



Talking Points: Closing the Health Insurance Coverage Gap

Overview

High quality health insurance is the foundation for maintaining good health and treating serious illness.

Unfortunately, 390,000 North Carolinians are caught in the health insurance coverage gap with no good way to get health insurance.ⁱ Their incomes are too low to qualify for federal subsidies under the Affordable Care Act, but they don't qualify for Medicaid, because North Carolina legislators have not yet accepted available federal funding to provide them with an option for affordable insurance coverage through Medicaid or a state-specific option.

Adults earning less than \$11,880 for an individual and \$24,300 for a family of four (100% of federal poverty line) CANNOT access premium subsidies to purchase private insurance and most do not qualify for Medicaid. Most of people in the coverage gap are working, but in industries such as retail, construction, or food service that don't often provide insurance or sufficient wages to buy health insurance in the private market.

Who is in the Coverage Gap?

- 66% are in a working family.
- 53% are female.
- 52% are white, 48% are people of color.
- 82% are adults without children.

Impact of Closing the Coverage Gap on North Carolinians

- More than 580,000 North Carolina residents would benefit if North Carolina closed the Coverage Gap and offered insurance coverage to individuals with incomes below 138% FPL (\$16,105 for an individual and \$33,465 for a family of four).ⁱⁱ
- There are 144,000 uninsured children in North Carolina, and closing the Coverage Gap in North Carolina would reduce that number.ⁱⁱⁱ

North Carolina's Uninsured: Top 9 Occupations

- Construction
- Food Service
- Sales
- Cleaning and Maintenance
- Production (ex: textile operators)
- Transportation
- Office and Admin Support
- Personal Care and Support (ex: child care workers)
- Health Care Support (ex: home health aides)

Improved Health for North Carolinians

- In 2014, there were 144,000 uninsured adults in North Carolina with mental illness or substance abuse. Many of these individuals would qualify for health insurance coverage if the state closed the Coverage Gap.^{iv}
- Closing the Coverage Gap would mean that 27,044 individuals could receive medication to treat diabetes and 12,051 women could receive screenings for breast cancer each year.^v
- Expanding Medicaid would prevent between 455 and 1,145 premature deaths annually.^{vi}

Financial Security for North Carolinians

- Medical debt is the leading cause of bankruptcy nationwide.^{vii} Closing the health insurance Coverage Gap protects low- and moderate-income families from the devastating financial repercussions of serious medical issues.



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Impacts on Community Health Centers

- Currently, 42% of North Carolina Community Health Center patients are uninsured and most of those fall in the Coverage Gap.
- Health centers in states that have closed the Coverage Gap were significantly more likely than those in states that did not to report having expanded their capacity for dental and mental health services since the start of 2014.^{viii}
- North Carolina Community Health Centers estimate statewide Health Center revenues would increase up to \$35 million if the state increased access to affordable insurance for low-income populations.

Economic Development for NC Businesses

- If North Carolina had expanded coverage for low-income workers by the beginning of 2016, 43,000 jobs would have been created by 2020 and business activity would have increased by \$21 billion between 2016 and 2020.^{ix}

Financial Benefits to the State of North Carolina

- Between FY 2014 and FY 2015, Medicaid spending in states that closed the Health Insurance Coverage Gap grew by half as much as spending in states that did not (3.4% compared to 6.9%).^x
- North Carolina lost \$2.7 billion in federal funding in 2014 and \$3.3 billion in 2015, compared to the amounts it would have earned had it expanded Medicaid in 2014.^{xi}
- For every \$1 North Carolina invests in covering this population with health insurance, \$13 of federal funds will flow into our state.^{xii}
- North Carolinians' taxes are currently funding other states' expansions. We should keep North Carolina money in North Carolina.



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References

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