

ACA Implementation—Monitoring and Tracking

Veterans and Their Family Members Gain Coverage Under the ACA, but Opportunities for More Progress Remain

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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 Affordable Care Act (ACA)'s coverage provisions implemented in 2014 included subsidies for coverage through the new marketplaces, an individual coverage mandate, and, in states choosing to participate, expanded Medicaid eligibility for those earning up to 138 percent of the federal poverty level (FPL). By mid-2014, 26 states (including Washington, D.C.) had expanded Medicaid, with 32 expanding Medicaid by 2016. Several recent studies have found that health insurance coverage for the nonelderly population has increased substantially under the ACA. Yet, millions more uninsured could gain coverage if the remaining 19 states were to expand Medicaid and if more of the uninsured eligible for Medicaid or marketplace subsidies take up that coverage (Blumberg et al., 2016; Buettgens and Kenney, 2016).

Studies before the ACA's implementation in 2014 found that veterans were less likely than the general population to be uninsured: 1 in 10 nonelderly veterans neither had comprehensive health insurance coverage nor used health care available through the Department of Veterans Affairs (VA) (Chokshi and Sommers, 2014; Haley and Kenney, 2013, 2012). Some uninsured veterans may qualify for VA care, but not all take up the available coverage or meet the eligibility requirements, which are based on service-connected disability status, veteran discharge status, income, and other factors (Panagala, 2015). In addition, many veterans' spouses and

children were found to be uninsured. Both these veterans and their family members more often report problems accessing needed health care compared with counterparts who have insurance coverage (Haley and Kenney, 2013, 2012).

The ACA's new options offered veterans the potential to gain coverage through increased Medicaid enrollment, enrollment in VA care, or participation in the new marketplaces. Before 2014, an estimated 4 in 10 uninsured veterans had incomes below 138 percent of FPL. Uninsured veterans in that income group living in states that expanded Medicaid would qualify for Medicaid in 2014 (Haley and Kenney, 2013).¹

Analysis released in late 2015 found that nationwide, the uninsurance rate fell for veterans between 2013 and 2014 (Haley and Kenney, 2015). We extend that analysis by assessing changes in coverage and indicators of affordability for veterans through 2015, and examining coverage levels, and whether they have changed, for veterans and their family members. Our analysis assesses coverage nationally, in the 10 states with the largest populations of uninsured veterans, and for states that did and did not expand Medicaid under the ACA. We close with a profile of uninsured veterans' characteristics and projections of how many uninsured veterans will remain in 2017, according to their eligibility for assistance under the ACA.

MAIN FINDINGS

- **Between 2013 and 2015, the uninsurance rate for nonelderly veterans fell by an estimated 42 percent, declining from 11.9 percent in 2013 to 8.5 percent in 2014, and falling further to 6.8 percent in 2015, according to the National Health Interview Survey. Over this time, veterans also experienced fewer unmet health needs, suggesting that increased coverage translated into improved access to care.**
- The American Community Survey similarly showed that **between 2013 and 2014, the veteran uninsured rate dropped by 2.4 percentage points.**
- **Uninsurance for veterans' family members also declined** over this period; in 2014, an estimated 1.2 million veterans and family members were uninsured, with an estimated 706,000 uninsured veterans and 503,000 uninsured family members.
- **Uninsurance rates fell among veterans between 2013 and 2014 in 9 of the 10 states we examined. Declines in veteran uninsurance were larger in the 26 states that had expanded Medicaid under the ACA by 2014 than in nonexpansion states (2.9 versus 2.0 percentage points).**
- Compared with insured veterans, **uninsured veterans had** characteristics associated with a lower likelihood of access to employer-sponsored insurance.
- **If Medicaid expansion decisions do not change between now and 2017, we project that approximately 604,000 veterans will be uninsured in 2017 and that 54 percent will be living in states that have yet to expand Medicaid:**
 - Among the uninsured veterans projected in **expansion states, 7 in 10 will qualify for Medicaid or subsidized marketplace plans.**
 - Among the uninsured veterans projected in **nonexpansion states, just 39 percent will qualify for financial assistance for coverage under the ACA, while nearly 4 in 10 will fall into the “assistance gap” and would qualify for Medicaid only if their state were to expand.**
- There is room to **further reduce coverage gaps for veterans and their family members under the ACA** by increasing take-up among those eligible for Medicaid or marketplace subsidies, increasing enrollment in Department of Veterans Affairs (VA) care, and expanding Medicaid in additional states.

DATA AND METHODS

National Health Interview Survey. We analyze national data from the 2011–2015 National Health Interview Survey (NHIS), a survey of the civilian noninstitutionalized population conducted by the Centers for Disease Control and Prevention's National Center for Health Statistics (NCHS). Nonelderly veterans (hereafter referred to as veterans) are identified as those ages 19 to 64 who “ever served on active duty in the U.S. Armed Forces, military Reserves, or National Guard” but who were no longer on active duty. The annual NHIS sample size of nonelderly veterans ranges from 3,400 to 4,000 for the data years included in this analysis (yearly samples are too small for state-specific estimates on veterans).

We examine three NHIS indicators of coverage and access:

1. *Uninsurance*, i.e., neither having comprehensive coverage nor using VA services at the time of the survey. (The NHIS

asks about multiple coverage types, including state-specific names for Medicaid and the Children's Health Insurance Program (CHIP), and verifies lack of coverage.)

