



State-Level Estimates for Tracking Health Reform Impact: Opportunities and Challenges

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Overview of Presentation

- State data needs for health policy
 - Not new, but enactment of national health reform has created many new challenges and opportunities
- Specific example: Estimates of newly covered populations under health reform
 - What do we know?
 - What are potential data sources for estimates/modeling?
 - How are states approaching this challenge?
- Other important issues for states
- Opportunities and challenges

State data needs – a few examples

- Implementing coverage expansions/ reforms
 - How many people are eligible/not eligible? Who are they? Where are they? What are their needs?
- Federal reporting requirements
- Budget/forecasting activities, and estimating the impact of policy options
- Monitoring enrollment and cost trends – both public and private
- ...and many more
- None of these issues is new, but all have taken on new significance with the enactment of health reform

Newly Covered Populations Under Health Reform

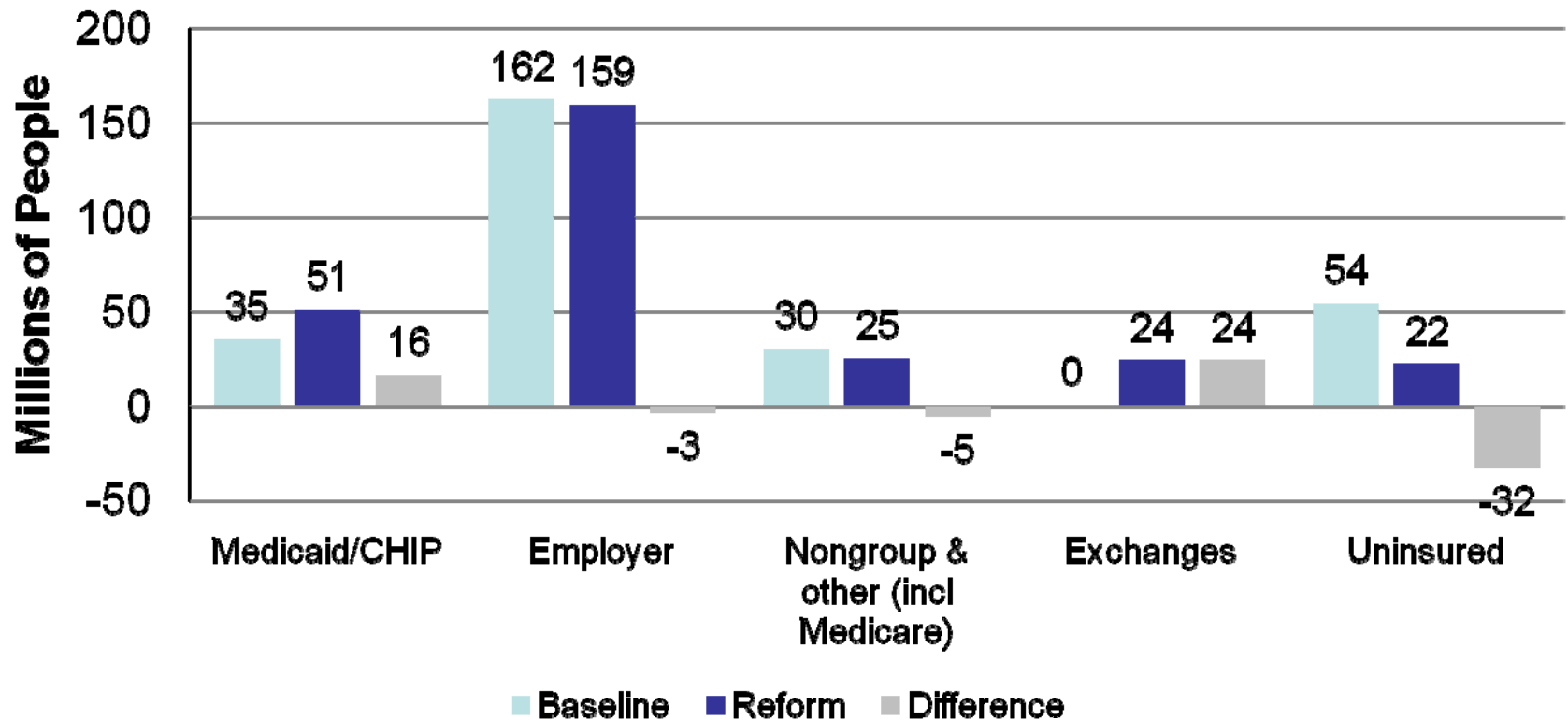
- Newly eligible for Medicaid
- Previously eligible for Medicaid, but not enrolled
- Eligible for premium and cost sharing subsidies in insurance exchange
- Ineligible for subsidies
- All of these groups will include people who were previously uninsured AND people who were previously insured

Newly Covered Populations: What Do We Know?

