



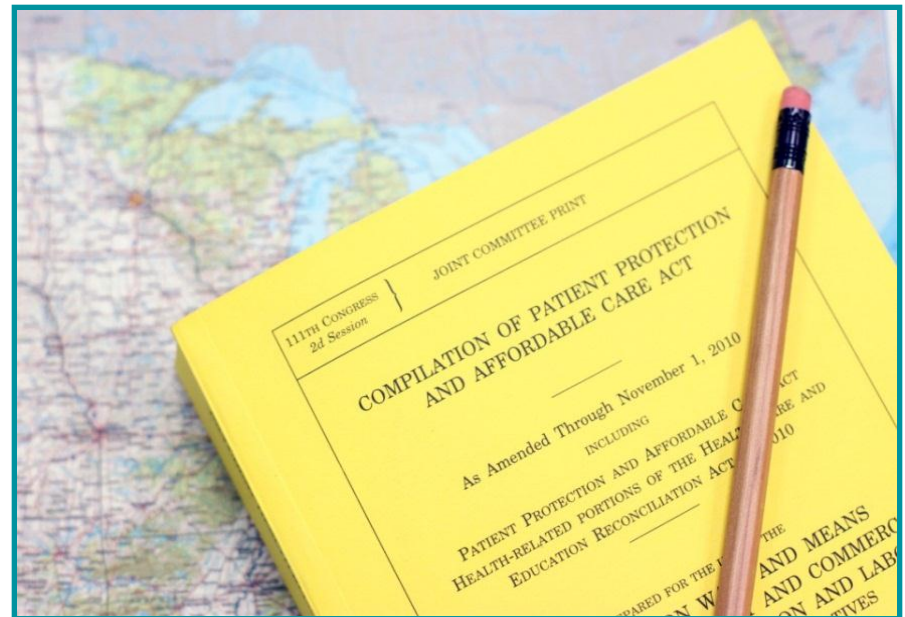
# Insurance Markets Under Different State Scenarios

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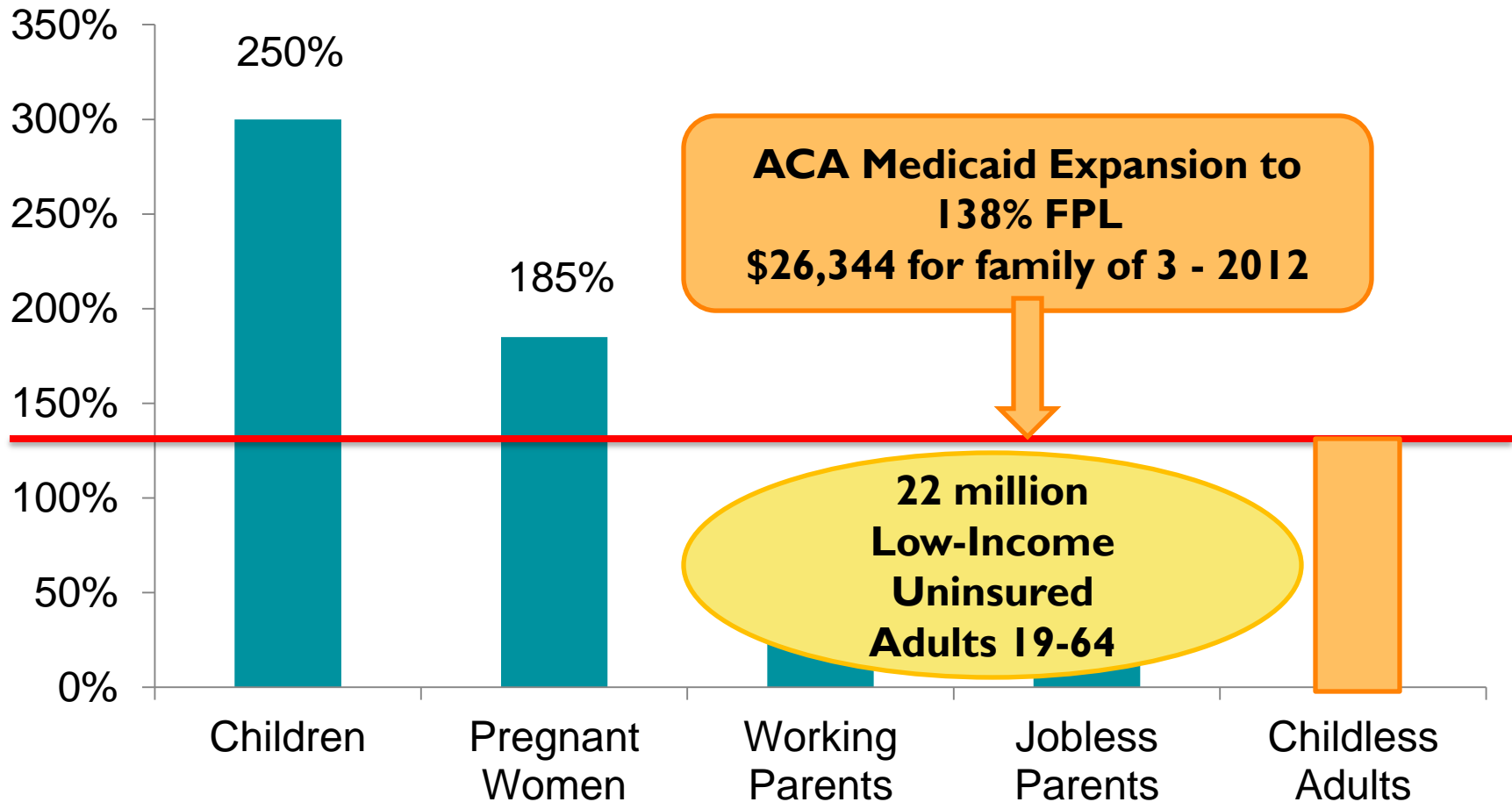
Health Care: Decision Points for States  
National Governors Association  
July 19, 2012

# Overview

1. Overview of Changes Post-SCOTUS
2. Cost of doing nothing
3. New state questions
4. Estimates by new Income Categories
5. Data Resources



