



MEDICAID EXPANSION: A RURAL PERSPECTIVE

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Executive Summary

In 2023, North Carolina expanded Medicaid, allowing adults aged 19-64 with incomes up to 138 percent of the federal poverty line to enroll in the program. This expansion aimed to extend healthcare coverage to previously ineligible people with low-to-moderate incomes. While expansion was expected to expand Medicaid coverage to people throughout the state, research suggested rural areas could see higher expansion enrollment rates due to a greater target population. This analysis examines Medicaid expansion's impact, focusing on enrollment rates in rural counties and how it compares with suburban and urban counties.

Using data from the North Carolina Department of Health and Human Services and the U.S. Census Bureau, this report finds that rural counties had higher Medicaid expansion enrollment rates compared to suburban and urban counties. Additionally, counties with higher rates of poverty tended to have higher rates of Medicaid expansion enrollment, suggesting equitable implementation across the state.

Overall, the findings indicate that Medicaid expansion is reaching rural communities and residents. While there is still work to be done to reach enrollment targets, early trends demonstrate positive strides in extending healthcare coverage to those in need. Further research and monitoring are necessary to assess Medicaid expansion's long-term impact and ensure continued progress toward achieving enrollment goals.

Medicaid Expansion: A Rural Perspective

In 2023, North Carolina lawmakers passed legislation that expanded who can access Medicaid. Expansion officially began December 1, 2023, allowing adults 19-64 years old with income up to 138 percent of the federal poverty line to enroll in Medicaid. Before Medicaid expansion, estimates suggested that approximately 600,000 North Carolina residents would be newly eligible for Medicaid coverage under the updated qualifying criteria.

While Medicaid expansion was expected to benefit people throughout North Carolina, research suggested that rural people would enroll for this service at a greater rate. Rural populations in the U.S. tend to have higher proportions of residents with low-to-moderate incomes.¹ They have also been found to have higher rates of public insurance coverage, such as Medicaid and Medicare, and higher rates of uninsured people.¹

The purpose of this report is to check-in on Medicaid expansion and update its progress in rural communities. Specifically, this report examines the number of rural North Carolinians enrolled in Medicaid through expansion compared to non-rural North Carolinians.

Methodology

To examine the progress of Medicaid expansion, this report uses a handful of publicly available data sources. Most of the information is found in monthly Medicaid enrollment reports from the North Carolina Department of Health and Human Services (DHHS). These reports include the number of Medicaid enrollees, including those who have been enrolled in Medicaid expansion. They are published monthly, with the most recent (at the time of this report) published on April 11, 2024. The data in this report is at the county level, with Medicaid enrollment data up to April 1, 2024.

To better understand the impact at the county level, enrollment data is supplemented with population estimates from the North Carolina State Demographer, as well as poverty data from the U.S. Census Bureau's American Community Survey. All variables used in the analysis are explained in the *Measures* section.

Measures

Medicaid Enrollment (Total and Expansion Specific)

Two variables are pulled from the monthly DHHS report. The first variable is the number of Medicaid expansion enrollees - people enrolled in Medicaid

who were not eligible prior to expansion. The second variable is the total number of Medicaid enrollees (includes expansion enrollees). Both of these measures are reported at the county level.

Adult Population

The adult (19-64 years old) population for each county was collected for analysis. This report specifically uses the North Carolina State Demographer's 2022 county population estimates (Vintage 2022).

Poverty

The U.S. Census Bureau's American Community Survey (ACS) captures county-level poverty data. The percentage of residents per county with incomes lower than 150 percent of the federal poverty line was drawn from the ACS 5-Year Estimates (years 2018-2022).

