Many Working Parents and Families in Florida Would Benefit from Closing the Coverage Gap

by Georgetown University Center for Children and Families and Kids Well Florida

Key Points

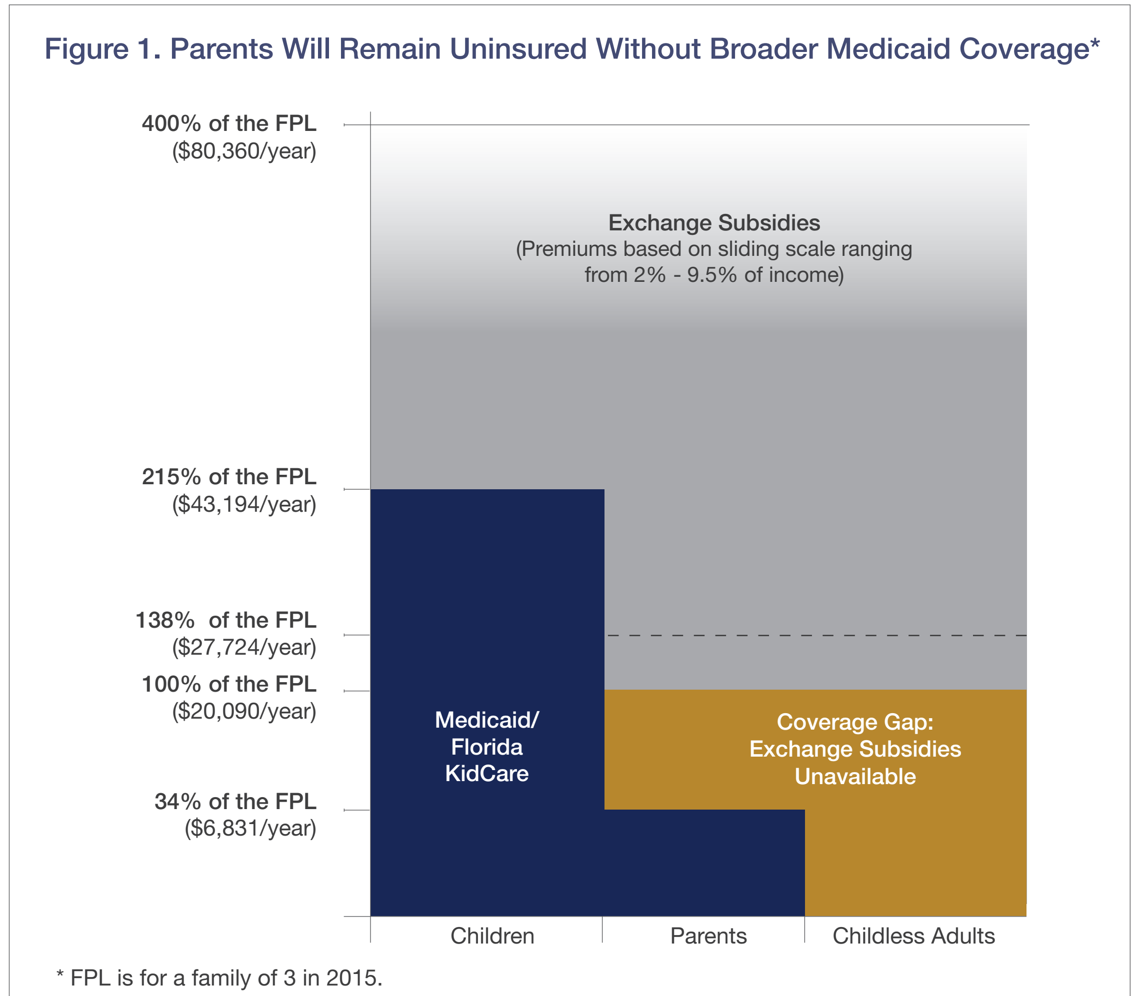
1. The Florida legislature is currently debating a bill to expand Medicaid to over one million low-income Floridians. In Florida, uninsured parents with children present in the home account for 28 percent of the population potentially eligible for health coverage if the state expands Medicaid.[1] A significant coverage gap exists for parents whose income exceeds Florida's extremely low eligibility threshold for Medicaid but don't earn enough to receive tax credits for coverage through the federal health insurance marketplace. A parent in a family of three working more than 18 hours a week in a minimum wage job would earn too much to get Medicaid coverage under Florida's stringent guidelines.
2. Of those parents that could benefit from extended Medicaid eligibility, 63 percent are employed and many of them are in jobs supporting Florida's service based, tourist-dependent economy. Uninsured parents potentially eligible for Medicaid expansion are most likely to be white, between the ages of 26 to 49 years old and have one or two children.
3. Florida has some of the highest rates and numbers of uninsured children and parents in the nation. Providing health coverage to Florida's parents would reduce children's uninsured rate and enhance families' financial security. Experience from other states shows that an extremely effective way to reduce the uninsured rate for children is to extend coverage to parents so the whole family can get covered.

