

# Data-for-Equity Policy Brief

## Federal Medicaid Eligibility by Child Race/Ethnicity Under the Affordable Care Act and Proposed Repeal

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### An estimated 5 million children to lose federal Medicaid eligibility under Affordable Care Act repeal; Hispanic and Black children disproportionately affected

This analysis provides an overview of the number and share of school age children estimated to meet federal minimum eligibility levels for Medicaid under the current income thresholds defined by the Affordable Care Act (ACA), and under revised (lower) thresholds proposed as part of the repeal of the ACA. The analysis considers the implications for school age children overall, and for school age children of different racial/ethnic groups.

## Background

Under the Affordable Care Act, federal Medicaid minimum income eligibility thresholds for school age children (ages 6-19<sup>1</sup>) were increased from 100% of the Federal Poverty Level (FPL) (roughly \$20,000 per year for a family of three) to 138% of FPL<sup>2</sup>. Plans to repeal and replace the ACA propose rolling the Medicaid eligibility threshold for children ages 6-19 years old back to 100% FPL.

In 34 states, Medicaid eligibility thresholds are currently higher than federal minimums<sup>3</sup>, and the ACA Maintenance of Effort (MOE) provision requires states to keep the same Medicaid eligibility

<sup>1</sup> The changes to Medicaid proposed as part of the repeal of the ACA would affect children of all ages. However, this analysis focuses on children ages 6-19 eligible for Medicaid because this group is specifically targeted by current repeal proposals, which roll back income eligibility levels from the current 138% FPL to 100% FPL.

<sup>2</sup> The ACA raised the federal income eligibility threshold to 133% FPL, but it also specifies that an income disregard in the amount of 5% FPL will be deducted from an individual's income when determining Medicaid eligibility. Thus the effective upper income eligibility threshold for such individuals in this new eligibility group is 138% FPL.

<sup>3</sup> Medicaid and CHIP Eligibility Levels from the Centers for Medicare and Medicaid Services: <https://www.medicare.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/>.

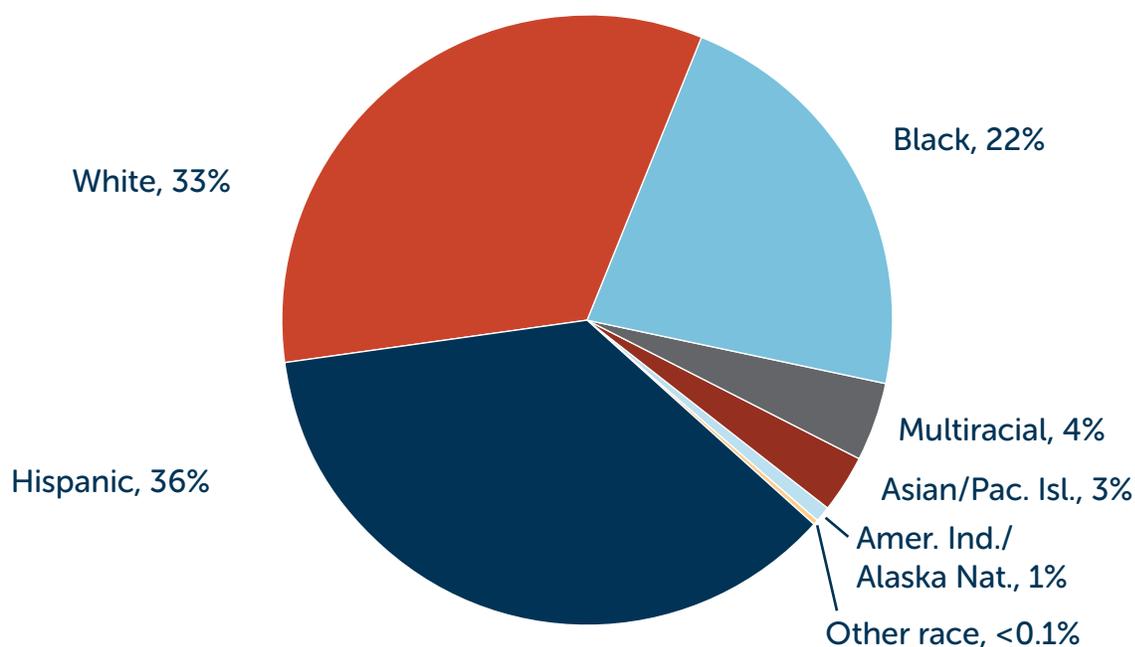
levels for children through the year 2019. After 2019, states will have the option of either maintaining above-federal enrollment levels, or of cutting enrollment levels down to lower levels closer (or equal) to federal minimum standards. So while a reduction of the federal eligibility income threshold does not produce an automatic loss of Medicaid enrollment, states will be exercising their new set of options in the context of reduced overall Medicaid funding (another feature of current ACA repeal proposals).