County Classification

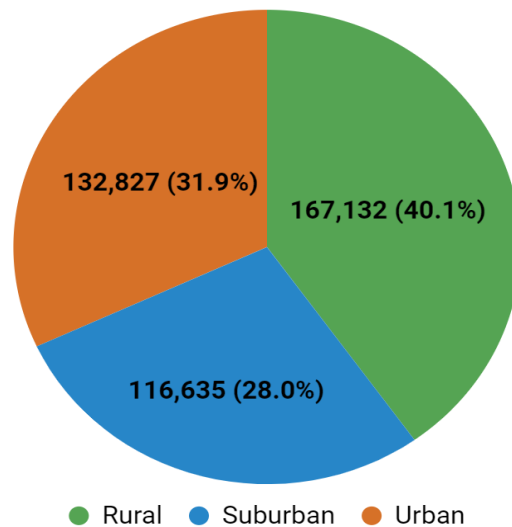
This report uses the NC Rural Center county classifications to investigate how Medicaid expansion has impacted rural counties. The NC Rural Center has three different classifications based on county population density: rural, suburban, and urban. There are 78 rural counties with a population density of 250 people or fewer per square mile. There are 16 suburban counties with a population density between 250 and 750 people per square mile. Finally, there are six urban counties with a population density of 750 people or more per square mile. These definitions are different from the rural classifications used by the DHHS in their monthly reports and dashboards, and thus produce different results.

Results

Total Number of Expansion Enrollees

According to data from the DHHS report, there are 2,953,688 North Carolinians enrolled in Medicaid as of April 1, 2024. Of those, 416,594 are enrolled through Medicaid expansion (14.1 percent of the total Medicaid enrollment population). A large portion of new expansion enrollees, 167,132 people (40.1 percent), are from rural counties. The proportion of rural enrollees is substantially higher than the percentage of enrollees in urban counties (31.9 percent) and suburban counties (28.0 percent). The pie chart below shows the distribution of Medicaid expansion enrollees by county classification.

Figure 1. Medicaid Expansion Enrollees by County Classification



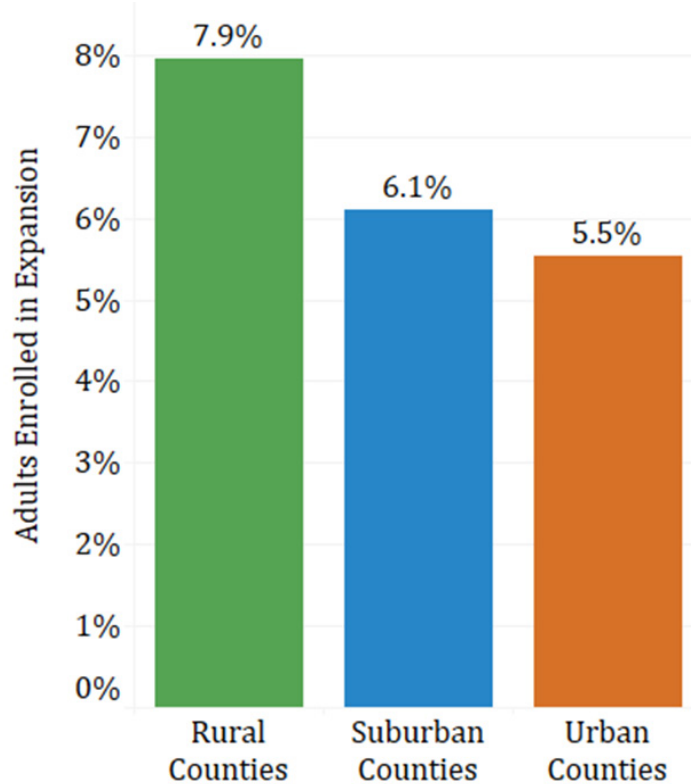
Source: North Carolina Department of Health and Human Services, N.C. Medicaid Enrollment Reports

Portion of Adult Population Enrolled in Medicaid Expansion

Perhaps a better indicator of expansion impact is the percentage of adults, 19-64 year olds, enrolled via expansion. To calculate this, the number of Medicaid expansion enrollees was divided by the 2022 adult population, then multiplied by 100. This produced the percentage of expansion enrollees for each aggregate population (rural, suburban, and urban), as well as the percentage of enrollees for each county.

The data shows that a higher percentage of rural county residents have been enrolled in Medicaid expansion than in suburban and urban counties. Figure 2 highlights the differences between rural, suburban and urban county aggregates. 7.9 percent of all adults in rural counties are enrolled through Medicaid expansion, compared to 6.1 percent of suburban county adults and 5.5 percent of urban county adults.

