

How will health reform affect churning in states?

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Overview

- Background on Churn
- Methods
- Results
- Discussion
- Implications
- Future Research

Churn: Background

What is it?

Churning in this presentation is the percent of individuals who are income-eligible for Medicaid at a point in time, but no longer eligible 12 months later

Why does it matter?

- Can disrupt continuity of care
- Can increase administrative costs for plans, providers and government entities
- Knowledge about the degree of churn can help states, providers and plans reduce the costs and impacts of churning

Churning for Medicaid Enrollees

Eligibility changes due to:

- Changes in income
- Changes in family size

What happens to people who lose Medicaid eligibility?

- Uninsured
- ESI or Direct Purchase
- Post ACA Implementation: Subsidies in the Exchange

Data Source – The SIPP

- The Survey of Income and Program Participation (SIPP) is a Census Bureau panel survey that is done in four month waves with each wave split into four groups (rotations) and asked to recall information over four months (reference months)
- The purpose of the SIPP is to provide information on income and government program participation
- Here we are using reference month April 2010 from wave 6 and April 2011 from wave 9 of the 2008 panel which includes about 90,000 observations
- Not designed to be state representative

Analytic Approach

- Sample was limited to people who were present in both waves of the survey
- Adjusted for attrition using a simple logistic regression
- The focus of this research is change in Medicaid eligibility after 12 months as a result of changes in income volatility and family size
- State Medicaid eligibility for jobless parents of dependent children and jobless other adults is from Kaiser (2013) survey of Medicaid eligibility
- National data but tested weighting to states

