RUTGERS
Center for State Health Policy

Facts & Findings May 2013

New Jersey's Long-Term Uninsured Adults Eligible for Coverage under the ACA

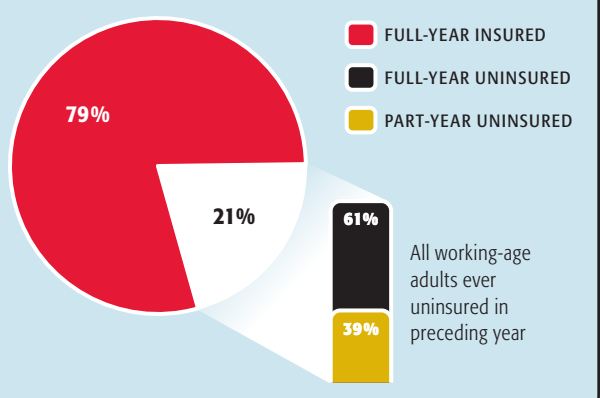
Key findings

- *About three in five working-age adults who were reported as uninsured in the year preceding the 2009 New Jersey Family Health Survey (NJFHS) had been without coverage for at least 12 months. In 2014 the Affordable Care Act (ACA) will offer more affordable coverage to many of these individuals.*
- *Adults uninsured for at least one year and eligible for Medicaid under the ACA are more likely than existing Medicaid/ NJ FamilyCare enrollees to be male, childless, non-citizen, and Hispanic.*
- *Adults uninsured for at least one year and eligible for subsidized coverage in the ACA Health Benefits Exchange are more likely to be Hispanic, though not more likely to be non-citizens, than existing non-group enrollees of a similar income level.*
- *Uninsured Medicaid-eligible adults do not report significantly higher rates of health problems than existing Medicaid/NJ Family Care enrollees, but uninsured Exchange subsidy-eligible adults are more likely than their insured counterparts to report some health problem.*
- *Whether because of differences in demographics, health status, or health needs resulting from the ACA's eligibility rules or adverse selection, insurers in both Medicaid and the non-group market must prepare to deliver health services to less familiar populations in 2014.*

The Affordable Care Act (ACA) expands eligibility for New Jersey's Medicaid program and offers subsidies in the non-group private health insurance market starting in 2014. For almost all individuals with family incomes up to 400% of the federal poverty level (FPL), the cost of health coverage will be entirely or partially subsidized, reducing the affordability barrier that has kept some segments of the population chronically uninsured. In New Jersey, the impact on existing coverage pools due to the introduction of those uninsured for a long period of time (12 months or more) is of particular concern because of this population's suboptimal utilization of health services and overall poorer health.[1]

This Facts & Findings uses data from the 2009 New Jersey Family Health Survey (NJFHS) to describe the socio-demographic characteristics, health status, and access to care of community-dwelling, working-age adults (ages 19–64) uninsured for at least 12 months preceding the survey by their coverage eligibility under the ACA. These "long-term" uninsured represent about 60% of all adults who were uninsured at the time of interview or at any time in the preceding year (Figure 1). Understanding this group of newly enfranchised uninsured is important for health plans and providers as they prepare to meet consumer needs following the 2014 Medicaid expansions and coverage mandates.

Figure 1 | **Insurance Status in the Past 12 Months of NJ Adults (19–64)**



A large majority (84%) of working-age adults in New Jersey who were uninsured for at least 12 months have options for more affordable coverage under the ACA. Fifty-five percent will be able to purchase subsidized private coverage in the Exchange, nearly twice as many as the 29% that will be eligible for Medicaid coverage in 2014 (Figure 2).

For the remainder of this Facts & Findings we focus on those full-year uninsured adults eligible in 2014 for either Medicaid or subsidized coverage in the Exchange under the ACA. We present two sets of comparisons of adults newly eligible for coverage with those currently covered:

Medicaid Populations

Eligible Full-Year Uninsured
Full-year uninsured adults who are or will be Medicaid-eligible under the ACA ("Medicaid-eligible adults")

compared with

Covered Population
Adults enrolled in Medicaid or NJ FamilyCare at the time of the survey ("Medicaid enrollees")