Introduction

The U.S. has made significant progress in decreasing rates of uninsurance for parents and adults.[2] However, many low-income families in Florida still struggle to obtain health coverage. In 2013 (prior to the Affordable Care Act's major coverage provisions), there were over 3.9 million people living without health insurance coverage in Florida, accounting for 8.5 percent (1 in 12) of all uninsured individuals in the United States.

The Affordable Care Act (ACA) created new opportunities for low-income adults to enroll in coverage through two principal means. First the ACA expands Medicaid eligibility to low-income adults under 138 percent of the Federal Poverty Level (FPL), with the intent of raising the Medicaid eligibility level in all states.[3] The ACA also established health insurance marketplaces where consumers can shop for private health insurance as well as qualify for tax premium subsidies and cost-sharing reductions. States now have flexible options for providing Medicaid coverage to parents and childless adults with incomes up to 138 percent of the FPL. Today, twenty-eight states and the District of Columbia have taken the option to expand Medicaid coverage.[4]

Figure 1. Parents Will Remain Uninsured Without Broader Medicaid Coverage*



* FPL is for a family of 3 in 2015.

Research based on the experience of other states shows that insurance rates for children improve when coverage is available to the whole family.

Florida is one of 22 states that has elected not to accept federal funding under the ACA to extend Medicaid coverage to parents and other low-income adults. Consequently, parents in Florida are not eligible for Medicaid or premium tax credits if their incomes exceed 34 percent of the poverty line ($6,831 annually, or $569 per month, for a family of three in 2015) but remain below 100 percent of the poverty line ($20,090 annually, or $1,674 per month for a family of three).[5]

As a result, there are an estimated 764,000 Floridians (including childless adults) who fall into this coverage gap and a total of 1.2 million adults excluded from coverage due to Florida's decision not to expand Medicaid.[6] Of those that are uninsured in Florida, 37 percent currently have a path to coverage, but this number would increase to 68 percent if Florida expanded Medicaid.[7] Research based on the experience of other states shows that insurance rates for children improve when coverage is available to the whole family.

Florida saw robust enrollment in its Federally Facilitated Marketplace (FFM), yet a large coverage gap remains.[8] During the second open enrollment season (October of 2014 through February of 2015), nearly 1.5 million adults ages 18 to 64 signed up for coverage through the exchange—the highest number of enrollees in any state.[9]

In Florida, many more individuals with incomes between 35 and 100 percent of FPL would likely sign up for coverage through the exchange if they were not excluded from receiving tax subsidies. Adults with incomes between 100 and 138 percent of FPL, while eligible for tax credits through the marketplace, may forego coverage if the cost proves to be prohibitive. If Florida decides to extend Medicaid, many adults in the coverage gap would become eligible for Medicaid, which has strong cost-sharing protections for low-income parents.

