



State and Federal Young Adult Expansion Policies: Further Analysis and New Questions

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Acknowledgements

Project Team

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We Thank

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The Issue

- Conventional dependent coverage available only to age 18 (non-students) or 23 (full-time students)
- Nearly 1 in 3 young adults (age 19-25) uninsured in 2009
- Compared to insured peers, uninsured young adults are
 - **More likely** to delay or forego care due to costs
 - **Less likely** to see a medical provider, have a usual source of care, or fill a prescription
 - **More likely** to have trouble paying medical bills or medical debt
- Implications for critical developmental period to address obesity, smoking, sexually transmitted infections, serious mental illness, etc.
- Absence from risk pools has consequences for others

Key Features of Dependent Coverage Laws

Affordable Care Act

- First renewal starting 9/23/10
- All young adults to 26
- No residency, demographic, or other exclusions
- Applies to nearly all plans, including self-insured
- Non-discrimination in premiums or benefits

Prior State Laws

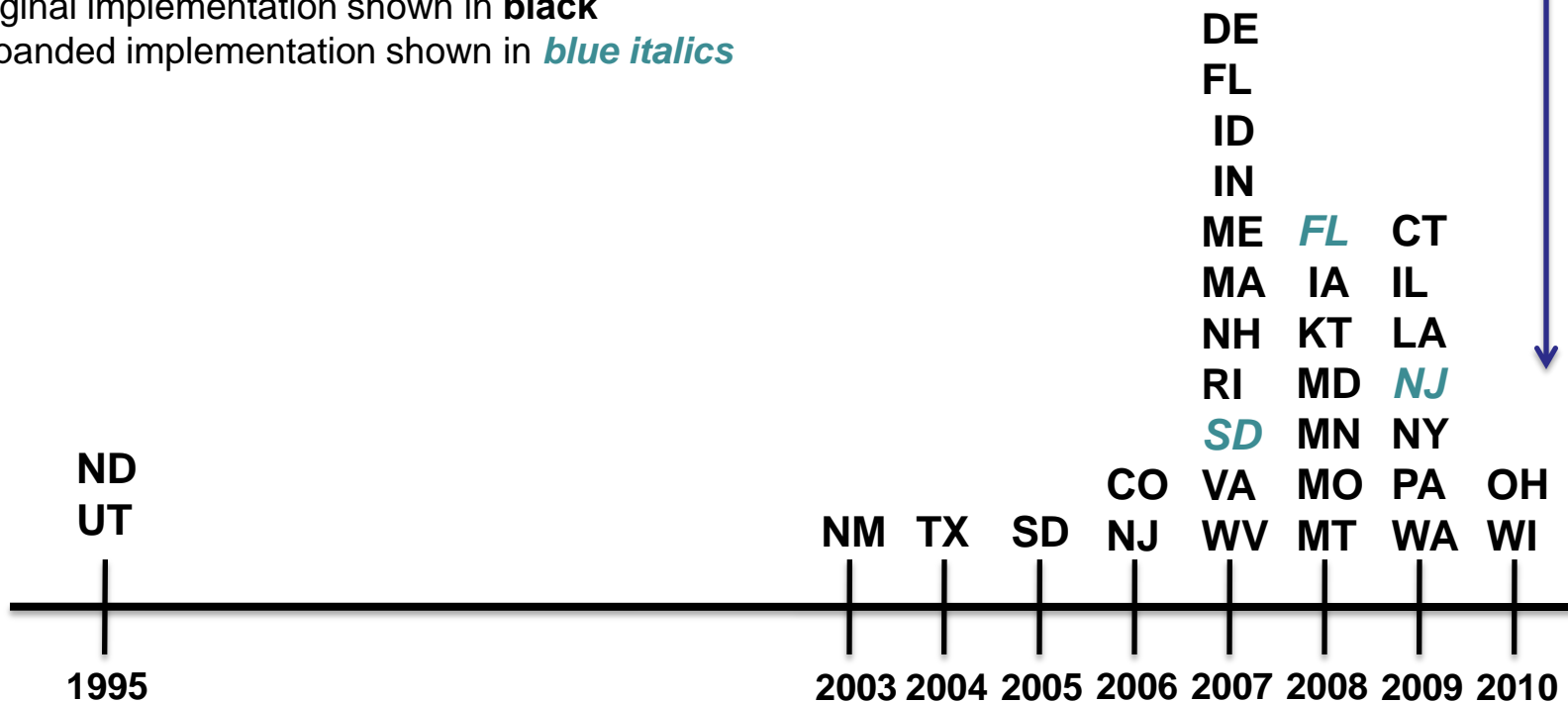
- 31 states mostly 2003-2010
- Age limits vary, max 31
- Typically limited to unmarried, no dependents, in-state except FT students; some require financial dependency
- Do not apply to self-insured employee benefit plans
- Nine states require or allow added premium

