



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

AcademyHealth

State Health Research and Policy Interest Group Meeting

June 23, 2012

Orlando, FL

**Joel C. Cantor, ScD; Alan Monheit, PhD, Derek DeLia, PhD, and Kristen Lloyd, MPH**

**Rutgers University Center for State Health Policy and UMDNJ School of Public Health (Monheit)**

# Acknowledgements

---

Support from State Health Access Reform Evaluation (SHARE) initiative of the Robert Wood Johnson Foundation

We are grateful for the contributions of ...

Dina Belloff, Margaret Koller, and Dorothy Gaboda of Rutgers CSHP

Lynn Blewett, SHARE director and the SHARE project team

Brian Quinn, RWJF Senior Program Officer

# Outline

---

1. The young adult (YA) coverage problem
2. Recent policy responses
  - Federal
  - State
3. Findings on the impact of federal reforms on coverage
  - How federal reforms interact w/prior state reforms
4. Implications

# The Problem

---

- Historically, 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 health behaviors and LT health status
- Absence from risk pools has consequences for others

# YA Dependent Coverage under Federal ACA

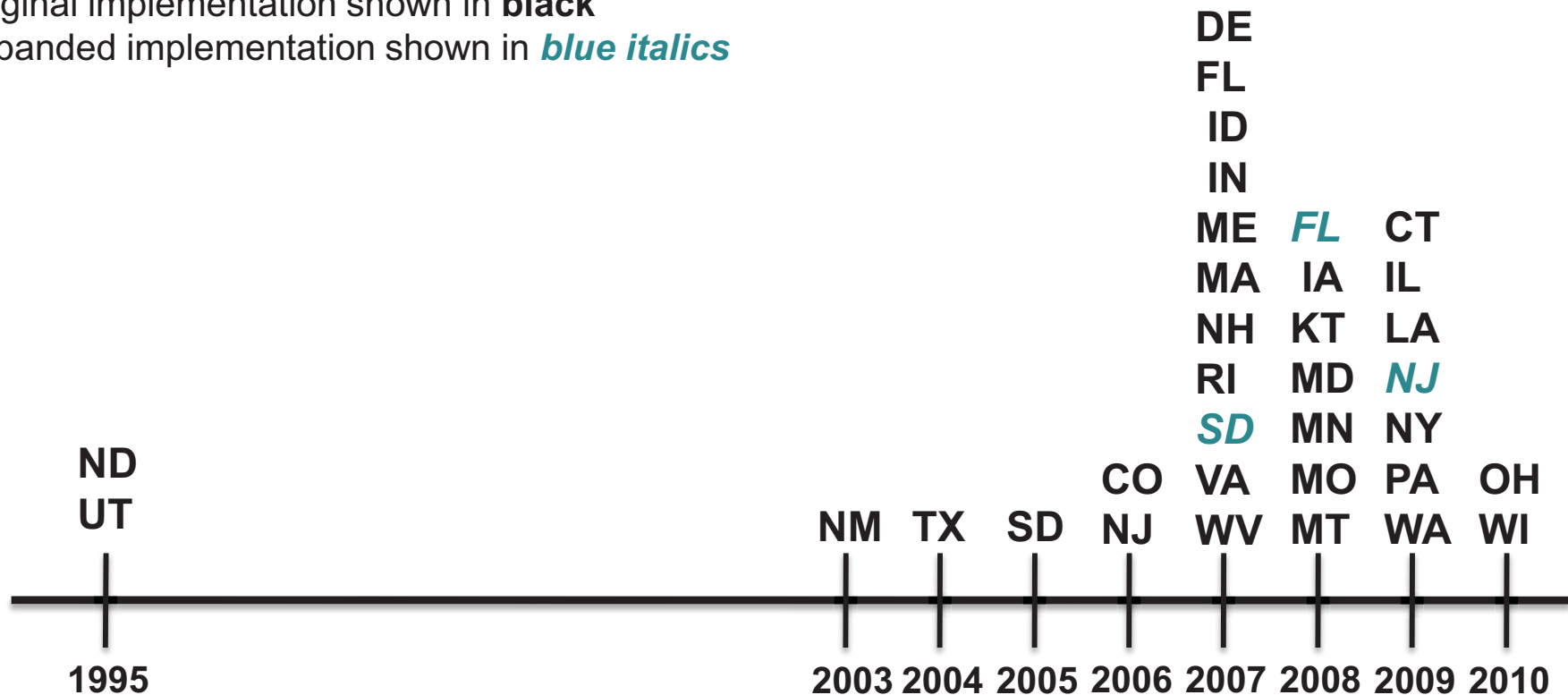
---

- YAs (< 26) can enroll as dependents in parents' plan
- All private plans with family coverage
- Effective with first renewal starting Sept. 23, 2010
- Non-discrimination, same benefits, no added premium for family plans
- “Grandfathered” plans exempted only if young adults are offered own employer plan and only until 12/2013
- Descriptive evidence of high take up
  - Drop of 2.5 million uninsured young adults from 9/2010 to 6/2011
  - Consistent with anecdotal reports and employer survey findings

