



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

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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

Key Features of Dependent Coverage Laws

ACA

- First renewal starting 9/23/10
- All young adults to 26
- No residency, demographic, or other exclusions
- Applies to all plans, including self-insured
- No cost beyond standard family premium

State Laws

- 31 states, most 2006-09
- 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 plans
- Nine require or allow added premium

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

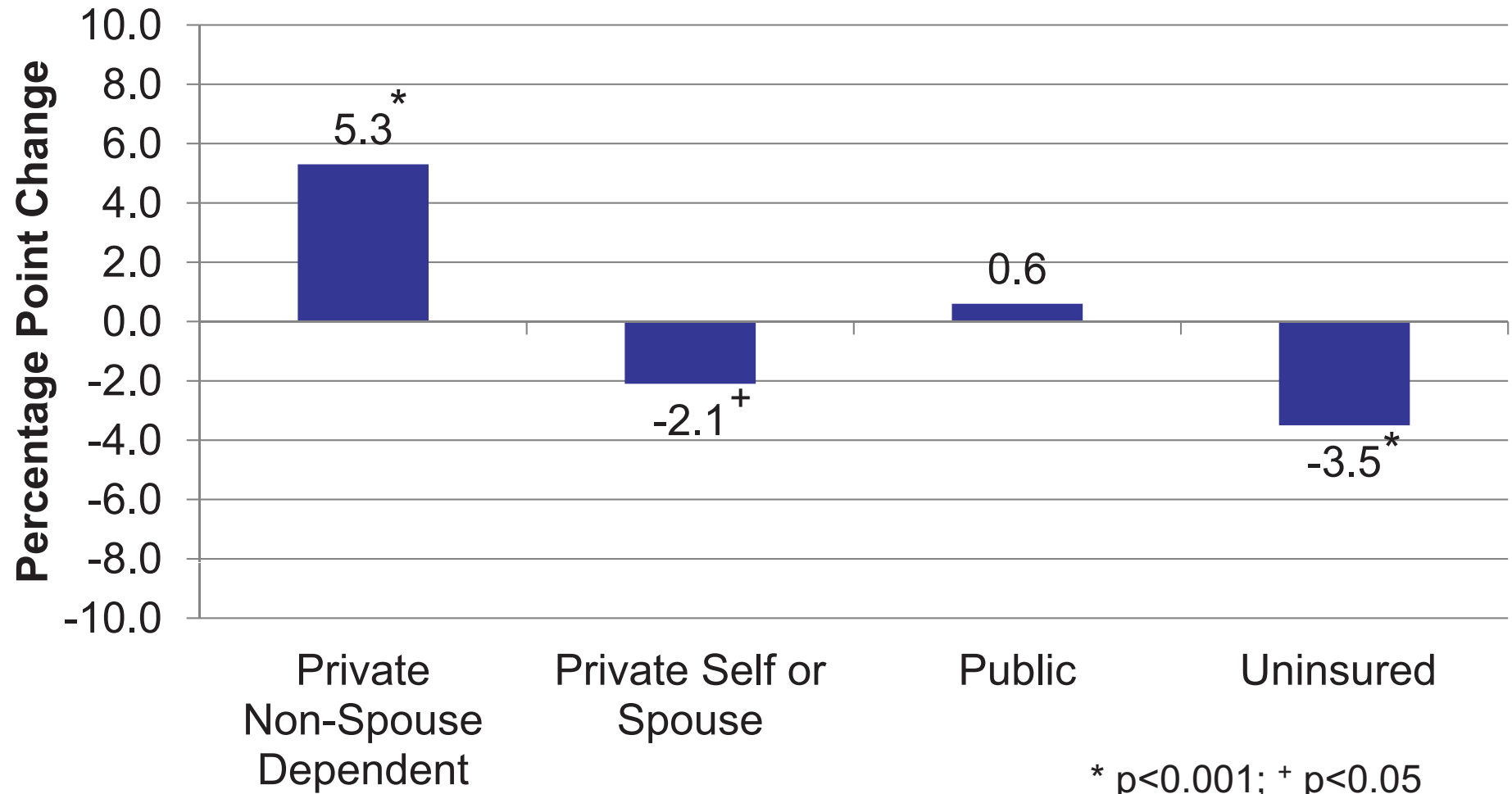
- Annual Social and Economic Supplement, Current Population Survey (CPS), 2005-2011
- Study population
 - ACA targeted: ages 19-23 not FT students & all ages 24-25
 - Comparison group: Ages 27-30
 - Exclude age=26 and MA & HI (due to prior mandates)
- Outcomes: Sources of coverage at any time during 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