Young Adult Dependent Coverage Laws

Implementation Timeline

Patient Protection & Affordable Care Act, Dependent Coverage

Original implementation shown in **black**
 Expanded implementation shown in *blue italics*



Our Prior Research

- Impact of state reforms before the ACA
 - Increase in dependent coverage offset decline in own coverage
 - *No impact on uninsured*
(Monheit, Cantor, DeLia, Belloff, *HSR* 2011)
- Early impact of the ACA
 - 3.5 percentage point decline in uninsured through 2010
 - Apparent greater responsiveness by young adults eligible under prior state laws, i.e., possible “pump priming” effect
(Cantor, Monheit, DeLia & Lloyd, *HSR* 2012)

Research Questions

1. What was the impact of the ACA dependent coverage provisions on the insurance status of young adults?
 - Did coverage gains grow over time?
 - Has our 2010 finding of a possible “pump priming” effect of state laws continued?

2. Do the impacts of the ACA dependent coverage provisions vary by health and socioeconomic characteristics of young adults?
 - What are the implications of these differences for risk pools in Medicaid and the new exchange marketplaces?

3. Has the opportunity to enroll in dependent coverage had an impact on the likelihood of young adults being employed full time?

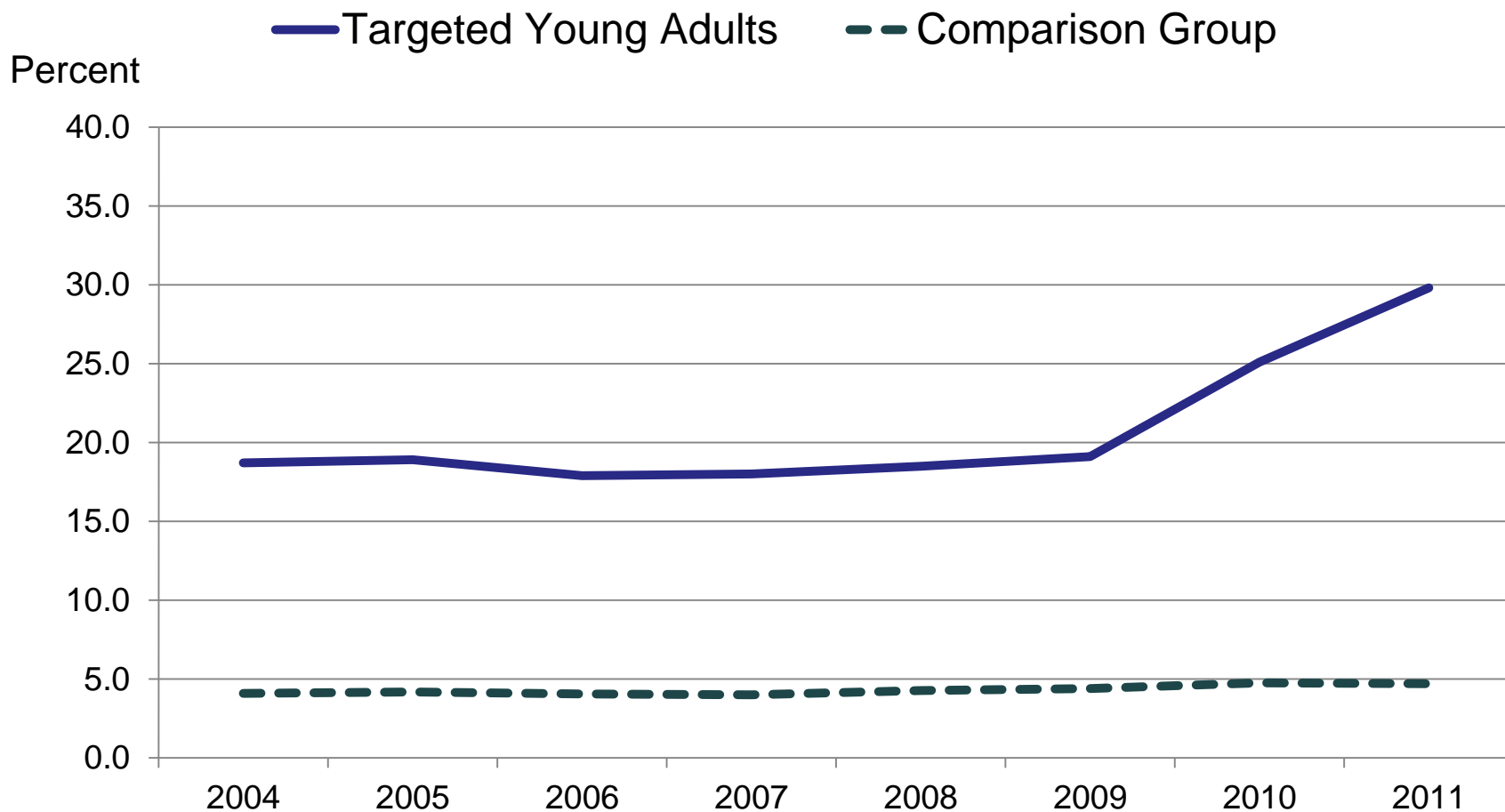
Empirical Approach

- Annual Social and Economic Supplement, Current Population Survey (CPS), 2005-2012
- Study population
 - ACA targeted: ages 19-23 not FT students & all ages 24-25 (n=96,344)
 - Comparison group: Ages 27-30 (n=81,237)
 - Exclude MA & HI
- Outcomes:
 - Sources of coverage at any time during year (first three not mutually exclusive)
 1. Private non-spousal dependent coverage
 2. Private coverage in own name or as dependent of a spouse
 3. Public (Medicaid, Medicare, etc.)
 4. No coverage
 - Likelihood of full-time employment

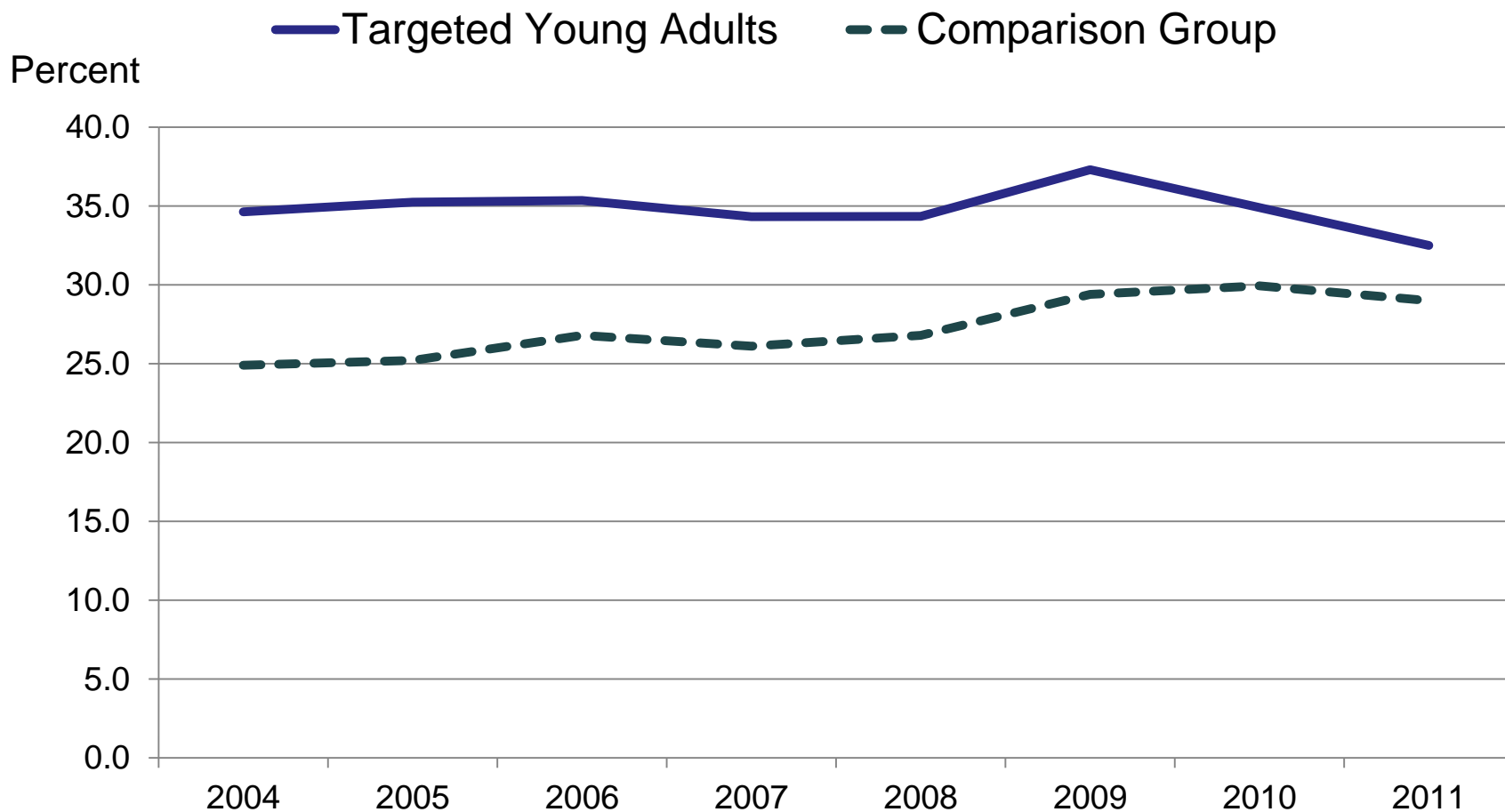
Empirical Approach (continued)

