ACA Implementation—Monitoring and Tracking

Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain

Executive Summary

September 2016

By Laura Skopec, John Holahan, and Patricia Solleveld

Robert Wood Johnson Foundation

URBAN INSTITUTE

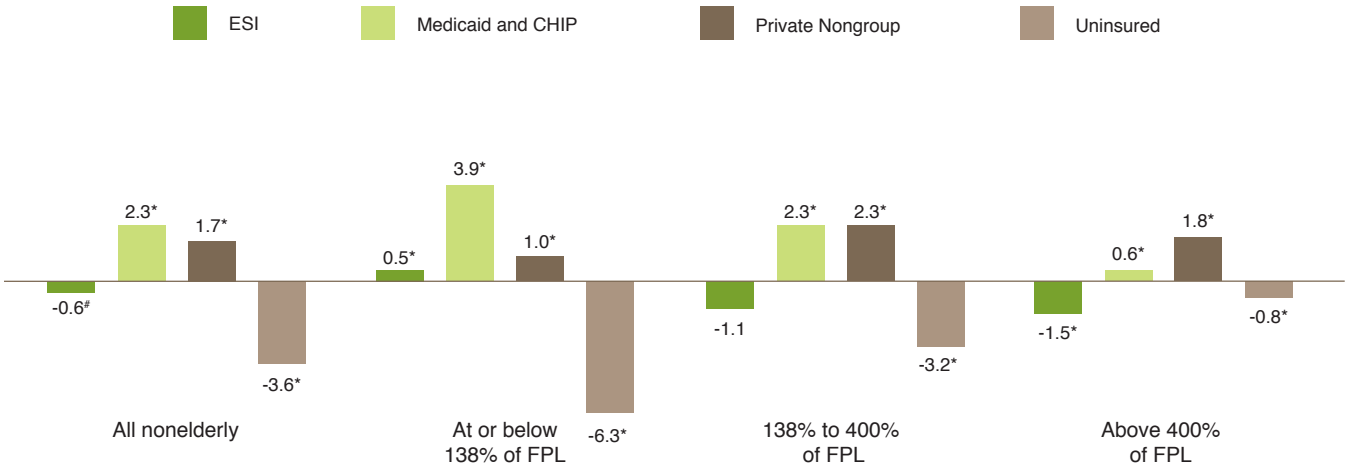
With support from the Robert Wood Johnson Foundation (RWJF), the Urban Institute is undertaking a comprehensive monitoring and tracking project to examine the implementation and effects of the Patient Protection and Affordable Care Act of 2010 (ACA). The project began in May 2011 and will take place over several years. The Urban Institute will document changes to the implementation of national health reform to help states, researchers and policymakers learn from the process as it unfolds. Reports that have been prepared as part of this ongoing project can be found at **www.rwjf.org** and **www.healthpolicycenter.org**. The quantitative component of the project is producing analyses of the effects of the ACA on coverage, health expenditures, affordability, access and premiums in the states and nationally.

INTRODUCTION

The major health insurance coverage provisions of the Affordable Care Act (ACA) went into effect on January 1, 2014, including reforms to nongroup and small-group insurance plan covered benefits and premium pricing, availability of tax credits to help qualified individuals purchase nongroup coverage, and expansion of Medicaid eligibility to low-income childless adults in many states. By March 2016, approximately 15.5 million fewer nonelderly adults (ages 19 to 64) were uninsured than in mid-2013.[1] Although rapidly available data have allowed for nationwide or regional estimates of average uninsured rate changes between 2013 and early 2016, only the American Community Survey (ACS) has sufficient sample size to allow for estimates of coverage changes for small subgroups and individual states. In addition, the ACS allows for an assessment of changes in health insurance coverage type during implementation of the ACA for particular subgroups. This paper uses the 2013 and 2014 ACS, the most recent years of data available, to detail changes in coverage during the first year of ACA implementation.

Using the ACS, we find that the uninsured rate fell by 3.6 percentage points between 2013 and 2014, meaning 9.4 million fewer nonelderly Americans were uninsured (Figure ES1). Gains in coverage appeared to be primarily through Medicaid and private nongroup coverage and were concentrated among nonelderly adults, as expected based on the reforms of the ACA. The share of Americans covered by employer-sponsored insurance (ESI) declined slightly between 2013 and 2014, which was the case prior to the ACA,[2] though low-income adults and young adults ages 19 to 25 showed modest gains in ESI coverage.

Figure ES1. Percentage-Point Changes in Health Insurance Coverage by Income, 2013 to 2014



	All nonelderly	At or below 138% FPL	138% - 400% FPL	Above 400% FPL
Change in population	1.2 million	0.6 million *	-0.8 million	1.4 million #
Change in uninsured	-9.4 million *	-5.6 million *	-3.2 million *	-0.6 million *
Share uninsured in 2014	13.4 percent	21.9 percent	13.7 percent	3.5 percent

Source: Urban Institute analysis of American Community Survey data from 2013 and 2014 using the Integrated Public Use Microdata Series.

