



State Variation in High Burden Spending for Health Care: Preliminary findings from new data in the Current Population Survey

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Background

- Health care costs outpacing growth in income
- Key goal of ACA is to address affordability
 - Medicaid expansion
 - Premium and cost-sharing subsidies in the Exchange
- State variation in ACA implementation and health care costs/markets

Goals

- Assess variation in high burden spending across states
- Estimate potential for ACA to alleviate high burden spending

Data: Annual Social and Economic Supplement to the Current Population Survey (CPS ASEC)

- New questions related to OOP spending added to the CPS in 2010 (reference CY 2009)
- CPS is a monthly labor survey
 - ASEC fielded in Feb-April
 - Questions on work, income, migration and health insurance
 - Supports state estimates

OOP Spending in the CPS

- Spending related to: Medical, dental, vision, medical supplies, and prescription drugs
- Includes:
 - Premiums (except Medicare Part B)
 - Non-premium
 - Co-pays, deductibles, other cost sharing
 - *Over the counter expenses (separate in 2011)*

Data Quality

- Compares well to MEPS and SIPP (Caswell et. al 2011)
 - Compared statistics by age, race, income, etc.
 - Tested differences in distribution of OOP spending ^{SKL1} across data sources
 - Small expenditures underreported in CPS
- Overall, data performs well for capturing high burden spending

Slide 7

SKL1

Highlight focus on high costs. Aren't concerned exact estimate of OOP, but on whether OOP are high
SKL, 2/27/2012

Measures & Methods

- OOP spending as a share of family income
 - High burden: >10% of income
 - Very high burden: >20% of income
- Unit of analysis=individuals in families
- Premium and non-premium high burden spending (2011 only)

Methods, Potential Impacts of ACA

- Potentially Medicaid eligible
 - Non-elderly *citizens* below 138% FPG
- Potentially subsidy eligible
 - Non-elderly citizens 139-399% FPG
 - Uninsured or with nongroup coverage
- Assign potential savings at individual level, recalculate family spending and burden

Methods, Potential Impacts of ACA

Family Income as % of FPG	Premium Cap as % of Income	Out-of-Pocket Maximum	
		Individuals	Families
<=138	0%	-----	-----
138-149	3-4%	\$1,983	\$3967
150-199	4-6.3%	\$1,983	\$3967
200-249	6.3-8.05%	\$2,975	\$5950
250-299	8.05-9.5%	\$2,975	\$5950
300-399	9.5%	\$3,967	\$7933

