

# Closing the Gap Improves Labor Force Participation

**76% of North Carolinians in the coverage gap are already working.**<sup>1</sup>

*Among working adults, healthcare coverage incentivizes increased work hours. Among the unemployed, it increases the likelihood of finding a job.*

## **In states that closed their coverage gap, labor force participation increased.**

- After Michigan closed its coverage gap, employment status among new Medicaid enrollees rose from **54.3% to 60%**.<sup>2</sup> In Ohio, it rose from **43.2% to 49.6%**.<sup>3</sup>
- In Montana, closing the coverage gap has been linked to a **6 to 9 percentage point increase** in labor force participation among low-income residents.<sup>4</sup>
- 60% of unemployed enrollees in Ohio and 55% of unemployed enrollees in Michigan reported that closing the gap made them **better able to search for a job**.<sup>2,5</sup>
- Closing the coverage gap increased employment rates among working-age adults with disabilities from **31.9% to 38.0%**.<sup>6</sup>

## **NC's lack of affordable health insurance options disincentivizes Medicaid enrollees from working.**

- Currently in NC, a single mom with one child will lose her eligibility for affordable health coverage **if she begins making more than \$7,240**.
  - If we close the coverage gap, this mother could pick up more hours or search for a full-time job without worrying about losing her health insurance.
  - Research has found that closing the gap makes unemployed parents less likely to drop out of the workforce and stop looking for a job.<sup>7</sup>

# Sources

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