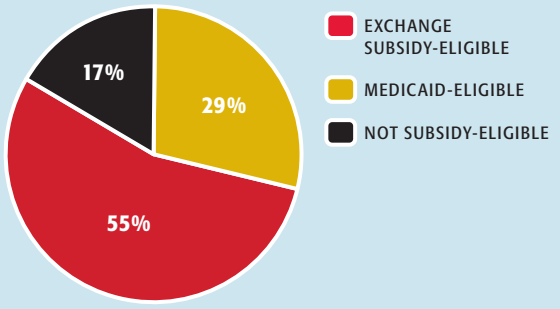
Non-Group-Insured Populations

Eligible Full-Year Uninsured
Full-year uninsured adults who will be eligible for premium subsidies in the ACA Health Benefit Exchange ("Exchange subsidy-eligible adults")

compared with

Covered Population
Adults with family incomes between 139-400% FPL enrolled in non-group coverage at the time of the survey ("Non-group enrollees")

Figure 2 | **Coverage Eligibility* under the ACA of Full-Year Uninsured NJ Adults (19–64)**



*See box at the conclusion of this Facts & Findings for a description of coverage eligibility rules under the ACA and the Methods section for assumptions regarding the legal status of non-citizens in the survey sample.

2009 NEW JERSEY FAMILY HEALTH SURVEY

The population of full-year uninsured adults eligible for Medicaid under the ACA differs from the current pool of Medicaid/NJ FamilyCare enrollees. They are more likely to be male, over twice as likely to be Hispanic, and more than five times as likely to be non-citizens (Table 1). In addition, 56% of Medicaid-eligible adults primarily speak a language other than English at home, compared to 20% of existing Medicaid/NJ FamilyCare enrollees. Since New Jersey provides affordable coverage to adults with children through NJ FamilyCare, nearly half (46%) of current adult Medicaid enrollees are parents of minors. In contrast, uninsured adults who will be eligible for Medicaid in 2014 are much less likely to have children (26%). A greater proportion of Medicaid-eligible adults are working full-time or unemployed compared to their covered counterparts.

In the comparable non-group populations, full-year uninsured adults eligible to receive subsidies in the Exchange have a much higher proportion of Hispanics than the population of existing non-group enrollees, but there is not the same pronounced difference in the immigration status or primary household language between these two groups as is noted above in the comparison between the Medicaid pools. The Exchange subsidy-eligible adults are also more likely to be unmarried.

Table 1 | **Demographic and Socioeconomic Characteristics of NJ Adults (19–64) by Current or ACA-Eligible Coverage Status**

	Medicaid Populations			Non-Group-Insured Populations		
	Eligible Full-Year Uninsured (n=143)	Covered Population (n=235)		Eligible Full-Year Uninsured (n=301)	Covered Population (n=88)	
Age (mean)	39	39		36	40	
	%	%		%	%	
Sex						
Male	49.8	31.7	*	56.9	46.8	
Female	50.2	68.3		43.1	53.1	
Race/Ethnicity						
White non-Hispanic	29.5	35.9	*	35.2	51.8	*
Black non-Hispanic	12.8	36.1		10.9	3.4	
Hispanic	56.7	21.5		49.0	12.8	
Other non-Hispanic	1.0	6.4		4.9	31.9	
Nativity and Citizenship‡						
US-born citizen	49.8	81.8	*	50.7	47.1	
Foreign-born citizen	10.5	11.2		8.4	19.9	
Non-citizen in US 5 or more years	39.7	4.9		18.1	16.3	
Non-citizen in US less than 5 years	–	2.2§		22.8	16.7	
Primary Language is Non-English	55.6	20.2	*	50.8	43.2	
Marital Status						
Married	23.5	24.2		28.9	55.7	*
Unmarried	76.5	75.8		71.1	44.3	
Family Structure‖						
Dependent children	26.4	46.2	*	22.7	28.5	
No dependent children	73.6	53.8		77.3	71.5	
Employment Status						
Working full-time	26.3	15.2	†	49.6	47.0	
Working part-time	13.7	20.4		19.1	9.7	
Unemployed	27.4	15.2		16.9	12.9	
Not in the labor force	32.6	49.2		14.4	30.4	

* $p<0.05$ in Chi-square test of difference between the eligible full-year uninsured and covered populations
† $p<0.10$ in Chi-square test of difference between the eligible full-year uninsured and covered populations
‡ See Methods section on the potential under-representation of non-citizens in the NJFHS and assumptions regarding the legal status of non-citizens included in the survey sample.
§ Under very specific circumstances, certain low-income non-citizen immigrants in the US less than 5 years are eligible for NJ Medicaid. For example, income-qualified pregnant women are covered during pregnancy and for 60 days after delivery.
‖ Having children defined as children <19 living in the same household.