2. *Problems paying medical bills* over the past 12 months. (The NHIS asks, “In the past 12 months, did you have problems paying, or were you unable to pay, any medical bills? Include bills for doctors, dentists, hospitals, therapists, medication, equipment, nursing home or home care.”)
3. *Unmet medical needs due to cost* over the past 12 months. (“During the past 12 months, was there any time when you needed medical care, but did not get it because you couldn't afford it?”)

American Community Survey. Our analysis also relies on estimates from the 2013–2014 American Community Survey (ACS), an annual survey fielded by the U.S. Census

Bureau (Ruggles et al., 2015) (this analysis is limited to noninstitutionalized civilians). The ACS defines veterans as those who had ever served on active duty but are no longer serving, asking, “Has this person ever served on active duty in the U.S. Armed Forces, Reserves, or National Guard?” and then identifying those who had served “on active duty in the past, but not now.” Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans but who live in a household with a 19- to 64-year-old veteran who is their spouse. Children of veterans are those 18 or younger who live in a household with a 19- to 64-year-old veteran who is their biological, adoptive, or stepparent.² The 2013 ACS has a nationwide sample size of 106,000 veterans and 104,000 family members, and the 2014 ACS has a sample size of 97,000 veterans and 104,000 family members.

In 2013, the Census Bureau implemented changes to the ACS that could affect comparisons between data before 2013 and those from 2013 and later.³ As a result, the sample of veterans identified in 2013–2014 was slightly different in size and composition from the sample in prior years. Comparing estimates of uninsured veterans before and after 2013 is thus potentially problematic (Holder and Raglin, 2014); we therefore include only analysis of 2013–2014 ACS data here.

The ACS measures health insurance coverage status using a single question about multiple types of coverage. Drawing on approaches that have been applied to other survey data, our coverage estimates reflect microdata edits for probable misclassified coverage, primarily by reassigning individuals reporting private nongroup coverage as having Medicaid (Kenney et al., 2016). As with the NHIS and following prior research, we classify veterans as uninsured if they report neither using VA services nor having comprehensive health insurance coverage at the time of the survey (VA access is considered health insurance coverage under the ACA’s coverage mandate). We assess patterns of uninsurance for veterans nationally according to several criteria: service-related disability status (and, if a veteran had no service-related disability, whether he or she had a functional limitation⁴); most recent era of active-

duty service; age; sex; race/ethnicity; work status; marital status; and the tax unit’s modified adjusted gross income (MAGI), the income measure used to determine eligibility for public programs such as Medicaid and marketplace subsidies (Blumberg et al., 2016).

State and state Medicaid expansion status. We present ACS estimates by state Medicaid expansion status using state decisions as of mid-2014, when 26 states (including the District of Columbia, which for ease of discussion is considered a state in this analysis) had expanded and 25 had not. Sample size limitations do not allow state-specific estimates for all states. We therefore include estimates for the 10 states with the largest estimated populations of uninsured veterans; these states each have sample sizes of 3,000 or more uninsured veterans. Combined estimates for the remaining states in each expansion status group are also presented.

Projections of eligibility for public assistance. Using the 2014 ACS data and the Urban Institute’s Health Insurance Policy Simulation Model–ACS version (Buettgens et al., 2013), we also project the number of uninsured veterans and their public coverage eligibility status in 2017. These projections are modeled with the latest available enrollment data from the marketplaces and Medicaid to impute coverage using 2016 state Medicaid expansion decisions (see Buettgens and Kenney [2016] for more detail).⁵ In particular, we estimate eligibility status for Medicaid and marketplace subsidies among the projected uninsured veterans and compute how many veterans in nonexpansion states fall into the “assistance gap,” i.e., they would qualify for Medicaid if their state elected to expand but their incomes are below the threshold to qualify for marketplace premium tax credits.⁶

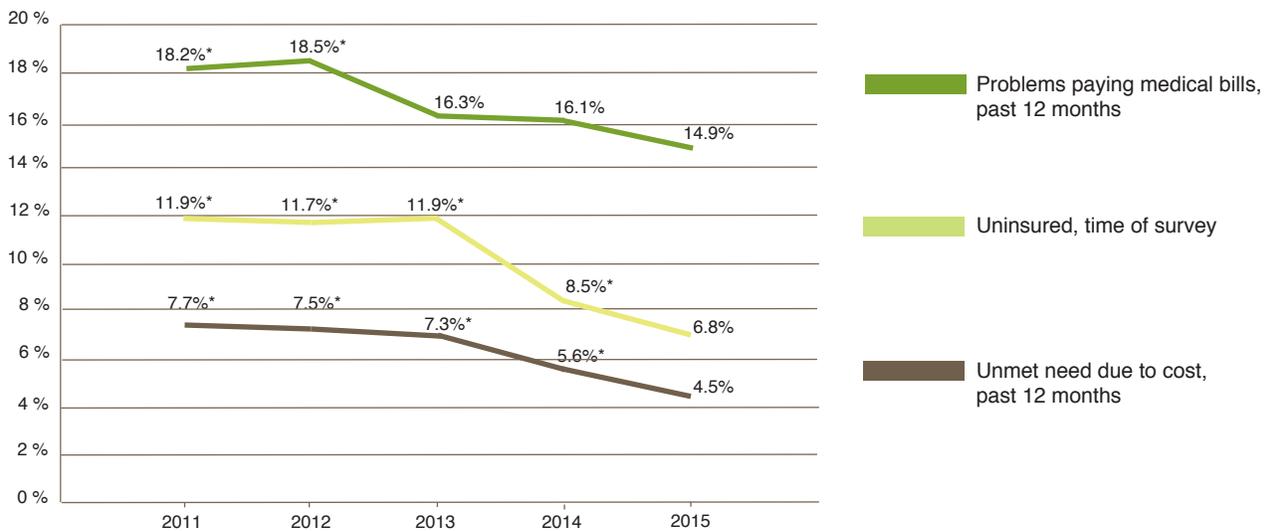
Analysis. Estimates are weighted using weights provided by the NCHS or the U.S. Census Bureau. Unless otherwise indicated, changes discussed here are statistically significant at the 0.10 level or lower, and estimates presented from the 2011–2014 NHIS are tested against the estimate for 2015.

