

U.S. Health Reform—Monitoring and Impact

The ACA Medicaid Expansion Led to Widespread Reductions in Uninsurance Among Poor, Childless Adults

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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 health reform. 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.

IN BRIEF

A central provision of the Affordable Care Act (ACA) was a Medicaid expansion intended to reduce uninsurance among adults with incomes at or below 138 percent of the federal poverty level (FPL). Low-income childless adults experienced the largest eligibility gains from that expansion. In this brief, we examine coverage gains resulting from the Medicaid expansion for several subgroups of childless adult citizens with incomes below the federal poverty level. Using data from the National Health Interview Survey (NHIS), we estimate the effect of the ACA Medicaid expansion on the uninsured rate for poor, childless adult citizens by age, gender, race, income, education, and self-reported health status. Our main findings are as follows:

- The uninsured rate for poor, childless adult citizens in Medicaid expansion states fell from 45.4 percent in 2013 to 16.5 percent in 2015, a decline of 28.9 percentage points.
- After adjusting for observed changes in nonexpansion states and differences in population characteristics between expansion and nonexpansion states, we find that the ACA Medicaid expansion reduced the uninsured rate for poor, childless adult citizens in Medicaid expansion

states by 21.4 percentage points between 2013 and 2015. This reflects a 47.1 percent decline from the 2013 uninsured rate of 45.4 percent.

- Large coverage gains, ranging from 18 to 26 percentage points, were found for all subgroups of childless adults by age, sex, race, income, and education. Some subgroups experienced relative declines in uninsurance of 50 percent or more.
- Among childless adults in fair or poor health, the ACA Medicaid expansion reduced the uninsured rate by 21.2 percentage points, or 61.7 percent, compared with the pre-ACA level.
- By 2015, uninsured rates were near or below 20 percent for all subgroups of childless adults in expansion states; uninsured rates were over 40 percent for all subgroups in nonexpansion states.

These findings demonstrate large and widespread benefits of the ACA Medicaid expansion for poor, childless adults, and reveal the significant missed opportunities for adults in states that did not expand Medicaid under the ACA.

INTRODUCTION

In 2014, 26 states (including the District of Columbia) expanded Medicaid eligibility to adults with incomes at or below 138 percent of the federal poverty level under the Affordable Care Act.¹ For low-income parents, eligibility gains varied widely across the expansion states depending on pre-ACA state eligibility thresholds. But in almost all states, the expansion resulted in dramatic eligibility gains for childless adults for whom Medicaid eligibility was extremely limited before the ACA.²

Strong and consistent evidence has confirmed that the ACA Medicaid expansion reduced uninsurance among low-income adults in states that chose to participate in 2014.³⁻⁶ Studies generally have found that childless adults experienced stronger

coverage gains than parents,^{5,7,8} but few have considered the impacts of the Medicaid expansion on other subgroups of low-income adults. A recent analysis used the American Community Survey to show large and widespread declines in uninsurance for the nonelderly population as a whole, including large declines for both men and women and across all racial, ethnic, and educational subgroups.⁹ In this brief, we use data from the National Health Interview Survey and focus more narrowly on the impacts of the ACA Medicaid expansion for several subgroups of childless adult citizens with incomes below the poverty level. Our results have important implications as additional states consider whether to participate in the ACA Medicaid expansion.

FINDINGS

We used data from the NHIS (2013 to 2015) to measure uninsurance in a sample of nonelderly childless adults ages 26 to 64 with incomes below the poverty level. We excluded adults above the poverty level and those ages 25 and younger because these adults were affected by other coverage expansion efforts under the ACA. We also excluded noncitizens, pregnant women, Medicare enrollees, and people receiving Supplemental Security Income (SSI) because noncitizens face special Medicaid eligibility limitations and the other groups have alternative paths to Medicaid coverage. Hereafter, we refer to our sample as poor, childless adults.

We report 2013 and 2015 uninsured rates in expansion states as well as unadjusted and adjusted changes in the uninsured rate between 2013 and 2015. We used a difference-in-differences approach to estimate the adjusted changes in uninsurance for poor, childless adults in states that expanded Medicaid in 2014, compared with those in nonexpansion states. We excluded states that implemented comprehensive Medicaid expansions for childless adults before the ACA (Delaware, District of Columbia, Massachusetts, New York, Vermont) and states that expanded after April 2014 (Indiana, New Hampshire, Pennsylvania). We provide estimates for a full sample of poor, childless adults and then stratify the sample by age, sex, race, income relative to poverty, educational attainment, and health status. More details can be found in the Data and Methods section below.