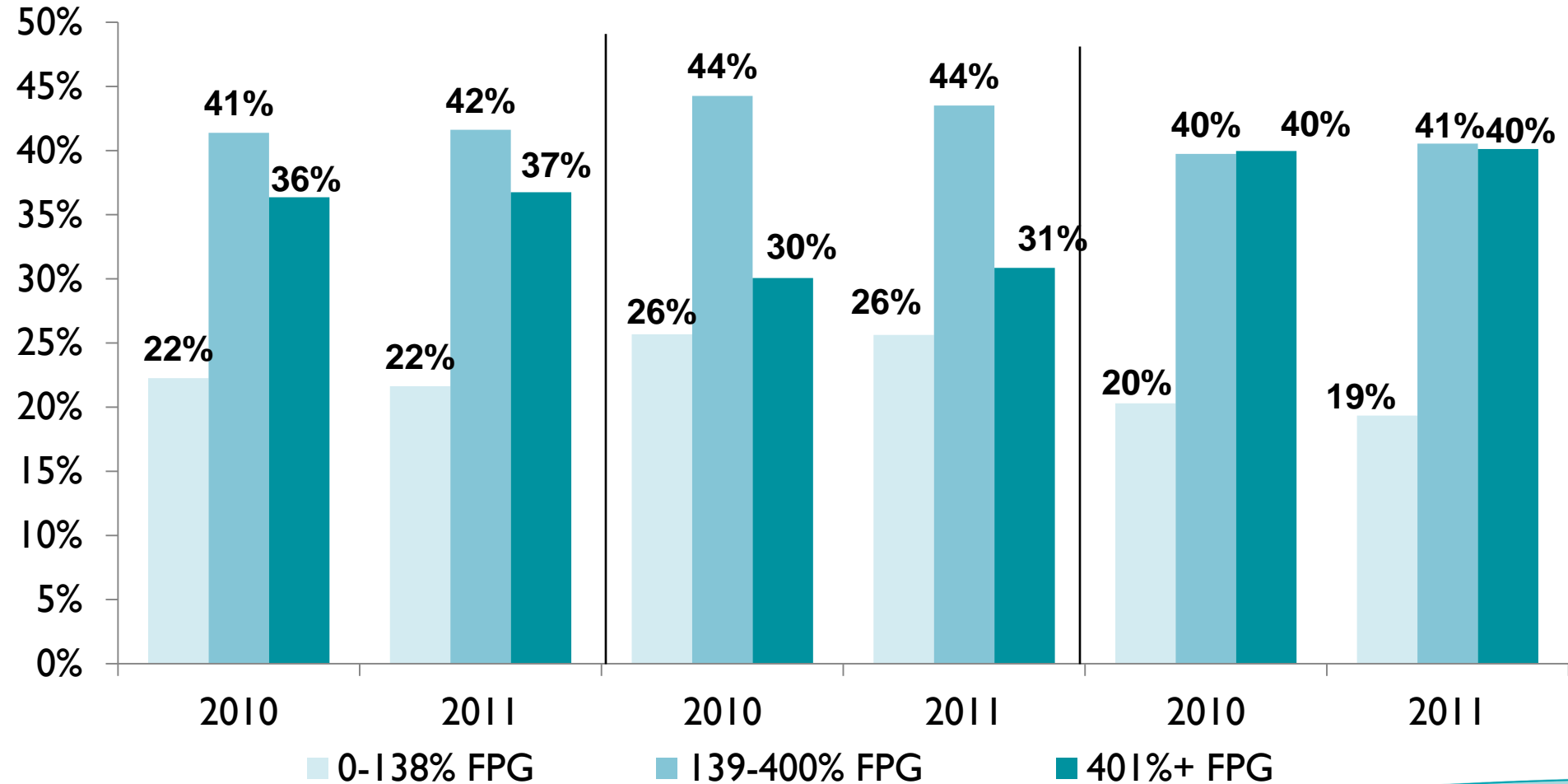
RESULTS

Income Distribution by Eligibility Group