Utilizing data from the 2015 American Community Survey (ACS) (most current ACS data available), we provide an overview of the number of children estimated to meet federal minimum eligibility levels for Medicaid under the two different possible thresholds: existing thresholds (138% FPL) and proposed thresholds (100% FPL). We also present data on the racial/ethnic composition of children that meet federal minimum eligibility levels, and show the percentage change in eligibility rates for all children.

## Racial/Ethnic Composition of Federally Income Eligible Children

Roughly 15.2 million children (29% of all US children) are estimated to be federally eligible for Medicaid (i.e., their families have incomes under the current federal minimum income threshold of 138% FPL). Of these children, 33% are White, 36% are Hispanic, and 22% are Black (See Figure 1).

**Figure 1. Race/Ethnicity of Children Ages 6-19  
≤138% of Federal Poverty Level**



If we compare the racial/ethnic composition of children federally eligible for Medicaid to the racial/ethnic composition of children overall in the US (53% White, 24% Hispanic, 14% Black<sup>4</sup>), we see that although eligible children are disproportionately Black and Hispanic, White children still make up a large share of eligible children. So while changes to Medicaid eligibility thresholds would have a disproportionate impact on Black and Hispanic children, large numbers of White children would also be affected.

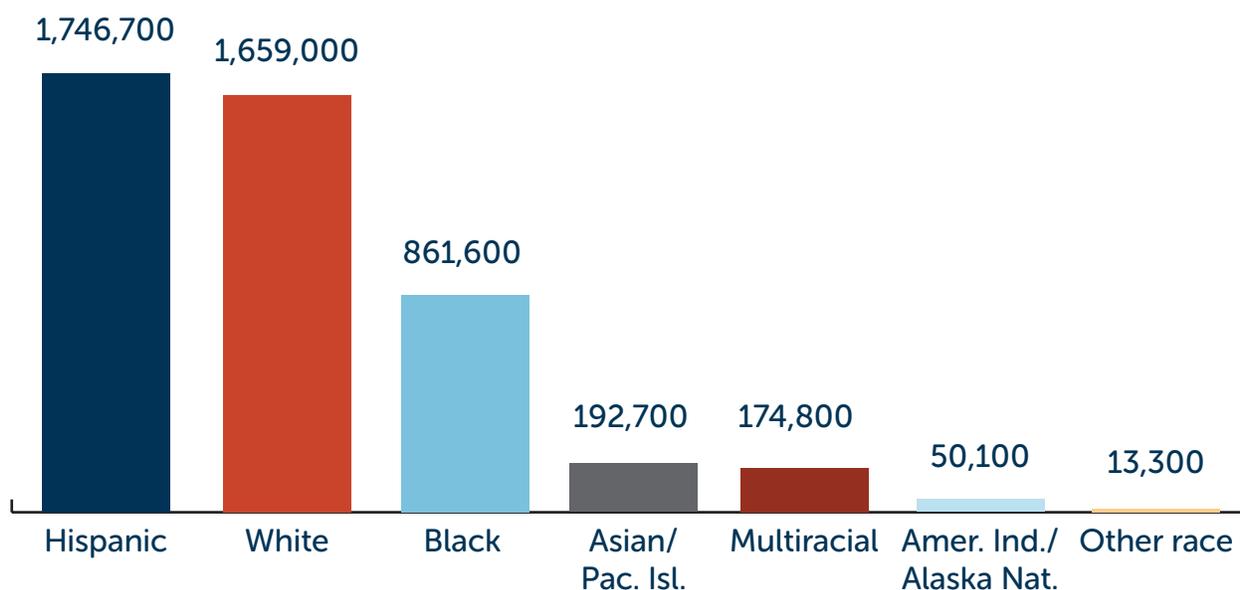
## Differences in Income Eligibility Rates Under Existing vs. Proposed Federal Thresholds

Under the proposed ACA repeal plans, the number of school age children federally eligible for Medicaid would decrease from 15.2 million (29% of all US school age children) to 10.6 million (20% of all US school age children). **This decline means that 4.7 million children would no longer be eligible.** Amongst these 4.7 million newly ineligible children, 1.7 million are White, 1.7 million are Hispanic, and about 860,000 are Black (See Figure 2).

