



Virginia: 44th in Covering Working, Low Income Parents

As many as 65,000 uninsured, working Virginia parents have incomes below the federal poverty level.

Virginia may be the #1 state for business, but we are far from being the best when it comes to state health care coverage for working low income adults. This is hurting Virginia families, and it is a disincentive to productivity. Virginia can and must do better.

WHY is health insurance so important for parents?

- Parents need to remain well and productive so they can effectively raise their children.
- A study by the Institute of Medicine found that working age Americans without health insurance are more likely to receive too little medical care and receive it too late; and they are more likely to be sicker and die sooner.
- Parents with health coverage are more likely to make sure their children obtain preventive and wellness services.

Don't Virginia's working, low income parents have health insurance?

- Many do not. In fact, 44% of working, low-income adults in Virginia are uninsured.
- Over 70% of uninsured Virginians are from households where at least one person works full time, but 600,000 of Virginia's uninsured have incomes below 200% of the federal poverty level (\$36,620/ yr for a family of 3) and cannot afford or are not offered coverage.

- Very few can use Medicaid as a safety net, because Virginia's Medicaid program only provides coverage to parents whose countable incomes are at 30% of the federal poverty level (FPL) or lower:

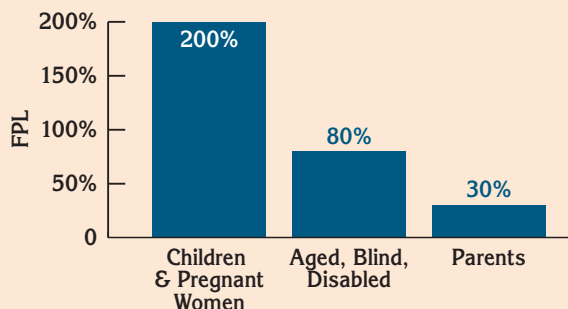
FPL	Annual Countable Income Limit (Family of 3)	Applies to:
30%	\$5,508	Northern Virginia
25%	\$4,524	Urban Areas
22%	\$4,116	Rural Areas

- Other than the occasional cost-of-living adjustments, Virginia's Medicaid eligibility standard for low income parents has not been changed for 20 years.

This is very low. How does it compare to eligibility limits for other state-sponsored health insurance in Virginia?

- The Medicaid eligibility limits for low income parents are far less than the eligibility limits for uninsured children, pregnant women, or aged, blind or disabled Virginians.

VA MEDICAID ELIGIBILITY LIMITS



MEDICAID INCOME ELIGIBILITY LIMITS OF WORKING PARENTS IN 2009

State	Income Eligibility Limit (percent of federal poverty level)	State Rank
Tennessee	134%	12
Maryland	116%	15
Kentucky	62%	29
North Carolina	51%	38
West Virginia	34%	42
Virginia	30%	44

Source: Kaiser Commission on Medicaid and the Uninsured, based on a national survey conducted by the Center on Budget and Policy Priorities (CBPP)

How does it compare to the Medicaid eligibility limits in neighboring states?

Virginia's Medicaid eligibility standard for parents is lower than that of all neighboring states, and ranks 44th in the nation.

Are Virginia's policymakers aware of these discrepancies, and the adverse impact they have on low income working families and their children?

- The following Virginia health policy authorities have recommended raising the Medicaid eligibility standard for low income parents to 100% FPL :
 - ~ Joint Legislative Audit and Review Commission (2007)
 - ~ Governor's Commission on Health Care Reform (2007)
 - ~ General Assembly's Joint Commission on Health Care (2000)

How many parents would such an increase cover? Would it be expensive?

- Increasing the Medicaid eligibility rate for parents to 100% FPL would cover about 65,000 more Virginians at an estimated cost of \$117 million in state funds. This would be matched dollar for dollar with federal funds.
- A portion of these expenditures would be offset by a significant decrease in state indigent care costs and a drop in the amount of uncompensated care needed for Virginia's uninsured (\$538 million reported in 2007).
- Each Medicaid dollar spent has a ripple effect of generating \$2.18 in economic value.
- The combined effect would actually benefit Virginia, both economically and through the well-being of its families.

References: Virginia Joint Legislative Audit and Review Commission, HD19 (2007); Kaiser Family Foundation, www.statehealthfacts.org Joint Commission on Health Care, Senate Document OA (2001); *Roadmap for Virginia's Health-A Report of the Governor's Health Reform Commission* (2007); Virginia Health Care Foundation, *Profile of the Uninsured* (2007); *Medicaid: Good Medicine for State Economies, Families U.S.A., 2004 Update*; The Institute of Medicine, *Consequences of Uninsurance*; Kaiser Commission on Medicaid and the Uninsured Center on Budget and Policy Priorities, *Coverage of Parents Helps Children, Too*