Rural Implementation and Impact of Medicaid Expansions

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  - We will also e-mail the slides to all attendees
Introduction & Overview

About SHARE

State Health Access Reform Evaluation (SHARE)

• National Program of the Robert Wood Johnson Foundation
• Part of the Foundation’s Coverage Team
• Operates out of the State Health Access Data Assistance Center (SHADAC)
• 33 research grants awarded since 2008
• 2014 grants to be awarded this summer
Grant Support

Robert Wood Johnson Foundation

www.rwjf.org

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Rural Implications of ACA Medicaid Expansions

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Acknowledgements

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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>
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<tr>
<th></th>
<th>Rural %</th>
<th>Urban %</th>
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<tbody>
<tr>
<td>Private Insurance</td>
<td>26.3</td>
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<tr>
<td>Medicaid</td>
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</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>
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</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
- Employed
- In good+ health
- Living in the South
- Not obese
- Lacking a Usual Source of Care
- Not a smoker

Health Status of Potential New Enrollees: Rural versus Urban

- Fair/Poor Health: 21.4% Rural Expansion, 17.6% Urban
- 2+ Conditions: 29.7% Rural Expansion, 22.5% Urban
- Obese: 34.0% Rural Expansion, 30.3% Urban
## Rural-Urban State Expansion Status
(Among adults age 19-64, <138% FPL)

<table>
<thead>
<tr>
<th></th>
<th>Rural %</th>
<th>Urban %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding Medicaid</td>
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<td>49.7</td>
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<tr>
<td>Alternative Model</td>
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<tr>
<td>Not Expanding</td>
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<tr>
<td>Debate Continues</td>
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## Current Status of State Medicaid Expansion Decisions, 2014

- **Implementing Expansion in 2014** (26 States including DC)
- **Open Debate (6 States)**
- **Not Moving Forward at this Time** (19 States)

**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. 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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Reflections on Dr. Ziller’s Policy Brief
Ira Moscovice, Ph.D.

- This is an interesting study that makes good use of national MEPS data and state level policy data.

- Areas of concern:
  - Significant differences in the % of rural/urban low income adults living in non-expansion states
  - Results regarding racial and ethnic minorities and women
Reflections on Dr. Ziller’s Policy Brief
Ira Moscovice, Ph.D.

• Insurance coverage is an important factor in improving rural access to care, but it is not sufficient. Other factors include:
  – the capacity of primary care providers to care for additional patients
  – the willingness of providers to accept Medicaid reimbursement

• Can rural hospitals in states that are not expanding Medicaid continue providing emergency care to the uninsured, given the reductions in DSH payments?

Reflections on Dr. Ziller’s Policy Brief
Ira Moscovice, Ph.D.

• Four states (AR, IA, MI, PA) are using Medicaid section 1115 waiver authority to expand Medicaid coverage in addition to ACA expansion.
  – This strategy provides states with some flexibility to experiment with benefit design and other program features.

• The implementation of Medicaid expansion has important implications for new organizational arrangements such as ACOs and health care homes.

• As we move forward, it will also be important to focus on the quality of care provided to the newly insured.
Question & Answer

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- Direct inquiries to Carrie Au-Yeung at butle180@umn.edu
- Webinar slides recording will be posted at www.shadac.org/RuralMedicaidExpansionWebinar