

2024 and Beyond: AMA's Plan to Cover the Uninsured

By early 2023, a record 40 million people had health coverage resulting from the Affordable Care Act (ACA)—through the marketplaces, Medicaid expansion, and the Basic Health Program—and the uninsured rate had dropped to an all-time low. Declines in the number of uninsured were largely attributed to coverage protections enacted during the Covid-19 pandemic, including the temporary enhancements to ACA subsidies included in the American Rescue Plan Act (ARPA) and the Inflation Reduction Act (IRA); the Medicaid continuous enrollment requirement included in the Families First Coronavirus Response Act; additional states expanding Medicaid; and increased ACA enrollment outreach efforts, including a special enrollment period.

Pandemic-era coverage gains in Medicaid have eroded some since April 2023, when the continuous enrollment requirement expired and states resumed normal Medicaid/CHIP eligibility redeterminations. Since that time, Medicaid enrollment has declined nationally by more than 12 million people. The Medicaid unwinding has been described as the most significant nationwide coverage transition since the ACA, and its impact on coverage and uninsured rates continues to be closely monitored by the AMA.

The AMA plan to cover the uninsured and improve affordability focuses on five main targets:

1. Uninsured people who are eligible for ACA premium tax credits
2. Uninsured people who are eligible for Medicaid or the Children's Health Insurance Program (CHIP)
3. Uninsured people who are ineligible for ACA premium tax credits due to having an "affordable" offer of employer coverage
4. People who are uninsured because they fall into the "coverage gap" in states that have not expanded Medicaid
5. People who are uninsured and ineligible for coverage due to immigration status

Who are the uninsured?

In 2022, 25.6 million nonelderly individuals (9.6 percent of the nonelderly population) were uninsured, down from 27.4 million (10.2 percent) who were uninsured in 2020 and 46.5 million when the ACA was enacted in 2010. Overall, people of color remain at greater risk of being uninsured and accounted for 62 percent of the nonelderly uninsured population in 2022. American Indians and Alaska Natives had the highest uninsured rate, at 19.1 percent, followed by Hispanics, whose uninsured rate was 18 percent. Ten percent of Black Americans were uninsured in 2022, along with 6.6 percent of whites and approximately 30 percent of noncitizens, including recent immigrants and those who have lived in the U.S. for at least five years.

Uninsured rates vary by state, with people in non-Medicaid expansion states more likely to be uninsured. Nearly three-quarters of the nonelderly uninsured population had at least one full-time worker while just under half had family incomes below 200 percent of the federal poverty level (FPL).

Cost has historically been cited as a reason for being uninsured and, in 2022, 64.2 percent of nonelderly adults said they were uninsured because coverage was not affordable. Other reasons included not being eligible for coverage (28.4%), not needing or wanting coverage (26.1%), and signing up being too difficult (22.2%).

AMA Plan: Cover Uninsured Eligible for ACA Premium Tax Credits

An estimated 35 percent of the nonelderly uninsured in 2022 were eligible for ACA premium tax credits; however, they may not have been aware of this coverage option or faced other barriers to enrollment. ACA subsidies were temporarily enhanced by ARPA and extended through 2025 by the IRA. However, even with enhanced subsidies, marketplace coverage may be unaffordable for some uninsured individuals. To increase coverage among individuals eligible for ACA premium tax credits, the AMA:

- Calls for ARPA subsidies, which increase the generosity of premium tax credits and incentivize tax credit eligible individuals to get covered, to be extended beyond 2025
- Supports expanding the eligibility for and increasing the size of cost-sharing reductions under the ACA
- Encourages states to facilitate coverage transitions, including automatic transitions, for individuals no longer eligible for Medicaid who are eligible for subsidized marketplace coverage
- Supports states and/or the federal government pursuing auto-enrollment for those individuals who qualify for zero-premium marketplace coverage
- Supports the establishment of special enrollment periods that allow those disenrolled from Medicaid to enroll in marketplace plans outside of annual open enrollment dates
- Supports increased funding for health insurance navigators when significant Medicaid/CHIP disenrollments occur
- Supports continued adequate funding for and expansion of outreach efforts to increase public awareness of ACA premium tax credits