RESULTS

Changes in coverage, unmet needs, and affordability for veterans, 2011–2015. After relative stability in uninsurance between 2011 and 2013, the estimated uninsurance rate for veterans declined from 11.9 percent in 2013 to 8.5 percent in 2014, falling further to 6.8 percent in 2015, a drop of 42 percent between 2013 and 2015 (figure 1). The NHIS indicates that the ACA is associated with falling rates of uninsurance among veterans and that changes in uninsurance associated with the ACA are continuing past 2014.

Changes in the two NHIS health care access and affordability measures suggest that the increases in coverage are associated with improvements in obtaining health care. The share of veterans reporting an unmet need due to cost in the past 12 months fell from 7.3 percent in 2013 to 4.5 percent in 2015, as the number with insurance coverage rose. Over that same time, we also see the percentage of veterans reporting they had problems paying or were unable to pay medical bills sometime in the past 12 months falling from 16.3 percent to 14.9 percent,

Figure 1. Rates of Uninsurance, Unmet Needs, and Problems Paying Medical Bills Among Nonelderly Veterans (Ages 19–64), 2011–2015



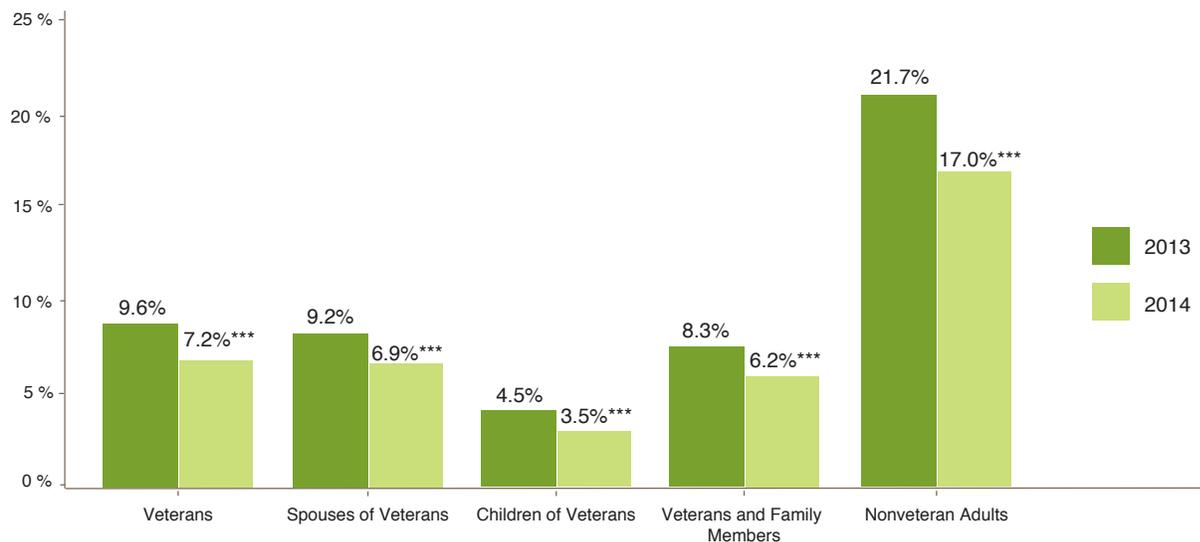
Source: 2011–2015 National Health Interview Survey
 * statistically significantly different from the 2015 estimate at the 0.10 level

Table 1. Uninsurance Among Nonelderly Veterans, Veterans’ Family Members, and Nonveterans, 2013–2014

| | Total Number (1,000s) | | | Uninsured (1,000s) | | | Uninsured (%) | | |
|--|-----------------------|---------|--------|--------------------|--------|--------|---------------|-------|-------------------------|
| | 2013 | 2014 | Change | 2013 | 2014 | Change | 2013 | 2014 | Percentage Point Change |
| Veterans (Ages 19–64) | 10,172 | 9,785 | -387 | 980 | 706 | -274 | 9.6% | 7.2% | -2.4 *** |
| Spouses of Veterans (Ages 19–64) | 5,030 | 4,722 | -309 | 462 | 327 | -135 | 9.2% | 6.9% | -2.3 *** |
| Children of Veterans (Ages 0–18) | 5,001 | 4,950 | -51 | 226 | 176 | -51 | 4.5% | 3.5% | -1.0 *** |
| Veterans and Their Family Members Combined (Ages 0–64) | 20,203 | 19,457 | -746 | 1,669 | 1,209 | -460 | 8.3% | 6.2% | -2.0 *** |
| Nonveterans (Ages 19–64) | 179,763 | 181,365 | 1,602 | 38,974 | 30,801 | -8,174 | 21.7% | 17.0% | -4.7 *** |

Source: 2013–2014 American Community Survey (ACS) data from the Integrated Public Use Microdata Series
 Notes: Estimates reflect microdata edits for probable misclassified coverage on the ACS. Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans but who live in a household with a 19- to 64-year-old veteran who is their spouse. Children of veterans live in a household with a nonelderly veteran who is their biological, adoptive, or stepparent.
 *** 2013–2014 change is statistically significant at the 0.01 level

Figure 2. Uninsurance Among Nonelderly Veterans, Veterans' Family Members, and Nonveteran Adults, 2013–2014



Source: 2013–2014 American Community Survey (ACS) data from the Integrated Public Use Microdata Series

Notes: Estimates reflect microdata edits for probable misclassified coverage on the ACS. Nonelderly spouses of veterans are those ages 19 to 64 who are not veterans but who live in a household with a 19- to 64-year-old veteran who is their spouse. Children of veterans live in a household with a nonelderly veteran who is their biological, adoptive, or stepparent.