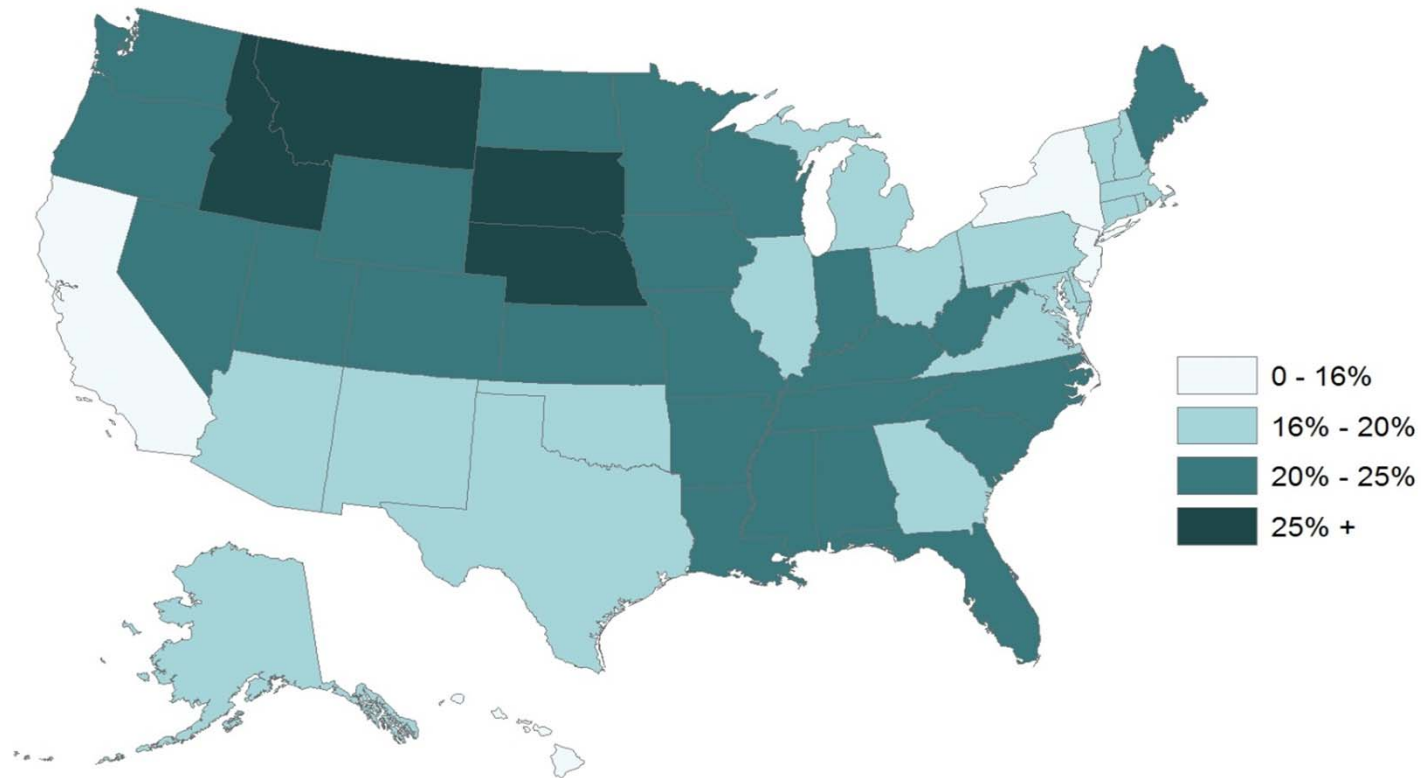
Limitations

- Only 1 year of data for estimates of ACA impacts
 - Rerun results with 2012 data in the fall
- Conservative estimates of ACA impacts
 - CPS coverage questions don't assess full year coverage
 - Citizenship (some non-citizens would be eligible for Medicaid/subsidies)