- Difference-in-differences framework
 - ACA impact overall
 - By eligibility under pre-ACA state reform laws
 - By year post-implementation (2010, 2011)
 - By perceived health status
 - By poverty level group
- Controls for
 - Demographics, education, students status, marital status, perceived health, income as percent of poverty level, lives with parent
 - State-level annual unemployment rate, employer offer health benefits offer rate, share of employer-sponsored insurance enrollees in self-insured plans
 - State fixed effects, year fixed effects & linear trend, state by trend interaction
- Linear probability models, weighted & adjusted for complex survey design (Davern et al., *Inquiry* 2007)

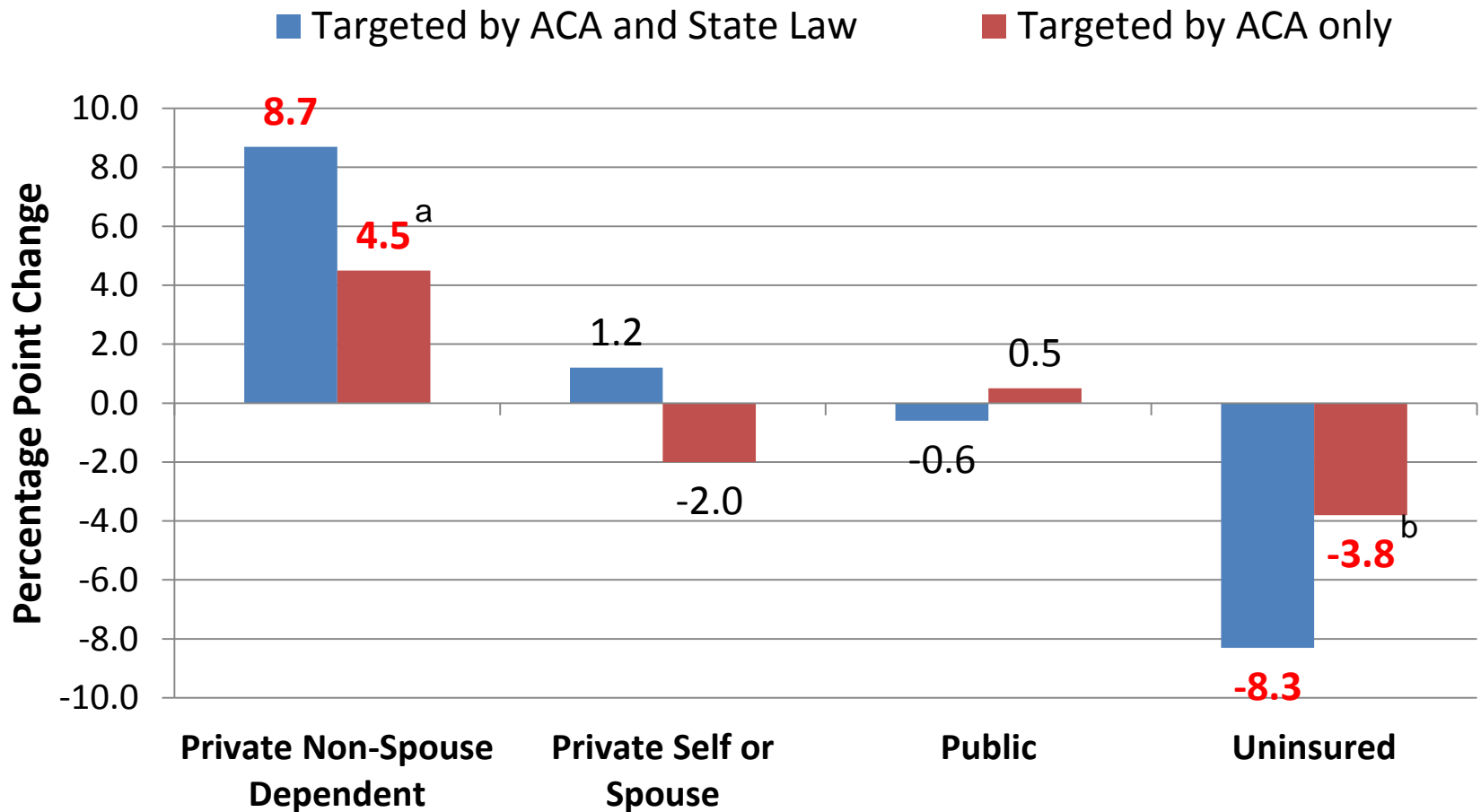
Trend in Percent with Dependent Coverage



