

Introduction

There is continued interest in further reducing the country's 12.2 percent uninsured rate, making coverage more affordable for consumers and improving access to care, particularly as federal and state lawmakers continue to debate the government's appropriate role in ensuring access to health care. In recent months, several proposals have been introduced at both the federal and state levels that would permit people above Medicaid eligibility levels to "buy in" to Medicaid or would leverage the Medicaid program to strengthen coverage across the individual market and Medicaid. This State Health Policy Highlight explains the concept of a Medicaid buy-in and identifies a range of goals that states can address with a Medicaid buy-in. The longer underlying issue brief, [Medicaid Buy-In: State Options, Design Considerations and Section 1332 Waiver Implications](#), presents two possible models for a Medicaid buy-in program for states, and details the design considerations and authorities needed to implement each model.

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What Is Medicaid Buy-In?

For the purposes of this State Health Policy Highlight and the [longer brief](#), we define Medicaid buy-in as a state proposal to provide health care coverage to individuals with incomes above the current Medicaid eligibility level by leveraging Medicaid in some way—such as using the Medicaid provider network, reimbursement, the Medicaid infrastructure and/or Medicaid-like benefits—to offer a more affordable or accessible coverage option in the state. A state has flexibility in designing a Medicaid buy-in proposal, making policy decisions across a range of key program features to create a program that resembles a Medicaid benefit, a marketplace product or a hybrid of the two. State decisions related to Medicaid buy-in program design will depend on the policy goals for the program and market considerations.

What Issues Can States Solve for By Implementing a Medicaid Buy-In?

Access and Competition. A state may be focused on improving marketplace coverage within its current structure, for example, ensuring that there are no bare counties, or those without an offering issuer. Another related goal might be to ensure consumers have a choice of multiple qualified health plans (QHPs) in counties throughout a state, in which case a state might consider a buy-in to increase competition in the marketplace.

Affordability. States might be focused on improving premium affordability in the marketplace, particularly for those consumers with incomes above 400 percent of the federal poverty level or those without access to premium tax credits. Some states are focused on the buy-in as a tool to make premiums more affordable for unsubsidized individuals and families in the individual or small group market, who bear the full brunt of rising premiums. Other states may view the buy-in as a way to lower deductibles and other cost-sharing for services for those enrolled in QHPs—many states are grappling with this affordability issue.

Market Alignment. States may view a buy-in as a method to strengthen alignment between Medicaid and marketplace coverage by ensuring that the same (or partnering) issuers, plans and provider networks are offered in Medicaid and the

marketplace as individuals transition between coverage programs. Continuity of coverage over time, particularly within the same plan, is essential to advancing state goals related to population health and value-based payment reform.

Single-Payer Glide Path. Finally, as the single-payer discussion is revived at the federal and state levels, some state policymakers may see the buy-in as an alternative to single payer or as an incremental step to achieving a single-payer system.

Conclusion

States have substantial flexibility in designing a Medicaid buy-in product to achieve their goals with respect to marketplace access and competition, insurance premium and cost-sharing affordability, and alignment across Medicaid and individual insurance market coverage. States' decisions about using a Medicaid buy-in to pursue these goals—and the “best fit” among buy-in models (discussed in the [underlying issue brief](#))—will be driven by a prioritization of policy goals, a state's appetite for pursuing a Section 1332 waiver, and consideration of the buy-in's implications for the marketplace overall, among other factors. As states grapple with an ever-evolving federal regulatory landscape impacting marketplace stabilization, Medicaid buy-in may emerge, in some states, as a viable solution in their efforts to achieve sustainable and stable insurance options for their residents.

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