High Burden Spending, National Results

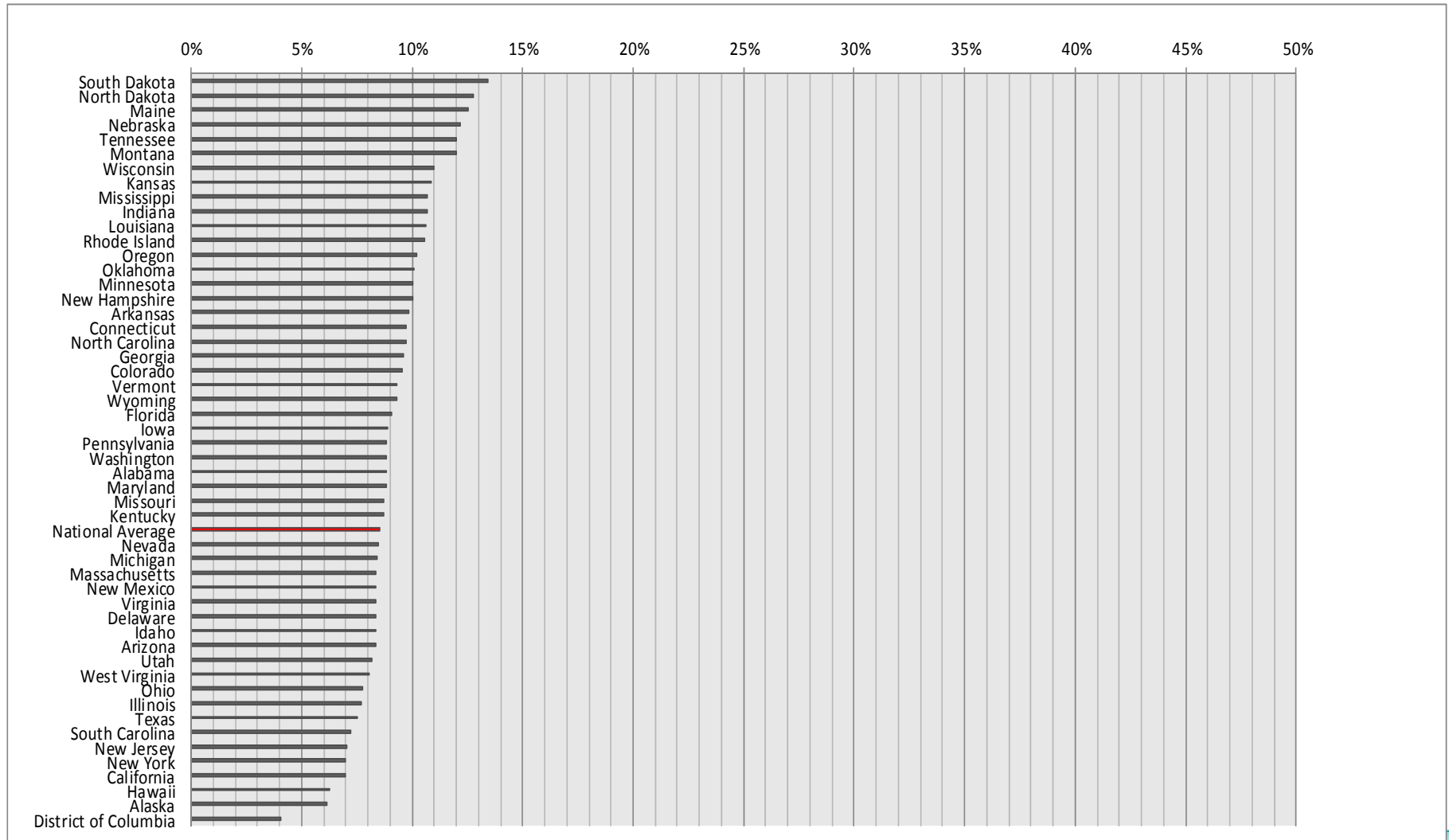
- Impacts many Americans
 - Nearly 20% or 56 million high burden (>10%)
 - 8% very high burden (>20%)
- Compared to total population, more likely
 - Income below 250% FPG (59% vs. 42%)
 - Fair/poor health (19% vs. 12%)
 - Disabled person in family (25% vs. 17%)
 - Elderly (22% vs. 13%)
 - Nongroup coverage (21% vs. 9%)

Percent of Individuals in Families with High Burden (>10%) Out-of-Pocket Spending, by State