Notes: CHIP = Children's Health Insurance Program. Estimates reflect income for the health insurance unit developed by the State Health Access Data Assistance Center (see footnotes 16 and 17 in Skopec, L, J Holahan, and P Solleveld. 2016. "Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain." Washington, DC: Urban Institute) and include adjustments for misreporting of health insurance coverage on the American Community Survey (see footnote 18 in in Skopec, L, J Holahan, and P Solleveld. 2016. "Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain." Washington, DC: Urban Institute).

Coverage through the Civilian Health and Medical Program of the Uniformed Services and Medicare is not shown because such coverage changes little year to year among the nonelderly.

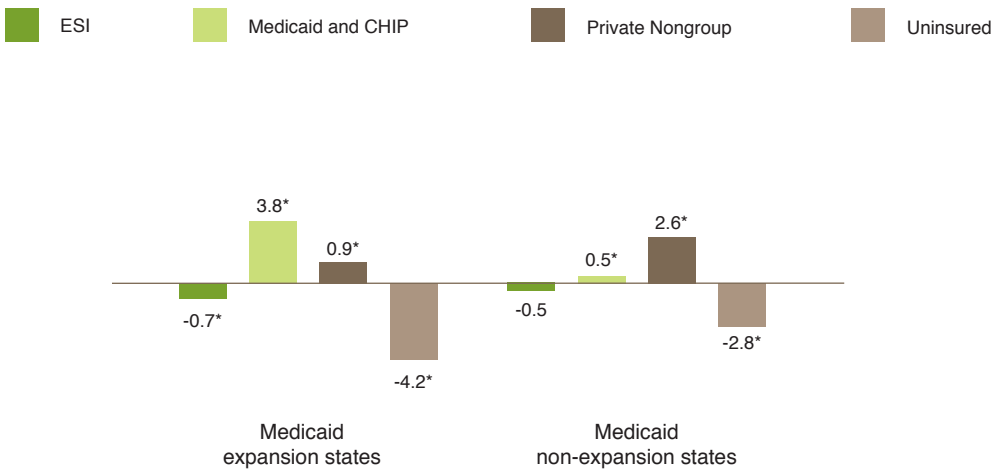
* Change is statistically significant at the 5 percent level.

Change is statistically significant at the 10 percent level.

Overall, reductions in the uninsured rate were broadly based, touching every demographic and socioeconomic group we studied. Disparities in uninsured rates by race and ethnicity, income, age, work industry, and education level all decreased between 2013 and 2014. The largest percentage-point reductions in the uninsured rate were seen for those with family incomes at or below 138 percent of the federal poverty level (FPL) (6.3 percentage points, 5.6 million), those with a high school education or less (5.5 percentage points, 4.7 million), Hispanics (5.2 percentage points, 2.3 million), adults ages 19 to 25 (5.1 percentage points, 1.6 million), and those living in the West (5.2 percentage points, 3.3 million). However, large gaps remain, and nonexpansion of Medicaid will likely limit the progress that can be made on closing those gaps going forward.

Reductions in the uninsured rate were smaller in states that chose not to expand eligibility for their Medicaid programs during 2014—only 2.8 percentage points compared to 4.2 percentage points in Medicaid expansion states (Figure ES2). Gains in coverage in Medicaid expansion states were driven primarily by increases in Medicaid coverage (3.8 percentage points, compared to 0.5 percentage points in nonexpansion states); gains in nonexpansion states were driven primarily by increases in nongroup coverage (2.6 percentage points, compared to 0.9 percentage points in expansion states).

Figure ES2. Percentage-Point Changes in Health Insurance Coverage for Nonelderly by State Medicaid Expansion Status, 2013 to 2014



	Medicaid expansion states	Non-expansion states
Change in population	0.5 million	0.7 million
Change in uninsured	-5.9 million *	-3.4 million *
Share uninsured in 2014	11.1 percent	13.4 percent

Source: Urban Institute analysis of American Community Survey data from 2013 and 2014 using the Integrated Public Use Microdata Series.

Notes: CHIP = Children's Health Insurance Program. Estimates reflect income for the health insurance unit developed by the State Health Access Data Assistance Center (see footnotes 16 and 17 in Skopec, L, J Holahan, and P Solleveld. 2016. "Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain." Washington, DC: Urban Institute) and include adjustments for misreporting of health insurance coverage on the American Community Survey (see footnote 18 in in Skopec, L, J Holahan, and P Solleveld. 2016. "Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain." Washington, DC: Urban Institute).

* Change is statistically significant at the 5 percent level.

Change is statistically significant at the 10 percent level.