# ACA Access Expansion Categories

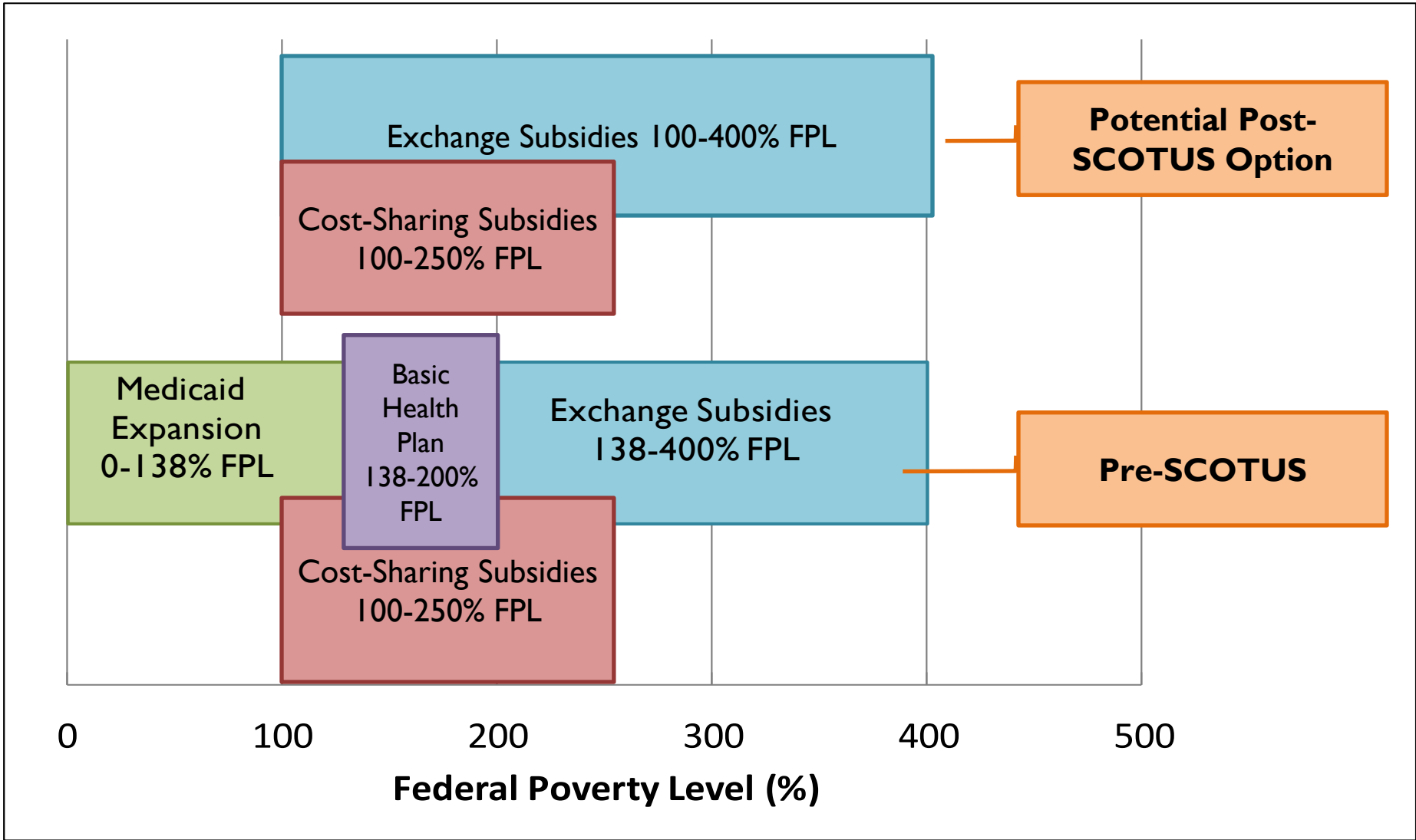


Source: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

# Key Supreme Court Decision

(1) upheld the Medicaid expansion, but makes it a voluntary provision as opposed to a mandatory provision.

(2) does not permit HHS to penalize states by withholding all Medicaid funding for choosing not to participate in the expansion.



100% FPL = \$ 23,000  
Family of Four '12

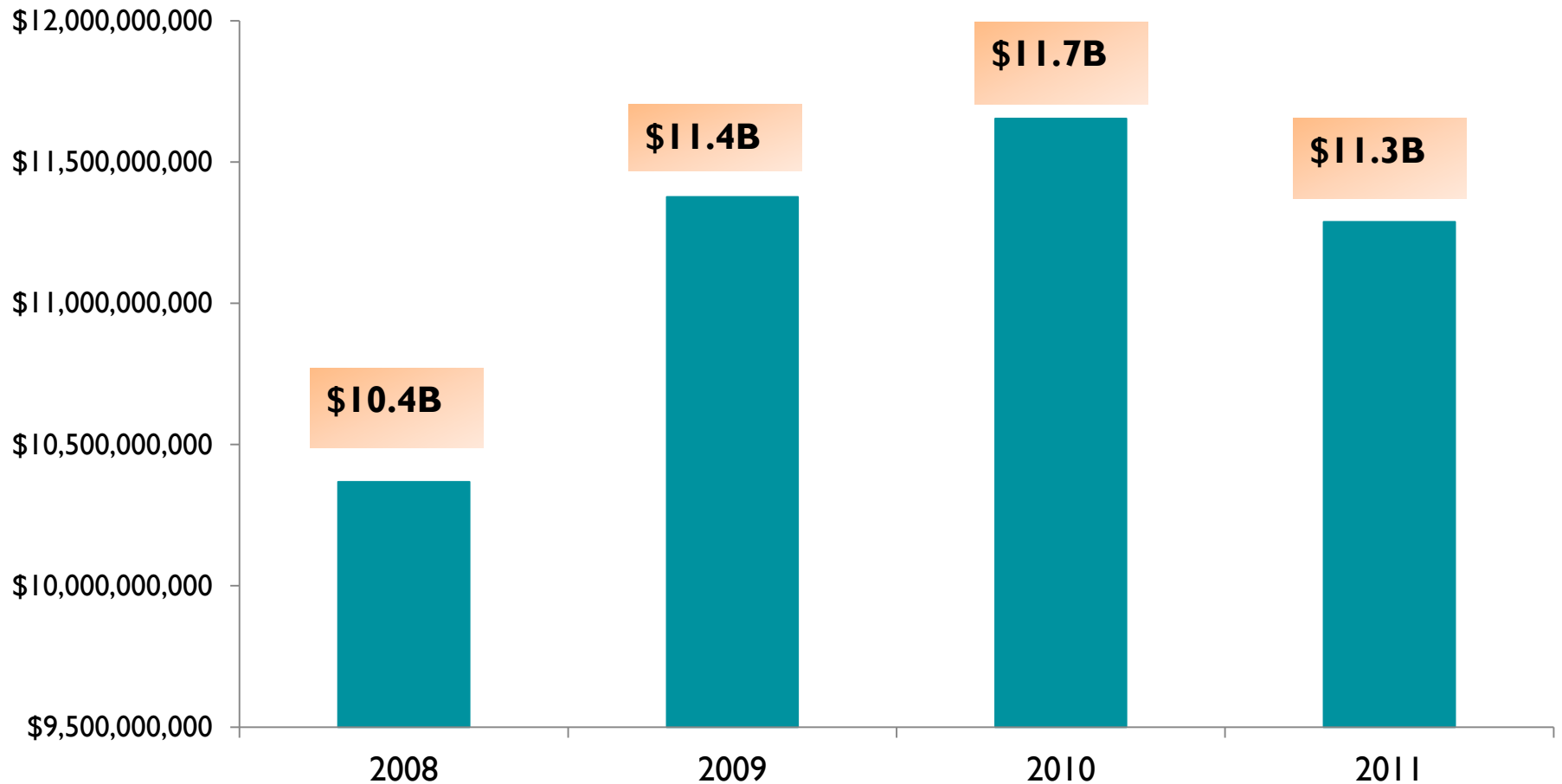
400% FPL = \$ 92,200  
Family of Four '12