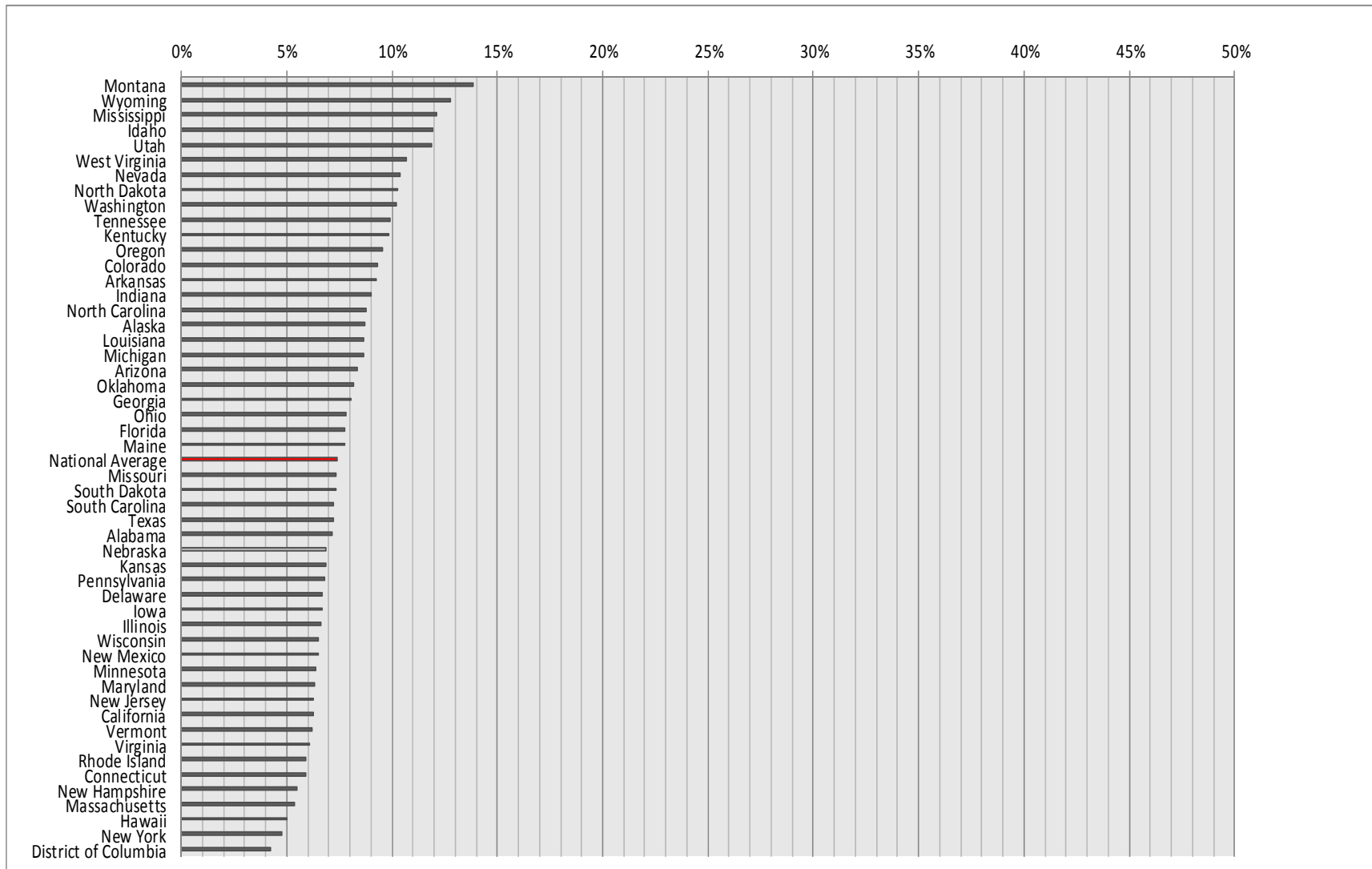
Source 2010-2011 CPS ASEC

Percent of Individuals in Families with High Burden (>10%) Health Care Premium Spending, by State



