The Affordable Care Act (ACA) contains many Medicaid-related provisions, including those related to eligibility, benefits, financing, and provider payments. RAND is working closely with decisionmakers at the federal and state levels to resolve many of the pressing program design and policy coordination challenges associated with implementing the ACA’s sweeping reforms.

**RAND is helping states conform to the ACA’s requirements for assessing income when determining Medicaid eligibility.**

For years, states have used different definitions of income when determining the Medicaid eligibility of their residents. For example, some have disregarded certain types of income—such as child support payments, student income, and interest on savings accounts—while others take them into account. Under the ACA, however, states must follow a standardized process for calculating income. RAND researchers are providing technical assistance to the Department of Health and Human Services as it develops algorithms that convert state-specific income standards into new standards that reflect a unified definition of income.

**RAND is estimating how states’ Medicaid expansion decisions will affect health care spending and Medicaid enrollment.**

One way in which the ACA extends health coverage to previously uninsured Americans is by expanding Medicaid eligibility, making it possible to cover greater numbers of lower-income families. In 2012, the Supreme Court ruled that states could not be required to expand Medicaid, leaving the expansion decision up to individual states. Some states announced their intention to move ahead with expansion; others declared that they would not. RAND researchers have estimated the spending and insurance-enrollment effects of expansion decisions for Pennsylvania, finding that expansion would both increase health insurance enrollment and positively affect the state economy.

**RAND developed a powerful microsimulation model that is producing timely, policy-relevant assessments of a wide range of reform elements.**

In 2009, RAND researchers launched the COMPARE microsimulation model to help predict the effects of health policy changes. The model uses a synthetic data set with information on a nationally representative sample of individuals and their employers and, taking into account such factors as individual and family characteristics, premiums, and government regulations, predicts the impact of different policy scenarios. COMPARE is being used to help federal and state governments prepare for and implement the ACA, including the expansion of Medicaid. More information is available at www.rand.org/health/projects/compare.

Want to learn more?

RAND Health is a nonpartisan resource on Medicare, Medicaid, and other health policy issues, including the Affordable Care Act. To access other fact sheets in this series, as well as reports, multimedia products, and more, scan the QR code above with your smartphone, or visit www.rand.org/topics/health-and-health-care.
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