 million purchase individual coverage outside of the Marketplace. Almost 60% of Marketplace enrollees have incomes between 100-200% FPL, providing them with highly subsidized health insurance. These individuals are more likely than other enrollees to move to Medicaid due to job loss. Job loss and/or other coverage changes are considered qualifying events, allowing the consumer to purchase coverage through the Marketplace and potentially be eligible for premium subsidies that would be calculated based on their estimated 2020 total income. At the same time, some workers who lose employer-sponsored insurance due to lost or reduced employment will enter the Marketplace. Our overall Marketplace enrollment estimates appear flat because entries and exits are expected to occur at roughly equal levels.

Key Model Assumptions:

- Low scenario assumes 10 million people lose jobs; Medium: 21 million; High: 33 million.
- Coverage shifts are generally reflective of mid-2020 enrollment, prior to the effects of an economic recovery.
- The model leverages individual and family income as well as source of primary health insurance prior to job loss from the 2018 American Community Survey (ACS).
- On average there are four individuals who receive coverage from a family member for every ten workers, based on family size and distribution of coverage.
- Enrollment assumptions differ between Medicaid expansion and non-expansion states – in non-expansion states fewer newly unemployed people will be Medicaid-eligible.
- This is the first significant economic downturn to occur after the implementation of the ACA, so there is considerable uncertainty regarding how individuals will make choices after job loss. We modeled a range of possible take-up rates.

COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State

Table 2: Estimated Change in Insurance Coverage from COVID-Related Economic Downturn, All States (rounded to nearest thousand)

State	Low Unemployment Scenario				Medium Unemployment Scenario				High Unemployment Scenario			
	Medicaid	Employer-sponsored	Marketplace	Uninsured	Medicaid	Employer-sponsored	Marketplace	Uninsured	Medicaid	Employer-sponsored	Marketplace	Uninsured
Alabama	132,000	-180,000	1,000	47,000	200,000	-363,000	13,000	151,000	276,000	-548,000	18,000	254,000
Alaska	26,000	-25,000	1,000	-1,000	39,000	-49,000	4,000	6,000	54,000	-74,000	6,000	13,000
Arizona	250,000	-235,000	7,000	-21,000	386,000	-467,000	36,000	45,000	533,000	-700,000	51,000	116,000
Arkansas	114,000	-99,000	1,000	-16,000	171,000	-196,000	13,000	12,000	232,000	-291,000	19,000	41,000
California	1,484,000	-1,301,000	13,000	-196,000	2,211,000	-2,555,000	165,000	179,000	2,998,000	-3,837,000	252,000	586,000
Colorado	193,000	-204,000	10,000	0	309,000	-402,000	32,000	60,000	435,000	-604,000	43,000	126,000
Connecticut	124,000	-130,000	8,000	-1,000	194,000	-253,000	23,000	36,000	271,000	-382,000	33,000	77,000
Delaware	35,000	-36,000	2,000	-1,000	55,000	-71,000	7,000	9,000	76,000	-107,000	10,000	21,000
DC	25,000	-21,000	-1,000	-4,000	36,000	-38,000	0	2,000	48,000	-57,000	0	9,000
Florida	513,000	-646,000	-44,000	177,000	778,000	-1,315,000	-52,000	589,000	1,073,000	-1,977,000	-93,000	997,000
Georgia	265,000	-374,000	8,000	101,000	406,000	-753,000	35,000	312,000	567,000	-1,139,000	49,000	524,000
Hawaii	44,000	-51,000	6,000	1,000	72,000	-102,000	15,000	16,000	101,000	-153,000	20,000	31,000
Idaho	64,000	-69,000	0	5,000	109,000	-140,000	4,000	27,000	158,000	-214,000	4,000	51,000
Illinois	452,000	-487,000	30,000	5,000	729,000	-966,000	89,000	149,000	1,033,000	-1,462,000	123,000	306,000
Indiana	241,000	-273,000	20,000	12,000	401,000	-549,000	56,000	92,000	575,000	-830,000	77,000	179,000
Iowa	115,000	-128,000	9,000	4,000	187,000	-255,000	26,000	42,000	265,000	-384,000	36,000	83,000
Kansas	75,000	-123,000	3,000	45,000	122,000	-248,000	10,000	116,000	176,000	-377,000	12,000	189,000
Kentucky	173,000	-162,000	6,000	-18,000	264,000	-320,000	28,000	29,000	361,000	-480,000	41,000	79,000
Louisiana	184,000	-150,000	-1,000	-33,000	269,000	-295,000	15,000	10,000	360,000	-439,000	24,000	55,000
Maine	41,000	-45,000	2,000	2,000	69,000	-91,000	7,000	15,000	99,000	-136,000	8,000	30,000
Maryland	197,000	-215,000	18,000	0	312,000	-421,000	48,000	61,000	438,000	-636,000	70,000	128,000
Massachusetts	251,000	-256,000	11,000	-6,000	387,000	-497,000	40,000	70,000	539,000	-752,000	58,000	155,000
Michigan	377,000	-389,000	19,000	-6,000	599,000	-774,000	65,000	110,000	841,000	-1,171,000	93,000	237,000
Minnesota	195,000	-222,000	18,000	8,000	317,000	-438,000	47,000	74,000	451,000	-661,000	64,000	147,000
Mississippi	87,000	-107,000	-1,000	21,000	127,000	-216,000	6,000	82,000	173,000	-324,000	9,000	143,000
Missouri	153,000	-243,000	8,000	82,000	244,000	-491,000	25,000	222,000	347,000	-743,000	33,000	363,000
Montana	39,000	-37,000	0	-1,000	61,000	-74,000	3,000	10,000	85,000	-112,000	4,000	22,000
Nebraska	66,000	-81,000	5,000	10,000	115,000	-163,000	13,000	35,000	169,000	-246,000	16,000	61,000
Nevada	100,000	-104,000	9,000	-4,000	160,000	-210,000	25,000	25,000	223,000	-314,000	36,000	55,000
New Hampshire	43,000	-54,000	6,000	5,000	73,000	-108,000	14,000	21,000	105,000	-163,000	20,000	38,000
New Jersey	279,000	-320,000	31,000	10,000	454,000	-634,000	79,000	101,000	646,000	-960,000	113,000	201,000
New Mexico	85,000	-62,000	-2,000	-20,000	118,000	-119,000	5,000	-4,000	155,000	-176,000	8,000	13,000
New York	719,000	-658,000	21,000	-83,000	1,068,000	-1,274,000	103,000	103,000	1,446,000	-1,905,000	155,000	305,000
North Carolina	273,000	-370,000	-1,000	98,000	411,000	-744,000	21,000	311,000	568,000	-1,119,000	27,000	524,000
North Dakota	23,000	-30,000	3,000	5,000	41,000	-61,000	6,000	14,000	60,000	-92,000	7,000	24,000
Ohio	425,000	-450,000	29,000	-5,000	679,000	-890,000	87,000	124,000	953,000	-1,339,000	122,000	264,000

COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State

State	Low Unemployment Scenario				Medium Unemployment Scenario				High Unemployment Scenario			
	Medicaid	Employer-sponsored	Marketplace	Uninsured	Medicaid	Employer-sponsored	Marketplace	Uninsured	Medicaid	Employer-sponsored	Marketplace	Uninsured
Oklahoma	135,000	-141,000	6,000	1,000	223,000	-286,000	21,000	42,000	320,000	-434,000	27,000	87,000
Oregon	149,000	-145,000	5,000	-9,000	232,000	-286,000	22,000	33,000	320,000	-430,000	31,000	78,000
Pennsylvania	459,000	-493,000	28,000	6,000	737,000	-974,000	87,000	150,000	1,041,000	-1,470,000	120,000	309,000
Rhode Island	38,000	-39,000	2,000	-1,000	60,000	-77,000	6,000	11,000	84,000	-116,000	9,000	23,000
South Carolina	136,000	-179,000	-2,000	44,000	204,000	-360,000	7,000	148,000	281,000	-542,000	9,000	252,000
South Dakota	22,000	-35,000	0	14,000	35,000	-71,000	0	36,000	51,000	-108,000	-1,000	58,000
Tennessee	188,000	-241,000	-2,000	56,000	277,000	-485,000	12,000	195,000	379,000	-728,000	16,000	334,000
Texas	716,000	-972,000	13,000	243,000	1,089,000	-1,952,000	80,000	784,000	1,513,000	-2,949,000	108,000	1,328,000
Utah	121,000	-160,000	7,000	33,000	224,000	-326,000	17,000	86,000	341,000	-506,000	18,000	148,000
Vermont	24,000	-24,000	0	0	37,000	-46,000	2,000	7,000	52,000	-70,000	2,000	15,000
Virginia	258,000	-316,000	22,000	37,000	448,000	-636,000	56,000	132,000	657,000	-967,000	74,000	236,000
Washington	256,000	-259,000	18,000	-15,000	395,000	-509,000	56,000	58,000	546,000	-764,000	82,000	137,000
West Virginia	69,000	-65,000	3,000	-7,000	105,000	-128,000	12,000	11,000	143,000	-192,000	19,000	30,000
Wisconsin	151,000	-239,000	10,000	77,000	234,000	-476,000	30,000	212,000	329,000	-719,000	40,000	350,000
Wyoming	13,000	-25,000	1,000	10,000	22,000	-50,000	3,000	25,000	33,000	-76,000	3,000	39,000
Total	10,594,000	-11,670,000	365,000	710,000	16,496,000	-23,206,000	1,524,000	5,186,000	22,980,000	-34,975,000	2,121,000	9,873,000

Marketplace includes all individual market enrollees as Marketplace enrollment accounts for nearly 90% of all individual market.

More detailed state level estimates are available that take additional factors into consideration.

Source: HMA Health Insurance Coverage Model