



# Impacts of the ACA's Medicaid Expansion on Health Insurance Coverage and Health Care Access among Young Adults

## Executive Summary

Anuj Gangopadhyaya and Emily M. Johnston

February 2021

Young adults ages 19 to 25 have historically had limited access to both employer-sponsored insurance and public insurance coverage, resulting in the highest rates of uninsurance among all age groups before passage of the Affordable Care Act (ACA) in 2010.<sup>1</sup> Coverage and access to care for young adults improved following the ACA (Lipton, Decker, and Sommers 2017; McMorrow et al. 2015), with specific improvements attributed to the dependent coverage provision (Antwi, Moriya, and Simon 2013; Cantor et al. 2012; Sommers and Kronick 2012; Sommers et al. 2013; Wallace and Sommers 2015). But to date, no study has examined the specific impacts of the ACA's Medicaid expansion on young adult coverage and access to care.

In our report, *Impacts of the ACA's Medicaid Expansion on Health Insurance Coverage and Health Care Access among Young Adults* (Gangopadhyaya and Johnston 2021), we use data from the 2011–18 American Community Survey to examine trends in insurance coverage for young adults and data from the 2011–18 Behavioral Risk Factor Surveillance System to evaluate trends in health care access and use among young adults. We assess the impact of expanding Medicaid eligibility on young adults' coverage and access through 2018; to do so, we use a difference-in-differences estimation strategy to evaluate the changes in outcome measures between 2011–13 (the period before Medicaid expansion) and 2015–18 (the period after Medicaid expansion) in states that expanded Medicaid on January 1, 2014, versus in states that did not expand Medicaid by 2018.<sup>2</sup>

Health care is critically important as young adults transition from adolescence and take on more responsibility for their own health and well-being, building a foundation for their long-term health in

adulthood.<sup>3</sup> Yet, young adults receive overall health care, office-based care, and preventive services at low rates (Lau et al. 2013; 2014) and have historically had the highest uninsurance rate among all age groups.<sup>4</sup> Before the ACA, adolescents in low-income households often aged out of eligibility for public health insurance coverage through Medicaid or the Children's Health Insurance Program as they entered adulthood. Further, young adults' employment patterns made them less likely than older adults to have an offer of employer-sponsored insurance coverage (Holahan and Kenney 2008).

The ACA included numerous provisions that could affect health insurance coverage for young adults. First, it included the dependent coverage provision, allowing young adults up to age 26 to remain enrolled in a parent's private health insurance plan as a dependent beginning in 2010. Second, though not specifically targeted to young adults, the ACA enabled states to expand Medicaid eligibility to nondisabled, nonelderly adults with incomes up to 138 percent of the federal poverty level (FPL). Third, the ACA established premiums subsidies and cost-sharing reductions for individuals not eligible for Medicaid with household incomes between 100 and 400 percent of FPL in nonexpansion states or household incomes between 138 and 400 percent of FPL in expansion states to purchase Marketplace coverage. Some young adults may have been eligible for Medicaid coverage before the ACA if they were disabled or had low household incomes and qualified for eligibility as parents or through pregnancy, and eligibility rules varied across states. Young adults with household incomes below the FPL but not already eligible for Medicaid in states that did not expand coverage under the ACA fall into the "coverage gap" and are likely ineligible for Medicaid coverage or subsidized Marketplace coverage.

Health insurance coverage and access to care for young adults improved following implementation of all ACA coverage provisions (McMorrow et al. 2015). The dependent coverage provision, specifically, decreased uninsurance and increased access to health care and some measures of health and financial well-being among young adults (Antwi, Moriya, and Simon 2013; Barbaresco, Courtemanche, and Qi 2015; Busch, Golberstein, and Meara 2014; Cantor et al. 2012; Sommers and Kronick 2012; Sommers et al. 2013; Wallace and Sommers 2015). And extensive literature has documented the positive impacts of Medicaid expansion on health insurance coverage, access to care, and health care affordability for nonelderly adults overall, parents, childless adults, women of reproductive age, and other groups (Courtemanche et al. 2017; Daw and Sommers 2019; Guth, Garfield, and Rudowitz 2020; Johnston et al. 2018; Kaestner et al. 2017; McMorrow et al. 2017; Miller and Wherry 2019; Simon, Soni, and Cawley 2017).

But to date, no research has specifically investigated the impact of ACA Medicaid expansion on coverage and access to care for young adults. Our findings are vital to understanding what is at stake if the ACA Medicaid expansion were to be invalidated by the Supreme Court and provide information on the potential gains if additional states were to take up Medicaid expansion.