Should Florida choose to extend Medicaid coverage to adults with incomes up to 138 percent of FPL, federal funding will be available to cover 100 percent of the costs for this new coverage through 2016. A conservative estimate, based on the state's Estimating Conference data, finds that in 2015 Florida is losing $10 million in federal funds every day because lawmakers have not accepted the money to extend Medicaid coverage.[10] In 2014 the state gave up over $3.6 billion in federal funding. The Federal Medical Assistance Percentage (FMAP) for this population decreases to 95 percent in 2017 and eventually declines to 90 percent in 2020. Even then, the FMAP for the expansion population is much higher than the regular Medicaid matching rate, which is just below 60 percent, making Medicaid expansion a good deal for Florida. Florida would likely accrue savings in other areas of the state's budget if expansion were enacted.[11]

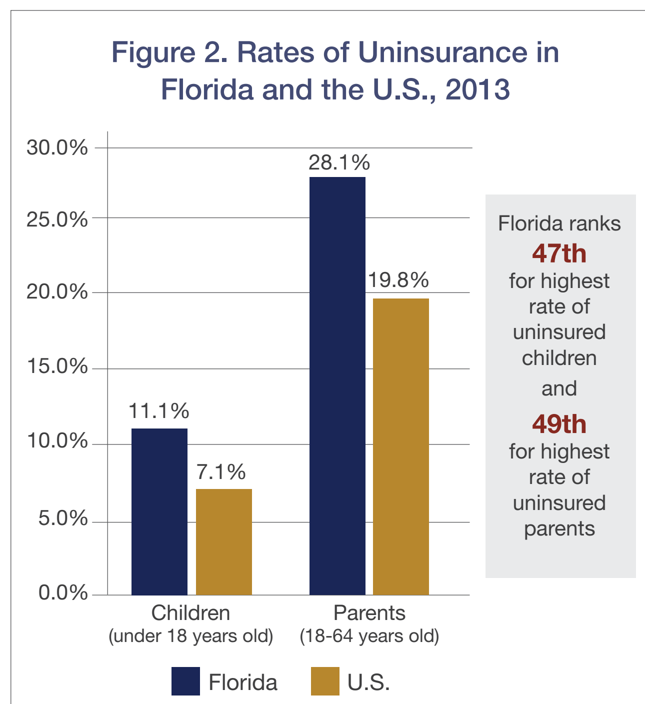
Who are the Uninsured in Florida?

Data reported here is from 2013 and does not reflect the impact of the ACA's major provisions that took effect on January 1, 2014. Full implementation of the ACA will likely improve coverage rates and will be reflected in 2014 data when it becomes available.[12]

Florida has some of the highest rates and numbers of uninsured children and parents in the nation.

- Florida ranks 47th among all states and the District of Columbia in percent of uninsured children (11 percent or about 445,000 of Florida's children are uninsured).
- In the U.S., there are 13.9 million uninsured parents. Florida has the 49th highest rate of uninsurance for parents in the nation, with 28 percent (1.1 million) of Florida's parents remaining uninsured.

Figure 2. Rates of Uninsurance in Florida and the U.S., 2013



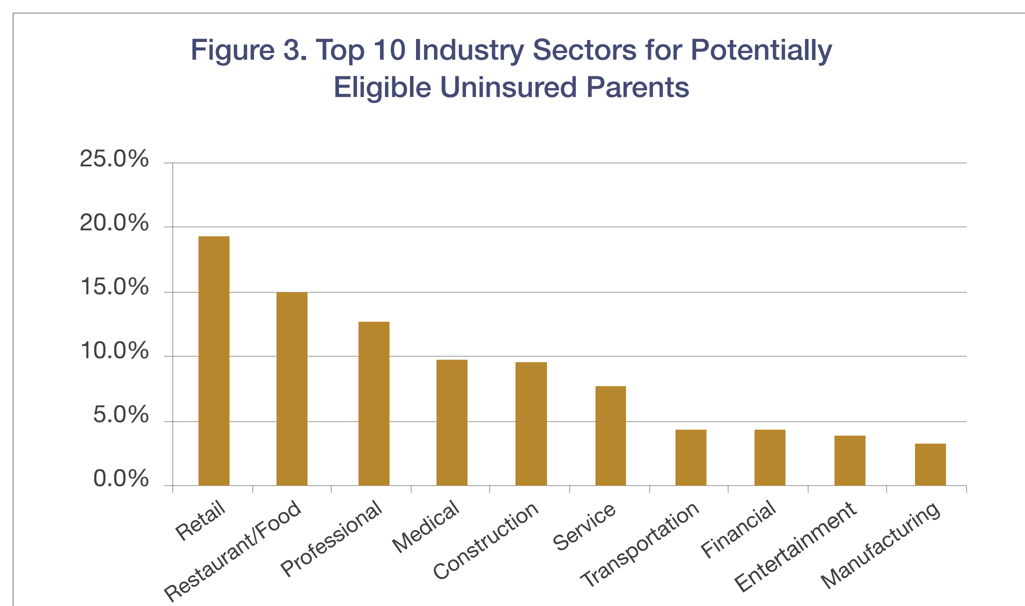
About half (47 percent) of all potentially eligible uninsured parents work in retail, restaurants, and professional services.