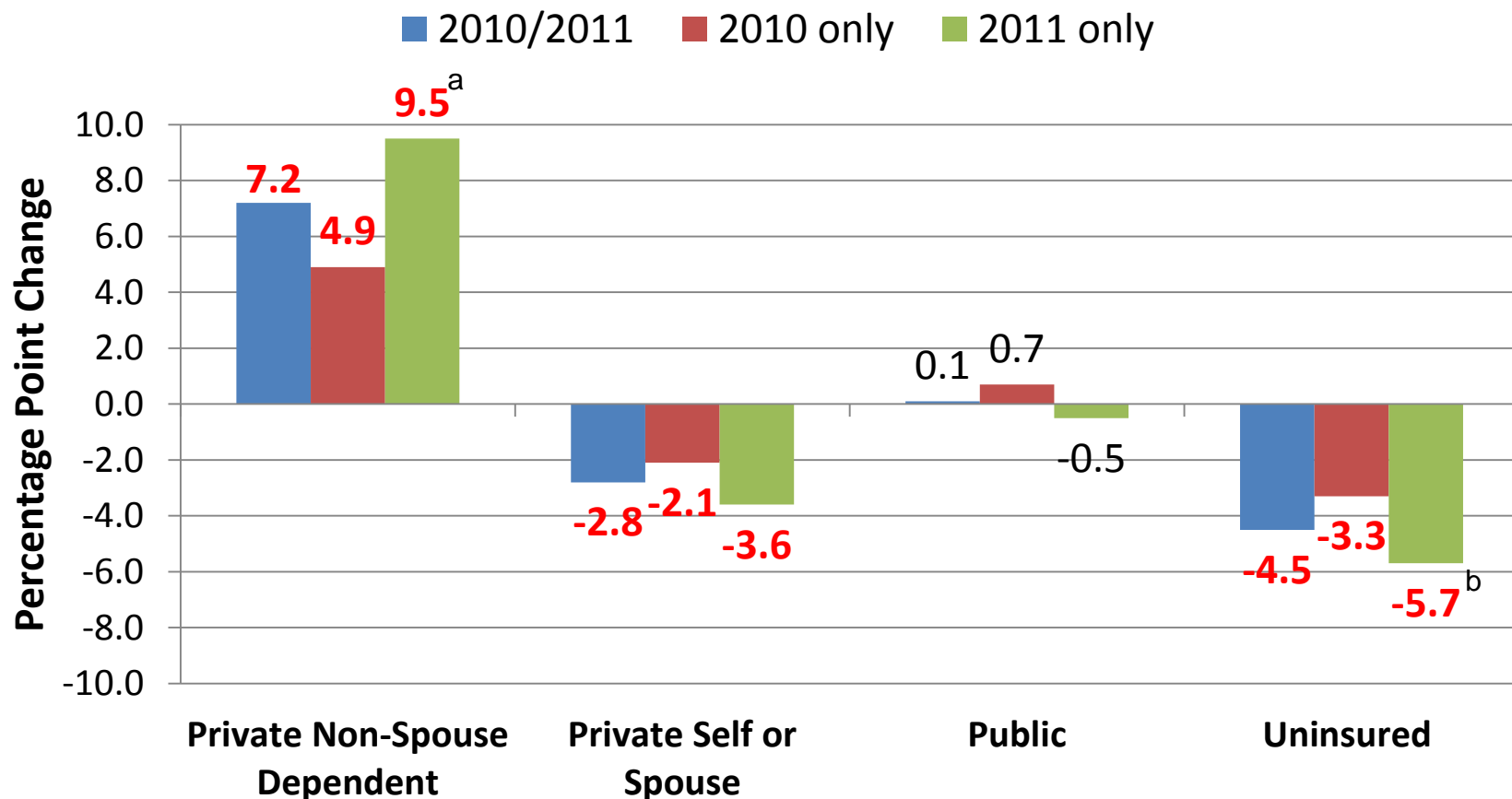
Trend in Percent Uninsured



Change in Coverage *in 2010* by State Law Status

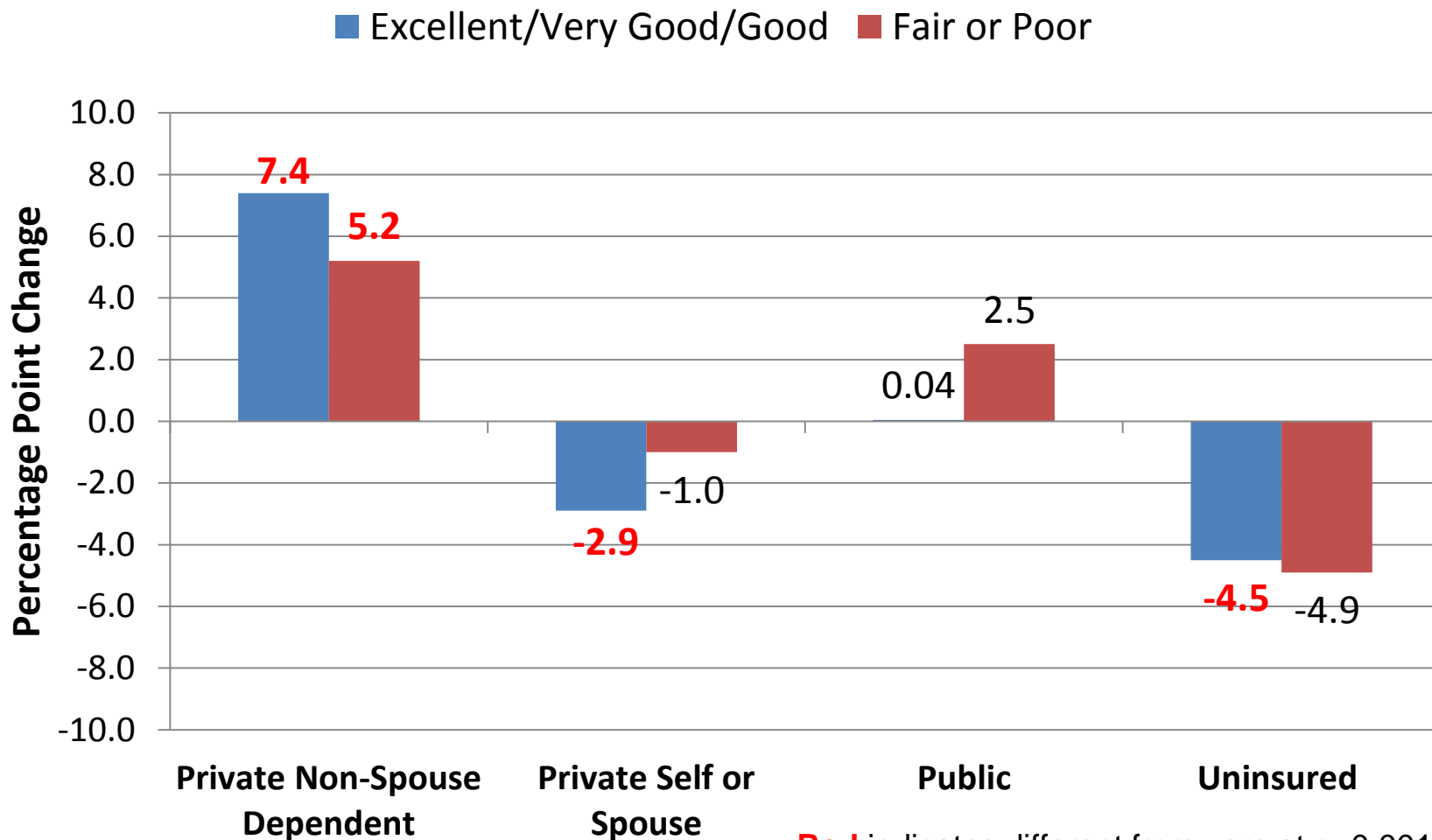


Change in Coverage post-ACA Overall and by Year