2009 NEW JERSEY FAMILY HEALTH SURVEY

Full-year uninsured adults who now or will be Medicaid-eligible in 2014 are quite similar to adults currently enrolled in Medicaid/NJ FamilyCare on most indicators of health problems. However, this group is half as likely to report being diagnosed with any chronic condition (Figure 3). The lower rate of chronic disease diagnosis among full-year uninsured adults may reflect access problems as well as actual health status. In the NJFHS, questions about chronic conditions ask respondents to report only illnesses diagnosed by a doctor, whereas perception of overall health and presence of physical symptoms are self-assessed. Thus, uninsured Medicaid-eligible adults may have more undiagnosed disease. Yet, even with that consideration, they do not appear to be markedly less healthy than existing Medicaid enrollees.

The differences in health status between Exchange subsidy-eligible adults and adults of a similar income level currently enrolled in non-group plans are much more pronounced and suggest that the subsidy-eligible group is in poorer health (Figure 3). By large margins, full-year uninsured adults who are eligible for Exchange subsidies under the ACA are more likely to report their general, mental, and dental health as fair or poor. They have a similar rate of any doctor-diagnosed chronic condition as existing non-group enrollees despite having been uninsured for at least one year. Given the same potential for undiagnosed disease not captured by an access-dependent chronic conditions measure, the already higher estimate of the prevalence of any health problem in this population might actually be conservative.

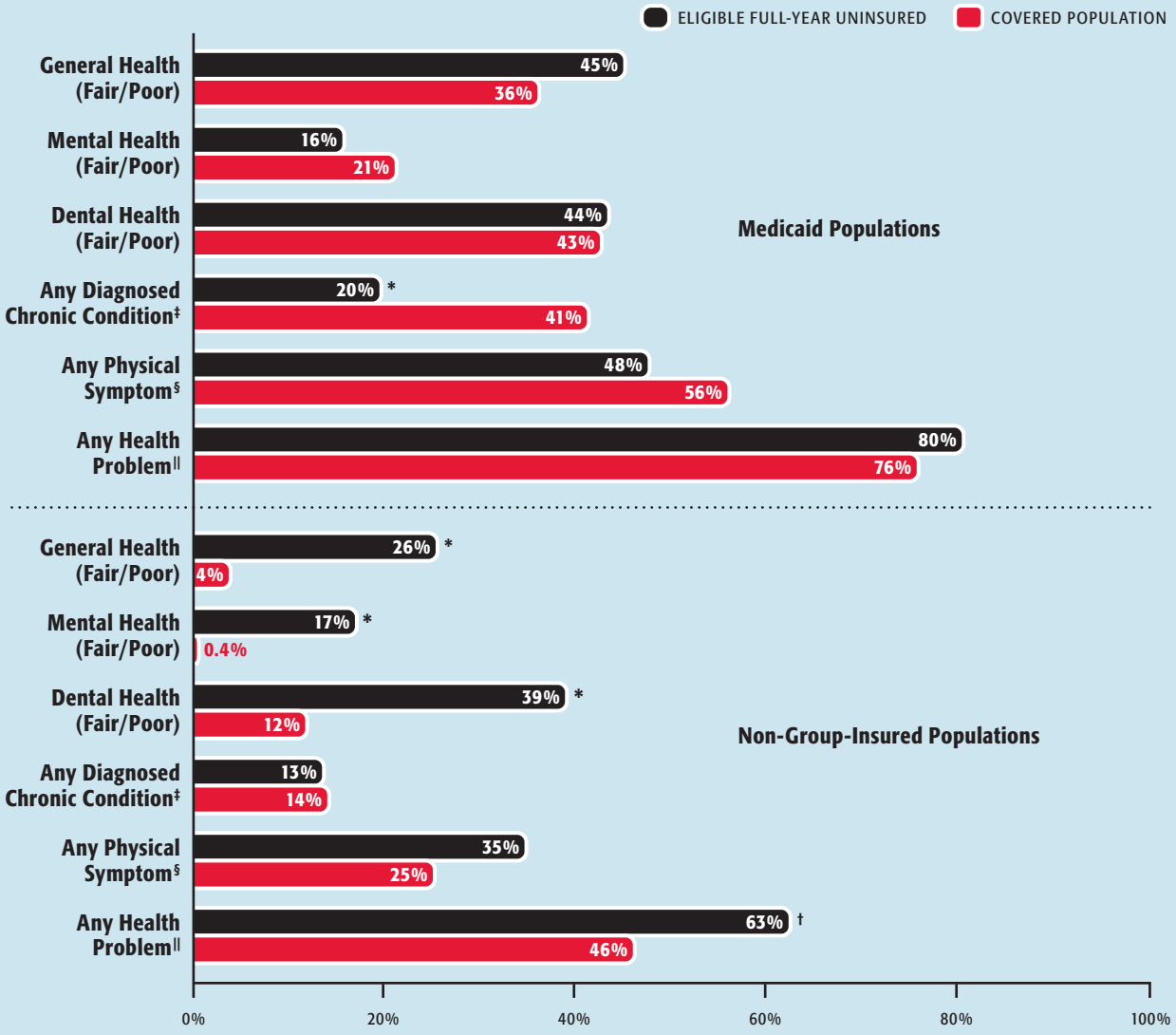
The substantial gap in health status between moderate income individuals currently enrolled in New Jersey's non-group health insurance market and those who will be eligible to enroll with premium subsidies in 2014 can be best understood in the context of this market's regulatory history. This market, known as the New Jersey Individual Health Coverage Program (IHCP), suffered adverse risk selection starting in the mid-1990s under strict community rating and pre-existing condition rules.[3] At that time, premiums rose sharply as market enrollment skewed toward older and sicker individuals. To create opportunities for younger individuals priced out of standard IHCP plans, in 2003 the New Jersey Legislature created the Basic and Essential (B&E) plan option within the IHCP. B&E plans allowed premium rating by age and gender and offered limited benefits, enabling these plans to be offered at much lower premiums compared to standard IHCP plans. Today, the B&E constitutes nearly two-thirds of all IHCP enrollments, leading to the comparatively healthy profile of today's non-group coverage market. In 2014, B&E plans will no longer be available, and those covered will have the option of enrolling in plans meeting ACA essential health benefit standards. Individuals under age 30 or whose cost of coverage will exceed ACA plan affordability standards will be permitted to enroll in lower-cost catastrophic benefit plans.[4]