*** 2013–2014 change is statistically significant at the 0.01 level

though that decline began before 2014, suggesting that the improving economy may have been a contributing factor.⁷

Changes in uninsurance among veterans and family members, 2013–2014. In 2014, according to the latest available data from the ACS, an estimated 706,000 veterans were uninsured, representing 7.2 percent of all nonelderly veterans (table 1, figure 2).⁸ The uninsurance rate among veterans fell by 25 percent between 2013 and 2014, dropping by 2.4 percentage points, with an estimated 274,000 fewer uninsured veterans in 2014 than in 2013. While the ACS finds a somewhat smaller drop in uninsurance than the NHIS between 2013 and 2014, 25 percent compared to 29 percent, the declines in the two surveys were not statistically different. Further, the drop in uninsurance among veterans in the NHIS found between 2014 and 2015 (as shown above) suggests that coverage gains seen in the 2014 ACS for veterans will increase in 2015.

Spouses of veterans showed a similar decline in uninsurance of 2.3 percentage points, with an estimated 6.9 percent of spouses lacking health insurance coverage in 2014, for an estimated 327,000 uninsured spouses in that year. Like children in general, the children of veterans had a low uninsurance rate in 2013, at 4.5 percent. Even so, they experienced a 1.0 percentage point decline in uninsurance, to 3.5 percent, in 2014. Gains in coverage among veterans and their families are consistent with trends in the population at large: uninsurance fell from 21.7 percent to 17.0 percent among the nonveteran adult

population during this period. Although uninsurance among veterans was lower than among nonveterans in both years, an estimated 6.2 percent of veterans and their family members were uninsured in 2014, totaling 1.2 million nationwide.

Changes in uninsurance among veterans and their family members, by state expansion status and for selected states, 2013–2014. Ten large states (California, Florida, Georgia, Illinois, Michigan, North Carolina, Ohio, Pennsylvania, Texas and Virginia) were home to over half of the uninsured veteran population in 2014 (table 2). Between 2013 and 2014, uninsurance fell between 1.5 and 3.9 percentage points in each state, with the exception of Pennsylvania, where the decline was not statistically significant. Florida, which had the highest uninsurance rate for veterans among these 10 states in 2013, saw the largest reduction in uninsurance at 3.9 percentage points, but with a 2014 uninsurance rate of 8.6 percent, it remained at the high end for these 10 states. Changes were smaller in Pennsylvania and Virginia, which were the only states among these 10 with 2013 uninsurance rates below 8 percent for veterans.

As with the nonveteran population (Skopec, Holahan and Solleveld, 2016), uninsurance among veterans fell in both states that chose to expand Medicaid under the ACA in 2014 and those that did not. However, the reduction in uninsurance among veterans in expansion states (2.9 percentage points) was higher than in nonexpansion states (2.0 percentage

Table 2. Number of Uninsured Veterans (Ages 19–64) and Uninsurance Rate, by State ACA Medicaid Expansion Status and for 10 States with Highest Number of Uninsured Veterans, 2013–2014

| | Uninsured (1,000s) | | | Uninsured (%) | | | | |
|-------------------------------|--------------------|------|--------|---------------|----------|---------|------|-------------------------|
| | 2013 | 2014 | Change | 2013 | 2014 | 2014 CI | | Percentage Point Change |
| Total | 980 | 706 | -274 | 9.6% | 7.2% | 7.0% | 7.4% | -2.4 *** |
| Medicaid Expansion in 2014 | 431 | 280 | -151 | 9.0% | 6.2% +++ | 5.9% | 6.5% | -2.9 *** |
| California | 80 | 53 | -28 | 9.3% | 6.4% ++ | 5.7% | 7.1% | -2.9 *** |
| Ohio | 36 | 25 | -11 | 8.9% | 6.7% | 5.6% | 7.8% | -2.2 *** |
| Michigan | 28 | 21 | -7 | 9.1% | 7.2% | 5.9% | 8.4% | -1.9 ** |
| Illinois | 32 | 21 | -11 | 9.9% | 6.7% | 5.5% | 7.9% | -3.2 *** |
| Other 22 Expansion States | 256 | 161 | -95 | 8.9% | 5.9% +++ | 5.5% | 6.2% | -3.0 *** |
| No Medicaid Expansion in 2014 | 549 | 426 | -124 | 10.2% | 8.1% +++ | 7.8% | 8.4% | -2.0 *** |
| Texas | 95 | 76 | -19 | 11.0% | 8.6% +++ | 7.8% | 9.4% | -2.4 *** |
| Florida | 84 | 58 | -26 | 12.5% | 8.6% +++ | 7.7% | 9.5% | -3.9 *** |
| Georgia | 43 | 33 | -10 | 11.1% | 8.6% ++ | 7.3% | 9.9% | -2.5 *** |
| North Carolina | 43 | 30 | -14 | 11.3% | 8.0% | 6.8% | 9.1% | -3.3 *** |
| Pennsylvania | 30 | 25 | -6 | 7.6% | 7.0% | 5.9% | 8.1% | -0.6 |
| Virginia | 31 | 24 | -7 | 7.1% | 5.6% | 4.7% | 6.5% | -1.5 ** |
| Other 19 Nonexpansion States | 222 | 181 | -42 | 9.9% | 8.4% +++ | 7.9% | 8.9% | -1.5 *** |

Source: 2013–2014 American Community Survey (ACS) data from the Integrated Public Use Microdata Series
 Note: Estimates reflect microdata edits for probable misclassified coverage on the ACS.