In 2013, the uninsured rate among poor, childless adults in Medicaid expansion states was 45.4 percent (Table 1). After the ACA Medicaid expansion, the uninsured rate in participating

states fell to 16.5 percent for poor, childless adults, a decline of 28.9 percentage points. Gains of at least 24 percentage points occurred among each of the subgroups examined. After adjusting for coverage gains over the same period in nonexpansion states as well as other individual characteristics, we still found large and significant impacts of the Medicaid expansion on coverage across all groups.¹⁰ The adjusted 21.4 percentage point decline in the uninsured rate reflects a 47.1 percent reduction from the 2013 rate for poor, childless adults. Among adults ages 35 to 49, white adults, and adults with at least some college education, relative coverage gains exceeded 50 percent. Childless adults in fair or poor health saw a striking 61.7 percent decline in their uninsurance rate (Figure 1).

As a result of these coverage gains, childless adults in Medicaid expansion states had much lower uninsured rates in 2015 than their counterparts in nonexpansion states. The uninsured rate for all poor, childless adults in expansion states in 2015 was 16.5 percent, compared with 47.8 percent in nonexpansion states (Figure 2). The uninsurance rate had fallen below 20 percent for almost all subgroups of childless adults in expansion states by 2015; women and adults in fair or poor health had especially low rates, 11.5 percent and 8.1 percent respectively (Figure 3 and Figure 4). Only men, adults ages 26 to 34, and adults in good or better health had uninsured rates above 20 percent in expansion states in 2015; adults ages 26 to 34 had the highest rate at 22.8 percent. In contrast, the uninsured rate for all subgroups of childless adults in nonexpansion states was at or above 40 percent in 2015, with rates above 50 percent for men, younger adults, white adults, and adults with the lowest incomes.

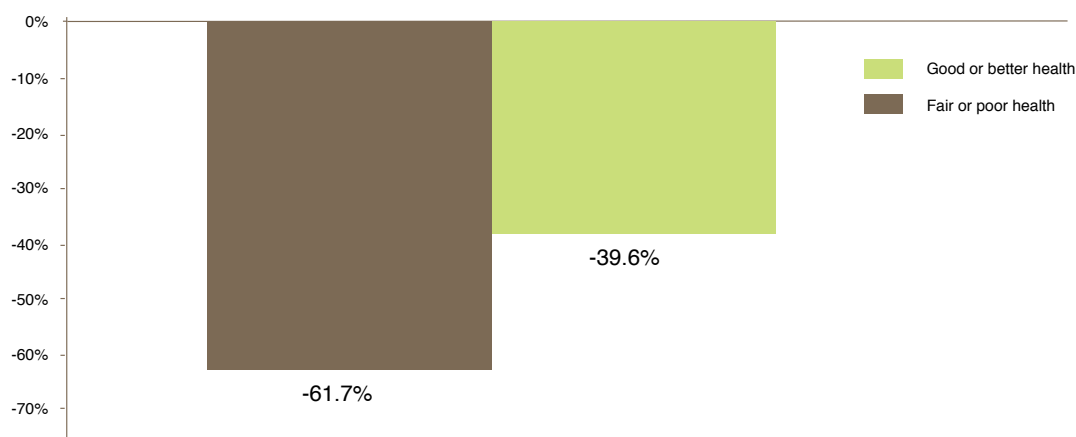
Table 1: Effects of the ACA Medicaid Expansion on Uninsurance Among Poor, Childless Adults Ages 26 to 64, by Subgroup

