



**Interim Health Care Reform Review Committee**  
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The Affordable Care Act (ACA) mandated that all nonelderly, nondisabled, childless adults between the ages of 19 and 64 and whose income is below 133% of the federal poverty level be enrolled in the Medicaid program.<sup>1</sup>

The Supreme Court's ruling on the ACA upheld the entire ACA as Constitutional except for the ability of the federal government to withhold all federal Medicaid funding unless the States accept the expansion requirements.

The Supreme Court ruled that the newly eligible population as defined by the ACA was a "new program" and not just an expansion of the existing Medicaid program and as such States had to be given a choice whether or not to participate.

The Court ruling clearly stated that the other provisions of the ACA are not affected by the decision.

The ACA provides federal premium tax credits and health insurance cost sharing limitations to people between 100% and 400% of federal poverty.

United States Citizens that fall below 100% of the federal poverty level will not get tax credits or reduced cost sharing. The only people that are eligible for tax credits and reduced cost sharing below 100% of the federal poverty level will be lawfully present taxpayers below 133% FPL who are not eligible for Medicaid.

AARP Policy Institute reports that there are 8.9 million uninsured Americans between the ages of 50 and 64. North Dakota's uninsured population for the 50 to 64 year olds is approximately 13,500.<sup>2</sup>

An AARP analysis of the American Community Survey indicates that a total of 2.3 million people age 50 to 64 nationally could be eligible for Medicaid under the ACA expansion. North Dakota's population between ages 50 and 64 that could be eligible for Medicaid under the ACA expansion is 3,100.<sup>3</sup>

<sup>1</sup> 138% below the federal poverty level when the income disregard is calculated (Section 2002(a)(1) of the ACA).

<sup>2</sup> "Health Insurance Coverage for 50- to 64- Year-Olds." Insight on the Issues; AARP Public Policy Institute. February 2012. Page 9; Pages 14-15. AARP Analysis of American Community Survey. 2012.

<sup>3</sup> AARP Analysis of American Community Survey. July 20, 2012

Overall, the Urban Institute estimates that there are 35,000 Medicaid eligible uninsured in North Dakota who are below the poverty thresholds included in the ACA.<sup>4</sup> In an earlier income and eligibility simulation model the Urban Institute estimated that as many as 30,000 North Dakotans would enroll in Medicaid under the ACA expansion.<sup>5</sup>

In 2010 a Kaiser Commission report estimated that North Dakota will gain over \$700 million in additional federal Medicaid dollars between 2014 and 2019 under the Medicaid expansion.<sup>6</sup>

The federal government is paying 100% of the program costs for the first three years. Then the federal share will gradually decline to 90% by 2020.

Savings to the State of North Dakota have not been calculated or applied to offset any of the estimated costs being projected. For example, the Michigan Senate Fiscal Agency reports that Michigan will realize \$200 million per year in general revenue fund savings primarily from Community Mental Health (CMH) where non-Medicaid services will become fully Medicaid compensable starting on January 1, 2014.<sup>7</sup>

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<sup>4</sup> "Making the Medicaid Expansion an ACA Option: How Many Low-Income Americans Could Remain Uninsured." The Urban Institute. June 29, 2012

<sup>5</sup> "Health Reform Across the States: Increased Insurance Coverage and Federal Spending on the Exchanges and Medicaid." Timely Analysis of Immediate Health Policy Issues. The Urban Institute. March 2011.

<sup>6</sup> "Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL." Kaiser Commission Medicaid and the Uninsured. May 2010. Table 2, Page 11

<sup>7</sup> Senate Fiscal Agency Memo: Impact of the Supreme Court Decision on the Federal Health Reform Legislation. June 28, 2012.