

# Projected Distribution of Health Insurance Coverage under the Affordable Care Act

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## Introduction

- In the United States, the issue of affordable health care has become a much argued controversial issue centering on the skyrocketing costs of health insurance.
- 44% of the population in the United States were underinsured or uninsured in 2010 (Schoen, Doty, Robertson, and Collins, 2011).
- A wind of change has been blowing straight into the U.S. health care system with new consideration such as the introduction of the health insurance exchange market and the expansion of Medicaid eligibility under the Affordable Care Act (ACA).
- The ACA enactment in 2014 is expected to assist those who are both underinsured and uninsured U.S. residents. It was estimated that over 32 million uninsured Americans will consequently receive the minimum essential coverage under the ACA (Jaffe, 2012).

## Purpose

The purpose of this study is to examine possible impacts of the Affordable Care Act. Using newly available data from the 2012 Medical Expenditure Panel Survey (MEPS), this study aimed to:

- Estimates the number of US adults who would be likely to be eligible for the Medicaid expansion (EME) and who would be required to purchase health insurance through the health exchange market (RPIE)
- Describes the proportion and characteristics of individuals with health coverage and the uninsured who are eligible for the federal subsidies and Medicaid expansion.

## Data

A secondary analysis was performed on data from the Household Survey Component (HC) of the Medical Expenditure Panel Survey 2012 (MEPS), a large-scale U.S. population based survey administered by the Agency for Healthcare Research and Quality (AHRQ). Consolidated MEPS data files are publically available at <http://meps.ahrq.gov/mepsweb/>.

## Method

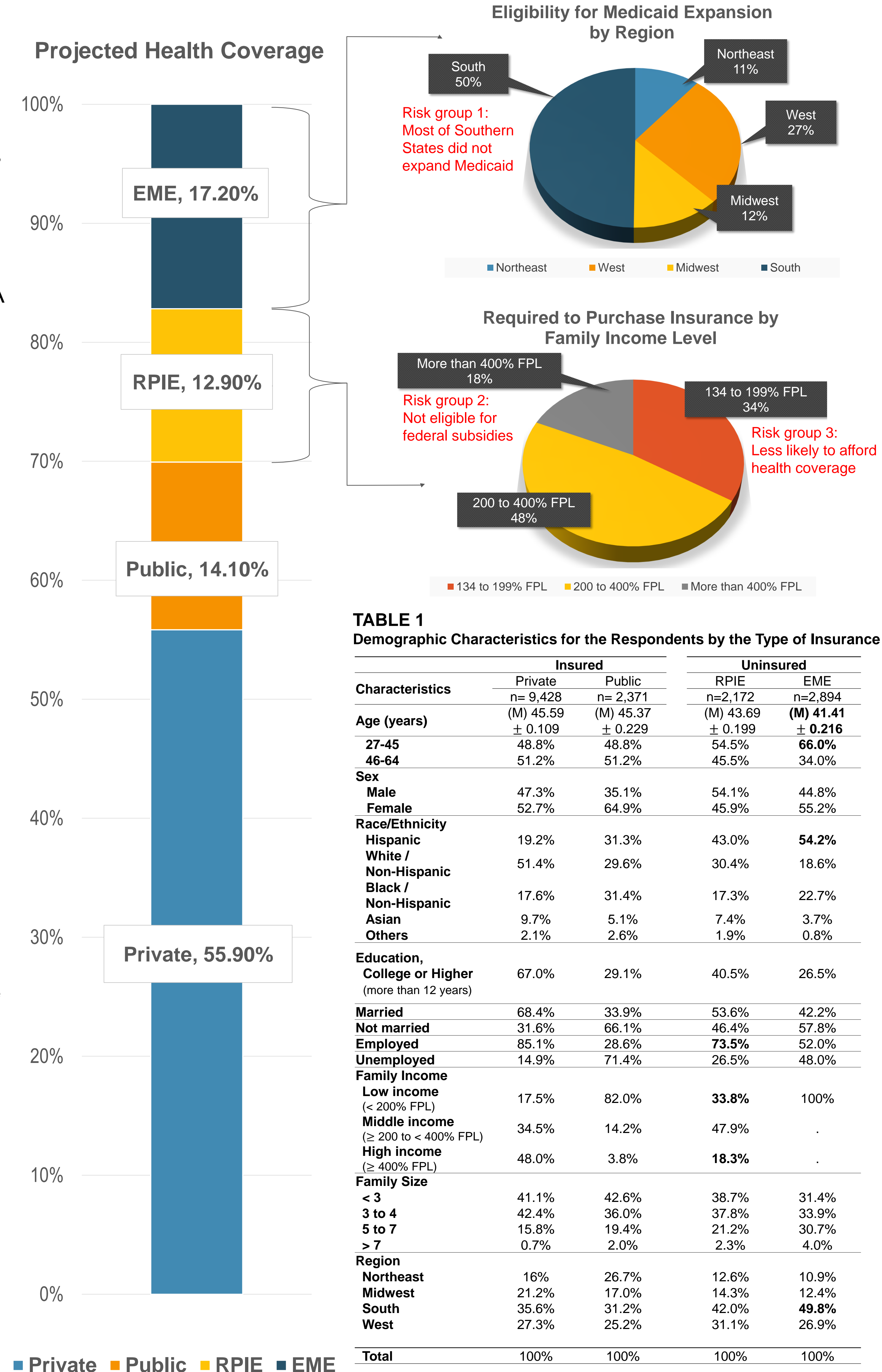
- Sample:** The current study used the data for adults aged 27 to 64 years who completed the self-administered questionnaire.
    - The elderly population, those 65 years and older, were excluded to avoid confounding with individuals using Medicare (near-universal coverage; Franks, Clancy, Gold, & Nutting, 1993; Shi, 2000).
    - Respondents younger than 27 were also excluded to provide a benchmark against which the U.S. population's health can be measured under the ACA enactment, because the ACA enables health insurance plans to extend coverage of children to 26 years old (the possible effects of changing insurance status; 47% of US young adults ages 19-25 stayed or joined their parent's health plan in 2011 [Collins, Robertson, Garber, & Doty, 2012]).
- These resulted in a final N of 16,866 individuals.

