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Connecticut First State to Expand Medicaid Coverage Using Federal Funding Under Affordable Care Act

Under the Affordable Care Act, signed into law by President Obama on March 23, 2010, states are required to expand the coverage available under their Medicaid programs.? By 2014, state Medicaid programs must cover all individuals who earn up to 133% of the Federal Poverty Level (FPL), regardless of whether the individuals fall into a traditionally Medicaid-eligible category.? From 2014 through 2016, the federal government will reimburse states entirely for the assistance they provide to these "newly eligible" individuals.? Federal funding is also available for any state that chooses to expand its Medicaid coverage prior to the required 2014 implementation date.? Connecticut is the first state to take advantage of this federal funding by expanding its Medicaid program this year.

The Medicaid program is jointly funded by the federal and state governments to provide medical benefits to low-income individuals who fall into specified eligibility groups, including children, parents with dependent children, pregnant women, individuals who are blind or disabled, and low-income senior citizens.? Many states have expanded coverage to poor individuals who fall outside of these categories, for instance, childless adults, by establishing state-funded plans.? In Connecticut, low-income adults without dependent children can currently apply for medical assistance benefits under the State Administered General Assistance (SAGA) plan, which is entirely state-funded.????

Under Connecticut's expanded plan, individuals who earn up to $6,650 annually (56% of the FPL), some 45,000 state residents, will now be eligible for Medicaid.? The federal government will reimburse the state for 61.95% of the medical claims under the new program, resulting in an estimated $53 million savings for Connecticut for the first fifteen months of the expansion, retroactive from April 2010 until July 2011.???

The state received praise for its early adoption of the program from U.S. Health and Human Services Secretary Kathleen Sibelius, who said, "We applaud Connecticut's speedy action to expand coverage for its lowest-income residents, who will now have reliable access to affordable, quality care as a result of the incentives contained in the Affordable Care Act.? Today's action will bring substantial new federal support to the state and help improve the health of its citizens."

On June 21, 2010, Connecticut became the first state to expand its Medicaid program under the Patient Protection and Affordable Care Act.? The expansion will provide federally subsidized medical benefits to approximately 45,000 Connecticut residents and will save the state an estimated $53 million.

Governor M. Jodi Rell highlighted the added benefit to taxpayers in Connecticut, saying, "For many years, Connecticut has provided state assistance to ensure that our most vulnerable single adults have access to health care.? Now with this federal help, we will be able to provide increased medical benefits for them through Medicaid while relieving the burden on state taxpayers."?

If you have any questions regarding the Affordable Care Act or Connecticut's expanded? Medicaid program, or would like additional information, please feel free to contact Edward Sturchio of the Life Sciences and Healthcare practice group or the attorney in the firm with whom you are regularly in contact.