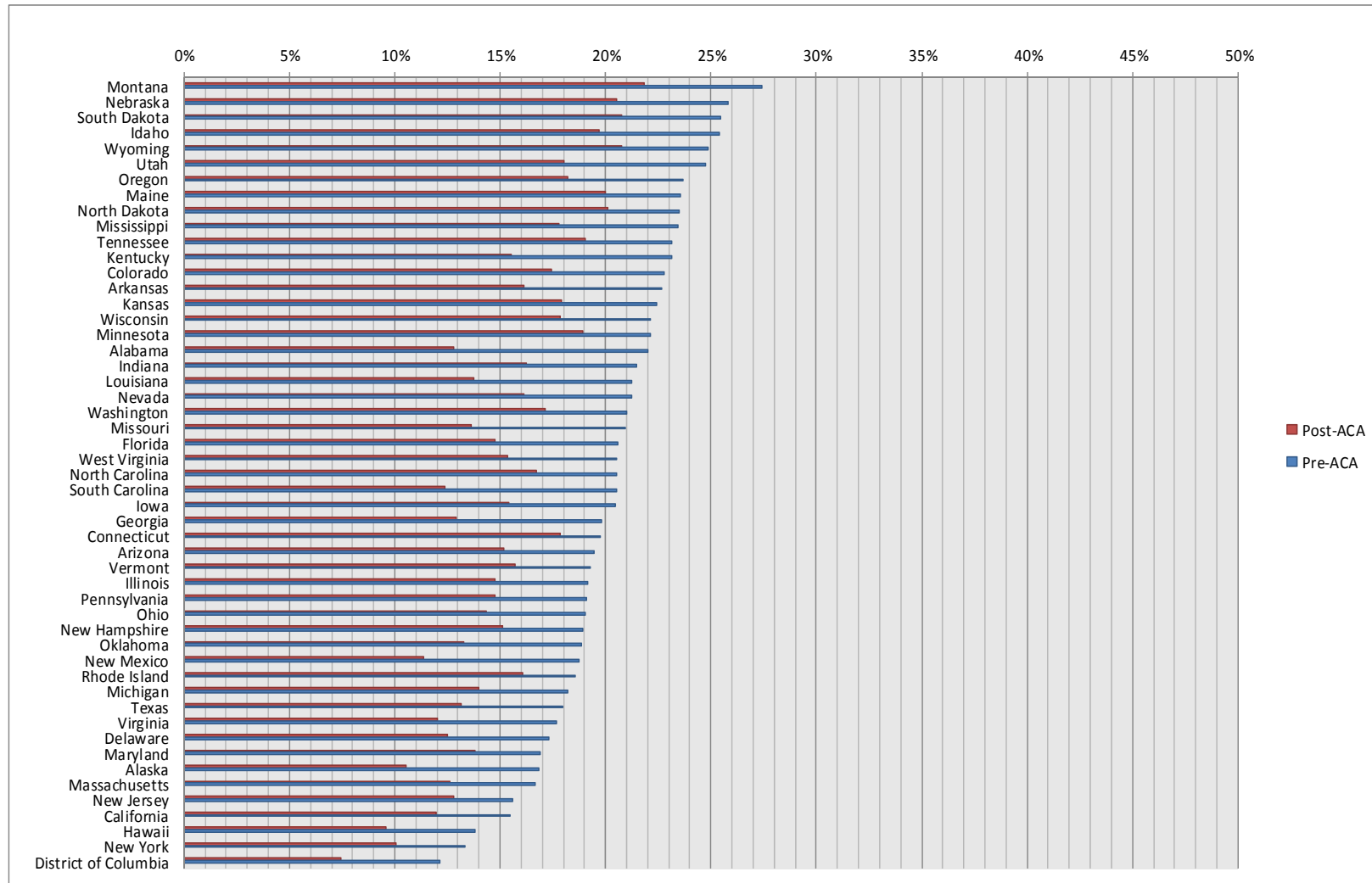
Source 2011 CPS ASEC

Percent of Individuals in Families with High Burden (>10%) Health Care **Non-Premium** Spending, by State



