



Early Impact of the Affordable Care Act on Health Insurance Coverage of Young Adults

AcademyHealth

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Outline

1. The young adult (YA) coverage problem
2. Recent policy responses
 - Federal
 - State
3. Findings on the impact of federal reforms on coverage
 - How federal reforms interact w/prior state reforms
4. Implications

The Problem

- Historically, dependent coverage available only to age 18 (non-students) or 23 (FT students)
- Nearly 1 in 3 young adults (age 19-25) uninsured in 2009
- Compared to insured peers, uninsured young adults are
 - **More likely** to delay or forego care due to costs
 - **Less likely** to see a medical provider, have a usual source of care, or fill a prescription
 - **More likely** to have trouble paying medical bills or medical debt
- Implications for health behaviors and LT health status
- Absence from risk pools has consequences for others

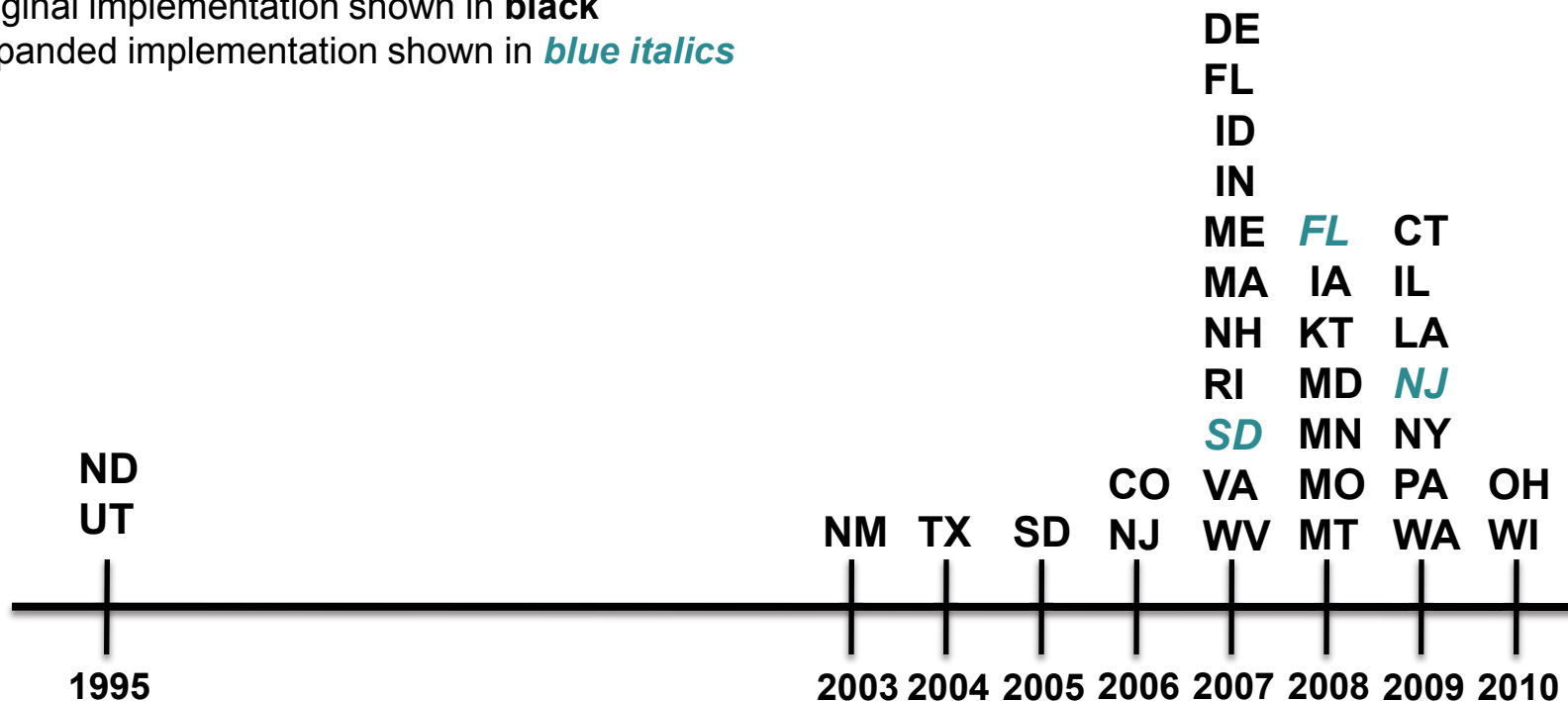
YA Dependent Coverage under Federal ACA

- YAs (< 26) can enroll as dependents in parents' plan
- All private plans with family coverage
- Effective with first renewal starting Sept. 23, 2010
- Non-discrimination, same benefits, no added premium for family plans
- “Grandfathered” plans exempted only if young adults are offered own employer plan and only until 12/2013
- Descriptive evidence of high take up
 - Drop of 2.5 million uninsured young adults from 9/2010 to 6/2011
 - Consistent with anecdotal reports and employer survey findings

State Young Adult Dependent Coverage Laws *Implementation* Timeline

31 states as of 2010

Original implementation shown in **black**
Expanded implementation shown in *blue italics*



Key Features of Dependent Coverage Laws

Federal ACA

- First renewal starting 9/23/10
- All young adults to 26
- Eligibility by age only
- Applies to all plans, including self-insured
- No addition to standard family premium

State Laws

- Most in 2006-09
- Age limits vary, max to 31
- Typically limited to unmarried, no dependents, in-state except FT students; some require financial dependency
- Do not apply to self-insured plans (ERISA)
- Nine allow or require added premium

Research Questions

1. What impact did the ACA dependent coverage rules have on source of coverage **among eligible young adults (YAs)**?
2. What impact did the rules have among young adults (YAs) **targeted by prior state laws in addition to the ACA**?