CI = 95% confidence interval

+++ (++) 2014 estimate is statistically significantly different from the national average at the 0.01(0.05) level

*** (**) 2013–2014 change is statistically significant at the 0.01(0.05) level

points). Changes between 2013 and 2014 widened the differential in veterans’ uninsurance rates between expansion and nonexpansion states: In 2013, the uninsurance rate was 9.0 percent in expansion states and 10.2 percent in nonexpansion states (a 1.2 percentage point difference). But by 2014, the difference was 1.9 percentage points, with 6.2 percent of veterans in expansion states lacking coverage, compared with 8.1 percentage points in nonexpansion states. Of the 706,000 uninsured veterans nationwide in 2014, an estimated 426,000 lived in nonexpansion states—60.3 percent—while 280,000 lived in expansion states. Differences between expansion and nonexpansion states may change over time, as additional states have expanded since 2014.

As in prior years, state-level uninsured rates were lower among veterans’ family members than among veterans.⁹ Uninsurance among veterans’ family members also declined more in expansion states (2.1 percentage points) than in nonexpansion states (1.3 percentage points) (table 3). In 2014, uninsured rates among family members ranged from 3.3 percent in Virginia to 8.0 percent in Florida, and two-thirds (331,000) of the estimated 503,000 uninsured family members of veterans lived in nonexpansion states.

Characteristics of uninsured and insured veterans, 2014. As shown in table 4, uninsured veterans were much less likely to have a service-connected disability (5.0 percent) than their insured counterparts (22.5 percent). Further, uninsurance was much lower among those with service-connected disabilities (1.7 percent) than those without such disabilities but with functional limitations (8.4 percent) or those with neither service-connected disabilities nor functional limitations (8.7 percent). This pattern largely reflects higher levels of VA coverage among those with service-connected disabilities, one of the VA’s priority groups (data not shown). However, an estimated 17.6 percent of uninsured veterans and 33.2 percent of insured veterans were reported to have either a service-connected disability, a functional limitation, or both, which likely means that there are substantial health care needs in both groups. Uninsured and insured veterans showed a similar racial/ethnic distribution. However, uninsured veterans had served more recently and were younger on average than those with insurance coverage; an estimated 14.2 percent of veterans under age 25 and 10.5 percent of those ages 25 to 34 were uninsured in 2014 compared with fewer than 10 percent of veterans ages 35 to 64.

Table 3. Number of Uninsured Family Members of Veterans (Ages 0–64) and Uninsurance Rate, by State ACA Medicaid Expansion Status and for 10 States with Highest Number of Uninsured Veterans, 2013–2014

| | Uninsured (1,000s) | | | Uninsured (%) | | | | |
|-------------------------------|--------------------|------|--------|---------------|----------|---------|------|-------------------------|
| | 2013 | 2014 | Change | 2013 | 2014 | 2014 CI | | Percentage Point Change |
| Total | 689 | 503 | -186 | 6.9% | 5.2% | 5.0% | 5.4% | -1.7 *** |
| Medicaid Expansion in 2014 | 278 | 172 | -106 | 6.0% | 3.9% +++ | 3.7% | 4.1% | -2.1 *** |
| California | 47 | 30 | -17 | 5.9% | 3.8% +++ | 3.3% | 4.3% | -2.0 *** |
| Ohio | 22 | 18 | -5 | 5.7% | 4.8% | 3.6% | 5.9% | -1.0 |
| Michigan | 17 | 11 | -7 | 6.3% | 3.6% +++ | 2.7% | 4.5% | -2.6 *** |
| Illinois | 16 | 13 | -4 | 5.1% | 4.1% ++ | 3.3% | 5.0% | -1.0 |
| Other 22 Expansion States | 174 | 101 | -73 | 6.2% | 3.8% +++ | 3.5% | 4.1% | -2.4 *** |
| No Medicaid Expansion in 2014 | 411 | 331 | -80 | 7.6% | 6.3% +++ | 6.0% | 6.6% | -1.3 *** |
| Texas | 82 | 63 | -19 | 9.1% | 6.7% +++ | 6.0% | 7.3% | -2.4 *** |
| Florida | 56 | 49 | -7 | 8.9% | 8.0% +++ | 7.1% | 8.9% | -0.9 |
| Georgia | 34 | 26 | -7 | 8.4% | 6.5% ++ | 5.4% | 7.7% | -1.9 ** |
| North Carolina | 30 | 23 | -7 | 7.8% | 6.1% + | 5.1% | 7.2% | -1.6 * |
| Pennsylvania | 16 | 14 | -2 | 4.3% | 4.1% ++ | 3.2% | 5.0% | -0.2 |
| Virginia | 20 | 15 | -5 | 4.4% | 3.3% +++ | 2.6% | 3.9% | -1.2 ** |
| Other 19 Nonexpansion States | 174 | 141 | -33 | 7.6% | 6.6% +++ | 6.2% | 7.0% | -1.0 *** |

Source: 2013–2014 American Community Survey (ACS) data from the Integrated Public Use Microdata Series

Note: Estimates reflect microdata edits for probable misclassified coverage on the ACS.

