Early Impact of the Affordable Care Act on Health Insurance Coverage of Young Adults

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Brian Quinn, RWJF Senior Program Officer
The Problem

- Conventional dependent coverage available only to age 18 (non-students) or 23 (FT 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, etc.
- Absence from risk pools has consequences for others
<table>
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<tr>
<th></th>
<th><strong>ACA</strong></th>
<th><strong>State Laws</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First renewal starting 9/23/10</td>
<td>31 states, most 2006-09</td>
</tr>
<tr>
<td></td>
<td>All young adults to 26</td>
<td>Age limits vary, max 31</td>
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<tr>
<td></td>
<td>No residency, demographic, or other exclusions</td>
<td>Typically limited to unmarried, no dependents, in-state except FT students;</td>
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<td>some require financial dependency</td>
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<td>Applies to all plans, including self-insured</td>
<td>Do not apply to self-insured plans</td>
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<td>No cost beyond standard family premium</td>
<td>Nine require or allow added premium</td>
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Research Questions

1. What impact did the ACA dependent coverage rules have on source of coverage among eligible young adults?

2. What impact did the rules have among young adults targeted by prior state laws in addition to the ACA?
Study Data and Outcomes

- **Study population**
  - ACA targeted: ages 19-23 not FT students & all ages 24-25
  - Comparison group: Ages 27-30
  - Exclude age=26 and MA & HI (due to prior mandates)
- **Outcomes**: Sources of coverage at any time during year
  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
- **Coverage categories not mutually exclusive**
Statistical Modeling

- Difference-in-differences (DD) analysis of ACA coverage outcomes
  - ACA targeted vs. comparison
  - Pre/post ACA

- Extended DD analysis interacting ACA and state policies
  - State targeted vs. non-state targeted
  - Federal & state policy interactions

- Four linear probability models, controlling for
  - Demographics, SES, student status, live@home, health status
  - State fixed effects, overall trend, state-specific trends
  - State-year unemployment, ESI offer, enrollees in self-insured plans

- Sensitivity tests
  - Can discuss in Q&A if time
DD Estimates Post-ACA Change in Coverage

Models **without** ACA-state law interaction terms

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* p<0.001; + p<0.05
DD Estimates Post-ACA Change in Coverage

Model with ACA-state law interaction terms

- Targeted by ACA and State Law
- Targeted by ACA only

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Point Change</th>
</tr>
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<tbody>
<tr>
<td>Private Non-Spouse Dependent</td>
<td>8.7*</td>
</tr>
<tr>
<td>Private Self or Spouse</td>
<td>4.5</td>
</tr>
<tr>
<td>Public</td>
<td>-2.0</td>
</tr>
<tr>
<td>Uninsured</td>
<td>-3.8</td>
</tr>
</tbody>
</table>

* p<0.001; + p<0.05

a between group difference p=0.068
b between group difference p=0.173

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Limitations

• Current Population Survey
  – Annual recall period, cannot observe timing of coverage changes
  – For YAs in separate households, lacks info on parent insurance status, residency, other characteristics
  – Imprecise state policy target variable

• Short post-implementation observation period (Q4 2010)
  – Some respondents may report through Q1 2011
Conclusions & Implications

• Rapid and substantial increase in dependent coverage
  – **25% increase** in dependent coverage & near **10% drop** in uninsured
  – Over 700,000 uninsured → dependent coverage due to ACA

• Possibly greater impact on state-targeted young adults
  – “Pump priming” effect?

• Expected intended and unintended impacts
  – Improved access to care
  – Higher private family premiums
  – Shift young people out of exchange risk pools
  – Extend dependency further into adulthood
Conclusions & Implications (continued)

• If SCOTUS strikes down the ACA
  – Tax consequences
  – Separate premiums may be charged
  – Exclusions possible (e.g., married young adults)
Thank You
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**Related Publications**


**SHARE Briefs**


• Extra slides
Sensitivity Tests

- Non-reform states only

- Placebo model (Test for ACA “impact” in 2009)

- Models w/o student status and with FT students 19-23
State Young Adult Dependent Coverage

Laws Implementation Timeline

31 states as of 2010

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

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