Who are the potentially eligible parents in Florida?

The population of low-income uninsured parents most likely to be helped by Medicaid expansion in Florida are white, employed, and have one to two children.

Employment

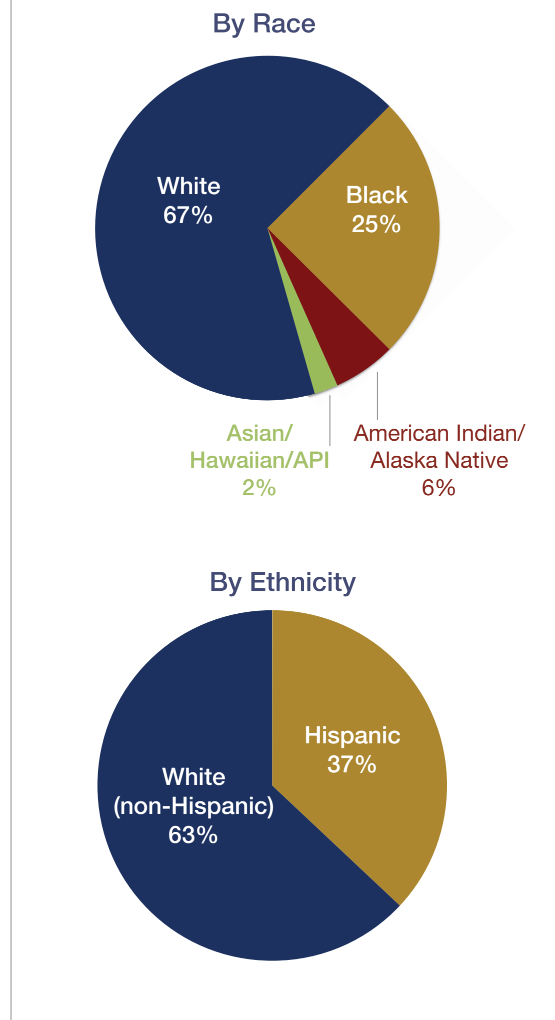
- Of those potentially eligible uninsured parents, working parents are most likely to gain coverage through Medicaid expansion in Florida. Nearly two-thirds (63 percent) of the uninsured parents that could benefit from expanded Medicaid eligibility are employed outside of the home. One quarter (24 percent) of these parents are not in the labor force, meaning they are most likely students, homemakers, or otherwise retired workers. Only 13 percent of these parents are unemployed.
- One-fifth (22 percent) of potentially eligible uninsured parents are from families with two working parents in the home.
- Florida's Medicaid expansion would lead to greater health coverage for the working poor. More than half (57 percent) of potentially eligible uninsured parents live below the poverty line (35 to 100 percent FPL). In Florida, minimum wage workers make $8.05 per hour.[13] This means that minimum wage workers in a family of three who work more than 18 hours per week have incomes too high to qualify for Medicaid (34 percent of the FPL is $142 per week). Employees earning the minimum wage who work more than 18 hours per week but earn less than $419 per week have incomes too high for Medicaid and too low for premium assistance through the exchanges.
- Reflecting the nature of Florida's service based, tourist-dependent economy, about half (47 percent) of all potentially eligible uninsured parents work in retail, restaurants, and professional services.[14] Top professions for these parents include restaurant and other food service occupations, construction, department and grocery store clerks, and landscaping.