# Cost of not Participating

- Lost Medicaid revenue – 100% FMAP for first two years for newly eligible down to 90%
- Cuts to Disproportionate Share Hospital Payments (DSH)
  - Medicare up to 75% cut **\$10.1 Billion in 2009**
  - Medicaid up to to 50% cut **\$11.2 Billion in 2011**
- Continued stress on safety-net providers
  - 7% of all hospitals; 55% of urban hospitals\*

\* Source: National Association of Urban Hospitals - 2011

# Disproportionate Hospital Share Payments, Medicaid 2008-2011



Notes: FY2009 and FY2010 DSH allotments were increased under the American Recovery and Reinvestment Act (ARRA) Sources: FY 2008, FY 2009 & FY 2010 Federal Register

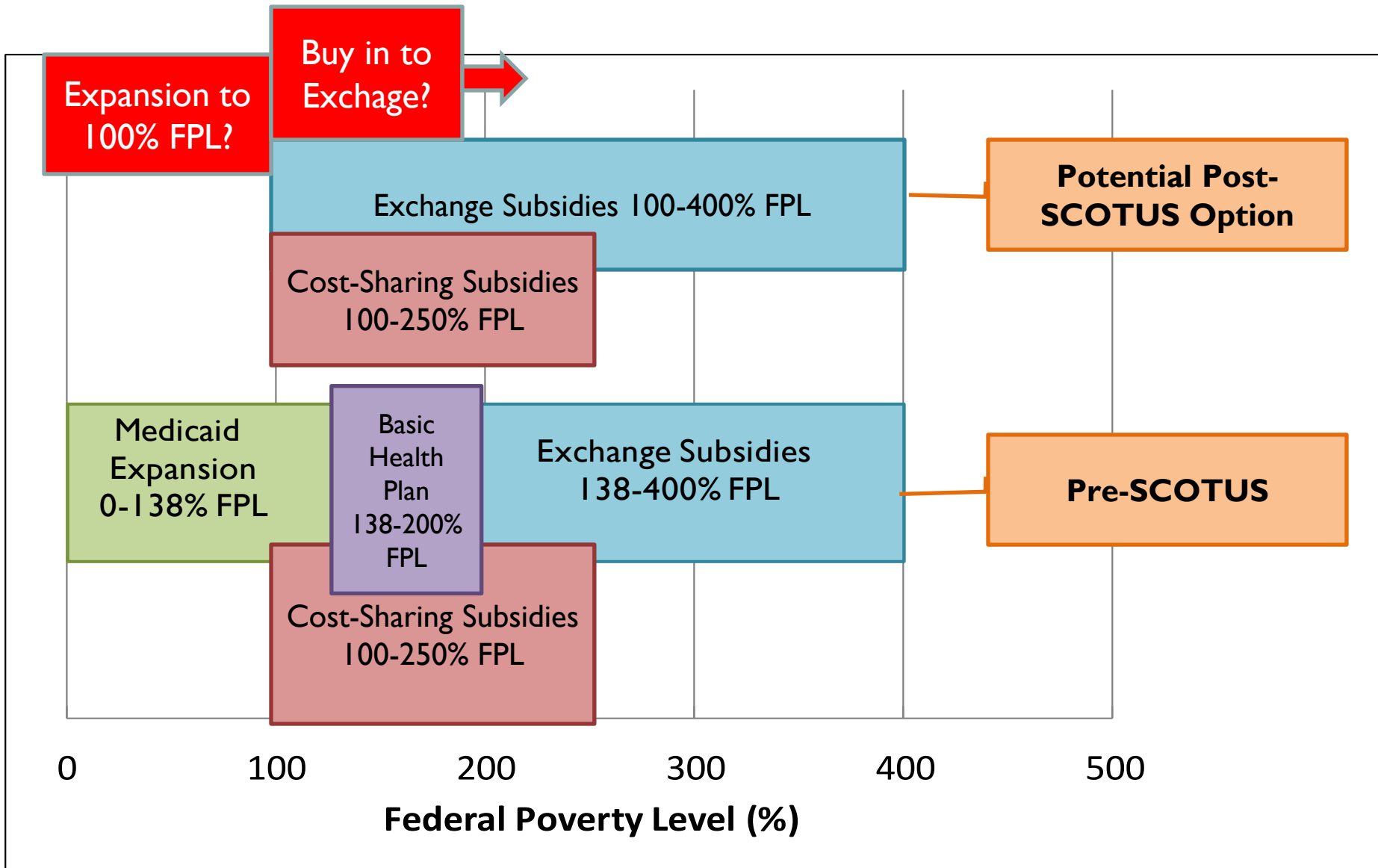
# State DSH Payments 2011

<b>Top Five</b>	<b>Total Allotment 45%</b>	<b>Bottom Five</b>	<b>Total Allotment .4%</b>
NY	\$ 1,607,960,722	WY	\$ 226,570
CA	\$ 1,097,417,551	DE	\$ 9,062,839
TX	\$ 957,268,445	ND	\$ 9,562,154
LA	\$ 731,960,000	HI	\$10,000,000
NJ	\$ 644,435,620	SD	\$11,056,409
<b>MN</b>	<b>\$74,768,422</b>		



## Some New State Questions

- Can we expand only up to 100% FPL not the initial 138%?
- Can we pay premiums and buy-in those at 100-138% into the exchange? *Feds pay for tax credit and cost-sharing subsidies, limited liability for states*
- Does it make sense to set up the exchange for those at 138-400 FPL but not do anything for the very poor (<100% FPL)?

