

# Federal Incentives for Closing the Coverage Gap

There are 38 states that have opted to close the health insurance coverage gap. North Carolina is **one of 12 remaining states** that has not yet enacted a solution.

The American Rescue Plan passed by Congress offers **additional incentives** to states that close their gap.

States that close their coverage gap will receive a **5-percentage point increase** in the federal match rate for Medicaid for two years.

## Funding from the American Rescue Plan

- The increased federal match rate would bring **\$1.7 billion** to North Carolina over the next two years.
- The N.C. Department of Health and Human Services estimates the state's cost for closing the gap would be roughly \$700 million for the first two years.
  - That means **\$1 billion in additional funding** will come to our state above and beyond the cost to close the coverage gap.
- The federal government ALREADY covers **90% of the cost** for states that close their coverage gap.

***This Additional Funding Can Help to Address Other Priorities in North Carolina***