Family Demographics

- The majority of potentially eligible uninsured parents are in young to middle adulthood, between ages 26 and 49 years of age (64 percent). The vast majority of families (78 percent) have one or two children. More than half of families (54 percent) have school-aged children (those ages 6 to 17 years old).
- Of the potentially eligible uninsured parent population, two-thirds are white (67 percent). The remaining third of this population self-identifies as Black (25 percent), American Indian/Alaska Native (6 percent), and Asian/Native Hawaiian/Pacific Islander (2 percent).[15]
- Florida has a large Hispanic population (24 percent of the population) and they experience a high rate of uninsurance. Nearly one in every three Hispanic individuals (31 percent) are uninsured. Florida also has one of the highest rates of uninsurance for Hispanic children with 14.4 percent of all Hispanic children lacking health coverage (168,000 uninsured children) compared to the national average of 11.5 percent.[16]
- Medicaid expansion would significantly help Hispanic families gain coverage. Just over one-third (37 percent) of eligible parents are Hispanic (who may be of any race).[17]

Figure 4: Uninsured Florida Parents Potentially Eligible for Medicaid by Race and Ethnicity



Children Benefit When Their Parents Have Coverage

Covering parents increases the likelihood of children being enrolled in health coverage. This is particularly important in Florida, which has one of the highest rates of uninsured children in the nation (11 percent). A number of studies find that when parents are insured, children are more likely to have health coverage.[18] This is because most uninsured children are already eligible for Medicaid or CHIP but not enrolled. For example, a recently published study in Oregon showed the odds of eligible children receiving Medicaid or CHIP coverage doubled if their parents enrolled in Medicaid.[19] In Massachusetts, health coverage expansions for parents helped cut the uninsurance rate for children in half.[20]

In Florida, an estimated 305,000 children are eligible for Medicaid/CHIP but are not enrolled. The average Medicaid/CHIP participation rate in the United States for children is 87 percent and Florida's Medicaid/CHIP participation rate is well below that at 83 percent. Vermont, on the other hand, has the highest rate of participation with 97 percent of all eligible children enrolled.[21] If Florida increased its participation rate to the level achieved in Vermont, about 49,000 children would gain health insurance.

Untreated maternal depression can be damaging to a child's cognitive, social and emotional development.

Extending Medicaid coverage for parents and other low-income adults has proven to be an effective strategy to boost children's enrollment rates. Arkansas enrolled significant numbers of already eligible children when the state expanded coverage to their parents. In just one month, Arkansas's enrollment effort resulted in 58,000 new enrollees, including 2,500 children.[22]

Recent research shows that children with Medicaid coverage and Medicaid-eligible parents have improved physical well-being, earning potential, and educational attainment. Children enrolled in Medicaid are more likely to receive well-child care and are significantly less likely to have unmet or delayed needs for medical care, dental care, and prescription drug use due to cost.[23] Expanding Medicaid eligibility to children and parents reduces hospitalizations and leads to fewer emergency department visits later in life.[24]

Not only does Medicaid expansion for parents and Medicaid coverage for children lead to better health outcomes in the short-term, but it also leads to better long-term outcomes including lower rates of mortality, improved educational attainment, and government savings. One study found that Medicaid eligible children were more likely to attend college and had lower rates of mortality than their non-Medicaid eligible counterparts.[25] Expanding Medicaid eligibility improved the economic outcomes for low-income children who experienced positive economic mobility in adulthood.[26] In addition, children enrolled in Medicaid had higher wages and, because they contributed more taxes later in life, led the government to recoup most of the dollars spent on Medicaid for children.[27]

When parents are covered, their health status improves along with the well-being of their children. Uninsured parents have more difficulty accessing needed care, potentially compromising their ability to work, support their families, and care for their children.[28] Medicaid coverage improves access to necessary health care and decreases out-of-pocket spending for low-income adults, improving financial stability for the whole family. For example, more than half of all infants living in poverty have a mother suffering from depression.[29] Untreated maternal depression can be damaging to a child's cognitive, social and emotional development. While depression is treatable, many poor mothers do not receive care. In Oregon, rates of depression decreased by 30 percent as a result of new Medicaid coverage.[30]

States choosing to extend Medicaid coverage to parents directly help children by reducing the number of uninsured children, boosting a family's financial security, and enabling children to get better care from healthier parents.

