



Highlights: What Makes Medicaid, Medicaid? Affordability

Medicaid Law Prohibits Premiums for Most Low-Income Enrollees

- Medicaid generally prohibits Medicaid premiums on individuals with incomes below 150% of the federal poverty level (FPL), or \$37,290 for a family of three in 2023.
- Other provisions exempt certain groups, such as Native Americans, from all premiums.
- Cost-sharing substantially impedes access to care for individuals with lower incomes. At lower incomes, even small copays substantially and significantly reduce access to needed care.

Medicaid Limits Cost-sharing to Maintain Access for Enrollees

- Medicaid's cost-sharing limits and exemptions are an essential part of Medicaid's design. Without doubt, high cost-sharing leads low-income people to delay or forego needed care.
- Individuals with incomes below the FPL have the lowest copayments – no more than \$4.00 for a doctor visit or a preferred prescription drug.
- Congress exempted certain vulnerable populations and services from cost-sharing altogether. Most children, women eligible through the Breast and Cervical Cancer Treatment Program option, Native Americans, and certain individuals receiving long-term supports and services may not be charged cost-sharing. Exempt services include recommended preventive services, emergency services, and some reproductive health services described below.
- Medicaid covers nearly all Medicare cost-sharing for Medicare beneficiaries under the FPL with low assets. For Medicare enrollees with slightly higher incomes, MSPs cover the Medicare Part B premiums. That alone saves enrollees nearly \$2,000 annually.

Cost-sharing Protections for Families

- Recognizing the key role preventive screening and prenatal care play in successful pregnancy, childbirth, and early childhood development, Congress established additional protections for children and pregnant people.
- Medicaid's elimination of cost-sharing obligations increases contraceptive use, improves enrollees' ability to choose the contraceptive method that best suits their needs, and ultimately allows enrollees to avoid unintended pregnancies.
- To enhance access to regular prenatal screening, which can lower the risk of later health complications, Medicaid law also exempts pregnancy-related services. Medicaid also excludes most children under the age of 18 from cost-sharing.

Additional Cost-sharing Protections

- Medicaid requires that anyone who is living at or below the FPL cannot be denied treatment due to their inability to pay the copayment.
- Medicaid allows providers to waive copays for their patients.
- Medicaid requires that no individual in poverty can be charged cost-sharing in excess 5% of their household income in a month or quarter. The aggregate cap includes both Medicaid premiums and cost-sharing for the whole household, while most private insurance limits exclude premiums and set separate individual and family caps.
- These Medicaid protections dramatically improve the affordability of care for low-income individuals, particularly those who have more extensive and ongoing health care needs, meaning they can actually afford to use their insurance and get treatment.

Conclusion

- Medicaid's affordability protections are carefully tailored to ensure that enrollees can access the care they need when they need it.
- If Medicaid cuts are enacted, states will lose billions of dollars in federal Medicaid funding, shifting financial responsibility for Medicaid to the states and to enrollees.

Additional Resources

- For more detailed information on the affordability of Medicaid, see [What Makes Medicaid, Medicaid? Affordability](#).
- For information on other aspects of Medicaid, see our entire series on [What Makes Medicaid, Medicaid](#).