# State Young Adult Dependent Coverage Laws *Implementation* Timeline

31 states as of 2010

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



# Key Features of Dependent Coverage Laws

---

## Federal ACA

- First renewal starting 9/23/10
- All young adults to 26
- Eligibility by age only
- Applies to all plans, including self-insured
- No addition to standard family premium

## State Laws

- Most in 2006-09
- Age limits vary, max to 31
- Typically limited to unmarried, no dependents, in-state except FT students; some require financial dependency
- Do not apply to self-insured plans (ERISA)
- Nine allow or require added premium

# Research Questions

---

1. What impact did the ACA dependent coverage rules have on source of coverage **among eligible young adults (YAs)**?
2. What impact did the rules have among young adults (YAs) **targeted by prior state laws in addition to the ACA**?



# Study Data and Outcomes

---

- Current Population Survey (CPS),  
Survey years 2005-2011; CYs: 2004-2010
- 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

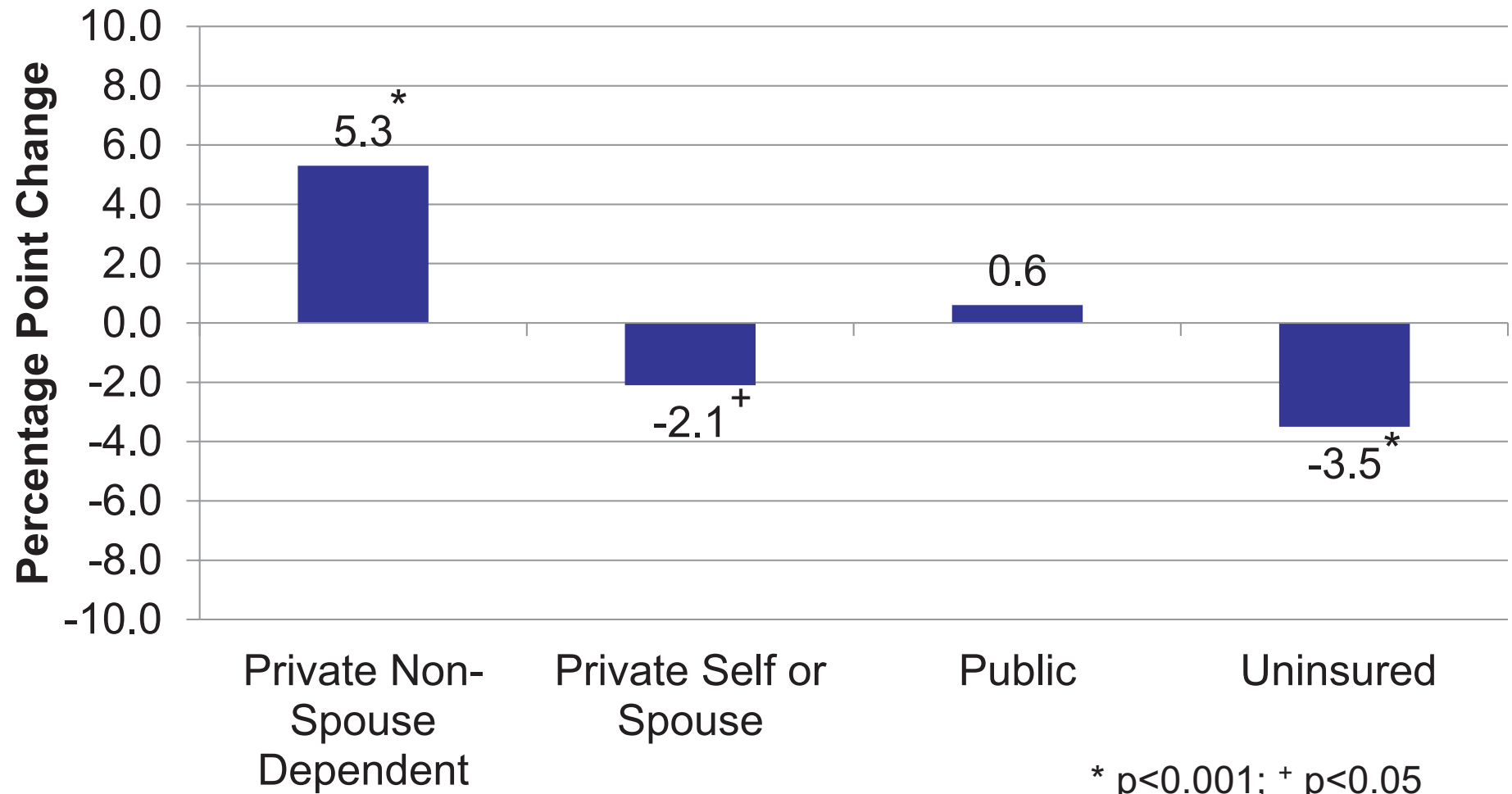
# Statistical Modeling

---

- 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
  - Similar results ==> robust findings

