

UW-Madison: ACA Medicaid expansion helped ease reliance on federal income assistance program

Posted on Monday, Aug 7, 2017

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MADISON, Wis. – States that expanded Medicaid under the Affordable Care Act saw a reduction in reliance on a federal income assistance program for low-income adults with disabilities, according to a study from the UW School of Medicine and Public Health.

Participation in the Supplemental Security Income (SSI) program dropped by about 3 percent after the implementation of the Affordable Care Act, also known as Obamacare, among the states that expanded their Medicaid programs, according to the study that was released today in the August issue of the journal *Health Affairs*.

The SSI program is a federal income supplement program that is designed to help individuals with disabilities that have limited income and assets by providing cash to meet their basic needs. Participation in the SSI program also typically allows people to become eligible for Medicaid.

In 2014, the ACA made low-income nonelderly adults eligible for Medicaid without requiring them to qualify for the SSI program.

“A rigorous debate about redesigning Medicaid requires accounting for the secondary effects of Medicaid on public programs beyond the health care sector,” said Dr. Marguerite Burns, assistant professor in the Population Health Sciences

department at UW School of Medicine and Public Health, and one of the study's authors.

Burns, along with her colleagues Aparna Soni and Dr. Kosali Simon from Indiana University, Bloomington, and Dr. Laura Dague from Texas A&M University, based the study on 2010 to 2015 data from the Social Security Administration (SSA) and the Census Bureau, while taking into consideration economic and demographic factors to assess the significance of the results.

The data showed that SSI participation increased in both expansion and non-expansion states during 2010 to 2013, the period before the Medicaid expansion. During 2014 to 2015, the period after expansion, the average number of SSI recipients continued to rise in non-expansion states, whereas it declined in expansion states, according to the study.

The Medicaid expansions reduced the trade-off that some low-income adults face between obtaining health insurance, and increasing their income and savings, according to Burns.

“This study demonstrates meaningful spillover effects of Medicaid expansions for the federal and state governments through reduced SSI cash payments, and for adults with health limitations who seek to earn income above SSI eligibility limits without jeopardizing their health insurance coverage,” Burns said.