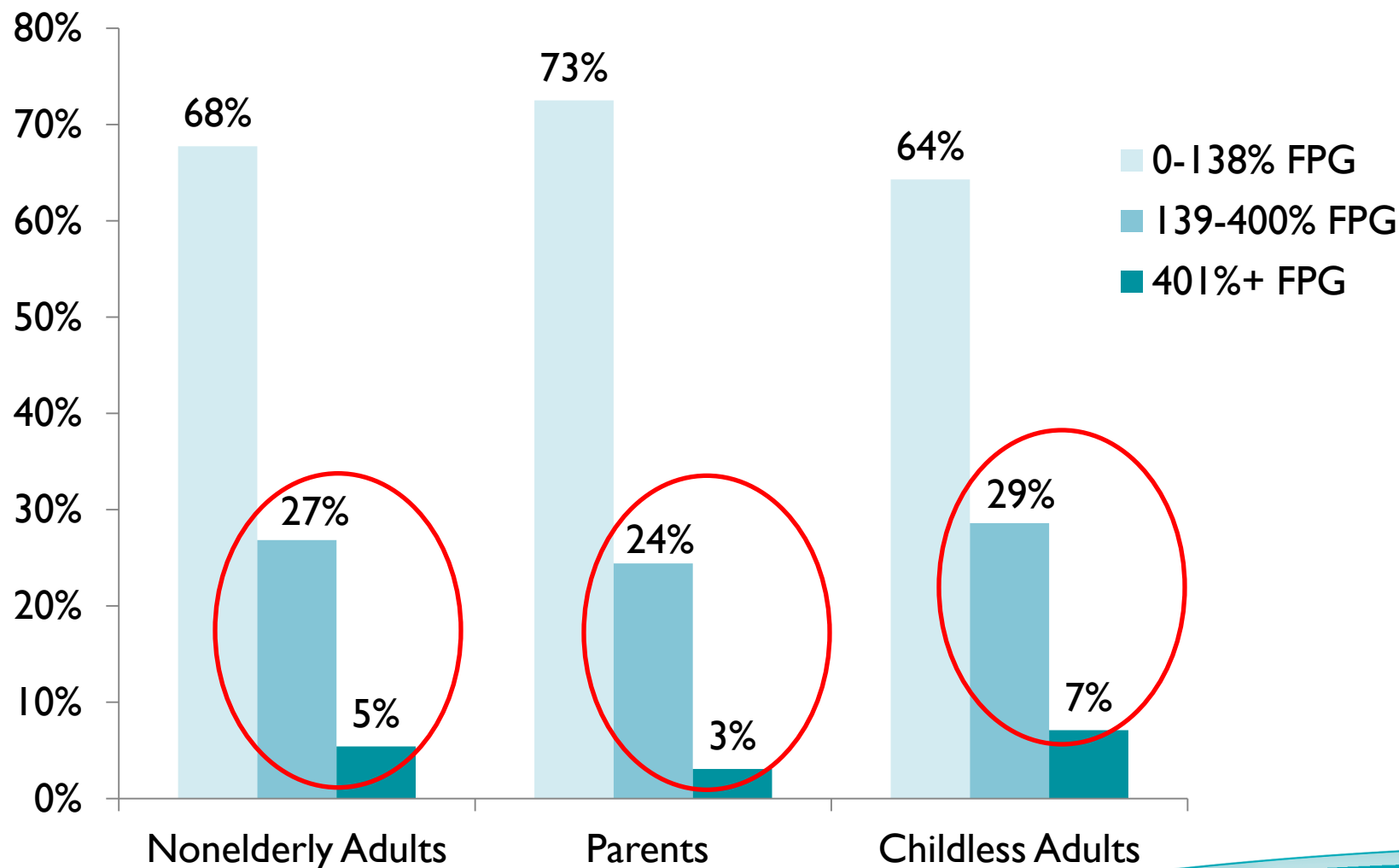
Nonelderly Adults

Parents

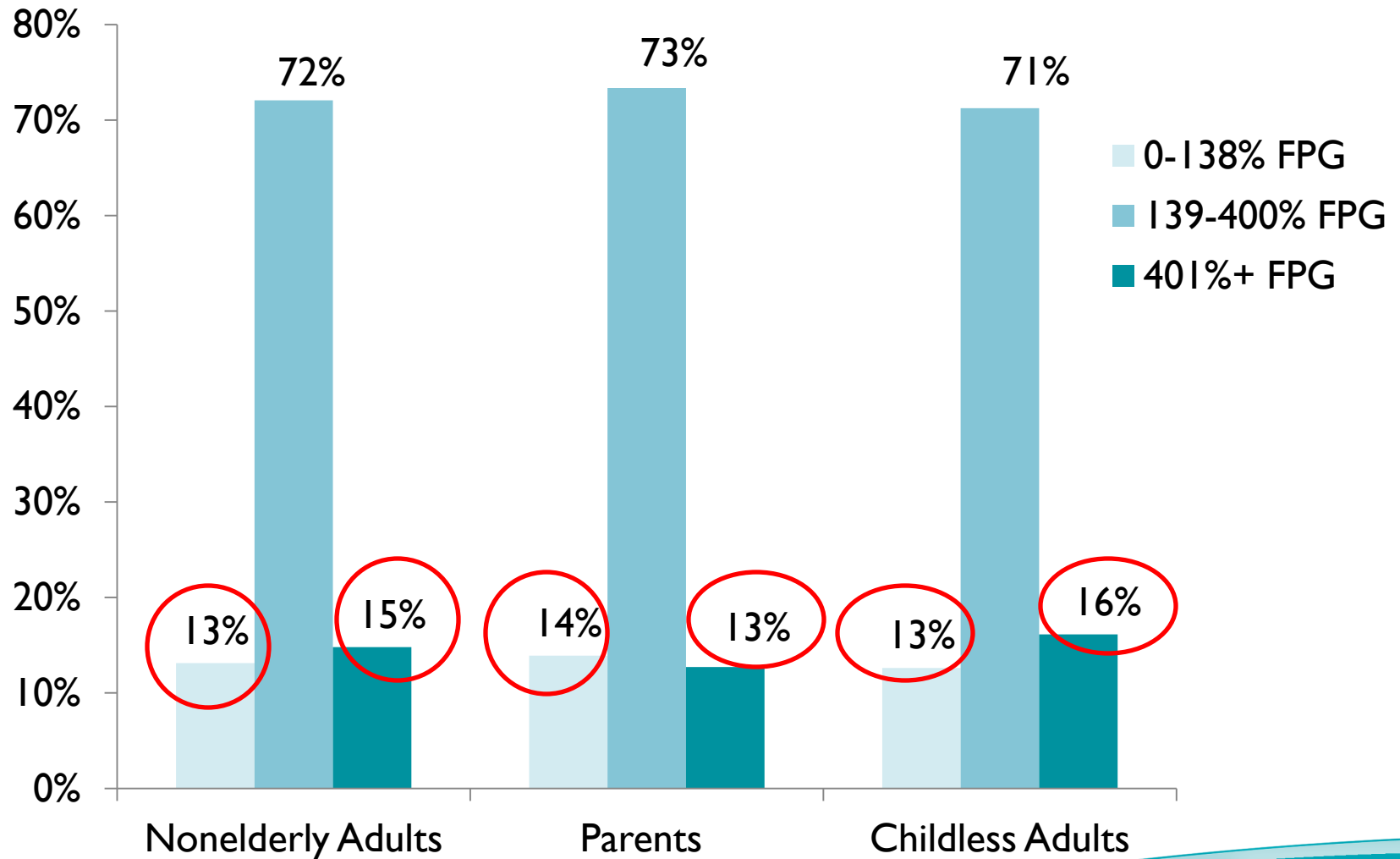
Childless Adults