Table 2 | **Symptoms Used in the Symptom Response Survey Module in the 2009 NJFHS**

Serious Symptoms[2]	Morbid Symptoms[2]
Likely to represent an underlying disease that could cause death or disability if untreated	*Likely to have a high impact on quality of life but not very serious*
Shortness of breath	Back pain
Loss of consciousness	Cough with yellow sputum
Blurry vision	Anxiety, nervousness
Severe headaches	Hip, knee, or leg pain
Sadness, hopelessness	Sprained ankle
Lump in breast	Fatigue, weakness
Chest pain	Trouble urinating
	Trouble hearing

2009 NEW JERSEY FAMILY HEALTH SURVEY

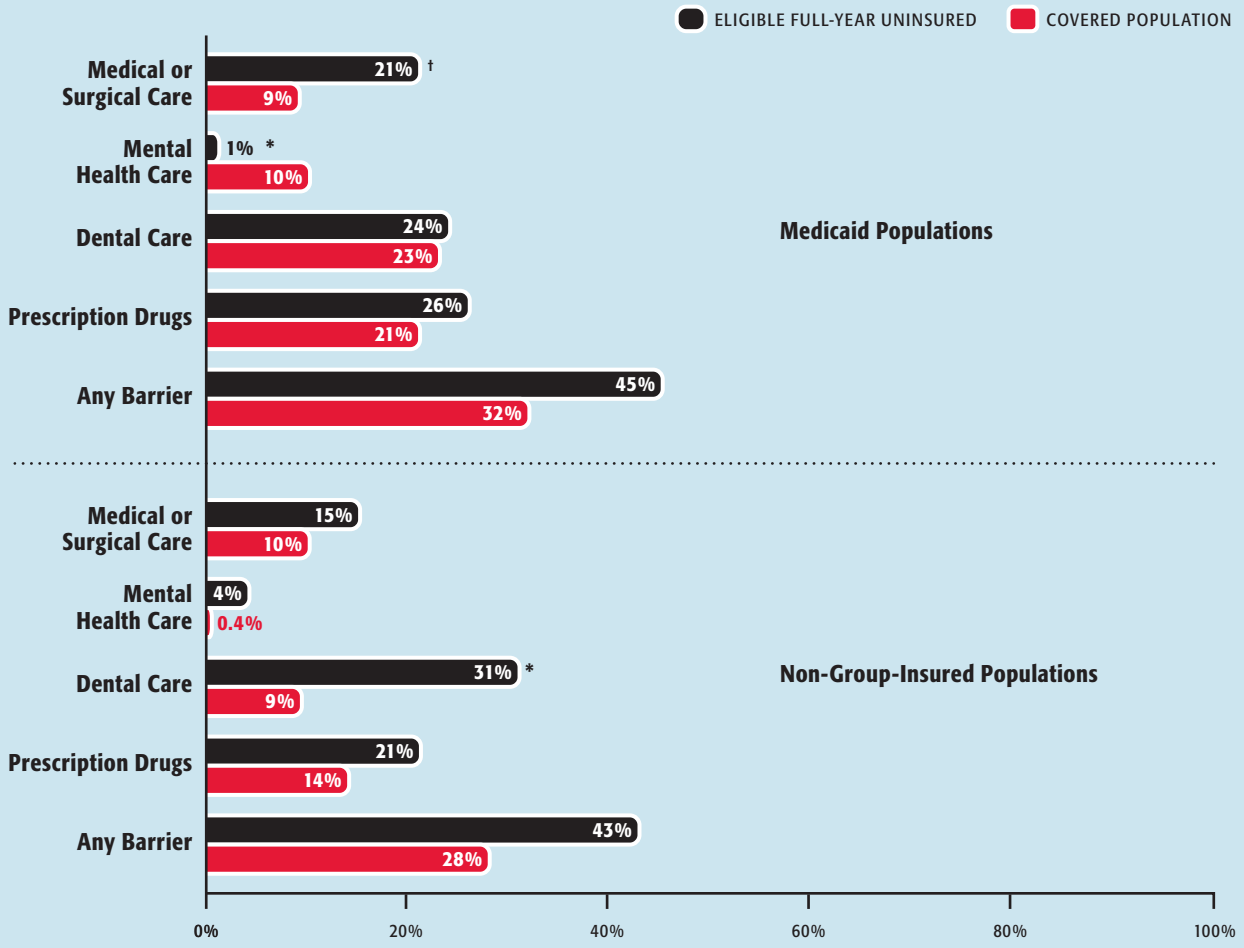
Figure 3 | **Health Indicators of NJ Adults (19-64) by Current and ACA-Eligible Coverage Status**



