



# THE PARTNERSHIP FOR MEDICAID

## Medicaid Myths: Debunking Common Misconceptions of the Medicaid Program

**Myth: Medicaid is only for low-income adults.**

**Fact: The Medicaid expansion adult population represents less than 20 percent of the 72 million individuals enrolled in Medicaid.**

The ACA expanded Medicaid to more than 12 million adults without children with incomes below 138 percent of the federal poverty level (FPL). Beyond the expansion population, Medicaid also covers other beneficiary populations, including:

- 30 million children
- 10.7 million people with disabilities
- 6.0 million older adults (those age 65 and up)<sup>1</sup>

Children, including those with special health care needs and those from low-income families, make up the single largest group of people who depend on Medicaid. Medicaid also provides comprehensive prenatal care to pregnant women, allowing millions of pregnant women to have healthy pregnancies and prevent instances of preterm birth, low birthweight, and other complications in infants. Unlike many private health insurance plans, Medicaid guarantees specific benefits for children. Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefits are the definitive standard of pediatric care, covering an array of services like developmental, dental, vision and hearing screenings, and allow health problems to be diagnosed and treated appropriately and as early as possible. Children in Medicaid are more likely to get check-ups, miss less school, graduate, and enter the workforce than their uninsured peers.

Medicaid is also the primary payer of long-term services and supports (LTSS) and covers a wide range of services. LTSS helps older adults and people with disabilities accomplish basic daily activities like bathing, getting dressed, fixing meals, and walking. These services help people live in the community, such as home health and personal care, as well as services provided in traditional settings such as nursing centers. Medicaid covers virtually all individuals with developmental disabilities and more than 60 percent of nursing center patients. Many of these essential services are not covered by Medicare or private insurance. Long-term care remains prohibitively expensive for many Americans, and Medicaid fills a critical need for this population that would otherwise go unfilled or leave many beneficiaries, and their families, bankrupt.<sup>2</sup>

**Myth: Medicaid recipients do not work.**

**Fact: Nearly 80 percent of nonelderly adult Medicaid beneficiaries are part of working families.**

A majority of Medicaid recipients work.<sup>3</sup> Among Medicaid beneficiaries who are both not working and not receiving Supplemental Security Income, more than one third are ill or disabled, 30 percent are taking care of a home or a family, and 15 percent go to school. If policymakers are

<sup>1</sup> "CMS Fast Facts." (2019). *Centers for Medicare and Medicaid Services*. Retrieved from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMS-Fast-Facts/index.html>

<sup>2</sup> "Medicaid's Role in Nursing Home Care." (2017). *Kaiser Family Foundation*. Retrieved from <https://www.kff.org/infographic/medicaids-role-in-nursing-home-care/>

<sup>3</sup> Garfield R, Rudowitz R. (2018). "Understanding the Intersection of Medicaid and Work." *Kaiser Family Foundation*. Retrieved from <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

hoping to incentivize work, unrestricted Medicaid coverage is a good start, as individuals who receive insurance through Medicaid are more likely to seek a new or better job after enrollment.<sup>4,5</sup> The bottom line – good health allows for meaningful employment.

**Myth: It's better to be uninsured than be on Medicaid.**

**Fact: Medicaid coverage has positive health and social impacts on beneficiaries.**

Numerous studies and reports confirm that Medicaid coverage leads to:

- Improved health outcomes
- Increased access to care
- Higher rates of preventive health screenings
- Positive self-reported health status
- Decreased hospital and emergency room utilization
- Lower infant, child, maternal, and adult mortality rates<sup>6</sup>

Among the Medicaid expansion population, the research is clear: Medicaid benefits recipients and leads to positive health outcomes without diverting care from pre-ACA Medicaid populations, including children, pregnant women, the disabled, and the elderly.<sup>7</sup> In addition to driving uninsured rates to historic lows, Medicaid expansion disproportionately benefitted rural populations.<sup>8</sup> Medicaid expansion increased access to medications and services for behavioral and mental health treatment and began to address the opioid crisis, while at the same time leading to significant reductions in out-of-pocket spending and medical debt.<sup>9,10</sup>

Medicaid expansion is relatively new, and several states did not implement it, therefore national uniform health outcomes data remains limited. However, initial research suggests that expansion is associated with increases in use of preventive services and improved self-reported health, especially in low-income adults and individuals with chronic conditions.<sup>11</sup> In particular, Medicaid expansion provides critical and needed treatment to individuals with substance use disorders.<sup>12</sup> A systematic review of 77 studies on the impact of Medicaid expansion concluded that it was associated with increases in coverage, quality, and health for beneficiaries.<sup>13</sup>

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<sup>4</sup> Tipirneni R, Ayanian J, Kullgren J, Goold S, Kieffer E, Rosland A, Chang T, Haggins A, Clark S, Lee S. (2017). "Medicaid Expansion Helped Enrollees Do Better at Work or in Job Searches." *Michigan Institute for Healthcare Policy and Innovation*. Web.

<sup>5</sup> "2018 Ohio Medicaid Group VIII Assessment." (2018). *Ohio Department of Medicaid*. Retrieved from <https://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>

<sup>6</sup> "Medicaid's Impact on Health Care Access, Outcomes and State Economies. (2019). *Robert Wood Johnson Foundation*. Retrieved from <https://www.rwjf.org/en/library/research/2019/02/medicaid-s-impact-on-health-care-access-outcomes-and-state-economies.html>

<sup>7</sup> Rudowitz R, Antonisse L. (2018). "Implications of the ACA Medicaid Expansion: A Look at the Data and Evidence." *Kaiser Family Foundation*. Web.

<sup>8</sup> Hoadley J, Wagneman K, Alker J, Holmes M. (2017). "Medicaid in Small Towns and Rural America: A Lifeline for Children, Families, and Communities." *Georgetown Center for Children and Families*. Web.

<sup>9</sup> Sommers B, Blendon R, Orav EJ. (2016). "Changes in Utilization and Health Among Low-Income Adults After Medicaid Expansion or Expanded Private Insurance." *JAMA Internal Medicine*. Web.

<sup>10</sup> Brevoort K, Grodzicki D, Hackmann H. (2017). "Medicaid and Financial Health." *National Bureau of Economic Research*. Web.

<sup>11</sup> Sommers B, Maylone B, Blendon R, Orav EJ, Epstein A. (2017). "Three-Year Impacts of the Affordable Care Act: Improved Medical Care and Health Among Low-Income Adults." *Health Affairs*. Web.

<sup>12</sup> B Cher, N Morden, E Meara. (2019). "Medicaid Expansion and Prescription Trends: Opioids, Addiction Therapies, and Other Drugs." *Medical Care*. Web.

<sup>13</sup> Mazurenko O, Balio C, Agarwal R, Carroll A, Menachemi N. (2018). "The Effects of Medicaid Expansion Under the ACA: A Systematic Review." *Health Affairs*. Web.