CI = 95% confidence interval

+++(+++) indicates 2014 estimate is statistically significantly different from the national average at the 0.01(0.05) level.

***(**)(*) 2013–2014 change is statistically significant at the 0.01(0.05)(0.10) level

Uninsured veterans had characteristics associated with a lower likelihood of access to employer-sponsored insurance (ESI), with insured veterans more likely to be full-time workers (65.5 percent compared with 50.3 percent) and less likely to be unemployed (4.0 percent compared with 13.6 percent). The uninsurance rate for unemployed veterans was 21.1 percent, the highest of any subgroup of veterans we examined. Uninsured veterans also were less likely to be married, meaning they lack potential access to a spouse’s ESI. Notably, a much higher share of uninsured veterans (43.4 percent) than insured veterans (18.8 percent) had incomes below 138 percent of FPL, the income group targeted by the ACA’s Medicaid expansion. However, 15.2 percent of this income group was uninsured in 2014.

Projections of veterans’ uninsurance and public program eligibility, 2017. We project that approximately 604,000 veterans will be uninsured in 2017 (table 5). This number is lower than that observed in 2014, because of both continued declines in uninsurance through 2015 among veterans (as reflected in the NHIS estimates presented above) and indications of continuing increases in enrollment in Medicaid and the marketplaces in 2016 (Centers for Medicare and Medicaid Services, 2016;

Department of Health and Human Services, 2016). We project that, if Medicaid expansion decisions do not change between now and 2017, 277,000 uninsured veterans (46 percent) will be living in expansion states and 327,000 (54 percent) will be living in nonexpansion states.

Among uninsured veterans in the 32 states that had expanded Medicaid by 2016, we project that 34 percent would be eligible for Medicaid and another 36 percent for subsidized marketplace coverage. At the same time, 30 percent of uninsured veterans would be ineligible for either, as their incomes are above the threshold for marketplace subsidies (figure 3). The share in each group varies across states. For instance, 6 in 10 uninsured veterans are projected to qualify for Medicaid or marketplace tax credits in California, with about half of those qualifying for Medicaid and half for tax credits. In comparison, 8 in 10 in Michigan will qualify for one of these, with the majority eligible for Medicaid. Most uninsured veterans are projected to qualify for either Medicaid or subsidized marketplace coverage in each of the five expansion states studied.

In the remaining 19 nonexpansion states, a much smaller

Table 4. Characteristics of Nonelderly Veterans (Ages 19–64), by Insurance Status, 2014

| | Uninsured | | Insured | | Uninsurance Rate |
|--|-----------------|---------|-----------------|---------|------------------|
| | Number (1,000s) | Percent | Number (1,000s) | Percent | |
| Total | 706 | 100.0% | 9,080 | 100.0% | 7.2% |
| Service-Connected Disability/Functional Limitation Status | | | | | |
| Has a Service-Connected Disability | 35 | 5.0% | 2,044 | 22.5% | 1.7% *** |
| No Service-Connected Disability, Has Functional Limitation | 89 | 12.6% | 971 | 10.7% | 8.4% *** |
| Neither Service-Connected Disability nor Functional Limitation | 581 | 82.4% | 6,064 | 66.8% | 8.7% *** |
| Most Recent Era of Active-Duty Service | | | | | |
| September 2001 or Later | 235 | 33.3% | 2,684 | 29.6% | 8.0% *** |
| August 1990 to August 2001 (including Persian Gulf War) | 165 | 23.3% | 2,191 | 24.1% | 7.0% |
| May 1975 to July 1990 | 221 | 31.3% | 2,558 | 28.2% | 7.9% *** |
| Vietnam Era or Earlier (February 1955 to April 1975) | 85 | 12.1% | 1,647 | 18.1% | 4.9% *** |
| Age | | | | | |
| 19 to 24 | 40 | 5.6% | 240 | 2.6% | 14.2% *** |
| 25 to 34 | 145 | 20.6% | 1,240 | 13.7% | 10.5% *** |
| 35 to 44 | 143 | 20.2% | 1,630 | 17.9% | 8.1% *** |
| 45 to 54 | 201 | 28.4% | 2,564 | 28.2% | 7.3% |
| 55 to 64 | 177 | 25.1% | 3,406 | 37.5% | 5.0% *** |
| Sex | | | | | |
| Male | 636 | 90.0% | 7,852 | 86.5% | 7.5% |
| Female | 70 | 10.0% | 1,227 | 13.5% | 5.4% *** |
| Race/ Ethnicity | | | | | |
| White Only | 480 | 68.0% | 6,484 | 71.4% | 6.9% * |
| Black Only | 114 | 16.1% | 1,395 | 15.4% | 7.5% |
| Hispanic | 67 | 9.6% | 736 | 8.1% | 8.4% *** |
| Asian/Pacific Islander Only | 13 | 1.9% | 181 | 2.0% | 6.9% |
| American Indian/Alaskan Native Only | 22 | 3.2% | 180 | 2.0% | 11.0% *** |
| Other/ Multiple | 9 | 1.3% | 103 | 1.1% | 8.1% |
| Individual Work Status | | | | | |
| Full-Time Worker | 355 | 50.3% | 5,946 | 65.5% | 5.6% *** |
| Part-Time Worker | 91 | 12.9% | 608 | 6.7% | 13.0% *** |
| Unemployed | 96 | 13.6% | 360 | 4.0% | 21.1% *** |
| Not in Labor Force | 164 | 23.2% | 2,166 | 23.9% | 7.0% |
| Marital Status | | | | | |
| Married | 245 | 34.8% | 5,662 | 62.4% | 4.2% *** |
| Not Married | 460 | 65.2% | 3,418 | 37.6% | 11.9% *** |
| Tax Unit Income (MAGI) | | | | | |
| 0%–138% FPL | 307 | 43.4% | 1,704 | 18.8% | 15.2% *** |
| 139%–399% FPL | 299 | 42.4% | 3,465 | 38.2% | 7.9% *** |
| 400%+ FPL | 100 | 14.2% | 3,911 | 43.1% | 2.5% *** |

