
FISCAL UPDATE Article

Fiscal Services Division

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POTENTIAL HEALTH CARE COVERAGE AND MEDICAID IMPACT — COVID-19

Health Management Associates (HMA) released [projections](#) on Friday, April 3, 2020, estimating the potential impact of COVID-19 on health care coverage. The analysis utilizes three unemployment rate scenarios to estimate the impact on Medicaid, the Affordable Care Act (ACA) Marketplaces, employer-provided insurance, and the uninsured. The baseline unemployment scenario assumes a 10.0% unemployment rate, the medium unemployment scenario assumes a 17.5% unemployment rate, and the high unemployment scenario assumes a 25.0% unemployment rate. For comparison, Iowa's unemployment rate was 2.8% in February 2020.

In Iowa, HMA projects employer-sponsored health care coverage to decline by 128,000 to 384,000 individuals. This is estimated to lead to an additional 115,000 to 265,000 individuals eligible for Medicaid or Medicaid Expansion (Iowa Health and Wellness Plan). ACA Marketplace coverage is estimated to increase between 9,000 and 36,000 individuals, and the uninsured could increase to between 4,000 and 83,000 individuals. If individuals become Medicaid-eligible, but are unfamiliar with how to access the State Medicaid Program or simply go without insurance hoping this is a short-term issue, the Medicaid increase could be lower than projected, leading to a higher number of uninsured. Details of the estimates for Iowa are in the chart below; for projections for all 50 states, please click on the link above.

Estimated Change in Insurance Coverage — COVID-19

	Medicaid	Employer-Sponsored	Marketplace	Uninsured
Low Unemployment Scenario	115,000	-128,000	9,000	4,000
Medium Unemployment Scenario	187,000	-255,000	26,000	42,000
High Unemployment Scenario	265,000	-384,000	36,000	83,000

Iowa is in a significantly better position for minimizing the number of uninsured compared to states that decided not to expand Medicaid under the ACA. Most potential new Medicaid members would likely qualify for the Iowa Health and Wellness Plan, which has a 90.0% federal match rate. In addition, uninsured individuals may be [presumptively eligible](#) for Medicaid if they show up at a hospital for care or other entity that has the authority to determine presumptive eligibility. A qualified entity can assist the individual along with the Iowa Medicaid enterprise to gain coverage based on the individual's statements regarding the household's circumstances and income.

HMA intends to update its model as more information becomes available.

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