



The Impact of the Supreme Court Decision on the MaineCare Program

On June 28, 2012, in *National Federation of Independent Business v. Sebelius*, the Supreme Court upheld the Affordable Care Act (ACA). However, the Court held it would be unconstitutional to terminate all Medicaid funding for states that do not expand Medicaid to cover most people with incomes up to 133% of the federal poverty level (FPL) as required by the ACA. This very narrow holding only affects the authority of the federal government to withhold all federal Medicaid funds for a state that does not enact the Medicaid expansion.

Frequently Asked Questions about the Court's Decision Concerning Medicaid

- Q: Does this mean the Medicaid expansion for all low-income people up to 133% FPL is “optional” for states?
- A: No. The Medicaid expansion for childless adults is still a valid mandatory Medicaid category under the ACA. The Court did not strike down the Medicaid expansion. It simply held that the federal Department of Health and Human Services (HHS) could not terminate all Medicaid funding for a state that does not implement the expansion. This creates a question of how the expansion provision will be enforced, which must be resolved by Congress or HHS prior to January 1, 2014.
- Q: Does the ACA Medicaid expansion provision authorize states to expand to an income level lower than 133% FPL?
- A: No. The statutory language of the ACA requires that states provide coverage for the new expansion population up to 133% FPL. This is unaffected by the Court's decision.
- Q: Do the MOE (Maintenance of Effort) provisions still apply?
- A: Yes, the MOE provisions for both adults and children are unaffected by the Court's holding, which means that some recent cuts to eligibility in Maine will not be allowed.¹

¹ PL 2012 Ch. 657 included the following cuts to MaineCare eligibility: parents between 100-133% of FPL, 19 and 20 year olds and some seniors and people with disabilities receiving assistance with prescription drugs, Medicare premiums or deductibles through the Medicare Savings Program.

Q: If a state does not expand Medicaid to 133%, can low-income adults get subsidies in the Exchange?

A: Low-income adults with incomes between 100% and 133% FPL will be eligible to receive exchange subsidies. Adults with incomes below 100% FPL are not eligible for subsidies in the Exchange under the ACA. The only exception is legal immigrants with incomes below 100% who do not qualify for Medicaid due to their immigration status. They will be eligible to receive a subsidy.

The ACA envisioned covering individuals with incomes below 100% of the federal poverty level through Medicaid. That is why the ACA did not provide for subsidies through the Exchange for this population. This means that if a state does not expand its Medicaid program to cover these adults they will be left without any coverage options.

Q: What are the benefits of the ACA Medicaid expansion for Maine?

- ✓ Health coverage for an estimated 43,468 low-income Mainers² who will gain greater financial stability and improved health outcomes.³
- ✓ 100% federal funding for the newly eligible expansion population from 2014 through 2016, scaling down to a still-high 90% federal funding by 2020 and beyond.
- ✓ A realistic coverage option for our lowest-income residents. Many who will be covered under expanded MaineCare will not qualify for subsidized coverage under the Exchange.
- ✓ Fiscal relief for hospital emergency rooms and safety net providers who serve the uninsured.
- ✓ Infusion of a large amount of federal funds that will create and sustain jobs for doctors, nurses and other health care workers, in addition to creating greater economic stability for the low-income workforce.

This fact sheet was prepared by Maine Equal Justice with the assistance of the National Health Law Program and the Western Center on Law and Poverty.

² John Holahan and Irene Headen,, “Medicaid Coverage and Spending in Health Reform: National and State by State Results for Adults at or below 133% FPL”, Kaiser Commission on Medicaid and the Uninsured, May 2010

³ An additional 53,200 individuals would be eligible for federal subsidies in the Exchange.

<http://www.statehealthfacts.org/profileind.jsp?ind=780&cat=3&rgn=21&cmprgn=1;>