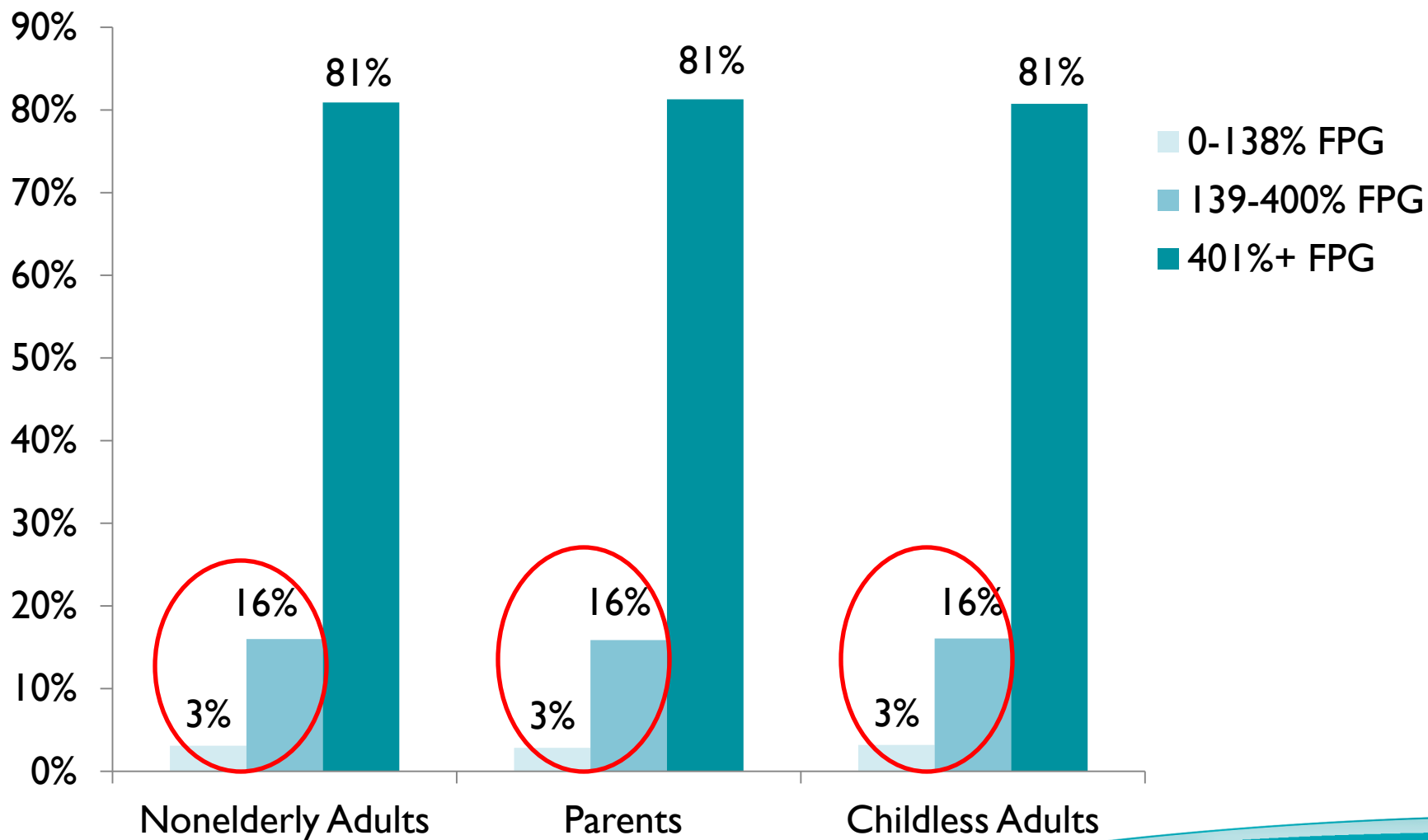
Starting at 0-138% FPG: Where are they after 12 months?