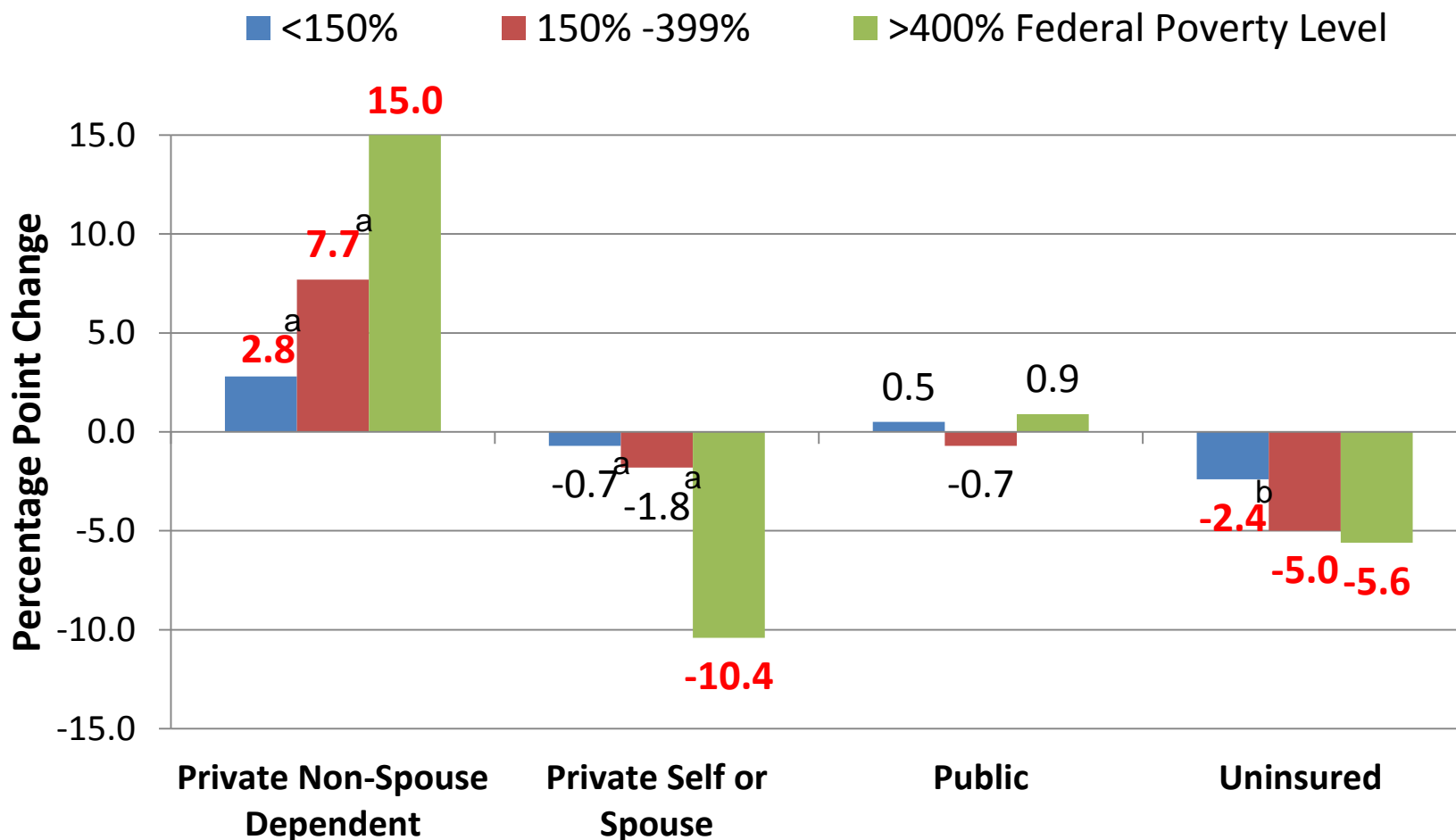
Red indicates significantly different from zero at $p < 0.01$.
 Between year differences: ^a $p < 0.01$ and ^b $p < 0.05$.