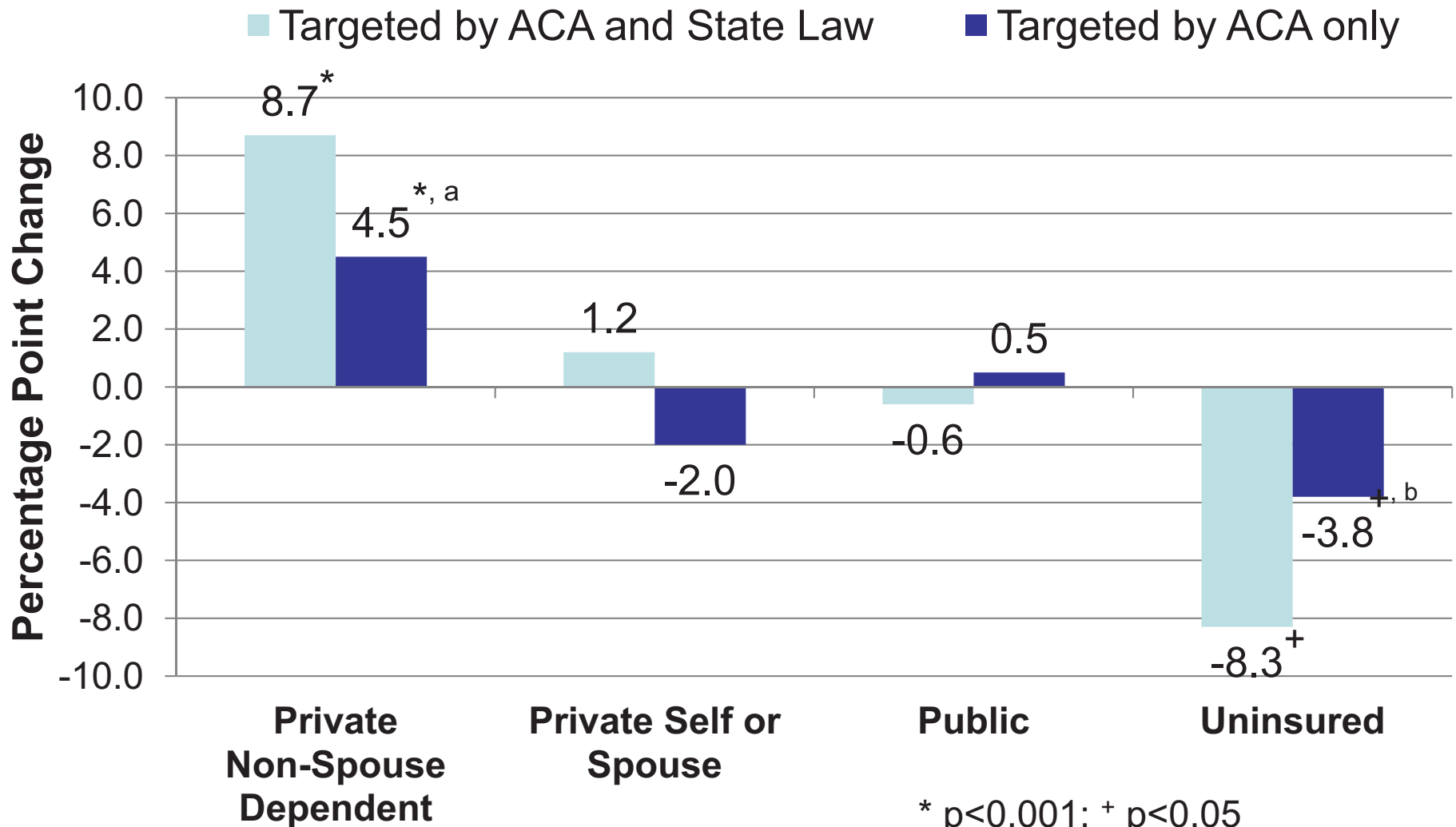
DD Estimates Post-ACA Change in Coverage

Models without ACA-state law interaction terms



DD Estimates Post-ACA Change in Coverage

Model with ACA-state law interaction terms



* p<0.001; + p<0.05

^abetween group difference p=0.068

^bbetween group difference p=0.173

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

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.

SHARE Briefs

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

The Impact of State Dependent Coverage Expansions on Young Adult Insurance Status: Further Analysis. April 2010.

www.shadac.org/files/shadac/publications/DependentCoverageCompanionBrief.pdf

Webinar: The Impact of Extending Dependent Insurance Coverage to Young Adults. April 2010.

www.shadac.org/publications/share-webinar-April2010-dependent-coverage-expansions

- 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*