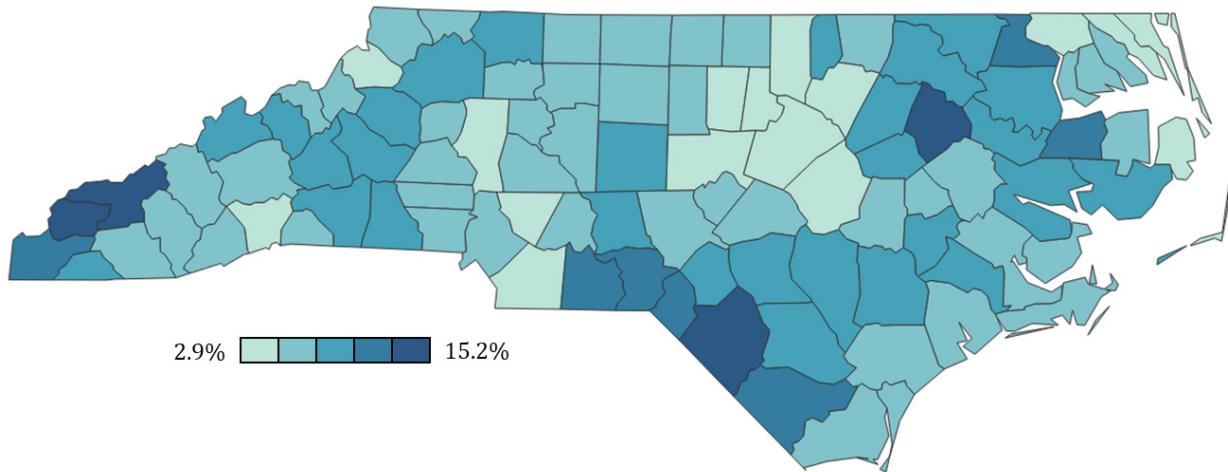
Figure 2. Percentage of Adults Enrolled in Medicaid Expansion



Source: North Carolina Department of Health and Human Services, N.C. Medicaid Enrollment Reports

According to county-level data, the rate of Medicaid expansion enrollment appears to be higher in particular regions of North Carolina. Figure 3 shows the percentage of adults enrolled in Medicaid expansion per county. Counties in the Sandhills (southern N.C.), Northeastern, and some Western portions of the state - predominantly rural regions - tend to have higher rates of enrollment.

Figure 3. Percentage of Medicaid Expansion Enrollees by County



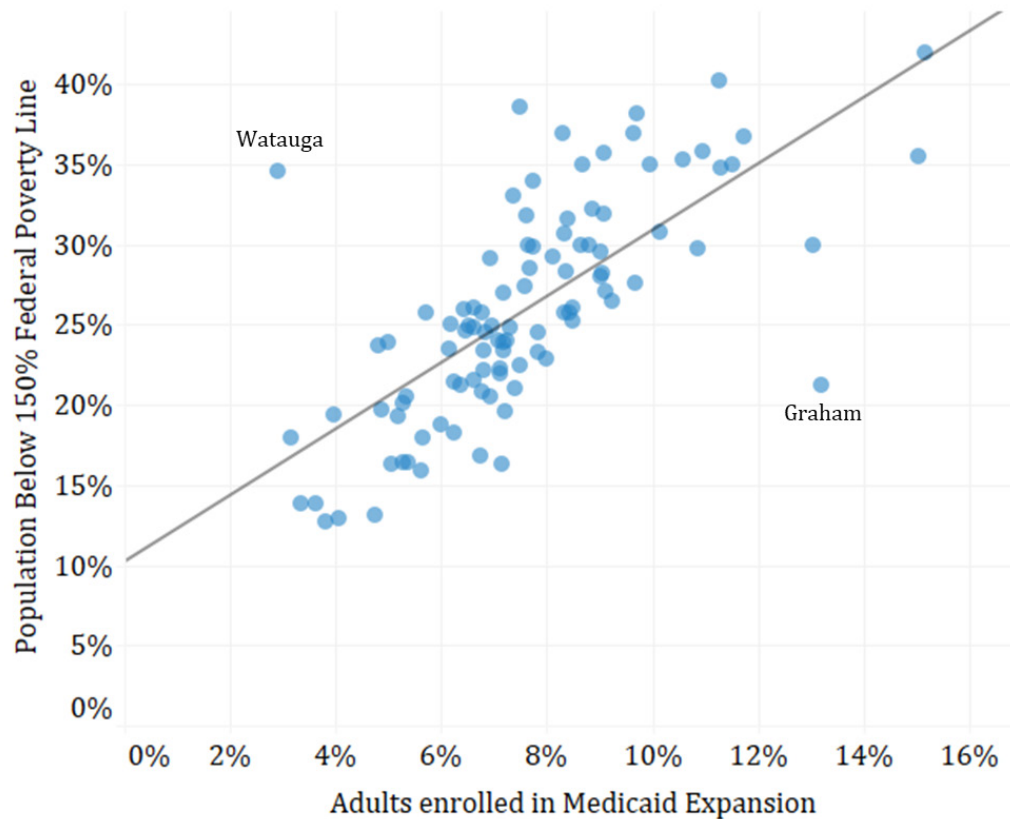
Source: North Carolina Department of Health and Human Services, N.C. Medicaid Enrollment Reports