Change in Coverage Post-ACA by Health Status



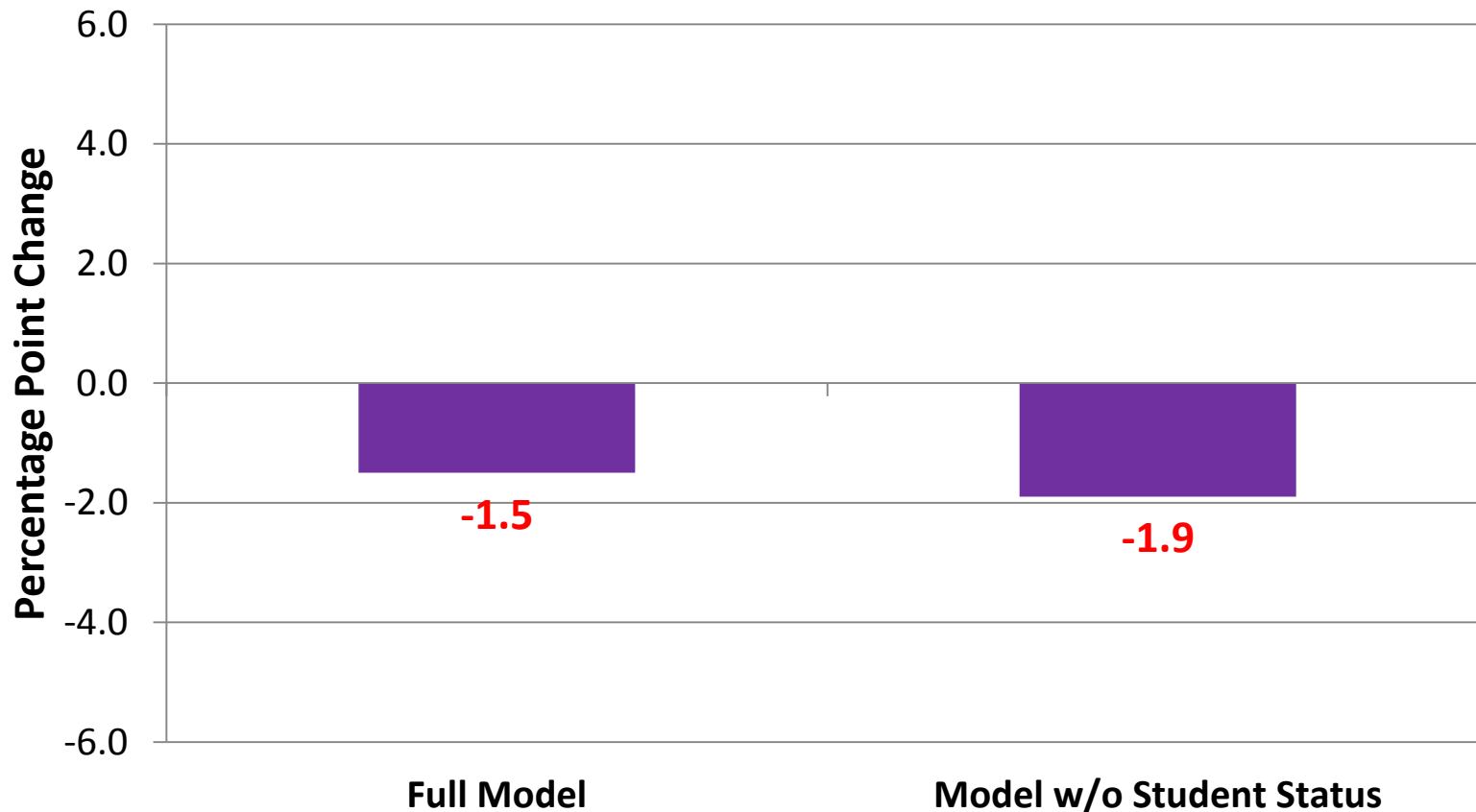
Red indicates different from zero at $p < 0.001$, except fair/poor health at $p < 0.05$.
 Between health status group differences n.s.