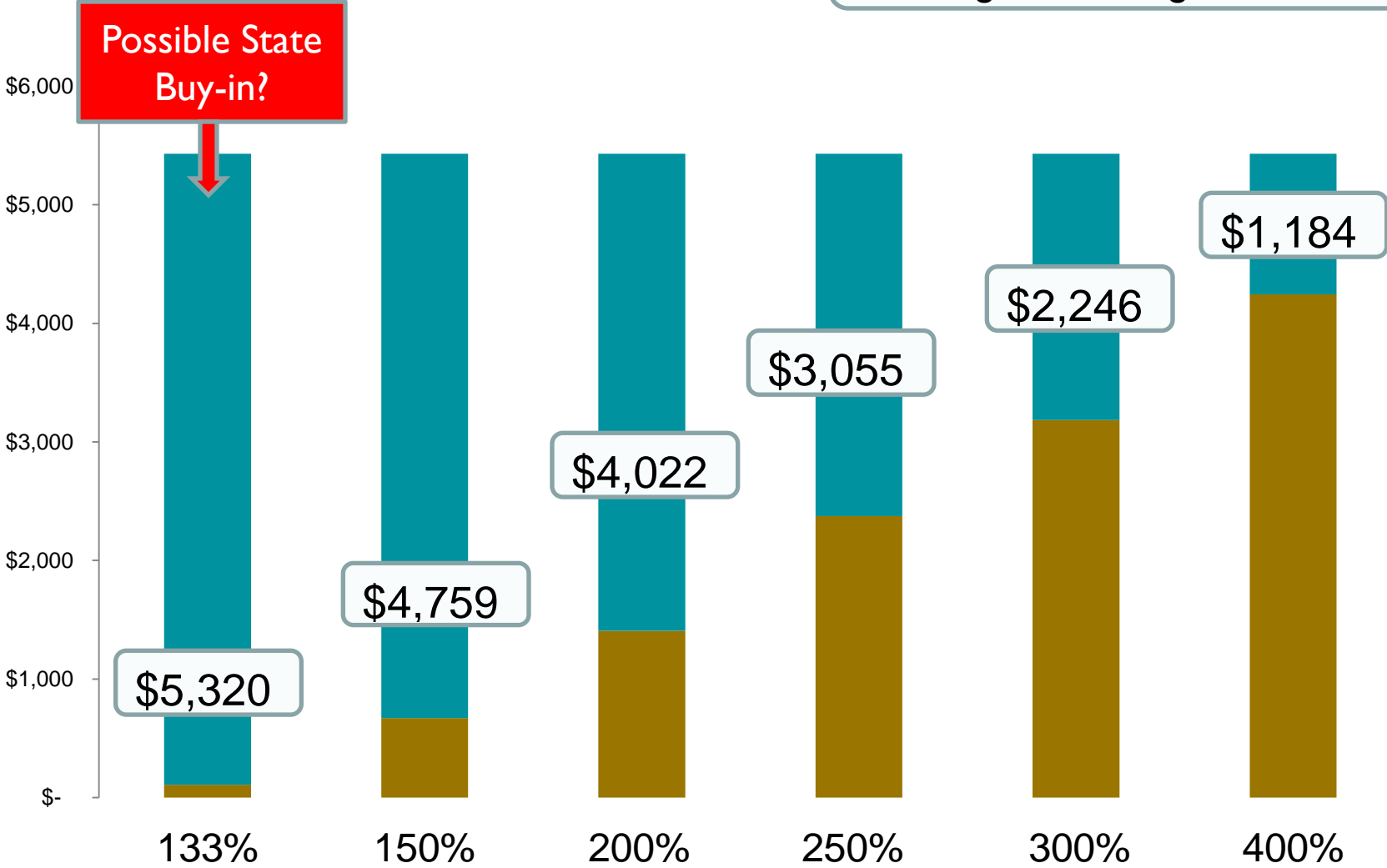


100% FPL = \$ 23,000  
Family of Four '12

400% FPL = \$ 92,200  
Family of Four '12

# Subsidy Amount by FPL

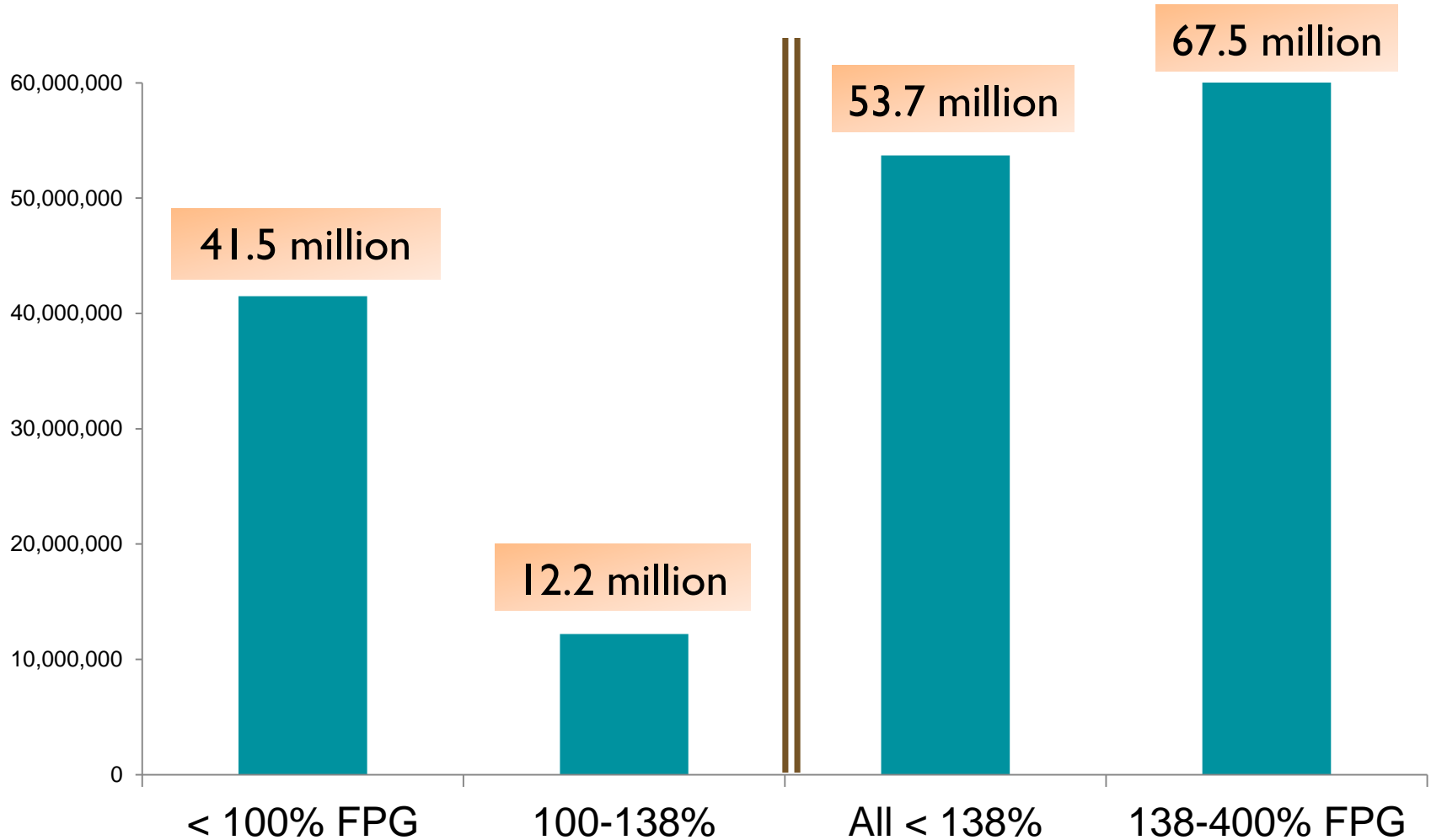
Average 2011 US Premium for Single Coverage \$5,429