Appendix:
Profile of Uninsured Parents in Florida Potentially Eligible for Medicaid

Age	
18-25	26%
26-34	25%
35-49	39%
50-64	10%

Federal Poverty Level	
35-100% of FPL	57%
101-138% of FPL	43%

Race	
White	67%
Black	25%
American Indian/Alaska Native	6%
Asian/Hawaiian/API	2%

Ethnicity	
Hispanic	37%
White, non-Hispanic	63%

Number of Children	
1	44%
2	35%
3	15%
4 to 7	7%

Age of Children	
Presence of young children (under 6 years only)	19%
Presence of school-aged children (6-17 years only)	54%
Presence of both young and school-aged children (under 6 and 6-17 years)	26%

Employment Status	
Employed (Civilian)	63%
Unemployed	13%
Not in Labor Force	24%

Top 10 Industry Sectors	
Retail	19%
Restaurants/Food Services	15%
Professional Services (accounting, architecture business support, etc.)	13%
Medical (hospitals, dentist, outpatient care)	10%
Construction	10%
Service (beauty, car wash, maintenance, other)	8%
Transportation	4%
Financial (banking, insurance, real estate)	4%
Entertainment (arts, recreation	4%
Manufacturing	3%

Note: Due to rounding, percentages may not add to 100 percent.

Methodology

Data Source

This brief analyzes 2013 Public Use Microdata Sample (PUMS) from the U.S. Census Bureau American Community Survey (ACS) and applies the PUMS person weight. The U.S. Census Bureau publishes PUMS data on Data Ferrett.

Parents

The estimates presented here focus on parents defined as civilian non-institutionalized adults age 18 to 64 living with a biological, adoptive, or step child under the age of 18 ("own" children). Note that the definition of "own" children excludes foster children since they are not related to the householder. We did not adjust the family unit definition to analyze health insurance units (HIUs), most likely resulting in an undercount of the total number of individuals.

Health Coverage

Data on health insurance coverage are point-in-time estimates that convey whether a person does not have coverage at the time of the survey. The estimates are not adjusted to address the Medicaid undercount often found in surveys, which may be accentuated by the absence of state-specific health insurance program names in the ACS.

Medicaid Eligibility Under Current Rules

Data on poverty levels includes only those individuals for whom the poverty status can be determined for the last year. Therefore, this population is lightly smaller than the total non-institutionalized population of the U.S. We include only those parents whose income-to-poverty status is determined to be 35 percent to 138 percent of Federal Poverty Level ($7,032 to $27,724 for a family of three in 2015).

The ACS does not contain sufficient information to determine whether an individual is an authorized immigrant and therefore potentially eligible for Medicaid coverage, thus we only include those who are classified as citizens (those who are born in the U.S.; Born in Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Marina; Born abroad of American parent(s); U.S. citizen by naturalization).

Demographic and Socio-economic Characteristics

In this brief we report data for all seven race categories and two ethnicity categories for which the ACS provides one-year health insurance coverage estimates. The U.S. Census Bureau recognizes and reports race and Hispanic origin (i.e., ethnicity) as separate and distinct concepts.

To report on an individual's race, we merge the data for "Asian alone" and "Native Hawaiian or other Pacific Islander alone." In addition, we report the ACS category "some other race alone" and "two or more races" as "Other." Except for "Other," all other racial categories refer to respondents who indicated belonging to only one race.

We report "Hispanic or Latino," as "Hispanic." As this refers to a person's ethnicity, these individuals may be of any race. We report data for both "white" parents and "white non-Hispanic parents." The former refers to all parents whose race is reported as white, without regard to their ethnicity; the latter category refers to parents who reported their race as white and do not report their ethnicity as Hispanic. For more detail on how the ACS defines racial and ethnic groups see "American Community Survey and Puerto Rico Community Survey 2013 Subject Definitions."

Employment

This brief reports those who are employed as those who had a job or business and those who are unemployed as those who do not work or are actively looking for work. The labor force is everyone classified as employed or unemployed. People who are not in the labor force are mostly students, homemakers, retired workers, seasonal workers, institutionalized people, and people doing unpaid family work.

As defined by the U.S. Department of Labor Bureau of Labor Statistics, working part-time is working between 1 and 34 hours per week and full time work is 35 hours or more per week.