Nationally, federal eligibility rates (i.e., eligibility rates at federal minimum thresholds) would decline from 29% of children to 20% of children (a 9 percentage point decline). Hispanic, Black, and American Indian/Alaska Native children would experience the largest percentage point declines in

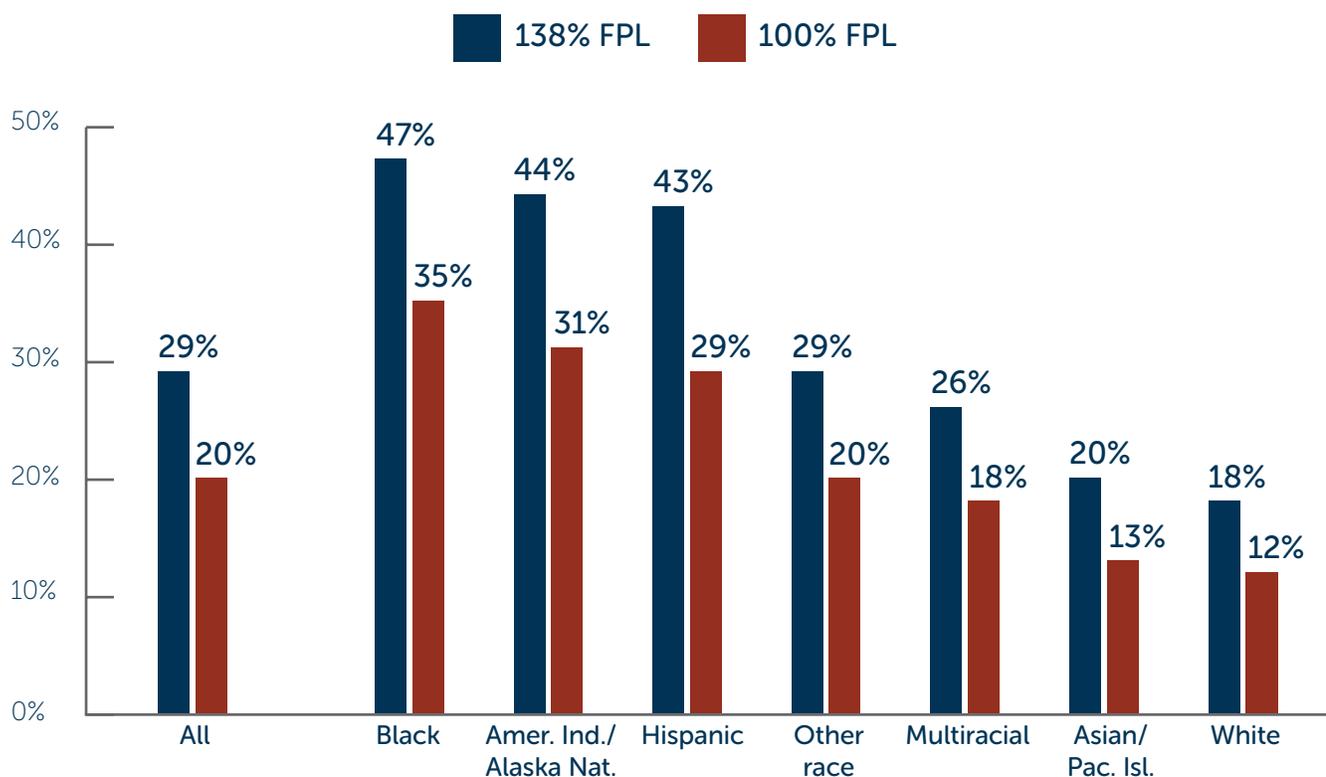
<sup>4</sup> Source: Diversitydatakids.org calculations of U.S. Census Bureau Intercensal Population Estimates (Vintage 2012).

**Figure 2. Number of Children Ages 6-19 By Race/Ethnicity Who Would No Longer Meet Federal Minimums**



eligibility of 14, 12, and 13 percentage points respectively, while White children would experience the smallest percentage point decline (6 percentage point decline) (See Figure 3). The number of children who would be newly ineligible translates to 14% of the total Hispanic child population, 12% of the total Black child population, and 13% of the total American Indian/Alaska Native child population. The number of White children who would be newly ineligible is a much smaller share of the total White child population (6%), but is still a significant number of children.