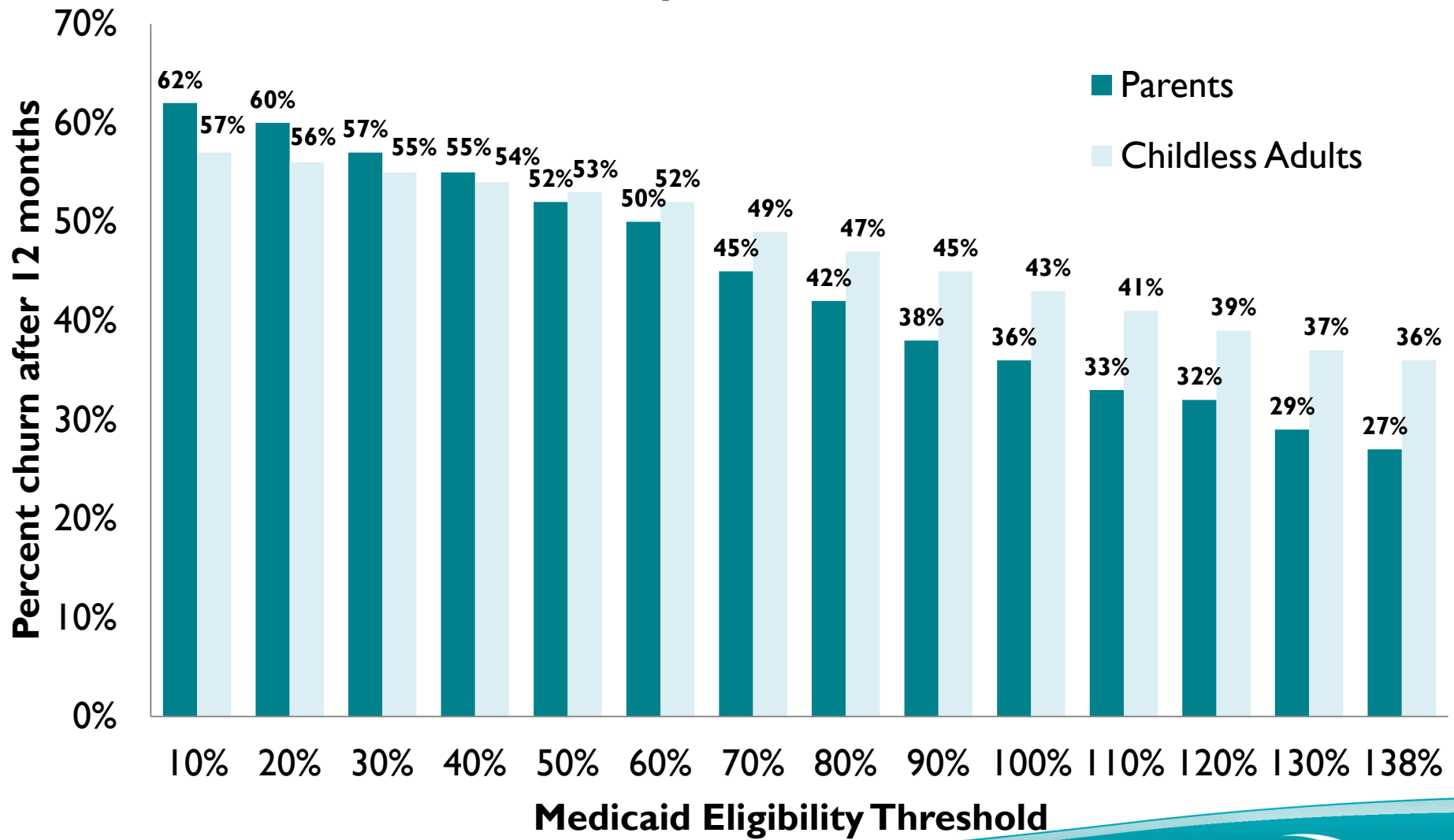
Starting at 139-400% FPG: Where are they after 12 months?