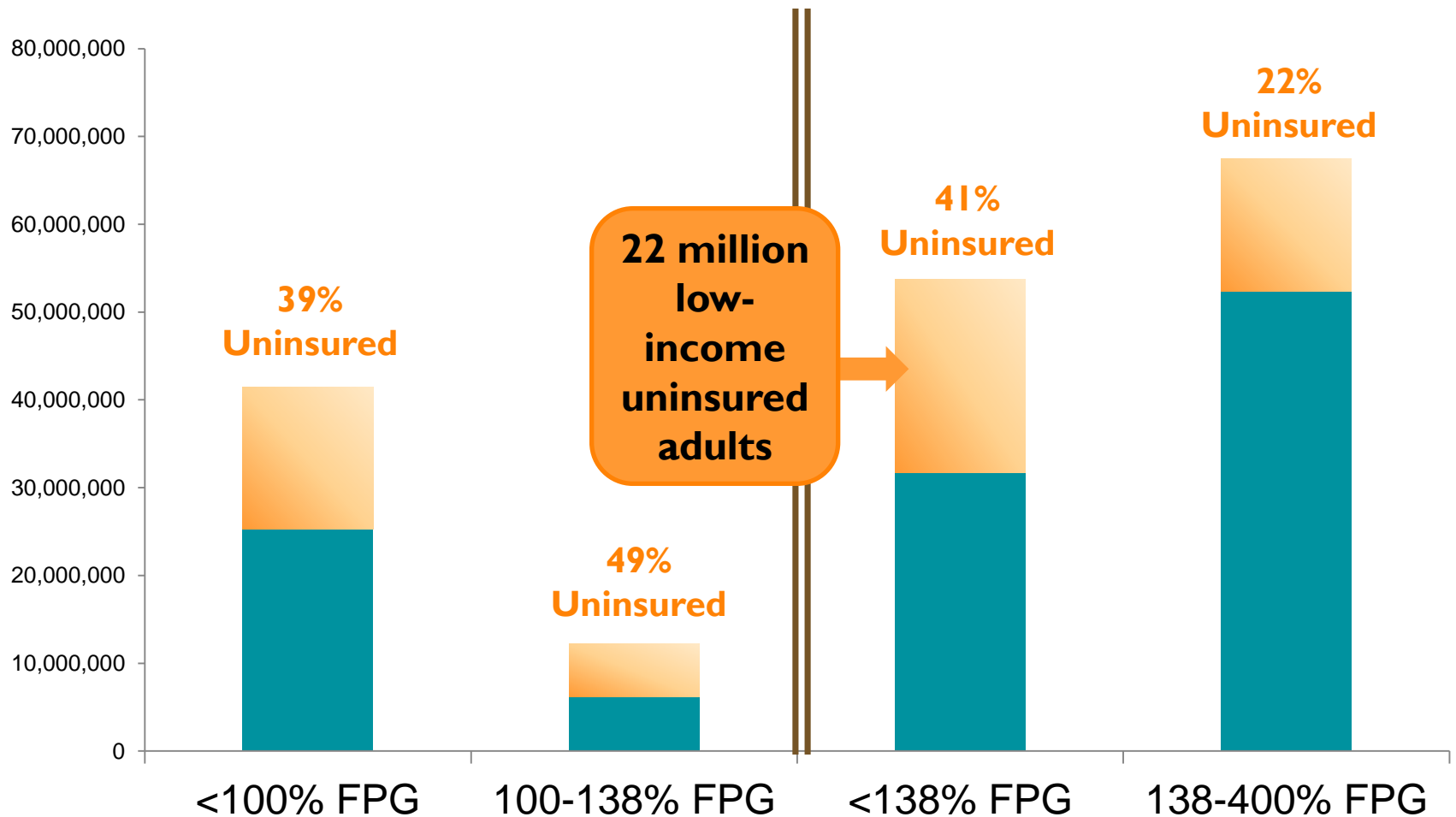
Source: Employer Health Benefits 2011 Annual Survey

# Who are we talking about?

## Non-Elderly (19-65) Low- and Middle-Income Adults



# Over 60% of nonelderly adults already have health insurance



# Demographic characteristics of low- and middle-income nonelderly adults

	0-100% FPG	100-138% FPG	138-400% FPG
<b>Total</b>	41.5 Million	12.2 Million	67.5 Million
<b>Female</b>	53.6%	52.7%	50.3%
<b>Age</b>			
<b>19 to 25</b>	38.2%	21.2%	12.1%
<b>26 to 34</b>	19.7%	22.3%	22.6%
<b>35 to 44</b>	16.0%	21.6%	24.4%
<b>45 to 54</b>	14.8%	18.8%	22.6%
<b>55 to 64</b>	11.2%	16.1%	18.3%
<b>Race/Ethnicity</b>			
<b>Hispanic</b>	22.6%	25.9%	17.6%
<b>White non-Hispanic</b>	50.1%	52.3%	63.5%
<b>Black Alone non-Hispanic</b>	18.8%	14.5%	11.9%
<b>Asian Alone non-Hispanic</b>	5.1%	4.5%	4.6%
<b>Multiple/Other non-Hispanic</b>	3.5%	2.9%	2.4%

Source: American Community Survey, 2010

# Socioeconomic characteristics of low- and middle-income nonelderly adults

	0-100% FPG	100-138% FPG	138-400% FPG
<b>Educational Attainment</b>			
<High School	24.2%	22.9%	12.0%
High School	32.1%	34.2%	32.0%
Some College	33.7%	32.1%	35.2%
College of More	10.0%	10.8%	20.7%
<b>Employment Status</b>			
Full-Time	12.9%	36.0%	62.4%
Part-Time	23.2%	26.3%	15.7%
Not working	64.0%	37.7%	21.9%
<b>Health Status*</b>			
Poor/Fair Health	20.4%	19.5%	11.3%

Source: American Community Survey, 2010. (\*) Current Population Survey, 2011.