In addition to ACA implementation, economic and demographic changes may also have contributed to changes in the uninsured rate between 2013 and 2014. Since the Great Recession officially ended in 2010, uninsured rates have steadily fallen, dropping 0.9 percentage points over the 2010 to 2013 period. Unemployment continued to fall between 2013 and 2014, and gross domestic product continued to grow, likely contributing to some increases in insurance coverage. In addition, the 2013 to 2014 period saw continued income shifts, with the middle-income group continuing to shrink while both the lower- and higher-income groups grew. Finally, the nonelderly population continued to become less white, older, and more likely to live in the South and West. Although it is beyond the scope of this paper to determine the insurance coverage changes specifically attributable to the ACA, the 2010 to 2013 pattern of insurance coverage changes suggests that the uninsured rate reduction seen between 2013 and 2014 was far larger than would be expected based on economic and demographic trends. One study estimated that the uninsured rate would have declined only 0.1 percentage point between 2013 and 2015 without the ACA.[3]

Our results are consistent with studies using other data sources, such as the National Health Interview Survey (NHIS) and the Current Population Survey (CPS), which have also shown large reductions in the uninsured rate between 2013 and 2014. Different survey approaches and release timing have also allowed estimates of changes in insurance coverage from 2014 to 2015 using the NHIS and CPS, with the latest NHIS release showing the uninsured rate dropping to 9.1 percent.[4] We present 2013 and 2014 results using the ACS to provide additional detail on changes in coverage patterns for small subgroups and by state, as well as additional background on demographic changes.

Detailed results are available in the companion paper, "Health Insurance Coverage in 2014: Significant Progress, but Gaps Remain."

ENDNOTES

1. Karpman, M, SK Long, and S Zuckerman. 2016. "Taking Stock: Health Insurance Coverage Under the ACA as of March 2016." Washington, DC: Urban Institute. http://hrms.urban.org/briefs/health-insurance-coverage-ACA-March-2016.html. This estimate does not include young adults who gained coverage under the ACA prior to mid-2013 or those covered by early Medicaid expansions prior to mid-2013. The U.S. Department of Health and Human Services has estimated that 20.0 million fewer Americans were uninsured due to the ACA through early 2016, including 2.3 million young adults gaining coverage prior to 2013. See Uberoi, N, K Finegold, and E Gee. 2016. "Insurance Coverage and the Affordable Care Act, 2010–2016." Washington, DC: U.S. Department of Health and Human Services. https://aspe.hhs.gov/sites/default/files/pdf/187551/ACA2010-2016.pdf.
2. Skopec, L, J Holahan, and M McGrath. 2015. "Health Insurance Coverage in 2013: Gains in Public Coverage Continue to Offset Loss of Private Insurance." Washington, DC: Kaiser Family Foundation. http://kff.org/uninsured/issue-brief/health-insurance-coverage-in-2013-gains-in-public-coverage-continue-to-offset-loss-of-private-insurance/.
3. Blumberg, LJ, B Garrett, and J Holahan. 2016. "Estimating the Counterfactual: How Many Uninsured Adults Would There Be Today Without the ACA?" *Inquiry* 53: 1–13.
4. Cohen, RA, ME Martinez, and EP Zammitti. 2016. "Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, 2015." Hyattsville, MD: National Center for Health Statistics. http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201605.pdf.

About the Authors and Acknowledgements

Laura Skopec is a research associate, John Holahan is an institute fellow, and Patricia Solleveld is a research assistant in the Urban Institute's Health Policy Center. The authors appreciate the comments and suggestions of Genevieve M. Kenney and Linda Blumberg, as well as the contributions of the Urban Institute team that developed the health insurance coverage edits used in this brief (Victoria Lynch, Jennifer M. Haley, Clare Pan, and Matthew Buettgens).

About the Robert Wood Johnson Foundation

The Robert Wood Johnson Foundation focuses on the pressing health and health care issues facing our country. As the nation's largest philanthropy devoted exclusively to health and health care, the Foundation works with a diverse group of organizations and individuals to identify solutions and achieve comprehensive, measurable, and timely change. For 40 years the Foundation has brought experience, commitment, and a rigorous, balanced approach to the problems that affect the health and health care of those it serves. When it comes to helping Americans lead healthier lives and get the care they need, the Foundation expects to make a difference in your lifetime. For more information, visit **www.rwjf.org**. Follow the Foundation on Twitter or Facebook.

About the Urban Institute

The nonprofit Urban Institute is dedicated to elevating the debate on social and economic policy. For nearly five decades, Urban scholars have conducted research and offered evidence-based solutions that improve lives and strengthen communities across a rapidly urbanizing world. Their objective research helps expand opportunities for all, reduce hardship among the most vulnerable, and strengthen the effectiveness of the public sector. For more information, visit **www.urban.org**. Follow the Urban Institute on Twitter or Facebook. More information specific to the Urban Institute's Health Policy Center, its staff, and its recent research can be found at **www.healthpolicycenter.org**.