

Health Coverage Options for the Uninsured

This fact sheet provides information and guidance for Navigators and certified application counselors (CACs) (collectively, assisters) when working with underinsured and uninsured consumers, including options for health insurance and free or low-cost health care.

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February 2022. The information provided in this fact sheet is intended only to be a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, or formal policy guidance upon which it is based. This fact sheet summarizes current policy and operations as of the date it was published. We encourage readers to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information. This communication was printed, published, or produced and disseminated at U.S. taxpayer expense.

Overview

The Affordable Care Act (ACA) has reduced the number of uninsured Americans dramatically, from more than 44 million in 2013 to around 28 million in 2020¹. Of those Americans who are insured, over half are provided health insurance through their employers.² Others may be covered through Medicaid, Medicare, health insurance offered through the Health Insurance Marketplace^{®3}, or the Department of Veterans Affairs. However, many consumers remain uninsured. Some uninsured consumers may be eligible for no- or low-cost health insurance through Medicaid or subsidized health insurance through the Marketplace but may be unaware of those options. Others may be uninsured because the coverage available to them is unaffordable even with Marketplace subsidies, or they may be ineligible for coverage due to immigration status. Consumers who are underinsured have coverage, but because of high premiums or out-of-pocket costs are unable to meet their share of costs and may skip necessary care. Others may be underinsured because their plans do not cover the extent of services they need. As of 2019, 29 percent of adults with an insurance plan were underinsured.⁴

Coverage Options

Uninsured and underinsured consumers may have different health insurance coverage options to consider. In fact, about half of all uninsured consumers are eligible for but not enrolled in either Medicaid or health insurance coverage through the Health Insurance Marketplace[®] with financial assistance. As an assister, you should explore these options with consumers.

The Health Insurance Marketplace[®]

The ACA created the Health Insurance Marketplace[®] where consumers can shop for and enroll in private health insurance coverage. Most Marketplace consumers are eligible for help paying the cost of their Marketplace plan. Depending on their household income, Marketplace consumers may be eligible for premium tax credits (PTCs) to help pay the costs of their monthly premiums and cost-sharing reductions (CSRs) for help paying their health care costs. Under the ACA, individuals with household incomes between 100 percent and 400 percent of the federal poverty level (FPL) may be eligible for PTCs. In fact, 88 percent of consumers who enrolled in health insurance coverage in Marketplaces in states that use the HealthCare.gov platform

¹ Keisler-Starkey, K., and Bunch, L. "Health Insurance Coverage in the United States: 2020." United States Census Bureau. September 2021. Available at [Census.gov/library/publications/2020/demo/p60-271.html](https://www.census.gov/library/publications/2020/demo/p60-271.html)

² *Ibid.*

³ Health Insurance Marketplace[®] is a registered service mark of the Department of Health & Human Services

⁴ "Characteristics of the Remaining Uninsured: An Update." The Urban Institute. Available at [Urban.org/sites/default/files/publication/98764/2001914-characteristics-of-the-remaining-uninsured-an-update_2.pdf](https://www.urban.org/sites/default/files/publication/98764/2001914-characteristics-of-the-remaining-uninsured-an-update_2.pdf)

during the 2021 Open Enrollment Period received advance payments of the premium tax credit (APTC) and paid an average monthly premium of \$89.⁵

However, under the American Rescue Plan Act of 2021 (ARP), signed into law on March 11, 2021, PTC is available to otherwise eligible consumers with household incomes above 400 percent of the FPL⁶, and the amount of a family's household income the family will pay towards the premiums for a benchmark plan is capped at 8.5 percent. This provision applies for plan years 2021 and 2022. Consumers with household incomes between 100 percent and 150 percent of the FPL may be eligible for coverage options with \$0 premiums.

Some consumers may be eligible for even more savings. Individuals with household incomes between 100 percent and 250 percent of the FPL may be eligible for CSRs for help paying their health care costs.

American Indians and Alaska Natives (AI/ANs) who are members of federally recognized tribes and Alaska Native Claims Settlement Act (ANCSA) Corporation shareholders who have household income between 100 percent and 300 percent of the FPL may be eligible for [zero or limited cost sharing plan variations](#). People enrolled in a zero-cost sharing plan:

- Don't pay copayments, deductibles, or coinsurance when getting care from an Indian health care provider or when getting essential health benefits (EHB) covered by their Marketplace plan.
- Can get zero cost sharing with a plan at any metal level in the Marketplace.
- Must agree to have their income verified in order to enroll.

AI/ANs who are members of federally recognized tribes and ANCSA Corporation shareholders enrolled in limited cost sharing plans for those with household incomes below 100 percent or above 300 percent of the FPL:

- Do not have to pay copayments, deductibles, or coinsurance when getting care from an Indian health care provider.