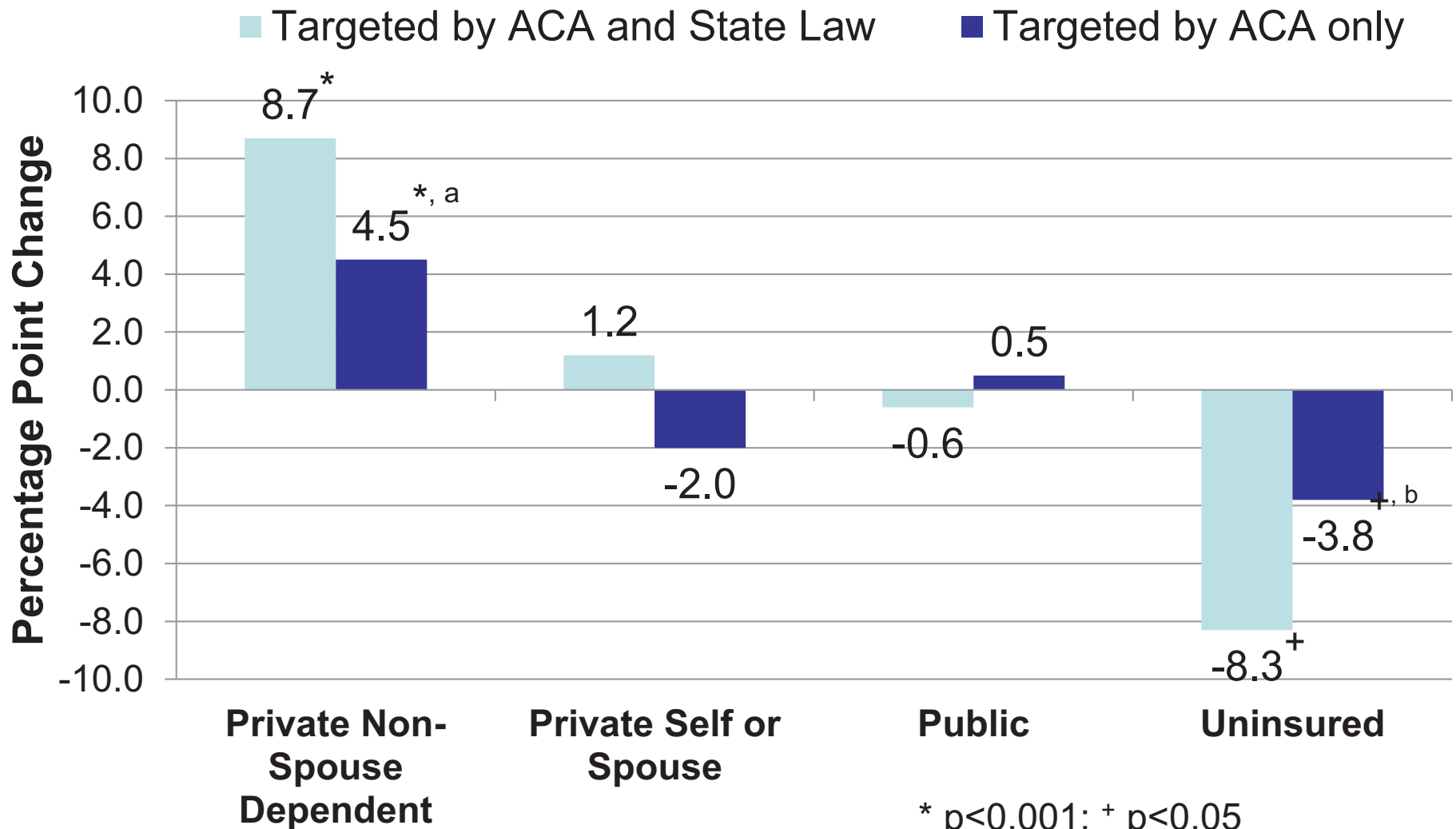
# DD Estimates Post-ACA Change in Coverage

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

<sup>a</sup>between group difference p=0.068

<sup>b</sup>between group difference p=0.173

# Limitations

---

- Current Population Survey
  - Annual recall period
  - Cannot observe timing of coverage changes
  - Cannot link information about YAs living in separate households
  - Imprecise state policy target variable
- Short post-implementation observation period (2010-Q4)
  - Some respondents may report through 2011-Q1

# 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
- Partial decline in own-name/spousal coverage
  - Our earlier research showed full substitution under state reforms
  - CPS would not show within year ↓ in private coverage
  - Other factors?
- Possibly greater ACA impact on state-targeted YAs
  - Hypothesis: “Pump priming” effect

# Conclusions & Implications (continued)

---

- Additional longer term implications
  - Improved access to care
  - Higher private family premiums
  - Fewer YAs in exchanges ==> greater average risk
  - Extend dependency further into adulthood

# Thank You

jcantor@ifh.rutgers.edu

## 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](http://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](http://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](http://www.shadac.org/publications/share-webinar-April2010-dependent-coverage-expansions)



# 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