**Figure 3. Percent Of Children Ages 6-19 Eligible For Medicaid At Different Federal Minimum Thresholds**



## Geographic Differences

Table 1 shows the states that would experience the largest declines in the number of Black and Hispanic children federally eligible for Medicaid. We present data for Black and Hispanic children as they are the two largest population groups of children of color that are affected by a proposed change to federal Medicaid eligibility thresholds. For additional data on other racial/ethnic groups of children please see indicators on [diversitydatakids.org](https://diversitydatakids.org), as all groups would be affected by the proposed changes. Table 2 shows the states that would experience the largest percentage point declines in the share of Black and Hispanic children federally eligible for Medicaid.

**Table 1.**

States with Largest Declines in Number of Children Federally Eligible for Medicaid Under Current (138% FPL) and Proposed (100% FPL) Thresholds

Hispanic			Black		
Rank	State Name	Decline (Number)	Rank	State Name	Decline (Number)
1	California	-462,500	1	Florida *	-88,200
2	Texas *	-358,500	2	Georgia *	-74,000
3	Florida *	-118,900	3	Texas *	-66,900
4	New York	-90,600	4	North Carolina *	-52,600
5	Arizona *	-71,600	5	New York	-48,400
6	Illinois	-66,300	6	Louisiana	-43,200
7	New Jersey	-44,800	7	Mississippi *	-36,800
8	Georgia *	-40,700	8	Illinois	-36,300
9	North Carolina *	-40,300	9	Ohio	-33,200
10	Colorado	-38,700	10	South Carolina	-32,600

For full state rankings, click [here](#).

\* Indicates state in which the current state-specific Medicaid income eligibility threshold is equivalent to the federal minimum threshold.

**Table 2.**

States with Largest Declines in Percent of Children Federally Eligible for Medicaid Under Current (138% FPL) and Proposed (100% FPL) Thresholds

Hispanic			Black		
Rank	State Name	Decline (Percentage Point)	Rank	State Name	Decline (Percentage Point)
1	Tennessee *	-20.4%	1	Utah *	-17.3%
2	Wisconsin	-19.0%	2	Kansas *	-15.9%
3	Mississippi *	-18.0%	3	Nevada *	-15.7%
4	Kansas *	-17.3%	4	Mississippi *	-15.6%
5	Oklahoma	-17.2%	5	Minnesota	-14.9%
6	North Carolina *	-16.6%	6	Arkansas	-14.8%
7	Georgia *	-16.4%	7	Florida *	-14.6%
8	Indiana	-16.1%	8	Kentucky	-14.6%
9	Alabama	-16.1%	9	Louisiana	-14.5%
10	Utah *	-15.6%	10	Tennessee *	-14.4%

For full state rankings, click [here](#).

\* Indicates state in which the current state-specific Medicaid income eligibility threshold is equivalent to the federal minimum threshold.

Table 1 lists the ten states that would experience the largest declines in the numbers of Black or Hispanic children who are federally eligible for Medicaid. Table 2 lists the ten states that would experience the largest declines in the shares of Black or Hispanic children who are federally eligible for Medicaid. The number of Hispanic children who would lose eligibility in the “10 largest decline states” ranges from roughly 38,700 children in Colorado to nearly a half a million children in California. For Black children, the number ranges from 32,600 in South Carolina to 88,200 children in Florida.

The shares of Hispanic and Black children in the “10 largest decline states” are also appreciable, ranging from declines for Hispanic children of 16% in Utah to 20% in Tennessee. Likewise for Black children, the declines range from 14% in Tennessee to 17% in Utah.

While some of the states experiencing the largest declines in the numbers and shares of children federally eligible for Medicaid have state-specific minimum thresholds above federal minimums, half or more of these states do not, making Black and/or Hispanic children in these states particularly vulnerable.

## Conclusion

In sum, this analysis illustrates that a change in federal Medicaid eligibility minimums back to pre-ACA levels (from the current effective threshold of 138% FPL to 100% FPL) is not a marginal change that affects only a few children. It is, rather, a far reaching proposed change in which nearly 5 million US school age children (close to 10% of the US school age population) would lose federal eligibility (protection) for Medicaid benefits. The change would affect large numbers and shares of children of all races/ethnicities, and children of color would be disproportionately affected, potentially exacerbating (rather than helping to reverse) large and persistent child health inequities across the US.

[Data available for all indicators reported for the US, all 50 states, and DC at diversitydatakids.org](https://diversitydatakids.org)