- National estimates of reform impact:
 - CBO
 - CMS Office of the Actuary
- State-level estimates:
 - Kaiser Commission on Medicaid and the Uninsured

CBO estimate of national impact, 2019

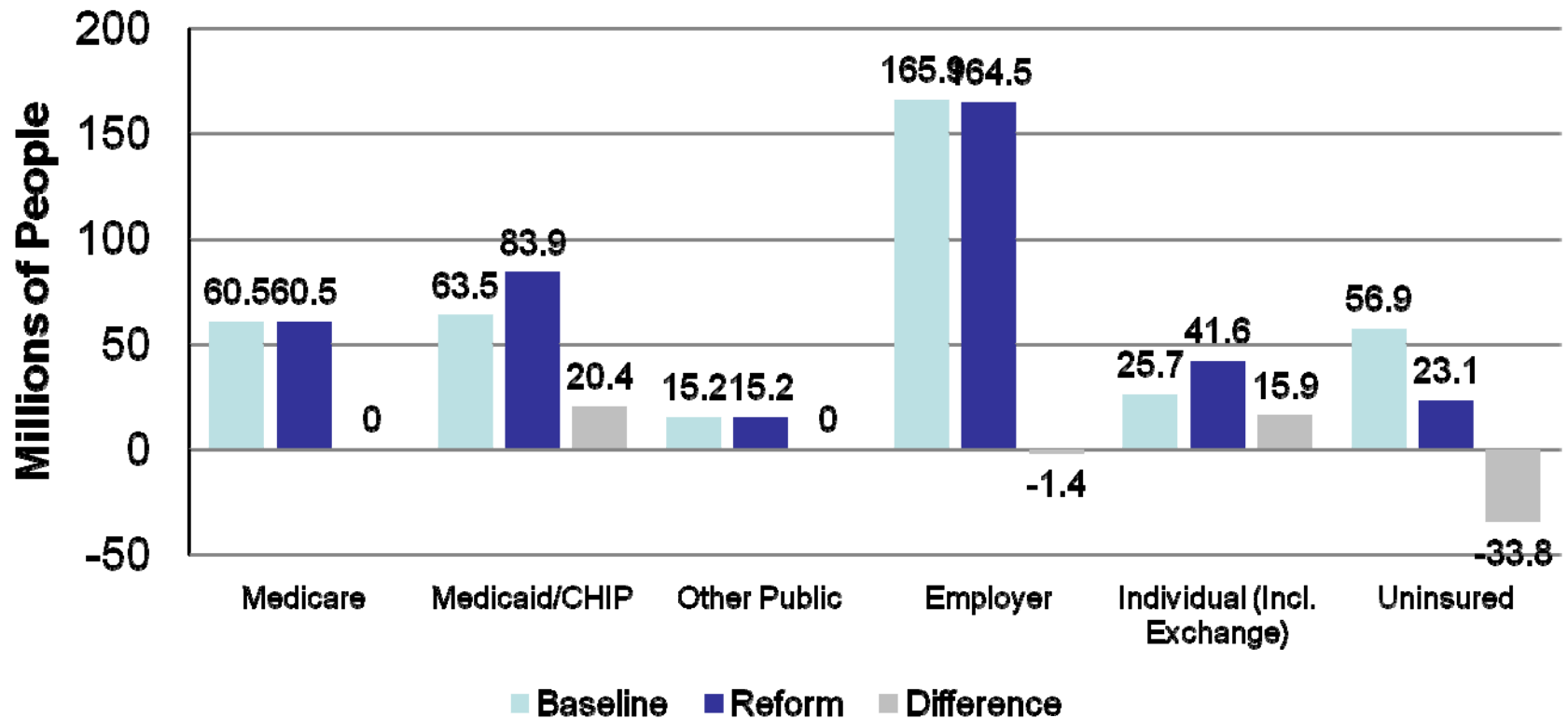
Sources of Health Insurance Coverage, Nonelderly Population



