

# BOLSTERING HEALTH JUSTICE:

## 5 Ways the ACA Changed the Game for Low-Income Young Adults



The Affordable Care Act (ACA) has created dramatic gains in equitable health coverage for low-income young adults, primarily through the Medicaid expansion. These gains address:

**1 Overall health and wellbeing:** As young adults reach a key developmental turning point, the ACA ensures they have no-cost access to key preventive health services, such as primary care visits and reproductive health care including annual women's health visits and contraception.

Young adults are in a period of transition when they are learning to manage their own health and wellbeing and to navigate adult systems. Young adults typically need preventive care, which helps to establish healthy behaviors and increase the likelihood of identifying problems early, more than other types of health services. People without insurance are less likely to visit the doctor and less likely to seek preventive care.<sup>1</sup>

**Chronic Illness:** By barring insurance companies from refusing coverage or charging more based on health status, the ACA ensures that young adults with pre-existing conditions can continue to receive the ongoing health care they need.

**"No, I got sickle cells so...that hospital bill don't be no joke..."**  
– Young Adult Insight\*

About **15 percent** of young adults live with a chronic health condition like severe asthma, diabetes, HIV/AIDS, sickle cell disease, and physical, intellectual, or emotional disabilities.<sup>2</sup> Young adults living in poverty are more likely to struggle with such conditions. While many of these young adults were covered through Medicaid as children, they risk losing coverage as they transition to adulthood. These young adults must establish their own health care coverage as they enter school and the workforce. Before the ACA's protective provisions, they risked being excluded because of their preexisting conditions.

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**3 Mental Health:** Under the ACA, behavioral health services, including mental health and substance abuse treatment, are part of the "essential health benefits" that must be covered by all insurance plans, including Medicaid. The majority of mental health disorders emerge during adolescence or the early 20s. **Nearly a quarter (22.3 percent) of young adults living in poverty report experiencing mental illness within the last year;** more than 750,000 poor young adults reported needing mental health treatment in the last year but not receiving it.<sup>3</sup>



**Financial Stability:** One of the most popular provisions of the ACA allows young adults to remain on their parents' insurance until age 26; Medicaid expansion is the parallel support for low-income young adults whose parents don't have or cannot afford to enroll them in employer-sponsored coverage.

Low-income young adults often find themselves in a precarious financial position because they are more likely to be engaged in low-wage, involuntary part-time work that does not include health insurance benefits. For young adults whose parents cannot provide a financial safety net, medical bills can be devastating,

creating both immediate financial strain and long-term financial instability. Nearly half of uninsured young adults report problems paying medical bills.<sup>4</sup> Many do not have the savings for necessary medical care, leading them to rely on harmful alternative financial services that charge excessive interest rates and can hurt their credit rating.

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**"Well my mama, she wit[h] Federal Blue Cross Blue Shield and they don't stop until like 26, that's when her kids will get off"...**  
**"You said 26?...I wish I had that."** – Young Adult Insight

**5 Education and work:** The ACA's Medicaid expansion recognizes that health insurance makes school and work possible for low-income young adults by providing needed medical care as young people build the experience and credentials that lead to quality jobs with employer-sponsored coverage.

Uninsured young adults are more likely to delay or forgo needed medical care and struggle with the costs of care, which negatively affects their health, education, and careers. Overall, **42 percent of young adults who receive Medicaid are working**—in fact, Medicaid opens the possibility for many young adults with chronic and pre-existing conditions to work without having to worry their earnings will disqualify them from coverage. Nearly half of young adults on Medicaid are "not in the labor force," a category largely made up of full-time students. When we consider only those Medicaid recipients who are in the labor force, the vast majority (78 percent) are working.<sup>5</sup>

\*Note: The interspersed quotes from low-income African-American young adults are drawn from three focus groups that CLASP held during winter 2017 in rural and urban Southeastern states that have not expanded Medicaid.

# UNDERMINING HEALTH JUSTICE:

## Top 5 Threats to Low-Income Young Adults Under Republican Health Proposals

Republican repeal-and-replace proposals sacrifice the health and wellbeing of low-income young adults to give tax breaks to the wealthy. The proposed divestments threaten young adults by:

**1 Rolling back Medicaid expansion:** Under Republican proposals, an estimated 14 million people would lose Medicaid coverage within 10 years.<sup>6</sup>

Rolling back Medicaid expansion, either immediately or gradually, would reverse the historic health coverage gains made under the ACA. Republican proposals shift costs to states, requiring them to make up the shortfall elsewhere in their budget to cover the Medicaid expansion population. States will most likely not be able to incur these additional costs, which would effectively end the Medicaid expansion. As a result, the nonpartisan Congressional Budget Office (CBO) estimates that 34 percent of low-income young adults will be uninsured, versus 18 percent under current law.<sup>7</sup>

**2 Creating Medicaid caps that have grave implications for state budgets:** Changing Medicaid's financing structure means burdening state budgets, creating inflexibility to respond to crises, reducing benefits, reimbursements, and eligibility, and amplifying an inconsistent safety net across states.

Republican proposals have included ending Medicaid's current guarantee of a minimum package of benefits to all qualifying individuals by putting a cap on federal funding to states. **Republican proposals would cut federal Medicaid funding by \$834 billion by 2026.**<sup>8</sup>

**3 Eliminating federal guarantees of protections for vulnerable populations:** A patchwork of state Medicaid choices would exacerbate disparities in health coverage, access, and outcomes for people of color.

Republican proposals would give states "flexibility" to run their Medicaid programs with no federal guarantee of protections for vulnerable populations. In reality, this "flexibility" to administer the program results in huge variations in Medicaid coverage among states.

To date, Southern states with large Black populations have not expanded Medicaid. The young adult uninsured rate in the South is 19 percent, about **double the rates** of 8, 10, and 11 percent in the Northeast, Midwest, and West, respectively.<sup>9</sup>

**"I just moved back...so, it was harder for me to make that doctor's appointments because they were saying that my Medicaid was not referred to down here, so that's one thing they changed was like now you got to have Medicaid like right there. Now I got to go way back to ... wherever and have my Medicaid switched down here. It is a lot things changed."** – Young Adult Insight

**4 Allowing state waivers for pre-existing conditions and essential health benefits:**

Republican proposals would permit states to allow insurers to discriminate on the basis of health status and offer insurance that does not provide meaningful coverage.

Should the ACA be repealed, states could waive standards for what health benefits insurance plans are required to offer. Moreover, states could allow plans to charge people more based on their medical history, which would take us back to before the ACA when insurers could discriminate based on medical history, eliminate coverage for essential health benefit services, and impose limits on benefits.

**5 Instituting eligibility determination provisions:** Redetermination and verification for Medicaid recipients is a slow and time-consuming process that can delay and introduce barriers to needed care.

Provisions of Republican proposals would require states to more frequently re-determine eligibility for people in the Medicaid expansion population. Along with the repeal of

presumptive eligibility provisions and coverage while people provide documentation to verify their status, this would increase gaps in coverage.

**"I know I be on Medicaid, but when I was in Job Corps and I had like an anxiety attack and I went to the hospital and then they told me, like they aint tell me that like, I guess I have Medicaid or my momma had to recertified me or somethin' like that. And then I got a bill like two weeks ago from the hospital, this joint like 300 somethin' dollars and momma was like, that gonna be on your credit."**

– Young Adult Insight

References available at [www.clasp.org/HealthJusticeSources](http://www.clasp.org/HealthJusticeSources).