## How Have Uninsurance and Medicaid Coverage among Young Adults Changed under the ACA?

- Uninsurance among young adults ages 19 to 25 fell 14.2 percentage points between 2011 and 2018, from 30.2 percent to 16.0 percent. The share of young adults covered by Medicaid increased 4.3 percentage points, from 11.1 percent to 15.4 percent. Changes in both uninsurance and Medicaid coverage were concentrated between 2013 and 2016, when most major ACA coverage provisions were implemented, including Medicaid expansion and the establishment of the Marketplaces.
- The average decline in uninsurance rates was greater in expansion states. Uninsurance rates among young adults ages 19 to 25 declined by 16.4 percentage points, from 27.7 percent in 2011 to 11.3 percent in 2018, in states that expanded Medicaid and by 11.9 percentage points, from 32.8 percent in 2011 to 20.9 percent in 2018, in nonexpansion states.
- Medicaid coverage among young adults ages 19 to 25 in expansion states increased by 8.6 percentage points from 12.2 percent in 2011 to 20.8 percent in 2018, with the greatest gains concentrated between 2013 and 2015. In nonexpansion states, Medicaid coverage remained unchanged at 9.8 percent over the same period.

## What Was the Impact of ACA Medicaid Expansion on Uninsurance among Young Adults?

- Through 2018, the ACA Medicaid expansion is associated with a 3.6 percentage-point reduction in uninsurance among young adults, a 13.7 percent decline relative to the average in expansion states between 2011 and 2013.
- When stratifying by race and ethnicity, we find a large reduction in uninsurance for Hispanic young adults (6.0 percentage points), who had the highest pre-ACA uninsurance rate of the racial/ethnic groups in our analysis. Uninsurance declined by 3.7 and 2.5 percentage points for non-Hispanic Black and non-Hispanic white young adults, respectively.
- Among young adults in households with incomes below 200 percent of FPL, Medicaid expansion is associated with a 7.5 percentage-point decline in uninsurance, a 20.1 percent decline relative to the average uninsurance rate in expansion states between 2011 and 2012. Young adults in higher-income households experienced a smaller and insignificant decline in uninsurance of 1.9 percentage points.

# What Was the Impact of ACA Medicaid Expansion on Health Care Access and Use among Young Adults?

- Between 2011–13 and 2015–18, we observe the following patterns in health care access and use among young adults:
  - » The likelihood of receiving a routine checkup increased by 5.3 percentage points in expansion states (a 10 percent increase relative to 2011–13) and by 3.5 percentage points in nonexpansion states (a 6 percent increase relative to 2011–13).
  - » The likelihood of delaying needed care because of cost declined by 5.6 and 4.7 percentage points in expansion and nonexpansion states, respectively.
  - » The likelihood of having a personal doctor increased significantly, by 2.1 percentage points, in expansion states but did not change in nonexpansion states.
  - » The likelihood of receiving a flu shot or nasal spray in the past year increased similarly in expansion and nonexpansion states (2.7 versus 2.2 percentage points, respectively).
- Though estimates from difference-in-differences models suggest Medicaid expansion improved health care access and use among young adults, none of these estimates are statistically significant.
- Among young adults ages 22 to 25 without a college degree, Medicaid expansion is associated with a significant increase in the likelihoods of receiving a checkup in the past year (4.1 percentage points) and having a personal doctor (3.5 percentage points). However, we do not find a statistically significant relationship between Medicaid expansion and the likelihoods of delaying needed care because of cost or receiving a flu shot in the past year.
- Among young adults classified as being in low-income households in the Behavioral Risk Factor Surveillance System, we find Medicaid expansion is associated with increased likelihoods of having a routine checkup in the past year and having a personal doctor (2.2 and 4.1 percentage points, respectively). However, only the effect on having a personal doctor is statistically significant. We find Medicaid expansion is associated with a sizeable decrease in the likelihood of delaying needed care because of cost in the past year (1.6 percentage points) among lower-income young adults and a smaller decline (0.5 percentage points) among higher-income young adults, but these changes are not statistically significant.

## Policy Implications

The ACA's Medicaid expansion increased coverage among young adults and improved access to care among those with low incomes and those ages 22 to 25 without a college degree. These findings suggest the following policy implications:

- Adopting ACA Medicaid expansion in the 12 remaining nonexpansion states could reduce uninsurance and increase access to care among young adults, particularly for those in low-income households or without a college degree.
- Investment in outreach, such as increased marketing, targeted messaging to young adults, one-on-one enrollment assistance, and improved enrollment systems, could reduce uninsurance among young adults by enrolling those who are uninsured but eligible for Medicaid into the program.
- For young adults ineligible for Medicaid coverage, expanding availability of Marketplace premiums to those with incomes below the FPL in nonexpansion states, increasing the value of Marketplace premium subsidies, and increasing cost-sharing reductions could reduce uninsurance and improve health care access and use by increasing the affordability of Marketplace coverage.
- Increased coverage alone is unlikely to ensure all young adults can afford to access and use the health care they need. More research is needed to understand barriers to receipt of recommended preventive care among young adults with health insurance.