	Uninsured Rate in Expansion States, 2013	Uninsured Rate in Expansion States, 2015	Unadjusted percentage point change (2015 - 2013)	Adjusted percentage point change (2015 - 2013)	Confidence Interval on Adjusted Percentage Point Change	Adjusted percent change
	(A)	(B)	(B - A)	(C)	(D)	(C/A)
All Childless Adults	45.4%	16.5%	-28.9	-21.4	[-28.0,-14.8]	-47.1%
Sex						
Male	48.1%	21.8%	-26.3	-21.8	[-31.5,-12.1]	-45.3%
Female	42.8%	11.5%	-31.3	-20.4	[-28.8,-12.0]	-47.7%
Age						
26-34	51.6%	22.8%	-28.8	-23.7	[-38.5,-8.8]	-45.9%
35-49	50.2%	16.0%	-34.2	-26.0	[-38.1,-13.8]	-51.7%
50-64	38.9%	13.3%	-25.5	-17.5	[-27.4,-7.6]	-44.9%
Race						
White	47.3%	14.9%	-32.4	-24.1	[-34.2,-14.0]	-51.0%
Nonwhite	43.0%	18.6%	-24.5	-18.1	[-26.8,-9.3]	-42.0%
Income						
<50% FPL	48.9%	17.9%	-31.0	-22.5	[-32.8,-12.2]	-46.0%
50-100% FPL	42.1%	15.1%	-26.9	-20.8	[-29.9,-11.6]	-49.4%
Education						
High school or less	44.1%	17.7%	-26.4	-19.2	[-27.5,-10.9]	-43.6%
Some college or more	47.0%	15.3%	-31.7	-24.5	[-35.3,-13.8]	-52.2%
Self-reported health status						
Fair or poor	34.3%	8.1%	-26.2	-21.2	[-32.0,-10.3]	-61.7%
Good or better	50.5%	20.6%	-29.8	-20.0	[-28.1,-11.9]	-39.6%

Source: Urban Institute analysis of 2013–2015 National Health Interview Survey data.

Notes: Sample includes citizens with incomes below 100 percent of FPL who are not pregnant, receiving SSI, or on Medicare, and excludes those living in early- and late-expansion states (DE, DC, MA, NY, VT, IN, NH, PA). Expansion states are those that implemented the Medicaid expansion by April 2014. Adjusted percentage point change uses nonexpansion states as the counterfactual and controls for age, sex, race/ethnicity, education, marital status, employment, income, urban location, activity limitation, and county employment rate. Adjusted percent change is the adjusted percentage point change divided by the 2013 uninsured rate.

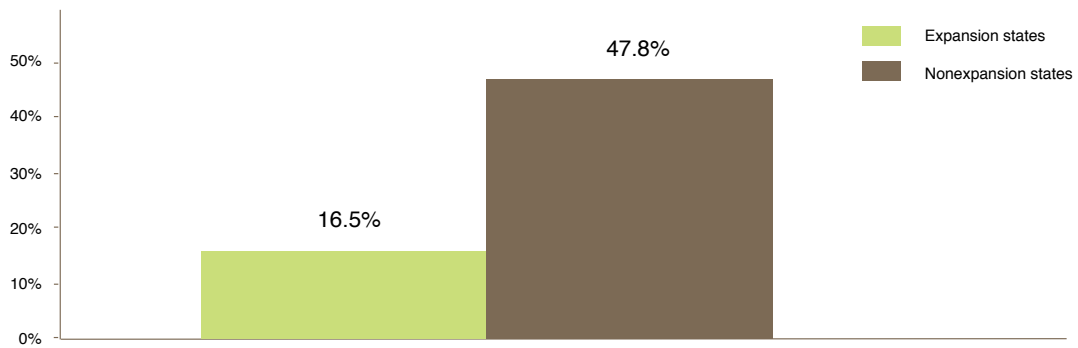
Figure 1: Adjusted Percent Change in Uninsurance Among Poor, Childless Adults Ages 26 to 64, by Self-Reported Health Status



Source: Urban Institute analysis of 2013–2015 National Health Interview Survey data.

Notes: Sample includes citizens ages 26 to 64 with incomes below 100 percent of FPL who are not pregnant, receiving SSI, or on Medicare, and excludes those living in early- and late-expansion states (DE, DC, MA, NY, VT, IN, NH, PA). Adjusted percent change is the adjusted percentage point change divided by the 2013 uninsured rate. The adjusted percentage point change compares 2015 with 2013 using nonexpansion states as the counterfactual and controls for age, sex, race/ethnicity, education, marital status, employment, income, urban residence, activity limitation, and county employment rate.