Source: 2014 American Community Survey (ACS) data from the Integrated Public Use Microdata Series

Note: Estimates reflect microdata edits for probable misclassified coverage on the ACS.

***(*) uninsurance rate for subgroup is significantly different from the national average at the 0.01(0.10) level

share of uninsured veterans—9 percent—is expected to be eligible for Medicaid because adult eligibility thresholds in nonexpansion states are much lower (Heberlein et al., 2013). We estimate that 30 percent will qualify for tax credits for marketplace coverage and that 38 percent—or 124,000 in total—will fall into the “assistance gap,” (i.e., these uninsured veterans would be eligible for Medicaid if their state were to expand under the ACA but do not qualify for Medicaid or marketplace subsidies without expansion). The number of

veterans in the assistance gap varies across the selected states, from a projected 8,000 in Virginia to more than 20,000 in Texas and Florida. Shares range from one-third of the uninsured veterans in Texas to nearly half of the uninsured veterans in North Carolina. Thus, while fewer than 1 in 10 uninsured veterans in these states would qualify for Medicaid in 2017 under current expansion decisions, a projected 47 percent would qualify if all 19 states chose to expand.

Table 5. Projected Eligibility for Medicaid/Marketplace Subsidies, and Assistance Gap, Among Uninsured Veterans (Ages 19–64), by State ACA Medicaid Expansion Status and for 10 States with Highest Number of Uninsured Veterans, 2017

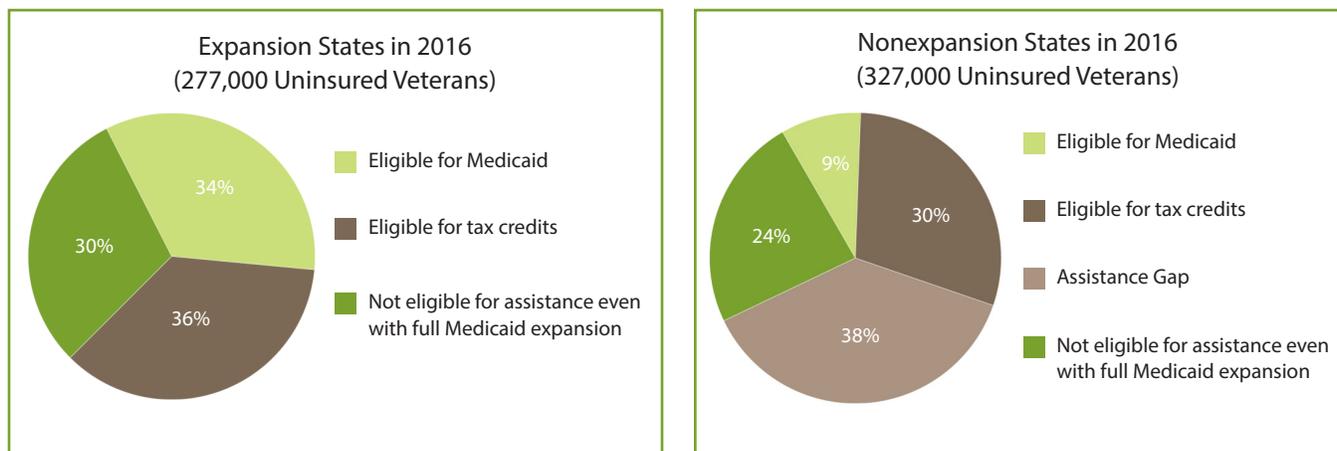
| | Projected Number (1,000s) | | | | | Projected Percentage | | | |
|-------------------------------|---------------------------|-----------------------|----------------|--------------------------|---|-----------------------|----------------|--------------------------|---|
| | Total | Eligible for Medicaid | Assistance Gap | Eligible for tax credits | Not eligible for assistance even with full Medicaid expansion | Eligible for Medicaid | Assistance Gap | Eligible for tax credits | Not eligible for assistance even with full Medicaid expansion |
| Total | 604 | 122 | 124 | 196 | 162 | 20% | 20% | 32% | 27% |
| Medicaid Expansion in 2016 | 277 | 93 | NA | 99 | 84 | 34% | NA | 36% | 30% |
| California | 33 | 10 | NA | 10 | 13 | 29% | NA | 31% | 40% |
| Ohio | 20 | 6 | NA | 9 | 5 | 30% | NA | 45% | 25% |
| Michigan | 13 | 6 | NA | 4 | 3 | 48% | NA | 31% | 21% |
| Illinois | 18 | 6 | NA | 5 | 6 | 33% | NA | 30% | 36% |
| Pennsylvania | 18 | 8 | NA | 5 | 5 | 45% | NA | 28% | 27% |
| Other 27 Expansion States | 175 | 57 | NA | 65 | 52 | 33% | NA | 37% | 30% |
| No Medicaid Expansion in 2016 | 327 | 29 | 124 | 97 | 77 | 9% | 38% | 30% | 24% |
| Texas | 72 | 7 | 24 | 22 | 20 | 9% | 33% | 30% | 27% |
| Florida | 52 | 4 | 23 | 12 | 13 | 7% | 44% | 24% | 25% |
| Georgia | 31 | 2 | 14 | 9 | 6 | 8% | 44% | 28% | 20% |
| North Carolina | 25 | 2 | 12 | 6 | 5 | 8% | 49% | 23% | 20% |
| Virginia | 22 | 2 | 8 | 6 | 6 | 9% | 36% | 25% | 30% |
| Other 14 Nonexpansion States | 125 | 13 | 43 | 42 | 27 | 10% | 35% | 34% | 21% |