As an assister, you should help consumers determine if they may be eligible for help paying the cost of their Marketplace plan.

Non-citizens who are lawfully present in the United States (U.S.) and meet other basic eligibility requirements may be eligible for coverage through the Marketplace. [If they meet the eligibility requirements](#), they may also be eligible to receive financial assistance through the Marketplace.

⁵ Centers for Medicare and Medicaid Services. "2021 Open Enrollment Report." Available online at [CMS.gov/files/document/health-insurance-exchanges-2021-open-enrollment-report-final.pdf](https://www.cms.gov/files/document/health-insurance-exchanges-2021-open-enrollment-report-final.pdf)

⁶ "Federal Poverty Level" Healthcare.gov. Available at [HealthCare.gov/glossary/federal-poverty-level-fpl/](https://www.healthcare.gov/glossary/federal-poverty-level-fpl/)

Catastrophic Coverage Through the Marketplace

Catastrophic health insurance plans generally have low monthly premiums and high deductibles. Only consumers who are under the age of 30 or who are of any age with a [hardship exemption or an affordability exemption](#) are eligible to purchase Catastrophic coverage. They can do so through the Marketplace. Monthly premiums are usually low, but consumers are not eligible for subsidies for Catastrophic coverage.

- Catastrophic plans cover the same EHB as other Marketplace plans, subject to certain limitations.
- Like other plans, Catastrophic plans cover certain preventive services at no cost.
- They also cover at least three primary care visits per year before consumers meet their deductible.

Medicaid and the Children's Health Insurance Program (CHIP)

[Medicaid and CHIP](#) provide free or low-cost health coverage to millions of Americans, including low-income adults, families and children, pregnant women, older adults, and people with disabilities. Federal and state governments run both programs jointly, and eligibility requirements and covered benefits vary between states. To participate in Medicaid, federal law requires states to cover certain groups of individuals. Low-income parents and caretaker relatives, qualified pregnant women and children, and individuals receiving Supplemental Security Income (SSI) are examples of [mandatory eligibility groups](#).

States have additional options for coverage and may choose to cover other groups, such as individuals receiving home- and community-based services whose financial eligibility is determined as if they were in an institution, and children in foster care who are not otherwise eligible.

Federal law makes additional federal funding available to states to expand their Medicaid programs to cover certain adults younger than 65 with income up to 133 percent of the FPL (because of the way this threshold is calculated, it is effectively 138 percent of the FPL). This means that in states that have opted to expand Medicaid to adults, free or low-cost health coverage is available to individuals with incomes below a certain level regardless of disability, financial resources, and other factors that are sometimes considered in Medicaid eligibility determinations. However, not all states have expanded their Medicaid program. Thirty-nine states (including D.C.) have elected to expand Medicaid to the adult group. In states that have not expanded Medicaid, there may be an additional coverage gap between eligibility for Medicaid and Marketplace subsidies for consumers who have incomes below the FPL but above an applicable Medicaid limit in their state. Consumers can apply for Medicaid coverage through their state's Medicaid office or through the Marketplace application.

Historically, pregnant individuals who were eligible and enrolled in Medicaid or CHIP-eligible for Medicaid on such basis, continue to receive coverage from the last day of their pregnancy through the last day of the month in which the 60-day postpartum period ends.⁷ In Medicaid, coverage is maintained regardless of any changes in income that would otherwise result in a loss of eligibility. Under ARP, states have the option to provide 12 months of continuous, extended postpartum coverage in Medicaid and CHIP for postpartum individuals. States can generally elect beginning April 2022, though some states have received authority to extend postpartum coverage earlier, beginning April 1, 2022. Assistants should check with their state authorities to learn whether the state they operate in has extended postpartum coverage for pregnant Medicaid and CHIP beneficiaries and, if so, the State timeline for implementation. In states that have extended postpartum coverage, let consumers know that pregnant individuals who are eligible for and enrolled in Medicaid (including during a period of retroactive eligibility) or CHIP remain continuously eligible through the end of their 12-month postpartum period. States that do not elect the extended postpartum coverage option must continue to provide coverage for pregnant individuals in Medicaid or for targeted low-income pregnant women in CHIP through the 60-day postpartum period as currently required.

CHIP

[CHIP](#) is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid but too low to afford private coverage.

- States have the flexibility to adopt their own coverage standards, but they must adhere to these conditions: A child must be under 19 years of age; uninsured (determined ineligible for Medicaid and not covered through a group health plan or creditable health insurance); a U.S. citizen or have satisfactory immigration status; a resident of the state; and eligible within the state's CHIP income range based on family income and any other state-specified rules, such as requiring a period of uninsurance up to 90 days, in the CHIP state plan.
- States also have the option to provide coverage, such as prenatal, delivery, and postpartum care, to uninsured targeted low-income pregnant women under the CHIP state plan.