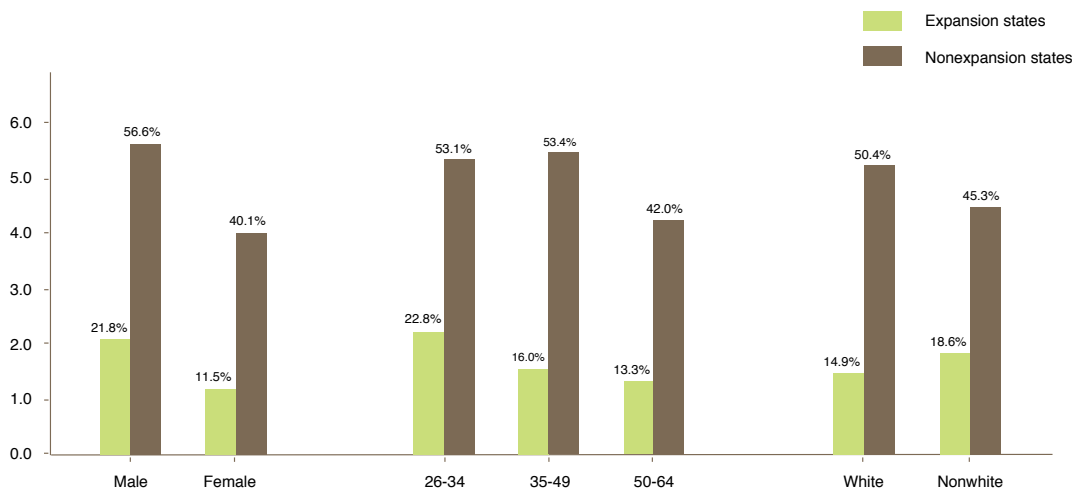
Figure 2: Uninsured Rate Among Poor, Childless Adults Ages 26 to 64, by Expansion Status, 2015



Source: Urban Institute analysis of 2015 National Health Interview Survey data.

Notes: Sample includes citizens ages 26 to 64 with incomes below 100 percent of FPL who are not pregnant, receiving SSI, or on Medicare, and excludes those living in early- and late-expansion states (DE, DC, MA, NY, VT, IN, NH, PA). Expansion states are those that implemented the Medicaid expansion by April 2014.

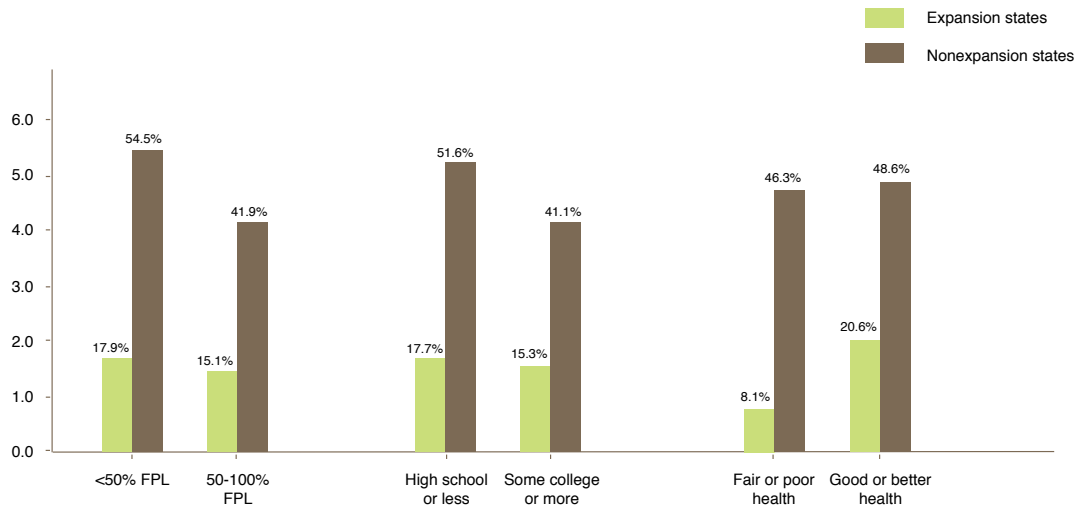
Figure 3: Uninsured Rate Among Poor, Childless Adults Ages 26 to 64, by Sex, Age, Race, and Expansion Status, 2015



Source: Urban Institute analysis of 2015 National Health Interview Survey data.

Notes: Sample includes citizens ages 26 to 64 with incomes below 100 percent of FPL who are not pregnant, receiving SSI, or on Medicare, and excludes those living in early- and late-expansion states (DE, DC, MA, NY, VT, IN, NH, PA). Expansion states are those that implemented the Medicaid expansion by April 2014.

Figure 4: Uninsured Rate Among Poor, Childless Adults Ages 26 to 64, by Income, Education, Health Status, and Expansion Status, 2015



Source: Urban Institute analysis of 2015 National Health Interview Survey data.