Limitations of Data

Data provided in this brief should be noted as an estimate. Variables presented are defined using only the information provided on the PUMS and do not include adjustments for possible measurement problems. We did not use statistical models to impute for various socio-demographic factors (e.g., authorized immigration status and health insurance unit).

Endnotes

[1] Based on a Georgetown CCF and Urban Institute analysis of U.S. Census Bureau American Community Survey (ACS) data, 2013 single year estimates. Georgetown CCF estimated that there are about 243,000 uninsured parents potentially eligible for Medicaid if Florida expands eligibility, accounting for 28 percent of the total newly eligible adult population. We believe this likely underestimates the full number and should be used as an *approximation* for the population profile of uninsured parents potentially eligible for Medicaid expansion. See Methodology section for complete methodological notes.

[2] S. Long, *et al*., "QuickTake: Taking Stock: Health Insurance Coverage Under the ACA as of December 2014", Urban Institute Health Reform Monitoring Survey (March 2015); M. Karpman, *et al*., "QuickTake: Health Insurance Coverage for Parents under the ACA as of September 2014," Urban Institute Health Reform Monitoring Survey (March 2015).

[3] As originally written, the ACA operated under the assumption that all states would extend Medicaid coverage to all low-income adults under 133 percent of the FPL, with a standard five percentage point of FPL disregard, bringing the effective eligibility level to 138 percent of the FPL. For higher income adults, the ACA provided tax premium subsidies and cost-sharing reductions to individuals with incomes between 100 and 400 percent of the FPL. However, the Supreme Court later ruled on the constitutionality of Medicaid expansion and effectively gave states a choice as to whether to extend coverage to low-income adults, leaving a coverage gap for low-income adults in non-expansion states.

[4] Kaiser Family Foundation, "Status of State Action on the Medicaid Expansion Decision," (March 6, 2015), available at http://kff.org/health-reform/state-indicator/state-activity-around-expandingmedicaid-under-the-affordable-care-act/.

[5] T. Brooks, *et al*., "Modern Era Medicaid: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP as of January 2015," Kaiser Commission on Medicaid and the Uninsured (January 2015).

[6] Kaiser Family Foundation, "How Will the Uninsured in Florida Fare Under the Affordable Care Act," (January 2014), available at http://kff.org/health-reform/fact-sheet/state-profiles-uninsured-under-aca-florida/.

[7] M. Buettgens, *et al*., "Eligibility for Assistance and Projected Changes in Coverage Under the ACA: Variation Across States," Urban Institute (October 2013).

[8] A core component of the ACA is the creation of state-based health insurance exchanges designed to provide a competitive marketplace where individuals, families, and small businesses can comparison shop between private insurance plans. Individuals with incomes between 100 and 400 percent of the FPL are eligible to receive premium tax subsidies and cost-sharing reductions that reduce the cost of coverage. For the 34 states that have chosen not to establish their own marketplace, including Florida, the federal government runs the exchange.

[9] Office of The Assistant Secretary for Planning and Evaluation (ASPE), "Health Insurance Marketplaces 2015 Open Enrollment Period: March Enrollment Report," Department of Health and Human Services (March 10, 2015).

[10] Defined as State Fiscal Year (SFY) 2014-2015. Social Services Estimating Conference, "Estimates Related to Federal Affordable Care Act: Title XIX (Medicaid) & Title XXI (CHIP) Programs," (March 7, 2013), available at http://edr.state.fl.us/Content/conferences/medicaid/FederalAffordableHealthCareActEstimates.pdf.

[11] For estimates of how Florida may save money if the state expanded Medicaid, see "Florida's Medicaid Choice: Understanding Implications of Supreme Court Ruling on Affordable Health Care Act" by Georgetown University for Children and Families (November 2012) and "States Expanding Medicaid See Significant Budget Savings and Revenue Gains" by Manatt Health Solutions (April 2015).

[12] For examples of preliminary data on uninsurance rates in 2014, see federal data from the CDC in "Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January-September 2014"; policy briefs from the Urban Institute's Health Reform Monitoring Survey including "A First Look at Children's Health Insurance Coverage under the ACA in 2014" and "Taking Stock: Health Insurance Coverage for Parents under the ACA in 2014."