A recent analysis found young adults would gain more coverage from Medicaid expansion in the remaining states than any other age group (Buettgens 2021). The effects of Medicaid expansion on young adults' health insurance coverage and health care access provide evidence of the initial pathways through which Medicaid expansions could improve young adults' overall health and trajectories of health throughout adulthood. Beyond coverage and access to preventive care, Medicaid expansion may affect young adults' health care use in ways not examined in our report. Thus, ensuring young adults have health insurance coverage and access to affordable care is a critical first step toward long-term health.

## Notes

- <sup>1</sup> "Another Look at Health Insurance Coverage Rates for Young Adults," *Newsroom* (blog), US Census Bureau, September 6, 2018, [https://www.census.gov/newsroom/blogs/random-samplings/2018/09/another\\_look\\_at\\_heal.html](https://www.census.gov/newsroom/blogs/random-samplings/2018/09/another_look_at_heal.html).
- <sup>2</sup> See the data and methods section of the main report for more information on American Community Survey and Behavioral Risk Factor Surveillance System outcome measures, sample selection, specification and assumptions of the difference-in-differences approach, and limitations in the empirical approach (Gangopadhyaya and Johnston 2021).

- <sup>3</sup> Richard Bonnie and Martin Sepulveda, “Investing in the Health and Well-Being of Young Adults,” *Health Affairs Blog*, December 15, 2014, <https://www.healthaffairs.org/doi/10.1377/hblog20141215.043313/full/>.
- <sup>4</sup> “Another Look at Health Insurance Coverage Rates,” US Census Bureau.

## References

- Antwi, Yaa Akosa, Asako S. Moriya, and Kosali Simon. 2013. “Effects of Federal Policy to Insure Young Adults: Evidence from the 2010 Affordable Care Act’s Dependent-Coverage Mandate.” *American Economic Journal: Economic Policy* 5 (4): 1–28. <https://doi.org/10.1257/pol.5.4.1>.
- Barbaresco, Silvia, Charles J. Courtemanche, and Yanling Qi. 2015. “Impacts of the Affordable Care Act Dependent Coverage Provision on Health-Related Outcomes of Young Adults.” *Journal of Health Economics* 40: 54–68.
- Buettgens, Matthew. 2021. “Medicaid Would Have a Larger Impact Than Ever during the COVID-19 Pandemic.” Washington, DC: Urban Institute.
- Busch, Susan H., Ezra Golberstein, and Ellen Meara. 2014. “ACA Dependent Coverage Provision Reduced High Out-of-Pocket Health Care Spending for Young Adults.” *Health Affairs* 33 (8): 1361–66. <https://doi.org/10.1377/hlthaff.2014.0155>.
- Cantor, Joel C., Alan C. Monheit, Derek DeLia, and Kristen Lloyd. 2012. “Early Impact of the Affordable Care Act on Health Insurance Coverage of Young Adults.” *Health Services Research* 47 (5): 1773–90. <https://doi.org/10.1111/j.1475-6773.2012.01458.x>.
- Courtemanche, Charles, James Marton, Benjamin Ukert, Aaron Yelowitz, and Daniela Zapata. 2017. “Early Impacts of the Affordable Care Act on Health Insurance Coverage in Medicaid Expansion and Non-Expansion States.” *Journal of Policy Analysis and Management* 36 (1): 178–210. <https://doi.org/10.1002/pam.21961>.
- Daw, Jamie R., and Benjamin D. Sommers. 2019. “The Affordable Care Act and Access to Care for Reproductive-Aged and Pregnant Women in the United States, 2010–2016.” *American Journal of Public Health*, February, e1–7. <https://doi.org/10.2105/AJPH.2018.304928>.
- Gangopadhyaya, Anuj, and Emily M. Johnston. 2021. *Impacts of the ACA’s Medicaid Expansion on Health Insurance Coverage and Health Care Access among Young Adults*. Washington, DC: Urban Institute.
- Guth, Madeline, Rachel Garfield, and Robin Rudowitz. 2020. “The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review.” San Francisco: Henry J. Kaiser Family Foundation.
- Holahan, John, and Genevieve M Kenney. 2008. “Health Insurance Coverage of Young Adults: Issues and Broader Considerations.” Washington, DC: Urban Institute.
- Johnston, Emily M., Andrea E. Strahan, Peter Joski, Anne L. Dunlop, and E. Kathleen Adams. 2018. “Impacts of the Affordable Care Act’s Medicaid Expansion on Women of Reproductive Age: Differences by Parental Status and State Policies.” *Women’s Health Issues* 28 (2): 122–29. <https://doi.org/10.1016/j.whi.2017.11.005>.
- Kaestner, Robert, Bowen Garrett, Jiajia Chen, Anuj Gangopadhyaya, and Caitlyn Fleming. 2017. “Effects of ACA Medicaid Expansions on Health Insurance Coverage and Labor Supply.” *Journal of Policy Analysis and Management* 36 (3): 608–42. <https://doi.org/10.1002/pam.21993>.
- Lau, Josephine S., Sally H. Adams, Charles E. Irwin, Jr., and Elizabeth M. Ozer. 2013. “Receipt of Preventive Health Services in Young Adults.” *Journal of Adolescent Health* 52 (1): 42–49.
- Lau, Josephine S., Sally H. Adams, M. Jane Park, W. John Boscardin, and Charles E. Irwin. 2014. “Improvement in Preventive Care of Young Adults after the Affordable Care Act: The Affordable Care Act Is Helping.” *JAMA Pediatrics* 168 (12): 1101–06.
- Lipton, Brandy J., Sandra L. Decker, and Benjamin D. Sommers. 2017. “The Affordable Care Act Appears to Have Narrowed Racial and Ethnic Disparities in Insurance Coverage and Access to Care among Young Adults.” *Medical Care Research and Review*, April. <https://doi.org/10.1177/1077558717706575>.