Notes: Sample includes citizens ages 26 to 64 with incomes below 100 percent of FPL who are not pregnant, receiving SSI, or on Medicare, and excludes those living in early- and late-expansion states (DE, DC, MA, NY, VT, IN, NH, PA). Expansion states are those that implemented the Medicaid expansion by April 2014.

IMPLICATIONS

States that chose to expand Medicaid under the ACA saw substantial reductions in uninsurance among poor, childless adult citizens. Childless adults saw large coverage gains overall and by age, sex, race, income, and educational attainment. Notably, childless adults in fair or poor health saw their uninsured rate decline by 61.7 percent under the ACA Medicaid expansion. These strong coverage gains among people with health problems suggest that the ACA Medicaid expansion reached a group of vulnerable adults who likely had limited access to affordable coverage before the ACA. The results also

suggest significant missed opportunities for adults in states that did not expand Medicaid under the ACA.

By 2015, the uninsured rate for poor, childless adults in expansion states had fallen to 16.5 percent, compared with 47.8 percent in nonexpansion states, with similarly wide disparities by expansion status across all subgroups. This analysis provides important evidence on the large and widespread benefits of the ACA Medicaid expansion, particularly for people in poor health, and also reveals the persistent barriers to coverage for poor, childless adults in nonexpansion states.

DATA AND METHODS

The National Health Interview Survey is the primary source of information on the nation's health. We used public NHIS data from the 2013–2015 Integrated Health Interview Series, which provides harmonized versions of NHIS variables across data years. We obtained access to state and county identifiers through the National Center for Health Statistics Research Data Center.

We used a difference-in-differences approach to compare changes in insurance coverage for low-income adults in Medicaid expansion states in 2014 with changes for those

in nonexpansion states. We implemented the difference-in-differences approach in a regression framework with state and year fixed effects. Our main variable of interest was an indicator variable identifying those living in an expansion state in 2015, and we included a separate variable to identify those living in an expansion state in 2014. We excluded those living in early- and late-expansion states (Delaware, District of Columbia, Massachusetts, New York, Vermont, Indiana, New Hampshire, Pennsylvania).¹¹ Thus, our main coefficient of interest can be interpreted as the effect of the ACA Medicaid expansion after two years. We estimated linear probability models on a binary

measure of uninsurance and included additional controls for age, sex, race/ethnicity, marital status, income, education, employment status, urban location, any activity limitation, and the county employment rate.

We classified NHIS families into health insurance units (HIUs) that more closely resemble those used to estimate income eligibility for Medicaid, and we constructed a measure of income relative to poverty for the HIU using NHIS earnings and income information and Department of Health and Human Services poverty guidelines. Our sample includes adults with incomes at or below 100 percent of the federal poverty level. Though the ACA extended Medicaid eligibility up to 138 percent of FPL, people with incomes between 100 and 138 percent of FPL have access to subsidized marketplace coverage

in nonexpansion states. Thus, our analysis compares those with expanded access to Medicaid under the ACA with those without access to any financial assistance under the ACA.

We excluded young adults ages 19 to 25 because the ACA allowed them to be covered as dependents on their parents' private insurance policies. We also excluded noncitizens because legal residents face additional restrictions on Medicaid eligibility and undocumented immigrants are not eligible for Medicaid. We excluded Medicare enrollees, people receiving SSI, and pregnant women because these groups are subject to different Medicaid eligibility criteria than other adults. We performed the above analysis for our full sample of childless adults and then stratified the sample by age, sex, race, income relative to poverty, educational attainment, and health status.

ENDNOTES

1. Expansion states are those that implemented the Medicaid expansion by April 2014: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Dakota, Ohio, Oregon, Rhode Island, Vermont, Washington, and West Virginia. We included Michigan, which expanded in March 2014, but not New Hampshire, which expanded in August 2014. Since late 2014, Indiana, Pennsylvania, Alaska, Montana, and Louisiana also have expanded Medicaid.
2. Only Delaware, Massachusetts, New York, Vermont, and the District of Columbia had comprehensive programs for childless adults before the ACA.
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10. When comparing estimates across groups, the confidence intervals around the adjusted percentage point changes are quite wide; thus, even large differences across groups may not be statistically significant.
11. We did not exclude California, Connecticut, Minnesota, or New Jersey; these states used an ACA option to expand their Medicaid programs before 2014. Because these earlier expansions were not comprehensive, we expect the 2014 expansion to have a meaningful effect in these states.

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About the Authors and Acknowledgements

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