[13] United States Department of Labor, "Wage and Hour Division: Minimum Wage Laws in the States—January 1, 2015," (February, 24, 2015), available at http://www.dol.gov/whd/minwage/america.htm.

[14] Florida's most common occupations in the professional service sector include providing services for landscaping, buildings, employment, business support, security, accounting, scientific, and waste management.

[15] Not a significant percent of parents identify as "other/multiracial."

[16] S. Schwartz, *et al*., "Hispanic Children's Coverage: Steady Progress, But Disparities Remain," Georgetown Center for Children and Families and National Council of La Raza (November 2014).

[17] Note that Hispanic refers to a person's ethnicity and is a separate and distinct concept from race; see Methodology for more information.

[18] Georgetown Center for Children and Families, "Medicaid Expansion: Good for Parents and Children," (January 2014), available at http://ccf.georgetown.edu/wp-content/uploads/2013/12/Expanding-Coverage-for-Parents-Helps-Children-2013.pdf.

[19] J. DeVoe, *et al*., "Effect of Expanding Medicaid for Parents on Children's Health Insurance Coverage: Lessons From the Oregon Experiment," *JAMA Pediatrics* 169 (January 2015).

[20] L. Dubay and G. Kenney, "Expanding Public Health Insurance to Parents: Effects on Children's Coverage under Medicaid," *HSR: Health Services Research*, vol. 38: 1283-1302 (2003).

[21] G. Kenney, N. Anderson, and V. Lynch, "Medicaid/CHIP Participation Rates Among Children: An Update," Robert Wood Johnson Foundation and Urban Institute (September 2013).

[22] A. Strong, "Early Results in Arkansas Show ACA is Reaching Uninsured Children and Families," Say Ahh! Blog (October 6, 2013), available at http://ccf.georgetown.edu/all/early-results-in-arkansas-show-aca-is-reaching-uninsured-children-and-families/.

[23] J. Paradise and R. Garfield, "What is Medicaid's Impact on Access to Care Outcomes, and Quality of Care? Setting the Record Straight on the Evidence," Kaiser Commission on Medicaid and the Uninsured (August 2013).

[24] L. Wherry, *et al*., "Childhood Medicaid Coverage and Later Life Health Care Utilizations," National Bureau of Economic Research, Working Paper 20929 (February 2015).

[25] S. Cohodes, *et al*., "The Effect of Child Health Insurance Access on Schooling: Evidence from Public Health Insurance Expansion," National Bureau of Economic Research, Working Paper 20178 (May 2014).

[26] R. O'Brien, *et al*., "Medicaid and Intergenerational Economic Mobility," University of Wisconsin-Madison Institute for Research on Poverty, No. 1428-15 (April 2015).

[27] D. Brown, *et al*., "Medicaid as an Investment in Children: What is the Long-Term Impact on Tax Receipts?," National Bureau of Economic Research, Working Paper 20835 (January 2015).

[28] C. Lowenstein, *et al*., "Linking Depressed Mothers to Effective Services and Supports: A Policy and Systems Agenda to Enhance Children's Development and Prevent Child Abuse and Neglect: Summary of May 2013 Culminating Roundtable," Urban Institute (October 2013).

[29] T. Vericker, *et al*., "Infants of Depressed Mothers Living in Poverty: Opportunities to Identify and Service," Urban Institute (August 2010).

[30] K. Baicker, *et al*., "The Oregon Health Insurance Experiment – Effects of Medicaid and on Clinical Outcomes," *New England Journal of Medicine* 368:1713-1722 (May 2, 2013).

The Center for Children and Families (CCF) is an independent, nonpartisan policy and research center whose mission is to expand and improve health coverage for America's children and families. CCF is based at Georgetown University's Health Policy Institute.

KidsWell Florida is a collaborative of many stakeholder groups who share a common vision: making sure children have affordable, quality health care coverage. It is a three-year project funded by The Atlantic Philanthropies and carried out by a team of key leaders from five statewide advocacy groups: Florida CHAIN, The Children's Movement of Florida, the Florida Center for Fiscal and Economic Policy, The Children's Trust of Miami-Dade, and Florida Children's Healthcare Coalition.

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