# Differences and similarities between income groups

- **0-100% FPG**
  - More likely to be younger (19-25)
  - Disproportionately Black (19%) & Hispanic (23%)
  - 1/4 did not graduate from high school
  - Most (64%) are unemployed or not in the labor force
- **100-138% FPG**
  - Still younger (19-25, 26-34)
  - Equal education levels as 0-100% FPG group
  - Over half are working full- or part-time
  - Same poor/fair health rate as 0-100% FPG group
- **138-400% FPG**
  - 1 out of 5 graduated from college
  - Most (62.4%) are working full-time
  - Less likely to be in poor health

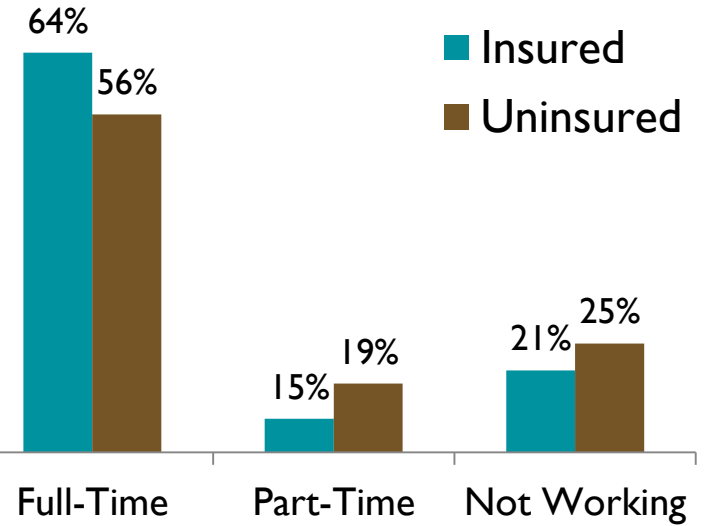
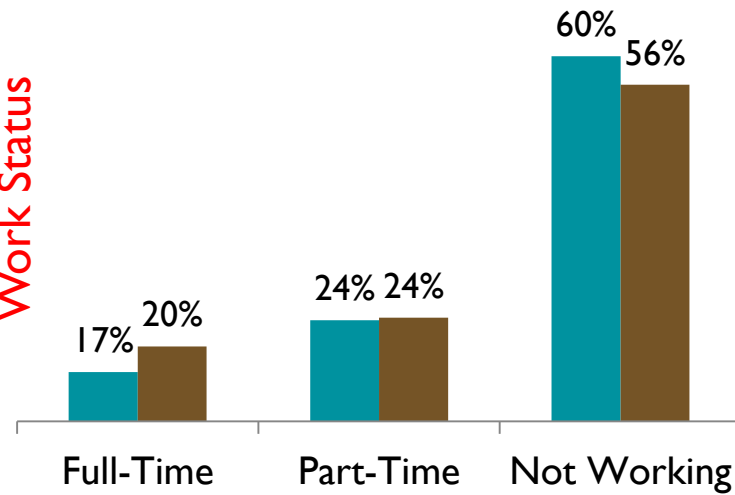


# Insured vs. Uninsured

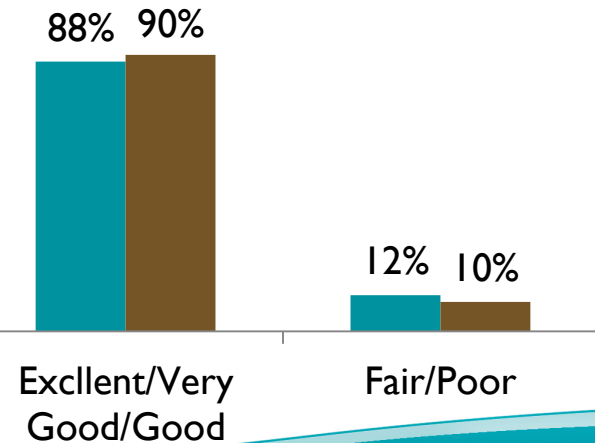
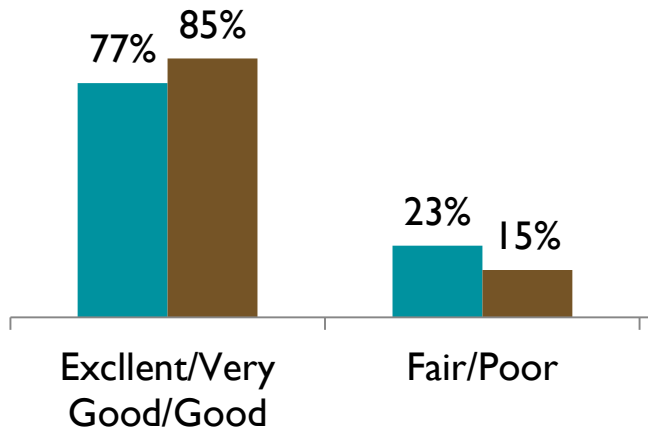
0-138% FPG

138-400% FPG

Work Status



Health Status



# Other Issues to Consider

- Woodwork effect
  - How many “*old eligibles*” will come in with “*new eligibles*”
  - Depends on outreach strategy and current eligibility levels
  - Will have different FMAP rates
- Movement across income/eligibility categories
  - Different plans/benefits
  - Ease of transition
  - Bridge plans

# Estimating Churn and Transitions

- Measuring churn in and out of Medicaid has always been a challenge
- After the ACA is fully implemented, it gets even harder:
  - More people are eligible for Medicaid (<138% FPL)
  - Addition of premium subsidies administered as tax benefits
  - New dynamic of churn—from Medicaid into premium subsidies and back
  - No minimum enrollment period