*p<0.05 in Chi-square test of difference between the eligible full-year uninsured and covered populations
† p<0.10 in Chi-square test of difference between the eligible full-year uninsured and covered populations
‡ Includes ever diagnosed with asthma, diabetes, or any other long-lasting/serious condition
§ Any morbid or serious symptom in the three months preceding the survey (see Table 2)
‖ Defined as fair/poor general, mental, or dental health, or reporting any symptom or ever diagnosed with a chronic condition

2009 NEW JERSEY FAMILY HEALTH SURVEY

Figure 4 | **Perceived Barriers to Care‡ of NJ Adults (19–64) by Current and ACA-Eligible Coverage Status**



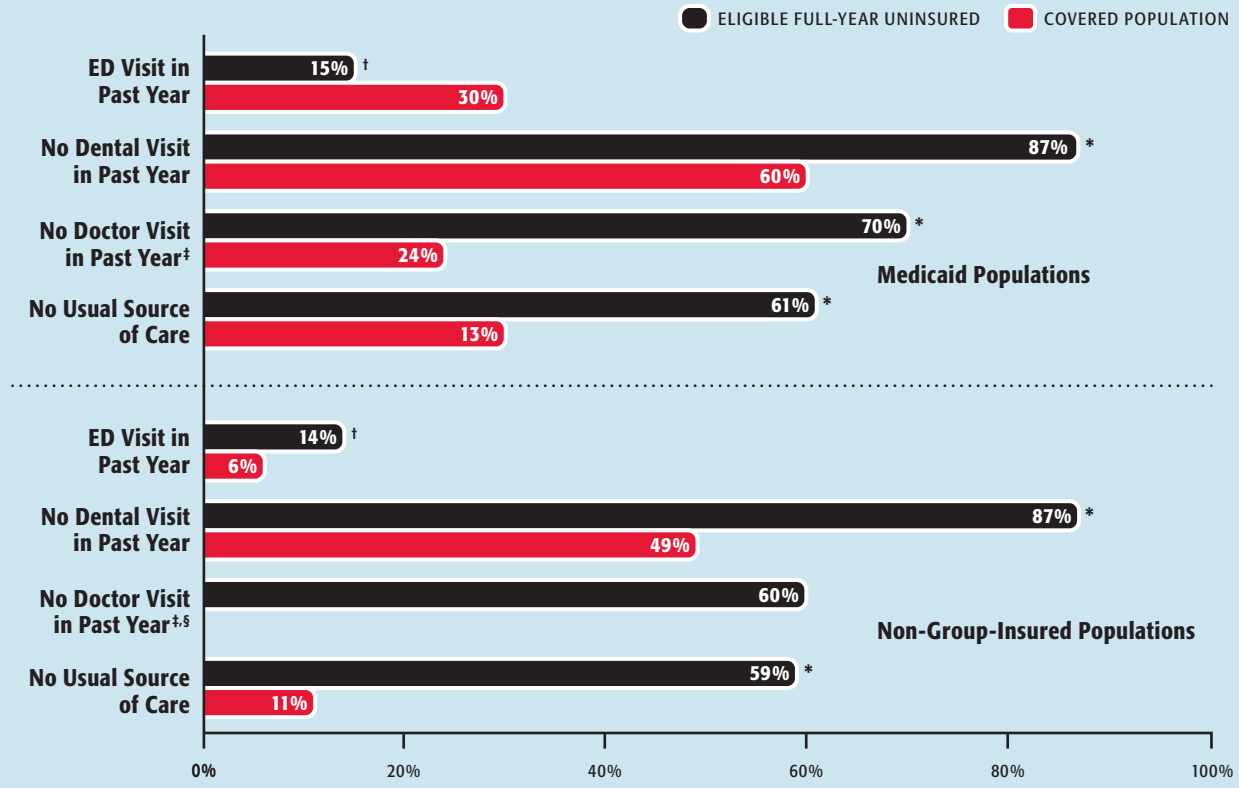
* p<0.05 in Chi-square test of difference between the eligible full-year uninsured and covered populations
† p<0.10 in Chi-square test of difference between the eligible full-year uninsured and covered populations
‡ Perceived barriers to care were captured with the question "During the past 12 months was there a time when you wanted (health care type) but could not get it at that time?" Perceived barriers to prescription drugs were considered present if either one or both of the following two questions were answered affirmatively: "During the past 12 months, was there a time when you didn't get or delayed getting a prescription because it cost too much? Please include refills of earlier prescriptions as well as new prescriptions" and "During the past 12 months have you taken less of a prescribed medication to make that prescription last longer?"