Sources: 2014 American Community Survey and the Urban Institute’s Health Insurance Policy Simulation Model—ACS version

Note: Expansion status based on 2016 Medicaid expansion decisions. Assistance gap refers to those who would qualify for Medicaid if their state elected to expand Medicaid, but who have incomes below the threshold to qualify for marketplace premium tax credits.

NA = not applicable

Figure 3. Projected Eligibility for Medicaid/Marketplace Subsidies, and Assistance Gap, Among Uninsured Veterans (Ages 19-64), by State ACA Medicaid Expansion Status, 2017



Sources: 2014 American Community Survey and the Urban Institute's Health Insurance Policy Simulation Model—ACS version

Notes: Expansion status based on 2016 Medicaid expansion decisions. Assistance gap refers to those who would qualify for Medicaid if their state elected to expand Medicaid, but who have incomes below the threshold to qualify for marketplace premium tax credits.

DISCUSSION

As with nonveterans, levels of uninsurance among veterans fell sharply following implementation of the ACA's major coverage provisions, with a decline of over 40 percent between 2013 and 2015. Over this time, veterans also reported a drop in unmet health care needs due to cost, suggesting that increased coverage translated into improved access to care.

While between 2013 and 2014, uninsurance fell in states participating in the ACA's Medicaid expansion as well as in nonexpansion states, gains were greater in expansion states. Uninsurance rates among both veterans and their family members remained higher in nonexpansion states than in expansion states, and the coverage differential between expansion and nonexpansion states widened. Most uninsured veterans and their families lived in states not participating in the expansion in 2014—60 percent of uninsured veterans and 66 percent of their uninsured family members lived in one of the 25 nonexpansion states in 2014.

Looking ahead, we project a total of 604,000 uninsured veterans in 2017. For the 277,000 projected uninsured veterans in the 32 Medicaid expansion states, 70 percent are expected to qualify for either Medicaid or subsidized marketplace coverage, while 30 percent would not be eligible for any financial assistance under the ACA. In contrast, for the larger number

(327,000) of uninsured veterans in nonexpansion states, we estimate that just 39 percent will have financial assistance available through Medicaid or subsidized marketplace plans, while 38 percent would fall into the assistance gap and would only qualify for Medicaid if their state were to expand.

Some uninsured veterans' needs may also be met through VA care, either alone or in combination with other coverage such as Medicaid. Although we do not attempt to assess eligibility for VA care, many low-income veterans likely would be eligible to obtain care through the VA's health care system.

There is room to further reduce coverage gaps for veterans and their family members under the ACA by increasing take-up among those eligible for Medicaid or marketplace subsidies, increasing enrollment in VA care, and expanding Medicaid in additional states (Chokshi and Sommers, 2014). In turn, higher coverage rates could increase access to care and, ultimately, improve health and well-being of veterans and their families.

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ENDNOTES

1. In addition, a small share of veterans was eligible for Medicaid under pre-ACA rules, and the ACA is expected to increase enrollment among already-eligible individuals.
2. A small number of veterans' family members are identified as being the parent or sibling of a veteran between the ages of 19 and 22 who appears to be a full-time student and who lives in his or her household.
3. Evidence from the 2010 ACS Content Test suggested that the pre-2013 question may have been confusing to respondents, such that some who had been "on active duty for training only" were being classified as veterans (inconsistently with VA definitions). Under the 2013 questionnaire wording change, the total number of veterans of all ages decreased compared with the prior year, and the number reporting serving on active duty for training only increased. This suggests that some of those on active duty for training only may have been misclassified as veterans in prior data years.
4. Functional limitations are identified using questions on experiencing cognitive difficulties, trouble performing tasks outside the home, physical limitations, difficulty caring for oneself, or vision or hearing difficulties.
5. Six states adopted the Medicaid expansion between mid-2014 and mid-2016: New Hampshire (August 15, 2014), Pennsylvania (January 1, 2015), Indiana (February 1, 2015), Alaska (September 1, 2015), Montana (January 1, 2016) and Louisiana (July 1, 2016) (Kaiser Family Foundation, 2016).
6. The lack of data on factors used to determine VA eligibility hinders identification of eligibility for VA health care; therefore, estimates of VA eligibility are not included in this analysis.
7. The decline from 2011 to 2015 is statistically significant, although the drop in the measure from 2013 to 2015 is not.
8. Although the magnitudes of the changes are similar, the uninsurance rates for veterans in both 2013 and 2014 differ between the NHIS and ACS—11.9 percent in the NHIS compared with 9.6 percent in the ACS in 2013 and 8.5 percent in the NHIS compared with 7.2 percent in the ACS in 2014—reflecting other differences between the surveys (Planalp, Au-Yeung and Turner, 2015).
9. The top 10 states in terms of the number of uninsured family members are California, Florida, Georgia, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Texas and Virginia.

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