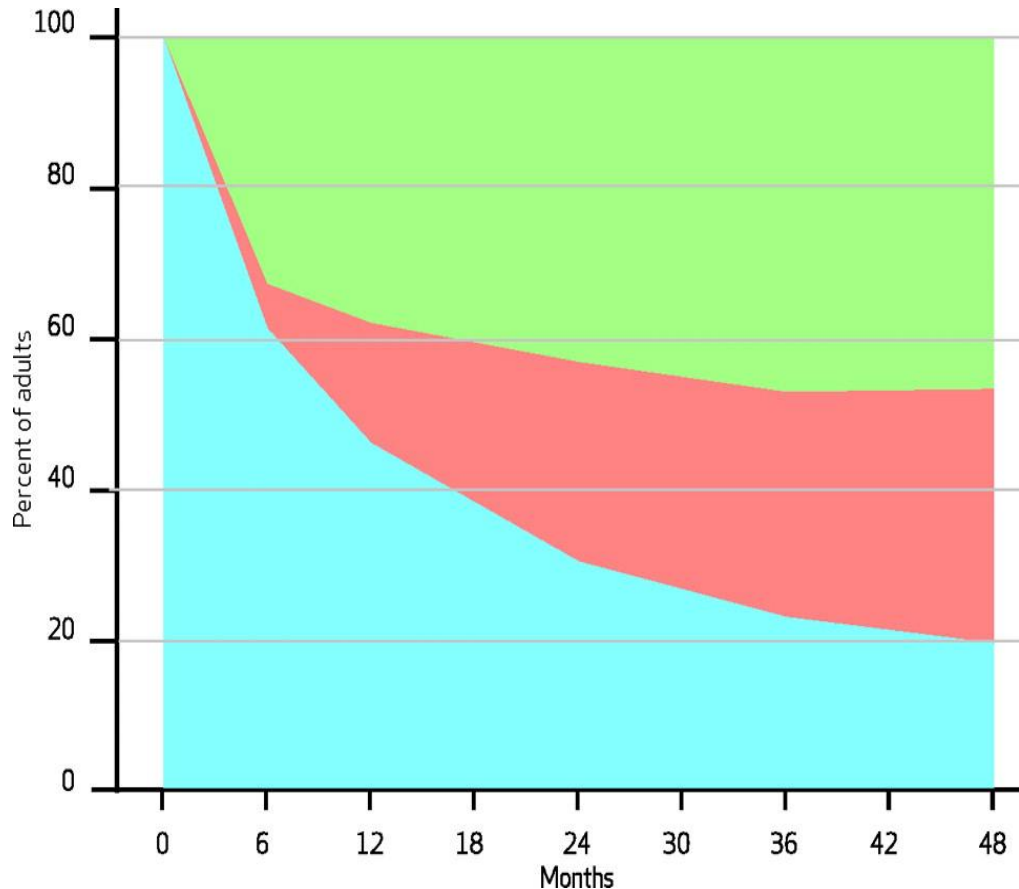


# Why Churn Matters

- Reflects change in individuals' financial situations
- Frequently represents an interruption in health services or a change in insurance plan
  - Disruption in care
  - Change in benefits/providers
  - Change in out-of-pocket costs
- Estimating churn may help health plans ease transition for those whose coverage is changing and conduct outreach to the newly eligible

# Predicting Churn: Income Changes Over Time

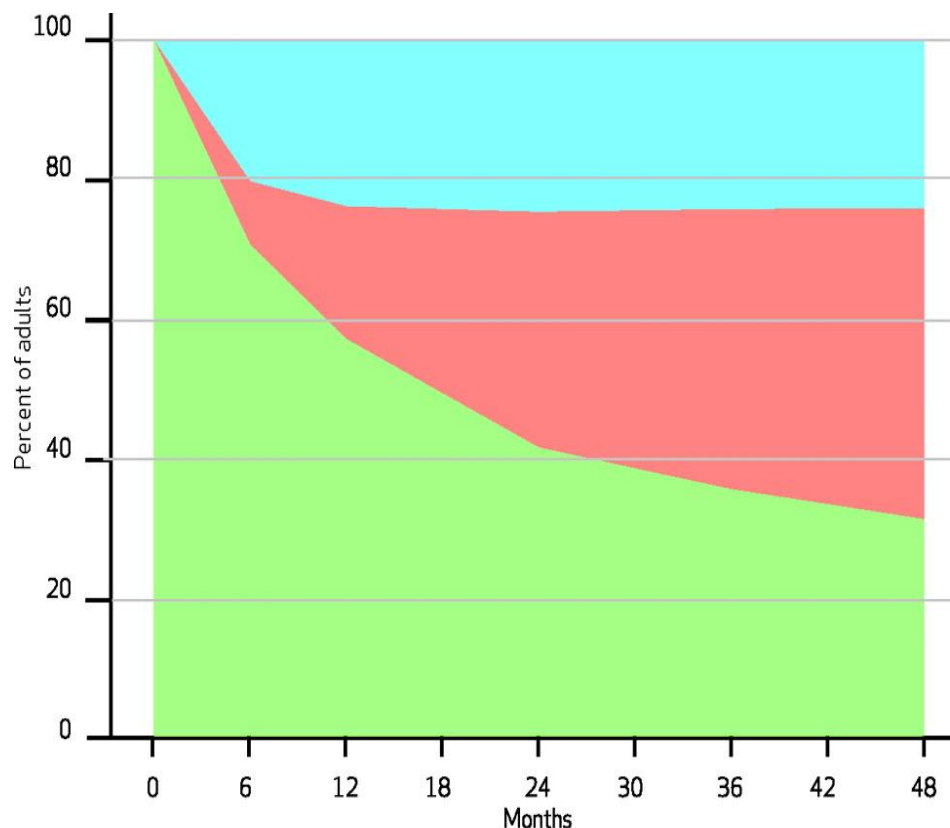
## Low-income Adults (<133%FPL)



- Always below 133%
- Temporarily above 133%, then below again
- Above 133%
- Blue = no churn
- Pink = churned out and then back in to Medicaid
- Green = churned out of Medicaid and potentially into eligibility for premium subsidies

Source: Benjamin D. Sommers & Sara Rosenbaum  
HEALTH AFFAIRS (2011).

# Predicting Churn: Income Changes Over Time Among Adults (133% FPL to 200% FPL) - BHP Population



- Blue = income dropped - churn into Medicaid
- Pink = income temporarily dropped churned in and then out of Medicaid
- Green = always remained above Medicaid threshold

Source: Benjamin D. Sommers & Sara Rosenbaum  
HEALTH AFFAIRS (2011).