Medicaid Expansion and Poverty

A final check is whether counties with higher rates of residents in poverty have higher rates of Medicaid expansion enrollment. Higher enrollment would be expected in counties with higher rates of poverty since expansion specifically targets adults with incomes up to 138 percent of the federal poverty line.

To investigate, county level poverty data from the 2018-2022 American Community Survey (5 year estimates) was plotted against Medicaid expansion enrollment in Figure 4. There is a strong positive relationship between the two variables, meaning that counties with a higher percentage of residents with incomes below 150 percent of the federal poverty line tend to have higher rates of Medicaid expansion enrollment.

Figure 4. Medicaid Expansion Enrollment and Poverty



Source: North Carolina Department of Health and Human Services, N.C. Medicaid Enrollment Reports; 2018-2022 American Community Survey 5-Year Estimates

Two counties - Watauga and Graham - were identified as outliers in this data, meaning Medicaid expansion enrollment in the county is not as expected given their population's poverty prevalence. Watauga has a high percentage of its population with incomes below 150 percent of the federal poverty level, but also has one of the lowest rates of Medicaid expansion enrollment. Conversely, Graham has a relatively low percentage of its population with incomes below 150 percent of the federal poverty level, but has one of the highest rates of Medicaid expansion enrollment. These two counties could offer insights into challenges and successes of Medicaid expansion implementation in rural areas.

Conclusions

This analysis shows that Medicaid expansion is largely progressing as expected in terms of enrollment. While there is still a long way to go to reach the enrollment goal of 600,000 people, in just four months the count is at

416,594 people (69.4 percent of the goal). Enrollment continues at a steady pace, with about 1,000 enrollments every day on average.³ This will likely taper off, but these numbers are a positive sign for the initial efforts for Medicaid expansion.

Medicaid expansion enrollment is occurring at a higher rate in rural counties. This is expected, as previous research has suggested rural adults are more likely to have low-to-moderate incomes. Medicaid expansion seems to be reaching our rural communities, and rural people are getting the health coverage they need.

Finally, comparing Medicaid expansion enrollment data with poverty data shows that counties with higher rates of residents in poverty (up to 150 percent of the federal poverty line) tend to also have higher rates of Medicaid expansion enrollees. This finding further suggests that Medicaid expansion is being implemented in an equitable manner, ensuring people who need Medicaid coverage and are now qualified thanks to expansion are getting coverage, regardless of where they live.

North Carolina is still in the early stages of Medicaid expansion, and there is still considerable work to be done to achieve the ultimate goal of 600,000 Medicaid expansion enrollees. However, after four months the trends are positive. People in need, including rural people, are getting access to healthcare thanks to Medicaid expansion.

Sources

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3. Baxley, J. (2024). *N.C. Medicaid rolls grow by 1,000 people a day as smooth expansion rollout continues its third month*. North Carolina Health News. <https://www.northcarolinahealthnews.org/2024/02/15/medicaid-rolls-grow-as-expansion-continues/>

Data

The data set used in this analysis is available upon request to Dalton Bailey, Research and Data Manager, dbailey@ncruralcenter.org.

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