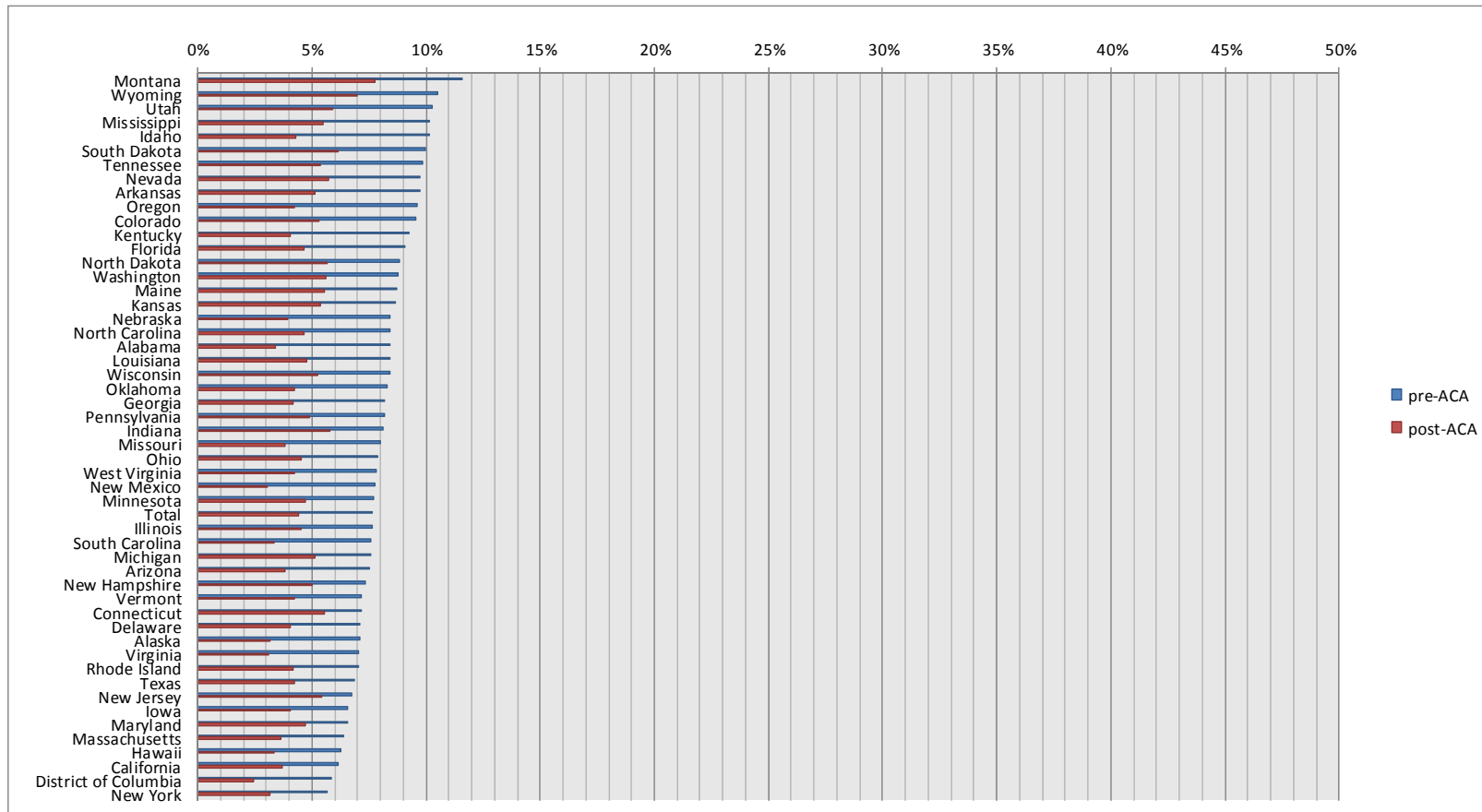
Source 2011 CPS ASEC

Potential Impact of ACA on High (>10%) Burden Spending



Source 2011 CPS ASEC

Potential Impact of ACA on Very High (>20%) Burden Spending



Source 2011 CPS ASEC

Characteristics of People with High Burden Spending After ACA

- Compared to total population
 - Income below 250% FPG (48% vs. 42%)
 - Fair/poor health (18% vs. 12%)
 - Elderly (22% vs. 13%)
- Compared to high burden before
 - Income above 250% FPG (51% vs. 40%)
 - Employer based coverage (59% vs. 53%)
 - Elderly (28% vs. 22%)

Conclusions, Policy Implications

- High burden spending issue for many Americans, varies across states
- Estimate ACA will help many, 40 million remain high burden
- Policy solutions for people with ESI and elderly
- CPS useful new data source for
 - Monitoring
 - Informing policy solutions



State Health Access Data Assistance Center

Bridging the gap between research and policy

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