# Available Estimates

- Health insurance coverage
  - Uninsured, Insured (private, government, and military)
  - Count, percent, standard error
- Table options
  - Race/ethnicity
  - Age
  - Poverty
  - Household income
  - Sex
  - Marital status (individual and family)
  - Children in household
  - Work status (individual and family)
  - Education (individual and family)
  - Health status (CPS only)
  - Citizenship (ACS only)



# Getting to the Data Center

Go to  
[www.shadac.org](http://www.shadac.org)

Click on  
"Data Center"

The screenshot shows the SHADAC website interface. At the top, there is a navigation bar with links for "About SHADAC", "Blog", "News & Events", and "Stay Updated". The SHADAC logo is prominently displayed, with the tagline "Bridging the gap between research and policy". Below the logo, the text "State Health Access Data Assistance Center" is visible. To the right, there are two boxes: "SHARE" and "SHAP", each with a brief description of their respective services.

The main navigation menu includes "Data Center", "Publications", "State Profiles", and "Survey Resources". A search bar is located on the right side of the menu. The "Data Center" page is currently selected, and an orange oval with an arrow points to this menu item from the text "Click on 'Data Center'".

On the left side of the "Data Center" page, there is a sidebar menu with the following options:

- Tables
- Charts
- Profile Information
- Revision History
- Suggested Citation

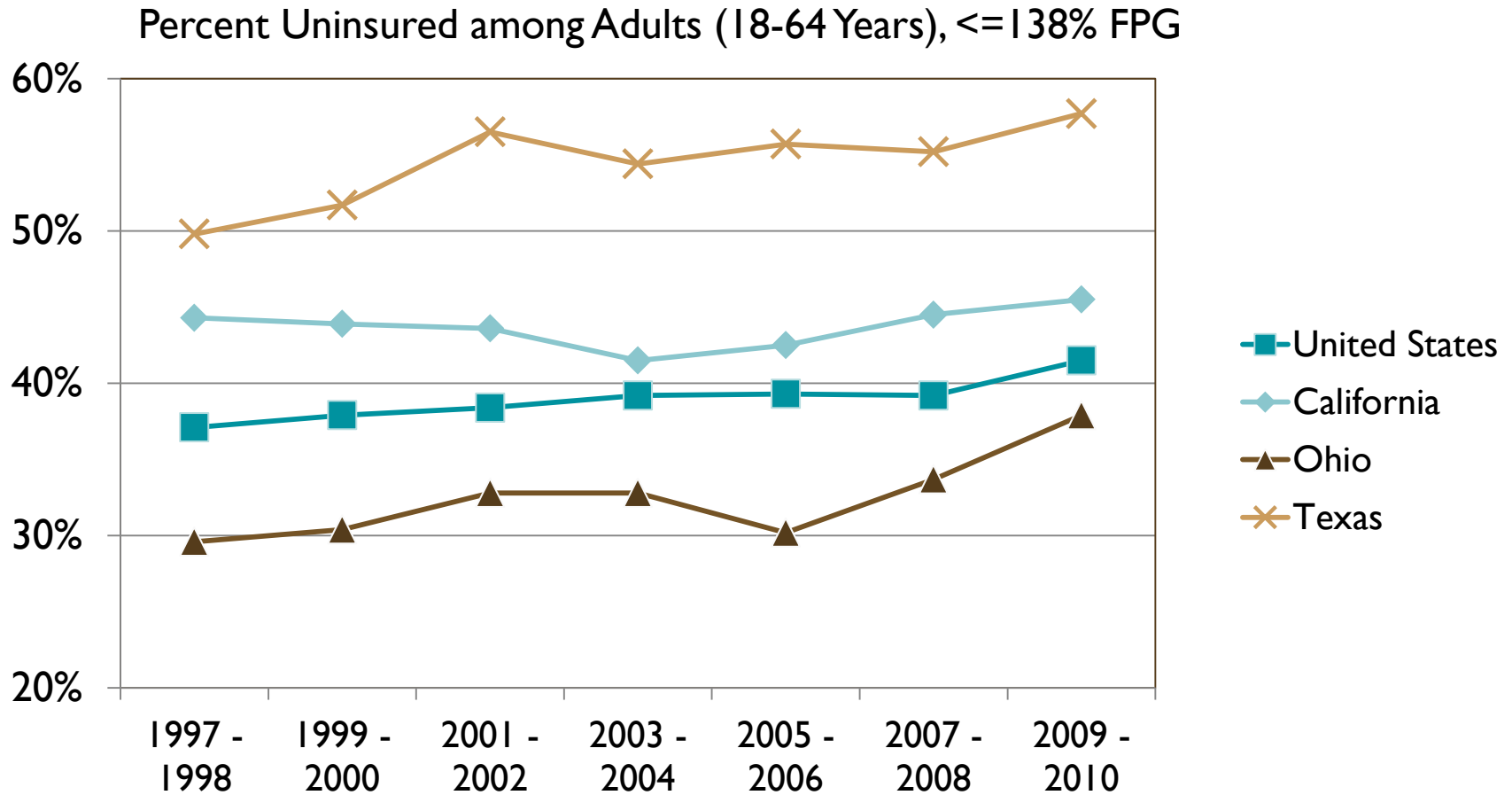
The main content area of the "Data Center" page features a "Home >" link, a "Data Center" heading, and "View" and "Edit" buttons. Below this, a welcome message reads: "Welcome to SHADAC's Data Center, a web-based table generator tool allowing users to customize tables and graphs of health insurance coverage estimates within a pre-defined set of parameters. The Data Center is a user-friendly and easily accessible way to get health insurance coverage estimates from the Current Population Survey's Annual Social and Economic Supplement (CPS) and the American Community Survey (ACS)."

At the bottom of the page, there are three sections: "Tables", "Charts", and "Helpful Hints". The "Tables" section shows a preview of a data table titled "Health Insurance Coverage Estimates, CPS, All Ages, All FPL, Allstates". The "Charts" section shows a preview of a line graph titled "Percent Uninsured (Total of Uninsured, Nonaged, Single 2000-2008)". The "Helpful Hints" section contains two numbered tips:

- 1 Tables provide detailed health insurance coverage estimates for the nation and any selected states. Results are output in table format.
- 2 Charts provide summary trend information for the nation



# Example - CPS-Enhanced



Source: Current Population Survey Annual Social and Economic Supplement, 1998-2011 from the SHADAC Data Center

# **PLUS – Don't Forget ACA State Waiver Opt-Out**

- Waiver to opt out of PPACA requirements beginning in 2017
  - Must meet minimum coverage of PPACA and not increase federal deficit
- States would have to cover as many people as would be covered under the ACA, at a similar cost
- Waiver states would be exempt from individual and employer mandates, along with minimum benefits rules
- Waiver states can exceed ACA minimum requirements

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