Source: U.S. Congressional Budget Office, cost estimate for the amendment in the nature of a substitute for H.R. 4872, March 20, 2010

CMS Office of the Actuary estimate of national impact, 2019

**Sources of Health Insurance Coverage,
Total Population**



Source: CMS Office of the Actuary, "Estimated Financial Effects of the 'Patient Protection and Affordable Care Act,' as Amended," April 22, 2010

State-Level Estimates: Kaiser Commission

2019 estimates for a range of participation assumptions:

	Medicaid Enrollment of Newly Eligible Adults Below 133% FPL	Percent Reduction in Uninsurance for Adults Below 133% FPL	% Difference in Enrollment from Baseline Projection for Adults Below 133% FPL
U.S.	11.2 to 17.5 million	44.5% to 69.5%	27.4% to 39.3%
KY (high impact)	251,000 to 338,000	57.1% to 77.0%	37.3% to 48.1%
MA (low impact)	10,000 to 44,000	10.2% to 42.9%	2.0% to 5.2%

Source: Kaiser Commission on Medicaid and the Uninsured, "Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or below 133% FPL," May 2010, prepared by John Holahan and Irene Headen (Urban Institute)

What We Know: Summary

- Medicaid/CHIP enrollment will increase substantially
 - Much of the new enrollment will be among newly eligible populations
- Employer coverage overall will be stable, but there will be shifts within this group
- Purchase of coverage through exchanges will be significant (24-30 million people), with large numbers receiving subsidies
- About 22-23 million people will remain uninsured
 - 5 to 7 million undocumented
- Impacts will vary substantially by state

Newly Covered Populations: Need for State Estimates

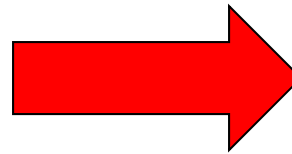
- Existing 50-state estimates are limited and answer questions that may be very different from the questions that states need to answer
- States need estimates not just for research:
 - Implementing, administering, and targeting programs
 - Projections/forecasting/budgeting
 - Evaluation
- By their nature, a lot of these needs will be ad hoc – so states need data that is readily available and timely to produce estimates that are customized to the questions they need to answer

Approaches to Creating State-Specific Estimates

- Approaches range from simple spreadsheet models to complex simulation models
 - Depends on time and resources available
- Identify data source(s) for variables of interest
- Methods/assumptions:
 - Draw on published research evidence when possible
 - Borrow assumptions from other studies (but be critical of source)
 - Document and be transparent about methods/assumptions

Key Variables in Modeling Coverage Expansions

- Who is eligible?
 - Family structure
 - Insurance unit
- Income based on unit
- Current insurance status
- Average program costs
- Behavioral assumptions – for example:
 - Take-up rates of eligibles
 - Crowd out
 - Sensitivity to premiums



Data Source:
Household Surveys

Sources of State-Level Data: Health Insurance Coverage

- **Federal surveys:**
 - Current Population Survey (CPS)
 - American Community Survey (ACS)
 - National Health Interview Survey (NHIS)
 - Medical Expenditure Panel Survey (MEPS)
 - Behavioral Risk Factor Surveillance Survey (BRFSS)
 - federal/state survey
- **State surveys**
 - At least 22 states have conducted their own health insurance surveys since 2007; many have surveys that are conducted on a regular basis

Federal Survey Data – State Perspective

- Strengths:
 - Comparability across states
 - Annual time series
 - From state perspective, low resource cost
 - Large sample size of ACS enables more precise statewide estimates, even for states with large surveys
- Weaknesses:
 - Flexibility to add or change questions
 - Level of detail to understand dynamics of coverage
 - In some cases, limited or no access to files with state-level data

State Survey Data

- **Strengths:**
 - Flexibility in adding policy relevant questions
 - Ability to over-sample and drill down to subpopulations of specific interest (e.g. low-income children, geography, race/ethnicity)
 - Timeliness of data and reporting
- **Challenges:**
 - Technical challenges in rapidly changing environment for survey research
 - Cost/staff resources and expertise

Uncertainty of Estimates

- Sometimes estimates are needed in situations with high uncertainty and little precedent
 - “We don’t know” is not an option
- Be transparent about limitations and consider providing a range of estimates to address limitations/uncertainties
- CMS: “...the scope and magnitude of the changes are such that few precedents exist for use in estimation. Consequently, the estimates presented here are subject to a substantially greater degree of uncertainty than is usually the case with more routine health care legislation.”