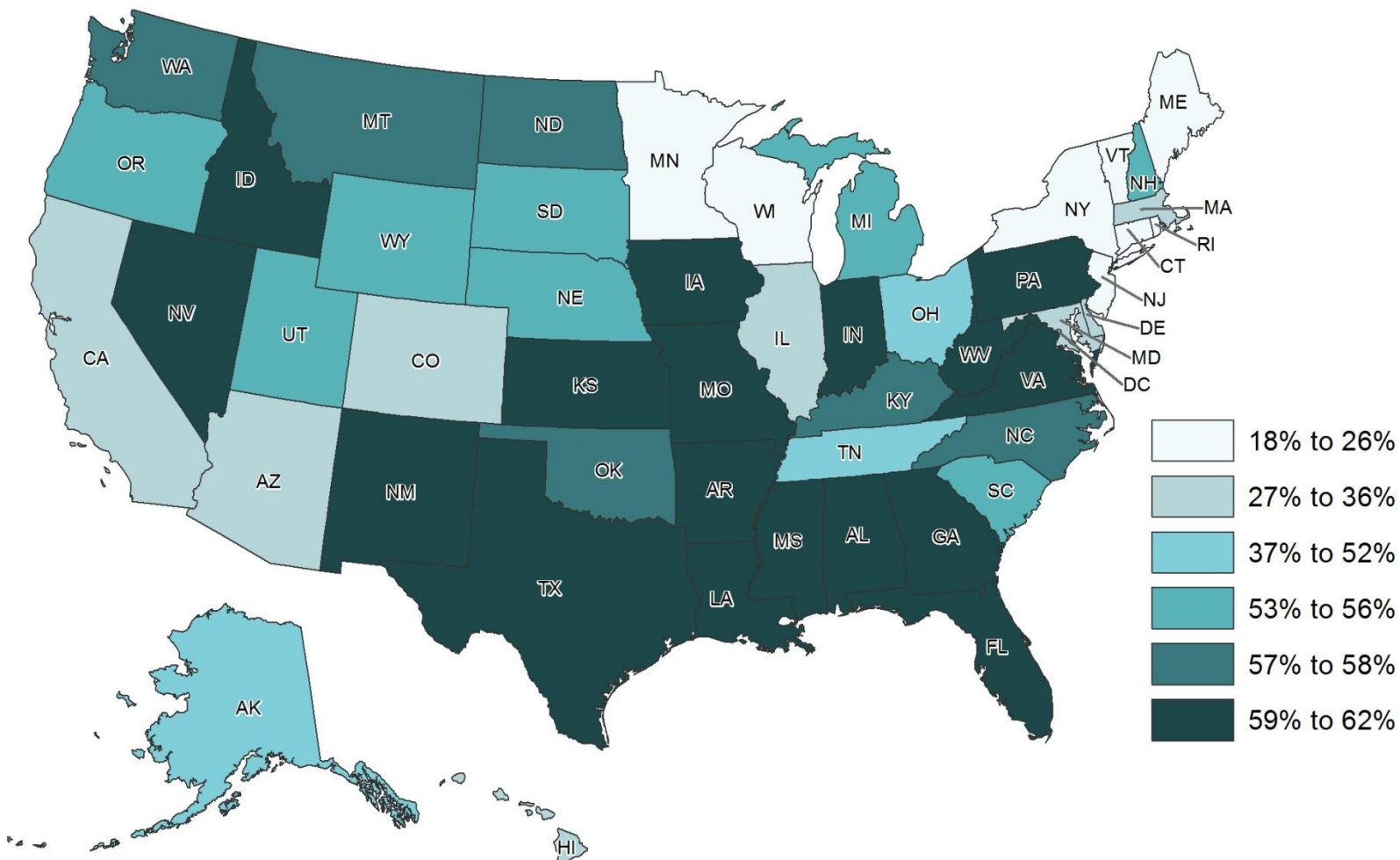
Starting at 401%+ FPG: Where are they after 12 months?