Change in Coverage Post-ACA by Family Income



Red indicates different from zero at $p < 0.001$ except uninsured <150%FPL at $p < 0.05$.
 Different from high income: ^a $p < 0.01$ and ^b $p < 0.05$.

Change in *Full-Time Employment* post-ACA



Red indicates significantly different than zero at $p < 0.01$.

Limitations

- Annual recall period, cannot observe timing of coverage changes
- No information on parents of young adults not residing with parent
- Imprecise information to measure eligibility under state laws
- Student status available only through age 23
- Limited health status information

Sensitivity Tests

- Limit analysis to non-reform states
- Placebo model (test for policy impact in 2009)
- Exclude student status from models

Summary: ACA Policy Impact Dependent Coverage Status

	Percentage point change ^a	# change (x1,000) ^b	Within Group % change ^b
Average 2010-11 impact	7.2	1,474	37.7
Year post-implementation			
2010	4.9	1,003	25.6
2011	9.5	1,944	49.7
Income groups			
<150% FPL	2.8	186	23.7
150%-399%	7.7	687	43.5
400% or more	15.0	738	47.6

^a Based on difference-in-differences (DD) estimates from models described above.

^b DD estimate applied to 2009 population to derive number and percent change.

^c Based on model not controlling for student status.

Summary: ACA Policy Impact Uninsured Status

	Percentage point change ^a	# change (x1,000) ^b	Within Group % change ^b
Average 2010-11 impact	-4.5	-921	-12.1
Year post-implementation			
2010	-3.3	-675	-8.9
2011	-5.7	-1,167	-15.3
Income groups			
<150% FPL	-2.4	-159	-4.8
150%-399%	-5.0	-446	-13.8
400% or more	-5.6	-276	-25.7

^a Based on difference-in-differences (DD) estimates from models described above.

^b DD estimate applied to 2009 population to derive number and percent change.

^c Based on model not controlling for student status.

Summary: ACA Policy Impact Employment Status

	Percentage point change ^a	# change (x1,000) ^b	Within Group % change ^b
Full-Time Employee (average of 2010 and 2011)	-1.9 ^c	-389	-4.1

^a Based on difference-in-differences (DD) estimates from models described above.

^b DD estimate applied to 2009 population to derive number and percent change.

^c Based on model not controlling for student status.

Conclusions & Implications

- Rapid and substantial increase in dependent coverage, decline in uninsured among eligible young adults
 - “Pump priming” effect of earlier state reforms no longer evident
 - Impact grew between 2010 and 2011
 - Limited substitution for own-name/spousal coverage, contrasts with earlier findings on state reforms
 - Response greatest among those with high incomes, but substitution greater as well
- No “red flags” for Medicaid or exchange/marketplace risk pools
 - No evidence of health-related selection
 - Least policy responsiveness at lower income levels
- Modest reduction in full-time employment
 - Less “job lock” among those seeking coverage

Looking Ahead

Policy Changes

- 2014 coverage mandate, exchange tax credit subsidies, Medicaid expansion
 - Young adults eligible for low cost “catastrophic plans”
 - Many young adults high income in CPS may be eligible for subsidies as separate insurance units
 - Grandfathered plans no longer permitted to decline dependent coverage to young adults with access to own employer insurance

Further Questions

- Changes in source of coverage under the mandate?
- Impact on costs to parents’ employer-sponsored plans?
- Impact on young adult access to care and financial and health outcomes?

Thank You

Project Publications

Monheit AC, JC Cantor, D DeLia, & D Belloff. 2011. “How have state policies to expand dependent coverage affected the health insurance status of young adults?” *Health Service Research*, 46 (1 pt 2): 251-67.

Cantor JC, D Belloff, AC Monheit, D DeLia, & M Koller. 2012. “Expanding dependent coverage for young adults: lessons from state initiatives.” *Journal of Health Politics, Policy, and Law*, 37(1): 99-128.

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Dependent Coverage Expansions: Estimating the Impact of Current State Policies. January 2010. www.shadac.org/files/shadac/publications/DependentCoverageExpansionsIssueBrief.pdf

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Webinar: The Impact of Extending Dependent Insurance Coverage to Young Adults. April 2010. www.shadac.org/publications/share-webinar-April2010-dependent-coverage-expansions