State Example: Colorado

- Used data from the 2008 American Community Survey to estimate Medicaid eligibility for parents and childless adults:
 - Eligible but not enrolled, by county (25,000 total)
 - Newly eligible as a result of state coverage expansions, by county (147,000 total)
 - Newly eligible in 2014 as a result of federal reform, by county (53,000 total)

Colorado Health Institute, "Health Insurance Coverage Among Low-Income Adults in Colorado," April 2010

State Example: Michigan

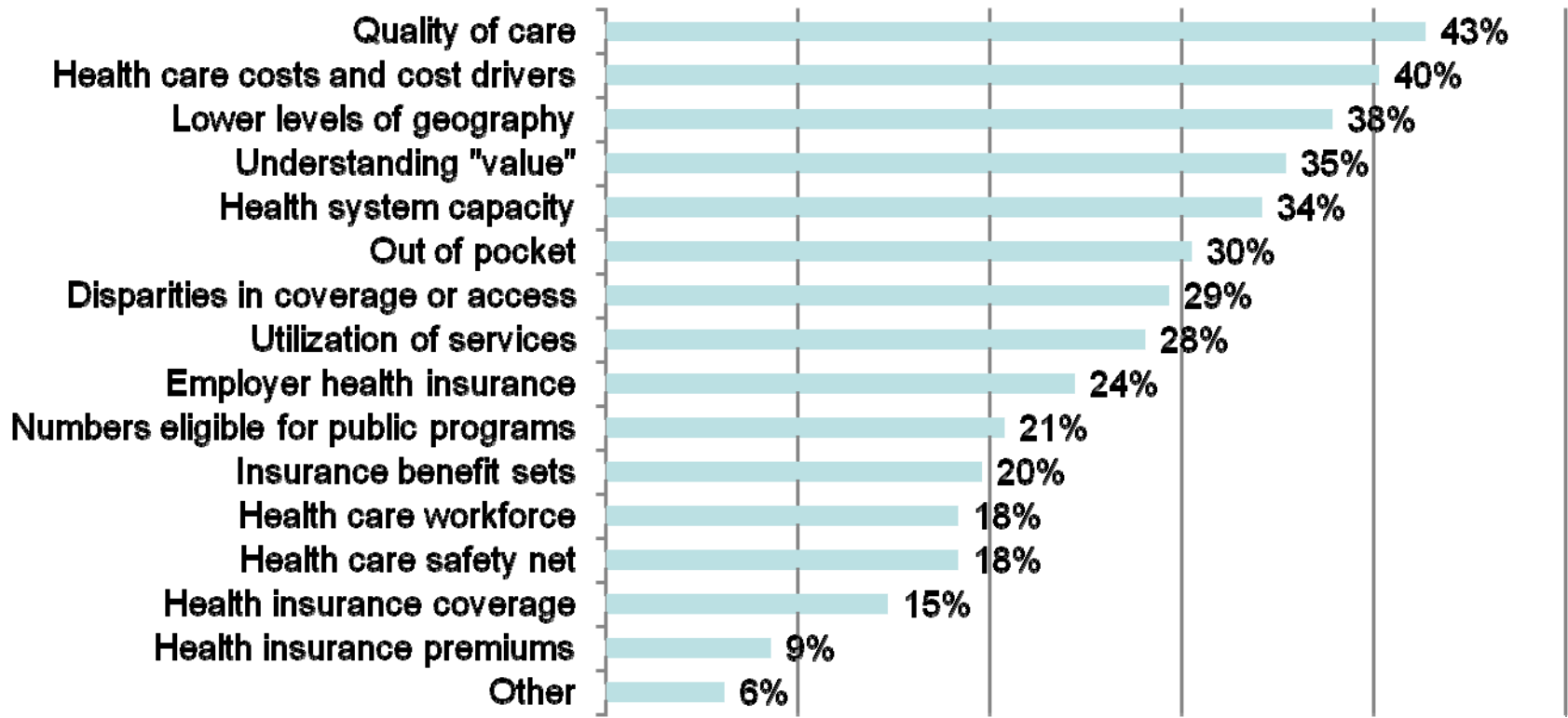
- Used SHADAC-enhanced CPS to estimate health coverage distribution if federal health reforms were already in effect
- 77% of those who are currently uninsured would be eligible for Medicaid or premium subsidies
- Uninsurance rate would fall from 10.7% to 1.5% (assuming compliance with the individual mandate)

