Commonsense Policy Compels Restoration of the Proposed Senate Cut to Eliminate Medicaid Coverage for Young Adults

What is the Senate proposing to cut?

The Senate’s proposed budget (SPB 2500) and health conforming bill (SPB 2518) include language that would eliminate Medicaid coverage for young adults ages 19 and 20.

Who would be impacted?

People currently receiving this coverage are 19- and 20-year-old individuals with very low income (no more than $343 per month) who are struggling to continue their education and/or assist with caregiving for children in their households. In addition, many of these beneficiaries are homeless.

Without Medicaid coverage, once these individuals turn 18, they would become uninsured and fall into the “coverage gap” because Florida has not expanded its Medicaid program. Landing in the coverage gap means that someone is too poor to purchase subsidized insurance through the federal marketplace, but at the same time unable to meet stringent Florida Medicaid eligibility requirements.

How would this cut hurt young adults?

Without insurance, young adults’ health and finances are at risk. Contrary to the myth that young people don’t need health insurance, one in six young adults has a chronic illness like cancer, diabetes or asthma. Medicaid coverage for these individuals also provides an important opportunity for prevention. Serious illnesses can be avoided or managed better if young adults are screened for early signs of or untreated illness. Otherwise, uninsured youth face the risk of enormous medical bills that can impact their financial security for years to come.

How would this cut hurt the state budget and Florida taxpayers?

Through federal COVID-relief, Florida is currently receiving an “enhanced federal match” for its Medicaid program. Congress appropriated these extra funds because federal lawmakers recognize that states face additional costs due to the public health emergency and that it is critically important for people to have coverage during this unprecedented pandemic.

However, receipt of these funds is contingent on the state not making any cuts to Medicaid eligibility or services. In other words, if Florida goes forward with this cut, the state would be required to forego millions of extra federal dollars. Notably, at the end of the last fiscal year, Florida had a Medicaid general revenue surplus of $343 million due to receipt of the enhanced federal match.

It is projected that the additional federal relief funding will be available at least through the end of 2021. But even when the additional federal funding ends, it would not make sense for the state to eliminate this coverage. This is coverage which saves money in the long run by preventing and mitigating health problems early before developing into more costly conditions persisting over a lifetime.

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1 Centers for Medicare & Medicaid Services, “Young Adults and the Affordable Care Act: Protecting Young Adults and Eliminating Burdens on Families and Businesses,” https://www.cms.gov/CCIIO/Resources/Files/adult_child_fact_sheet.