Medicaid Coverage Limited to Treatment of an Emergency Medical Condition

Certain non-citizens, including individuals whose citizenship or immigration status has not been verified, are not eligible to purchase coverage through the Marketplace, even at full cost. Individuals who do not have a satisfactory status or who are qualified non-citizens but have not yet met the five-year waiting period, if applicable, and meet all other eligibility criteria for

⁷ Pregnant and postpartum individuals may also be eligible on another basis, for example, as a parent or caretaker relative or on the basis of disability status.

Medicaid in the state plan are eligible for Medicaid coverage to pay the costs for the treatment of an emergency medical condition.

Medicaid and CHIP Coverage of Lawfully Residing Children and Pregnant Women

States may elect to cover children under age 21 and/or pregnant women (including during their 60-day postpartum period) in Medicaid or CHIP who are lawfully residing in the U.S. Individuals who are eligible for Medicaid or CHIP under this option receive full-scope Medicaid or CHIP. There are 35 states, three territories, and D.C. that provide Medicaid or CHIP coverage to lawfully residing children and/or pregnant women.⁸

Short-term, Limited-duration Insurance and COBRA

Short-term, limited-duration insurance (STLDI) plans can be used to cover a consumer who is between jobs. These plans are generally less expensive than traditional individual health insurance coverage because they are exempt from requirements for individual market plans under the ACA and, on average, provide less coverage. These plans have a duration of shorter than 12 months and are renewable for up to 36 months.

Another short-term coverage option is Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, which allows consumers who lose their job-based coverage to keep it, generally at a higher cost, for a period of up to 18 months following termination of employment.⁹ Assistors should be prepared [to help consumers understand their rights or options under COBRA](#). Be aware, however, that losing qualifying coverage, like coverage through a job, qualifies consumers for a Special Enrollment Period to purchase a plan in the Marketplace, and you should be prepared to discuss that option with consumers.

What Assistors Need to Know in Discussing STLDI and COBRA with Consumers

- STLDI plans are offered by many of the same issuers that offer qualified health plans (QHPs), although these are not sold in the Marketplace, and consumers are not eligible for financial assistance through the Marketplace for help paying the cost of the coverage.
- STLDI plans are exempt from the federal comprehensive coverage rules imposed on QHPs. For example, under federal law, STLDI issuers and plans can deny coverage due to a pre-existing condition, may include annual limits on the amount an insurer will pay, and are not legally required to cover EHB. Assistors should recommend consumers read STLDI plan documents to fully understand what is covered.

⁸ Centers for Medicare and Medicaid Services. "Medicaid and CHIP Coverage of Lawfully Residing Children & Pregnant Women." Available online at [Medicaid.gov/medicaid/enrollment-strategies/medicaid-and-chip-coverage-lawfully-residing-children-pregnant-women](https://www.medicaid.gov/medicaid/enrollment-strategies/medicaid-and-chip-coverage-lawfully-residing-children-pregnant-women)

⁹ Up to 36 months for a dependent following death or divorce of the covered employee.

- COBRA is a federal law that may let a consumer stay on their employee health insurance for a limited time after their job ends. It is generally more expensive than the share the consumer was paying while employed because the consumer is most often responsible for paying the full amount of the premium, including the employer's share as well as their own. If a consumer is eligible for COBRA, they will have an election period of 60 days to enroll.

Free or Low-cost Health Care Options

For individuals who are ineligible for Medicaid or are ineligible for or unable to afford private health insurance coverage, there are a number of government, community, and non-profit options.

Community-based Health Care

- Federally Qualified Health Centers ([FQHCs](#)) cover an underserved area or population and offer [primary care and additional health services](#) on a sliding fee scale based on a patient's income. They accept private insurance but are required to offer services regardless of a patient's ability to pay.
 - [Migrant Health Centers](#) are a type of FQHC that provide health care to farmworkers and their families on a sliding fee scale.
 - Public Housing Primary Care ([PHPC](#)), a type of FQHC, is a program that provides health care services to public housing residents, [either on the premises of a housing complex or at another location](#).
 - Health Care for the Homeless Program ([HCHP](#)), a type of FQHC, is a project that provides health care to [people experiencing homelessness](#).
 - Rural Health Clinics ([RHCs](#)) serve patients in rural areas. While they are not required to provide care to the uninsured, many [will provide care to the uninsured on a sliding fee scale](#). Thirteen percent of rural Americans are uninsured; refer to [Serving Special Populations: Rural Areas Fast Facts for Assisters](#) for further information on supporting their health care needs.
 - [Local volunteer or free clinics](#) exist in many areas to fill gaps in health service provision. These clinics are often free and run by volunteers. They are independent of insurance coverage, and they predominantly serve the uninsured or underinsured. Services provided at different locations may vary.
 - **Local homeless shelters** may also provide free medical services for residents.

