Rural Implications of ACA Medicaid Expansions

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Project Team: Andrew Coburn, Zach Croll & Jennifer Lenardson
Agenda

- Policy context for understanding potential rural impact of ACA Medicaid expansions
- Methods overview
- Findings
  - Differences between rural & urban potential enrollees
  - Comparisons between rural residents of expansion versus non-expansion states
- Conclusions & Limitations
Background

- Medicaid Expansion to all adults (19-64) with income below 138% FPL was central to ACA
- June 2012 SCOTUS decision made expansions a state option; currently 25 states plus DC are committed to expansion*
- Rural health experts have projected that rural residents would particularly benefit from expansion

*As of 1/28/2014
Knowledge Gaps

• What are the health care needs of the potential new Medicaid enrollee population? Rural-urban differences?
  ▫ For this study, new enrollees include new eligibles & “welcome mat” group of current eligibles who are uninsured

• How will rural residents be affected by the expansion becoming optional?
Research Questions

• What % of low-income rural and urban adults are potential Medicaid enrollees?

• How do socioeconomic & health status characteristics of rural potential enrollees compare to their urban counterparts? To current Medicaid enrollees?

• What are the implications of expansion (including state participation decisions) on the rural health system & access for rural populations?
Methods

• Analysis of nationally representative survey data:
  ▫ Pooled 2007-2011 Medical Expenditure Panel Survey (MEPS)
  ▫ State-level Medicaid policy data (Kaiser)
  ▫ Area Resource File

• Analyses with correction for complex sample design (SUDAAN)
Study Sample

• Adults aged 19-64
• Family incomes below 138% FPL (133% plus MAGI disregard)
• Excluded individuals with SSDI or Medicare, non-US born (and privately insured for most analyses)
• N = 10,725 (2,176 rural)
### Rural-Urban Insurance Coverage Pre-ACA (Adults age 19-64, <138% FPL)

<table>
<thead>
<tr>
<th></th>
<th>Rural %</th>
<th>Urban %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Insurance</td>
<td>26.3</td>
<td>25.4</td>
</tr>
<tr>
<td>Medicaid</td>
<td>20.4</td>
<td>25.0</td>
</tr>
<tr>
<td>Medicare</td>
<td>8.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Uninsured</td>
<td>45.3</td>
<td>43.2</td>
</tr>
</tbody>
</table>

- 40% of uninsured rural adults pre-ACA had income <138% FPL, versus 34% of urban
Pre-ACA Medicaid Eligibility ≥ 100% FPL

- Among individuals <138% FPL, rural residents are less likely to live in states that covered parents at or above 100% FPL prior to the ACA (no difference for childless adults)
Potential versus Current Enrollees

Across residences, potential new enrollees differ from current Medicaid enrollees. They are more likely to be:

- Male
- In good+ health
- Not obese
- Not a smoker
- Employed
- Living in the South
- Lacking a Usual Source of Care
Health Status of Potential New Enrollees: Rural versus Urban

<table>
<thead>
<tr>
<th>Category</th>
<th>Rural Expansion</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair/Poor Health</td>
<td>21.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>2+ Conditions</td>
<td>29.7%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Obese</td>
<td>34.0%</td>
<td>30.3%</td>
</tr>
</tbody>
</table>
## Rural-Urban State Expansion Status
(Among adults age 19-64, <138% FPL)

<table>
<thead>
<tr>
<th>Expansion Status</th>
<th>Rural %</th>
<th>Urban %</th>
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</thead>
<tbody>
<tr>
<td>Expanding Medicaid</td>
<td>37.9</td>
<td>49.7</td>
</tr>
<tr>
<td>Alternative Model</td>
<td>4.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Not Expanding</td>
<td>43.8</td>
<td>35.2</td>
</tr>
<tr>
<td>Debate Continues</td>
<td>13.9</td>
<td>13.5</td>
</tr>
</tbody>
</table>
Current Status of State Medicaid Expansion Decisions, 2014

NOTES: Data are as of January 28, 2014. *AR and IA have approved waivers for Medicaid expansion; MI has an approved waiver for expansion and plans to implement in Apr. 2014; IN and PA have pending waivers for alternative Medicaid expansions; WI amended its Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion.

SOURCES: States implementing in 2014 and not moving forward at this time are based on data from CMS here States noted as “Open Debate” are based on KCMU analysis of State of the State Addresses, recent public statements made by the Governor, issuance of waiver proposals or passage of a Medicaid expansion bill in at least one chamber of the legislature.
Uninsured Rural Adults*: Expansion vs Non-Expansion States

*Ages 19-64, with incomes <138% FPL
Safety Net Access in County for Uninsured* in Non-Expansion States

* Ages 19-64, with incomes <138% FPL
Challenges & Limitations

• State policy is a moving target
• Differentiating between currently eligible, unenrolled individuals and those newly eligible is complicated
  ▫ Hard to disentangle impact of prior state policy & current expansion decision
• County-level analyses of supply data may mask important local realities
Conclusions & Implications

• Rural residents would benefit more from expansion, but are less likely to live in an expansion state
  ▫ The rural-urban gap has diminished as more rural states have expanded since we first analyzed the data in early 2013

• Potential new Medicaid enrollees in non-expansion states: disproportionately female, minorities, living in the South, and poorer access to safety net services
Conclusions & Implications

• States shouldn’t expect new enrollees to be as sick (costly) as current enrollees.
• However: among new enrollees, those in rural areas are in poorer health.
  ▫ Yet, primary care supply is more limited than in urban areas.
• Rural uninsured in non-expansion states have poorer access to safety net care and may place burden on “informal” rural safety net.
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