2009 NEW JERSEY FAMILY HEALTH SURVEY

Medicaid-eligible adults were more likely to perceive barriers to medical or surgical care, and less likely to report an inability to access mental health care than those adults enrolled in Medicaid/NJ FamilyCare at the time of the survey (Figure 4). The two populations were similar in their perceptions of barriers to dental care and prescription drugs. This picture reflects the usual access disparities seen between the insured and uninsured, though the disparities may be mitigated somewhat by the comparability of the health status between Medicaid-eligible adults and their covered counterparts.

Adults uninsured for the full year preceding the survey who will be subsidy-eligible in the Exchange also report higher rates of perceived barriers to care than adults in the existing non-group pool with similar family incomes (Figure 4). Of particular note is that uninsured but Exchange subsidy-eligible adults are over three times as likely as non-group enrollees to have perceived unmet need for dental care.

Figure 5 | **Access Indicators of NJ Adults (19–64) by Current and ACA-Eligible Coverage Status**



* p<0.05 in Chi-square test of difference between the eligible full-year uninsured and covered populations
† p<0.10 in Chi-square test of difference between the eligible full-year uninsured and covered populations
‡ Among those with a health problem (see Figure 2)
§ Insufficient sample to provide estimate of proportion with a doctor's visit among those with a health problem in the covered population

2009 NEW JERSEY FAMILY HEALTH SURVEY

Differences in access to care between those eligible under the ACA and existing enrollees in both the Medicaid and non-group markets are extremely pronounced (Figure 5). The full-year uninsured who are or will be eligible for either Medicaid or subsidies in the Exchange were much more likely than Medicaid enrollees and non-group enrollees, respectively, to have no annual dental visit and no usual source of care. Medicaid-eligible adults with any indicator of a health problem were also much more likely to have no doctor visit. Despite this, emergency department (ED) use for Medicaid-eligible adults was half the rate of Medicaid-enrollees. However, Exchange subsidy-eligible uninsured adults had a somewhat higher rate of ED use than non-group enrollees.

Our data show several important patterns in the characteristics and health needs of longer-term uninsured working-age adults by coverage eligibility under the ACA. The Medicaid-eligible population is more likely than existing Medicaid enrollees to be male, childless, non-citizen, and Hispanic. In New Jersey, the Medicaid-eligible group is not significantly more likely than those already enrolled to report health problems, but nearly half report some perceived barrier to care, and large proportions exhibit very low levels of health care utilization. These access measures may indicate some pent-up demand for acute care and, at the very least, evidence a lack of recommended preventive care in this population. The major socio-demographic differences between Exchange subsidy-eligible adults and non-group enrollees of the same income level are that the former are more likely unmarried and more likely to be Hispanic. They are also more likely to report poorer perceived general, mental, and dental health and to report inferior access to care compared to their insured counterparts.

