Medicaid Expansion Population and Cost Estimates for Tennessee

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Characteristics of Eligible Populations

Three distinct populations would be eligible for Medicaid coverage if Tennessee expanded eligibility to people with incomes up to 138 percent of the federal poverty level (FPL), or about $18,000 per year for an individual:

- The uninsured—252,000 people ages 19 to 64
- Those currently covered under employer-sponsored insurance (ESI) but earning under 138% of the FPL—137,000 people
- Those who directly purchase their coverage through the exchange—56,000 people

The vast majority of those who are currently uninsured are likely to transition to Medicaid coverage within two years of expansion. Based on the experience of other expansion states, we project that only a small percentage of Tennesseans with ESI are likely to enroll in Medicaid.

Therefore, focusing on the state’s uninsured population, Avalere estimates that if Tennessee...
expanded Medicaid, the following subpopulations of the 252,000 uninsured individuals could be eligible for coverage:

- **Older Tennesseans**: 65,000 between the ages of 50 and 64
- **Women and men**: 135,000 men and 118,000 women ages 19 to 64; 34,000 men and 31,000 women ages 50 to 64
- **People of different races and ethnicities (ages 19 to 64)**: 175,000 white; 51,000 African American; 51,000 Hispanic; 5,000 Asian American; 2,000 American Indian and Alaska Native; and less than 100 Native Hawaiian and Pacific Islander.

**Future Outlook and Funding Considerations**

As COVID-19 and other health and economic challenges continue to disproportionately affect low-income individuals, Medicaid expansion could protect Tennessee’s vulnerable populations and its state budget. **In Tennessee, net state budget savings from the federal incentive for Medicaid expansion over calendar years 2023 and 2024 would be $1,093,011,000—$1,263,949,000 in savings versus $170,938,000 in costs.** Tennessee policy makers should carefully consider these estimates as they contemplate policy options.

** Millions of people in the United States are still ineligible for Medicaid health coverage in states that have not expanded their programs as allowed under federal law. To date, 12 states have yet to modify their income eligibility limits since the Affordable Care Act (ACA) was passed in 2010. In Tennessee, up to 445,000 individuals would be eligible for Medicaid in 2023 if state lawmakers moved forward.* **

* According to analyses conducted for AARP’s Public Policy Institute by the health policy consulting firm Avalere.