AMA Plan: Cover Uninsured Eligible for Medicaid or CHIP

In 2022, one quarter of the remaining nonelderly uninsured were eligible for Medicaid or CHIP; however, this percentage does not reflect that Medicaid coverage has been terminated for 25 million people since April 2023, when the continuous enrollment requirement was lifted. Although a portion of these individuals were still eligible and able to reenroll in Medicaid, and new people continue to enroll in the program, an unknown number of disenrolled people likely remain uninsured, which will impact uninsurance rates in 2024 and beyond. To make sure individuals who are eligible for Medicaid or CHIP remain enrolled, the AMA:

- Encourages state Medicaid agencies to reduce inappropriate terminations from Medicaid/CHIP for procedural reasons, including by automating renewal processes and following up with enrollees who have not responded to a renewal request
- Supports requiring states to reinstate Medicaid coverage for individuals improperly terminated and encouraging states to pause disenrollments until the cause of the improper terminations has been mitigated
- Supports federal and state monitoring of Medicaid retention and disenrollment, successful transitions to quality affordable coverage, and uninsured rates
- Supports states and/or the federal government pursuing auto-enrollment for individuals who qualify for Medicaid or CHIP
- Supports increasing and improving Medicaid/CHIP outreach and enrollment processes

AMA Plan: Make Coverage More Affordable for People Not Eligible for ACA Premium Tax Credits due to Having an “Affordable” Offer of Employer Coverage

Twenty percent of the remaining uninsured were ineligible for ACA premium tax credits in 2022 because they were deemed to have access to an “affordable” offer of employer coverage. For uninsured individuals offered employer coverage, rising premiums and out-of-pocket expenses may be barriers to taking up that offer. For some workers, employer-sponsored coverage may be more expensive than marketplace plans would be if they were eligible for ACA subsidies. While ARPA temporarily extended ACA premium tax credit eligibility to people with higher incomes, some individuals with an offer of “affordable” employer-sponsored plan remain ineligible for ACA subsidies due to how “affordability” is defined in the ACA and subsequent regulations. To help these individuals, the AMA:

- Supports lowering the threshold that determines whether an employee’s premium contribution is “affordable” to the level at which premiums are capped for individuals with the highest incomes eligible for subsidized ACA coverage (currently 8.5 percent), which would allow more workers to become eligible for premium tax credits to purchase marketplace coverage
- Supports the establishment of a permanent federal reinsurance program, and the use of Section 1332 waivers for state reinsurance programs

AMA Plan: Provide Coverage Options to Uninsured Ineligible Due to Immigration Status

In 2022, 15 percent of the remaining uninsured were ineligible for coverage due to immigration status. Overall, immigrants living in the U.S. were significantly more likely to be uninsured than U.S. citizens. Among the nonelderly population, 30 percent of recent immigrants, and 33 percent of immigrants who have resided in the U.S. for more than five years, were uninsured in 2022. In comparison, 7.7 percent of U.S.-born citizens and 9.5 percent of naturalized citizens, were uninsured. To improve coverage among immigrants, the AMA:

- Supports extending eligibility to purchase ACA marketplace coverage to undocumented immigrants and Deferred Action for Childhood Arrivals (DACA) recipients, with the guarantee that health plans and ACA marketplaces will not collect and/or report data on immigration status
- Recognizes the potential for state and local initiatives to provide coverage to immigrants without regard to immigration status

AMA Plan: Cover Individuals Who Fall into the ACA’s “Coverage Gap”

Approximately 1.5 million individuals, or 6 percent of the uninsured in 2022, found themselves in the coverage gap—essentially earning too much to qualify for Medicaid but not earning enough to be eligible for ACA tax credits because they resided in a state that had not expanded Medicaid. Approximately 60 percent of individuals in the coverage gap are people of color. Nearly three-quarters reside in one of three states—Texas (42 percent), Florida (19 percent), and Georgia (12 percent). To address individuals in the coverage gap, the AMA:

- Encourages all states to expand Medicaid eligibility to 133 percent FPL
- Supports incentivizing Medicaid expansion by making states that newly expand Medicaid eligible for three years of full federal funding
- Advocates that any federal approach to cover uninsured individuals who fall into the coverage gap make health insurance coverage available to this population at no or nominal cost
- Advocates that any public option to expand health insurance coverage must be made available, at no or nominal cost, to uninsured individuals who fall into the coverage gap