While not all of those who are eligible may enroll (in fact, it is the case that many of those currently eligible for Medicaid are uninsured), our findings suggest changes to the Medicaid and non-group coverage pools that are largely consistent with more formal ACA enrollment simulation analyses for New Jersey and the nation.[5-7] The average health status of the Medicaid population after 2014 should remain roughly unchanged, but early adverse risk selection is possible if the sickest people enroll more quickly. Prevention of uneven enrollment and retention will hinge on successful outreach that is sensitive to the current demographics of Medicaid-eligible adults. A greater risk of adverse selection appears to exist in the subsidy-eligible Exchange market due to the greater indication of health problems among the full-year uninsured in this income bracket compared to existing non-group enrollees. This adverse selection could be worsened if administrative determinations of affordability do not coincide with healthier individuals' assessments of affordability versus the tax penalty for remaining uninsured. In addition, NJFHS data were collected before the ACA's young adult coverage expansion. Given the large increase in dependent coverage among targeted young adults in New Jersey since 2010,[8] it is possible that younger, and presumably healthier, uninsured young adults in the Exchange subsidy-eligible population have already been siphoned off into employer-sponsored coverage through their parents, leaving the Exchange subsidy-eligible pool even less healthy than our data show here.

The potential for significant adverse selection into the subsidized non-group market may not result in significantly higher premium rates than in the current market for several reasons. First, the ACA has several mechanisms to adjust for unequal selection of risk across plans and markets, such as limiting rating factors and bounding premium variations allowed for a given plan.[9] Second, unlike the non-group markets in other states, New Jersey already employs modified community rating, which will mitigate age related rate changes in 2014. While Basic and Essential plans will no longer be available in 2014 leaving many individuals with more expensive options (albeit, with much better benefits), many of those enrolled in these plans who are under age 30 will be eligible for the ACA's lower cost catastrophic coverage. Taken together, these factors are likely to keep subsidized premiums in the Exchange affordable for many, auguring well for the sustainable availability of coverage.

Regardless of how robust the New Jersey non-group market is following ACA implementation, the data here suggest that health plans must attend to the adequacy of provider networks and be prepared for enrollment of large numbers of individuals with significant health needs. The fact that so many adults with substantial health needs were uninsured for at least a year also suggests that plans should be ready to support new enrollees as they navigate the complexities of health coverage rules and the health care system.

Coverage Eligibility Rules under the ACA

Under the ACA, individuals with incomes up to 138% of the federal poverty level (FPL) are eligible for coverage in expanded state Medicaid programs. Those with incomes between 139-400% FPL are eligible for subsidies to purchase health insurance through an Exchange, and individuals with incomes above 400% FPL, while still subject to the coverage mandate, are not eligible for federal subsidies to offset the cost of purchasing health insurance. Notable exceptions to these income-eligibility rules exist for certain immigrant groups. The ACA maintains the current prohibition on using federal Medicaid funds to cover low-income immigrant adults residing in the country less than five years. Instead, the ACA authorizes legally resident low-income recent immigrant adults to purchase subsidized coverage through the Exchange. Undocumented immigrants are excluded entirely from the provisions in the ACA. They will continue to be ineligible for Medicaid and will not be permitted to enter exchanges nor obtain subsidies to purchase health insurance.

References

[1] Lloyd K, D Gaboda, and JC Cantor. *Health Needs and Access to Care of the Working-Age Uninsured in New Jersey by Length of Time without Coverage*. Facts & Findings: Looking Toward Implementation of the Affordable Care Act. New Brunswick, NJ: Rutgers Center for State Health Policy, 2013.

[2] Baker DW, MF Shapiro, CL Schur, and H Freeman. "A Revised Measure of Symptom-Specific Health Care Use." *Social Science & Medicine* 47, no. 10 (1998): 1601–9.

[3] Cantor JC. *Combining New Jersey's Individual and Small-Group Health Insurance Risk Pools*. New Brunswick, NJ: Rutgers Center for State Health Policy, 2011.

[4] Monheit AC, JC Cantor, M Koller, and KS Fox. "Community Rating and Sustainable Individual Health Insurance Markets in New Jersey." *Health Affairs (Millwood)* 23, no. 4 (2004): 167–75.

[5] Cantor JC, D Gaboda, J Nova, and K Lloyd. *Health Insurance Status in New Jersey After Implementation of the Affordable Care Act*. New Brunswick, NJ: Rutgers Center for State Health Policy, 2011.

[6] Kenney GM, S Zuckerman, L Dubay, M Huntress, V Lynch, J Haley, and N Anderson. *Opting in to the Medicaid Expansion under the ACA: Who are the Uninsured Adults Who Could Gain Health Insurance Coverage?* Washington, DC: Urban Institute, 2012.