- **School-based health centers** typically provide a full range of age-appropriate health care services and often are operated as a partnership between the school and a community health organization, such as a community health center, hospital, or local health department. For more information refer to [HRSA.gov/our-stories/school-health-centers](https://www.hrsa.gov/our-stories/school-health-centers).

What Assistors Need to Know When Discussing Community-based Health Care Options

- These options are mostly administered at a state or local level and may have different requirements or qualifications that need to be met in order for individuals seeking health care services to receive care.
- Some of these options accept insurance, and some charge based on what an individual can pay. Some offer free services.
- Some of these options are increasing their use of telehealth support during the COVID-19 pandemic and may require a consumer to have access to video conferencing software to use those services.

Prescription Medication Discounts

- Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients. This makes vital medications available at reduced costs to vulnerable populations through participating organizations such as:
 - Community health centers, such as FQHCs.
 - Ryan White HIV/AIDS Program grantees.
 - The Hill-Burton Program, which are health care facilities nationwide that provide free or reduced-cost care to those who qualify.
 - A list of facilities participating in the program can be found at [HRSA.gov/get-health-care/affordable/hill-burton/facilities](https://www.hrsa.gov/get-health-care/affordable/hill-burton/facilities).
 - Children's hospitals.
 - Hemophilia treatment centers.
 - [Critical Access Hospitals](#) serving rural areas.
 - [Sole Community Hospitals](#) serving geographically isolated regions.

- [Rural Referral Centers](#), high-volume, acute-care [rural hospitals](#) treating a large number of complicated cases.
- Non-governmental resources for reduced pharmaceutical prices:¹⁰
 - [NeedyMeds](#): Lists programs that may provide patients with financial assistance for prescription drugs.
 - [GoodRx](#): Compares drug prices, print coupons, and save on prescription medications.
 - [Partnership for Prescription Assistance](#): Finds patient assistance programs for prescription assistance.
- Generic drugs are generally cheaper than name-brand drugs. Consumers can research to find out if a generic is available for a prescription they need.
- If a prescription is only available from a specific drug manufacturer, the manufacturer may offer a manufacturer coupon or Patient Assistance Program (PAP). These are often available to the low-income, uninsured, or underinsured.

Additional Resources

- Retail-based health care clinics can be found at certain chain retail stores across the country. Retail health clinics do not require insurance and charge a flat, upfront fee for services. Services may include primary care, acute care, lab tests, immunizations, preventive care, and physicals.
- Urgent Care clinics have similar upfront costs but are for emergency situations. They are generally less expensive than emergency departments; however, they are not obligated to provide services to patients, even if their condition is life-threatening.
- The [Emergency Medical Treatment and Labor Act \(EMTALA\)](#) requires emergency departments to provide an appropriate medical screening examination to every patient who presents to the emergency room and requests examination or treatment of a medical condition. If the hospital determines that the individual has an emergency medical condition, then the hospital must provide treatment within the hospital's capabilities to stabilize the medical condition. The hospital must treat the patient with an emergency

¹⁰ Note: this is not an exhaustive list of websites and does not constitute a CMS endorsement of any of the listed websites.

- medical condition regardless of health insurance or ability to pay. Hospitals may still bill patients for care provided under EMTALA.
- Charity Care is a program of free or reduced prices for low-income people who are uninsured or underinsured that hospitals or health systems are often required to provide by law. Applications for Charity Care are specific to each health center and are available through financial assistance/billing departments. Charity Care is particularly useful for specialty services that are not available at primary care offices.
- Local and state health departments may provide free or reduced-price screenings and services including:
 - Screening for breast and cervical cancer for age-appropriate low-income, uninsured, and underinsured women.
 - Vaccines for low-income and uninsured children.
 - Colorectal cancer screening for age-appropriate low-income, uninsured, and underinsured men and women.
 - Free sexually transmitted disease (STD) testing and flu vaccines.
- Private organizations may provide copay, coinsurance, or deductible assistance for consumers with financial need. Many of these options exist at the state and local levels. It is worthwhile to search online for local or state organizations that provide additional assistance for underinsured individuals.

How Assistors Can Share Information with Consumers

Stay informed. Feel free to pass along new information to other assistors and consumers consistently.

- You can research local clinics, discount programs, and area-specific resources to complement the national programs presented here.
- You can establish relationships with local organizations and departments that provide services to the uninsured.
- You can create a physical list of compiled resources to give to consumers you work with who do not enroll in health insurance.
- Remember that a number of these options have specific requirements that must be met by a consumer in order to receive services.
- Some populations experience eligibility and enrollment barriers including limited choice and access to care, affordability, and barriers to communication. [Serving Vulnerable and Underserved Populations](#) provides further background on these populations.