- McMorrow, Stacey, Jason A. Gates, Sharon K. Long, and Genevieve M. Kenney. 2017. "Medicaid Expansion Increased Coverage, Improved Affordability, and Reduced Psychological Distress for Low-Income Parents." *Health Affairs* 36 (5): 808–18. <https://doi.org/10.1377/hlthaff.2016.1650>.
- McMorrow, Stacey, Genevieve M. Kenney, Sharon K. Long, and Nathaniel Anderson. 2015. "Uninsurance among Young Adults Continues to Decline, Particularly in Medicaid Expansion States." *Health Affairs* 34 (4): 616–20. <https://doi.org/10.1377/hlthaff.2015.0044>.
- Miller, Sarah, and Laura R. Wherry. 2019. "Four Years Later: Insurance Coverage and Access to Care Continue to Diverge between ACA Medicaid Expansion and Non-Expansion States." *AEA Papers and Proceedings* 109 (May): 327–33. <https://doi.org/10.1257/pandp.20191046>.
- Simon, Kosali, Aparna Soni, and John Cawley. 2017. "The Impact of Health Insurance on Preventive Care and Health Behaviors: Evidence from the First Two Years of the ACA Medicaid Expansions." *Journal of Policy Analysis and Management* 36 (2): 390–417. <https://doi.org/10.1002/pam.21972>.
- Sommers, Benjamin D., Thomas Buchmueller, Sandra L. Decker, Colleen Carey, and Richard Kronick. 2013. "The Affordable Care Act Has Led To Significant Gains In Health Insurance and Access to Care for Young Adults." *Health Affairs* 32 (1): 165–74. <https://doi.org/10.1377/hlthaff.2012.0552>.
- Sommers, Benjamin D., and Richard Kronick. 2012. "The Affordable Care Act and Insurance Coverage for Young Adults." *JAMA* 307 (9): 913–14. <https://doi.org/10.1001/jama.307.9.913>.
- Wallace, Jacob, and Benjamin D. Sommers. 2015. "Effect of Dependent Coverage Expansion of the Affordable Care Act on Health and Access to Care for Young Adults." *JAMA Pediatrics* 169 (5): 495–97.

## About the Authors

**Anuj Gangopadhyaya** is a senior research associate in the Health Policy Center at the Urban Institute. His primary research investigates links between health and human capital. His research focuses on the impact of safety net programs on health/wellbeing, family income, and education achievement outcomes for children in low-income families.

**Emily M. Johnston** is a senior research associate in the Health Policy Center, where she studies health insurance coverage, access to care, Medicaid, reproductive health, and maternal and infant health. Her research focuses on the effects of state and federal policies on the health and well-being of women and families.

# Acknowledgments

This report was funded by the Annie E. Casey Foundation through the Low-Income Working Families Initiative. We thank them for their support but acknowledge that the findings and conclusions presented are those of the authors alone and do not necessarily reflect the opinions of the Foundation.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at [urban.org/fundingprinciples](https://urban.org/fundingprinciples).

The authors are grateful for very helpful feedback from Genevieve M. Kenney and Gina Adams and for excellent editorial assistance from Rachel Kenney.



500 L'Enfant Plaza SW  
Washington, DC 20024

[www.urban.org](https://www.urban.org)

## ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

Copyright © February 2021. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.