[7] Holahan J, G Kenney, and J Pelletier. *The Health Status of New Medicaid Enrollees Under Health Reform*. Washington, DC: Urban Institute, 2010.

[8] HealthCare.gov. "State-Level Estimates of Gains in Insurance Coverage Among Young Adults." U.S. Department of Health & Human Services. Last modified June 19, 2012.

[9] Adams Ragone T. *Evaluating Federal and New Jersey Regulation of Rating Factors and Rate Bands*. New Brunswick, NJ: Rutgers Center for State Health Policy and Seton Hall University School of Law, Center for Health & Pharmaceutical Law & Policy, 2012.

Other NJFHS Reports

Kristen Lloyd, Joel C. Cantor, Dorothy Gaboda, Peter Guarnaccia. *Health, Coverage, and Access to Care of New Jersey Immigrants: Findings from the New Jersey Family Health Survey*, June 2011.

Derek DeLia, Jose Nova. *Emergency Department Use by New Jersey Residents in 2009: Facts & Findings*, June 2011.

Jose Nova, Dorothy Gaboda. *New Jersey Children without Dental Services in 2001 and 2009: Facts & Findings*, September 2011.

Kristen Lloyd, Dorothy Gaboda. *Differences among New Jersey Adults using Private Doctors, Clinics, and with no Usual Source of Care: Facts & Findings*, October 2011.

Kristen Lloyd, Jose Nova, Dorothy Gaboda. *Utilization and Insurance Coverage of Dental Services among New Jersey Adults*, September 2012.

Acknowledgements

The authors acknowledge Susan Brownlee, Margaret Koller, and Bram Poquette for assistance in preparing this Facts & Findings, which was funded by the Robert Wood Johnson Foundation.

Methods

The 2009 New Jersey Family Health Survey (NJFHS) was designed to provide population-based estimates of health care coverage, access, use, and other health topics important for New Jersey policy formulation and evaluation in the coming years. It was funded by the Robert Wood Johnson Foundation and designed and analyzed by the Rutgers Center for State Health Policy (CSHP). The fieldwork was conducted by Abt SRBI between November 2008 and November 2009. It was a random-digit-dialed telephone survey of 2,100 families with landlines and 400 families with cell phones residing in New Jersey. It collected information about a total of 7,336 individuals and had an overall response rate of 45.4% (52.6% for landlines and 26.0% for cell phones). The adult who was most knowledgeable about the health and health care needs of the family was interviewed. All estimates presented are weighted to accurately reflect the New Jersey household population.

Further information on the 2009 NJFHS, including a comprehensive methods report and the full text of the survey questionnaire, can be found on the Center's web site:

- The 2009 New Jersey Family Health Survey Methods Report
- The 2009 New Jersey Family Health Survey Questionnaire

For additional details on the preparation of variables for the analyses presented in this Facts & Findings, readers can refer to CSHP's databook: Health, Coverage, and Access to Care of New Jersey Immigrants.

Differences in the socio-demographic composition of the population of uninsured working-age adults by coverage eligibility under the ACA and the proportions of each subpopulation having the health and access characteristics highlighted in the narrative of this Facts & Findings were assessed using Chi-square tests for complex survey data and found to be significantly different at either the 5% or 10% level as noted.

Population estimates of the number of non-citizens in New Jersey from the NJFHS differ from those obtained in the Census Bureau's Current Population Survey (CPS) and the American Community Survey (ACS) for similar time periods. The NJFHS underestimates the number of non-citizens compared to these sources by 20-30%. Additionally, the NJFHS does not inquire about the legal status of non-citizen immigrants. All estimates shown in this Facts & Findings assume any non-citizens included in the survey sample are legally resident and eligible for Medicaid coverage or subsidies in the Exchange based only on their income and reported duration of residence.

CSHP's Facts & Findings

Facts & Findings from Rutgers Center for State Health Policy highlight findings from major research initiatives at the Center, including the New Jersey Family Health Survey. Previous Facts & Findings, along with other publications, are available at www.cshp.rutgers.edu.

RUTGERS
Center for State Health Policy

112 Paterson Street, 5th Floor
New Brunswick, NJ 08901
www.cshp.rutgers.edu
For more information email CSHP_Info@ifh.rutgers.edu

Contributing to this issue:
Kristen Lloyd, MPH, Research Analyst
Dorothy Gaboda, MSW, PhD, Associate Director for Data Analysis
Joel C. Cantor, ScD, Director, Rutgers Center for State Health Policy