- Procedure:** We classified respondents by indicators of age, family income, household size, and insurance status.
  - Private:** Individuals with private coverage purchased individually or through an employer or group.
  - Public:** Individuals who were covered primarily through Medicaid and those with other income-determined coverage sponsored by federal or state payers and Medicare.
  - EME:** Individuals who reported no health coverage and had a family income equal to or lower than 133% of the federal poverty level (FPL) in 2012.
  - RPIE:** Individuals who reported no health insurance and had a family income above 133% of FPL in 2012.

\*Note that Each Federal Poverty Level was adjusted according to the number of family members.

- Measures:** age (27-45, 46-64 years), race/ethnicity (Hispanic, White, Black, Asian, Others), education (years of education 12 or less [no degree or high school diploma, 13 or more [college or higher education]], marital status (married, not married), employment status (employed, unemployed), family income (low income [ $< 200\%$  FPL], middle income [ $\geq 200$  to  $< 400\%$  FPL], high income [ $\geq 400\%$  FPL]), family size ( $< 3$ , 3 to 4, 5 to 7,  $> 7$ ) and region (Northeast, Midwest, South and West).

## Results



**TABLE 1**  
Demographic Characteristics for the Respondents by the Type of Insurance

Characteristics	Insured		Uninsured	
	Private n= 9,428 (M) 45.59 ± 0.109	Public n= 2,371 (M) 45.37 ± 0.229	RPIE n=2,172 (M) 43.69 ± 0.199	EME n=2,894 (M) 41.41 ± 0.216
<b>Age (years)</b>				
27-45	48.8%	48.8%	54.5%	66.0%
46-64	51.2%	51.2%	45.5%	34.0%
<b>Sex</b>				
Male	47.3%	35.1%	54.1%	44.8%
Female	52.7%	64.9%	45.9%	55.2%
<b>Race/Ethnicity</b>				
Hispanic	19.2%	31.3%	43.0%	54.2%
White / Non-Hispanic	51.4%	29.6%	30.4%	18.6%
Black / Non-Hispanic	17.6%	31.4%	17.3%	22.7%
Asian	9.7%	5.1%	7.4%	3.7%
Others	2.1%	2.6%	1.9%	0.8%
<b>Education, College or Higher (more than 12 years)</b>	67.0%	29.1%	40.5%	26.5%
<b>Married</b>	68.4%	33.9%	53.6%	42.2%
<b>Not married</b>	31.6%	66.1%	46.4%	57.8%
<b>Employed</b>	85.1%	28.6%	73.5%	52.0%
<b>Unemployed</b>	14.9%	71.4%	26.5%	48.0%
<b>Family Income</b>				
Low income (< 200% FPL)	17.5%	82.0%	33.8%	100%
Middle income (≥ 200 to < 400% FPL)	34.5%	14.2%	47.9%	.
High income (≥ 400% FPL)	48.0%	3.8%	18.3%	.
<b>Family Size</b>				
< 3	41.1%	42.6%	38.7%	31.4%
3 to 4	42.4%	36.0%	37.8%	33.9%
5 to 7	15.8%	19.4%	21.2%	30.7%
> 7	0.7%	2.0%	2.3%	4.0%
<b>Region</b>				
Northeast	16%	26.7%	12.6%	10.9%
Midwest	21.2%	17.0%	14.3%	12.4%
South	35.6%	31.2%	42.0%	49.8%
West	27.3%	25.2%	31.1%	26.9%
<b>Total</b>	100%	100%	100%	100%

Note: \* p < .05, \*\* p < .01, \*\*\* p < .001, based on  $\chi^2$  analysis; Data from Medical Expenditure Panel Survey (MEPS) 2012; Numbers are unweighted and percentages do not always equal 100 due to rounding or missing data; RPIE= the Uninsured Who Will Likely Be Required to Purchase Health Insurance through the Exchanges under the ACA Enactment; EME= the Uninsured Who Will Likely Be Eligible for Medicaid Expansion; FPL= Federal Poverty Level in 2012 \* Tests for differences between insurance groups based on the analysis of variance (ANOVA).

## Findings

- All sociodemographic variables were statistically associated with health insurance type (based on a Bonferroni-adjusted significance level,  $p < 0.0083$ ).
- Of the sample who were uninsured and provided data on family incomes and the number of family members to determine eligible for the Medicaid expansion ( $n=5,066$ ), 57.1% were likely eligible for Medicaid expansion (EME; accounting for 17.2% of the total sample) and 42.9% were likely required to purchase coverage through health insurance exchanges (RPIE; 12.8% in the total).
- Individuals who were uninsured and eligible for the Medicaid expansion (EME) were younger, and more likely to be Hispanic, low income, and to live in the Southern United States.
- Those who were required to purchase insurance in health exchanges (RPIE) were more likely to be either Hispanic or Caucasian, and were more likely than the publicly insured and those who were EME to be educated and employed. The percentage of individuals with the middle family income in the RPIE was almost 48%. They had the highest proportion of middle income family compared with the other groups.

## Conclusion

The Affordable Care Act is likely to have a sizable impact on uninsured US adults. We could estimate that 77.7% of those who were uninsured would be likely to have significant subsidies and would be more likely to be covered under the full ACA enactment in 2014.

## Implications

- Individuals with low family income and not eligible for Medicaid expansion (14.5% of the uninsured) could be risk for combined out-of-pocket expenses and premium that are relatively high relative to their income.
- Individuals with high family income (7.9% of the uninsured) would be more likely to choose to opt out due to the absence of federal subsidies. However, as penalties increase over time, this may be less likely.
- Since most of the Southern US states do not expand Medicaid coverage, individuals who live in the Southern states and are eligible for Medicaid expansion may remain uninsured with a few options under the ACA.