Beyond coverage estimates: states need to track more than just health insurance status

- Dynamics of coverage – changes over time, trends in access to employer coverage
- Cost of coverage
 - Premiums
 - Employer/employee shares
- Adequacy and affordability of coverage
- Sustainability of coverage: cost trends and drivers of cost
- Access to services
 - Workforce and system capacity

State Data Needs: Priority Areas

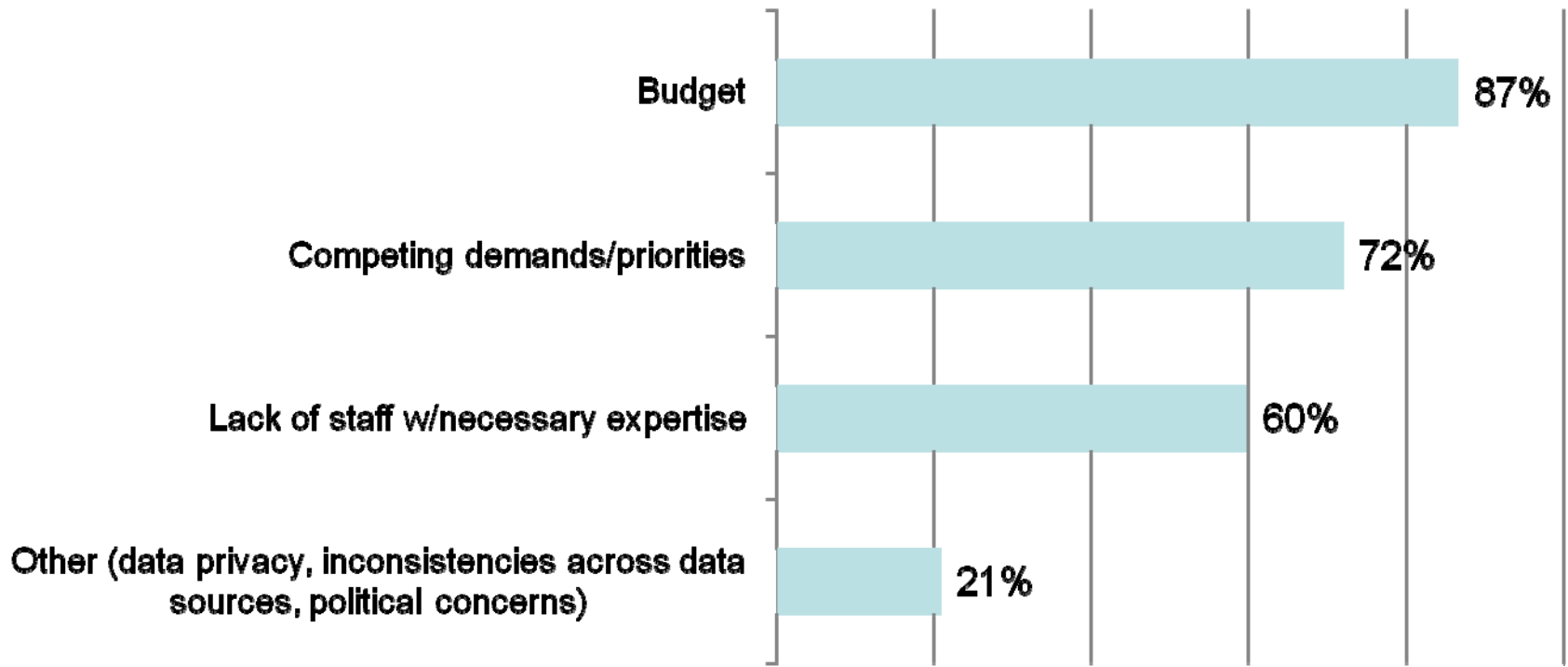
Most important gaps in data needed for health policy decisions



Source: SHADAC State Health Policy Data Survey, July 2010 (preliminary results)

State Data Needs: Barriers

Most important barriers to collecting and analyzing the data needed to implement health reform and understand its impact



Opportunities and Challenges for States

- Opportunities:
 - Health reform law will bring new needs and opportunities for collecting and using data to inform policy
 - Insurance regulation
 - Health insurance exchanges
 - Tax system
- Challenges
 - Creating flexible data collection systems that produce accurate and timely information, while attending to the many other challenges of implementing health reform
 - Resources for data collection and analysis

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