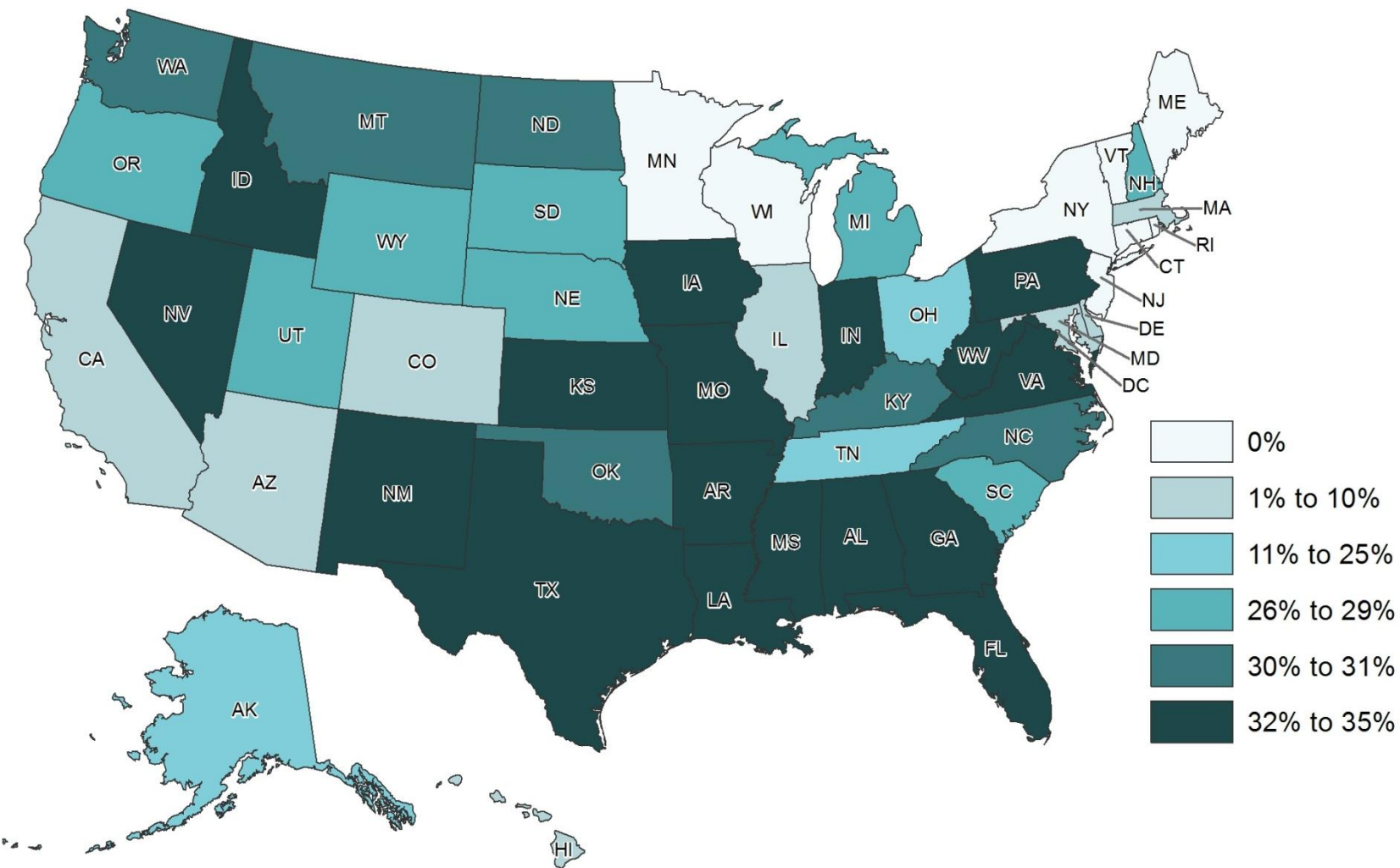
As the Medicaid Eligibility Threshold increases, “churn” decreases for parents and childless adults



Percent of parents who are income eligible for Medicaid but are ineligible after 12 months



Reduction in “churn” as a result of change from state to ACA Medicaid eligibility threshold: Parents



Discussion

Other reasons why people “churn” into or out of Medicaid:

- Changes in family status
- Changes in assets
- Changes to program administration
- Change in awareness or ability to renew coverage

The ACA will reduce some of this churn because of the following:

- Streamlined application process
- Requiring the use of existing state information
- Increased awareness of renewal process

Implications

For every increase in the Medicaid eligibility threshold by 10 percentage points, “churn” decreases on average by 3 percentage points for parents and on average by about 1.5 percentage points for childless adults.

Consequently, states that have a current eligibility threshold for parents and/or childless adults that is less than 138% of poverty should see a decrease in churn (as defined here) if they choose the ACA Medicaid expansion.

Future Research

- Estimate the characteristics of people that churn at the state level
- Estimate churning over different time periods
- Estimate churning into and out of subsidies in the exchange.

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