Study Data and Outcomes

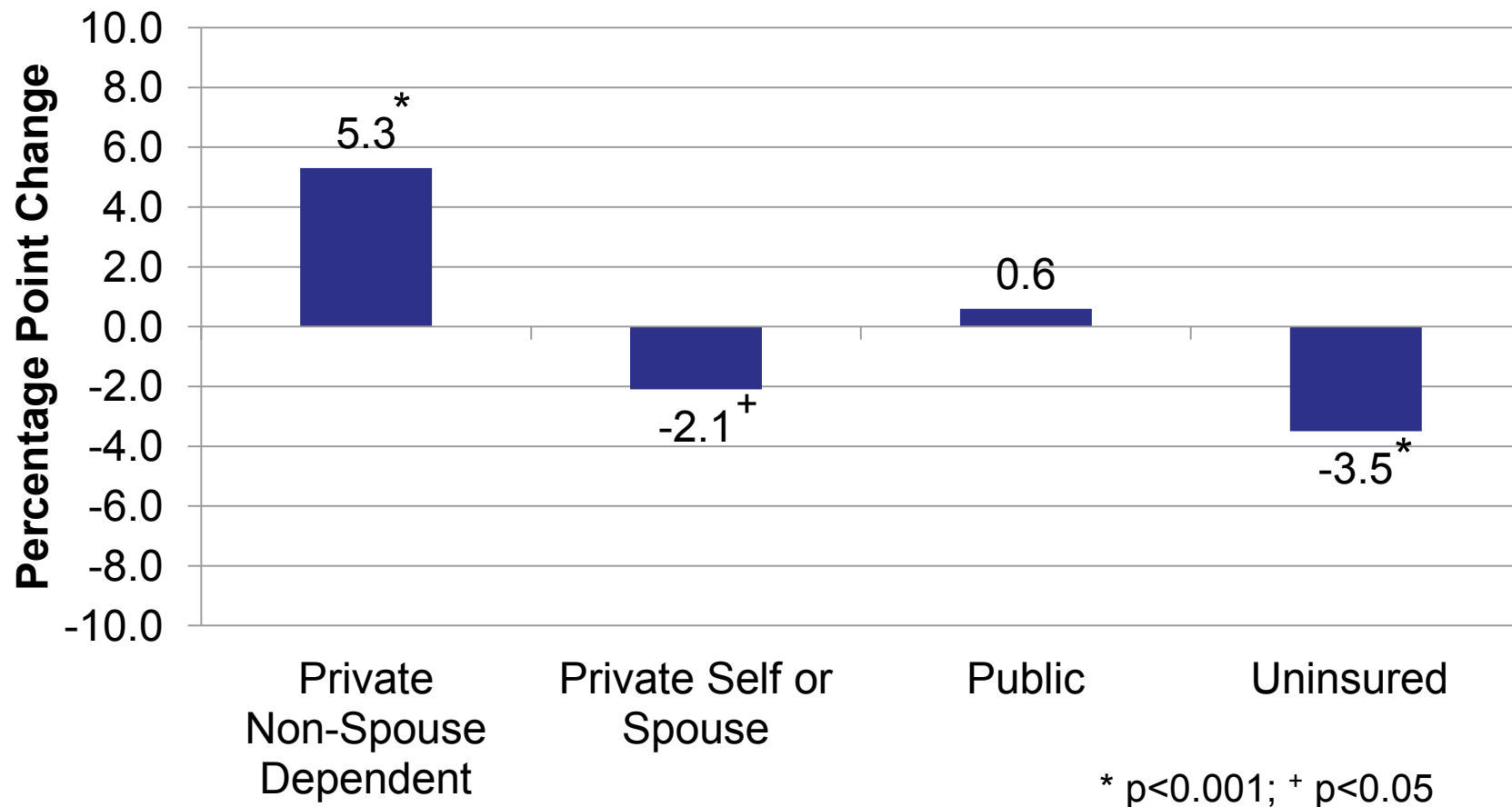
- Current Population Survey (CPS),
Survey years 2005-2011; CYs: 2004-2010
- Study population
 - ACA targeted: ages 19-23 not FT students & all ages 24-25
 - Comparison group: Ages 27-30
 - Exclude age=26 and MA & HI (due to prior mandates)
- Outcomes: Sources of coverage at any time during year
 1. Private non-spousal dependent coverage
 2. Private coverage in own name or as dependent of a spouse
 3. Public (Medicaid, Medicare, etc.)
 4. No coverage
- Coverage categories not mutually exclusive

Statistical Modeling

- Difference-in-differences (DD) analysis of ACA coverage outcomes
 - ACA targeted vs. comparison
 - Pre/post ACA
- Extended DD analysis interacting ACA and state policies
 - State targeted vs. non-state targeted
 - Federal & state policy interactions
- Four linear probability models, controlling for
 - Demographics, SES, student status, live@home, health status
 - State fixed effects, overall trend, state-specific trends
 - State-year unemployment, ESI offer, enrollees in self-insured plans
- Sensitivity tests
 - Similar results ==> robust findings

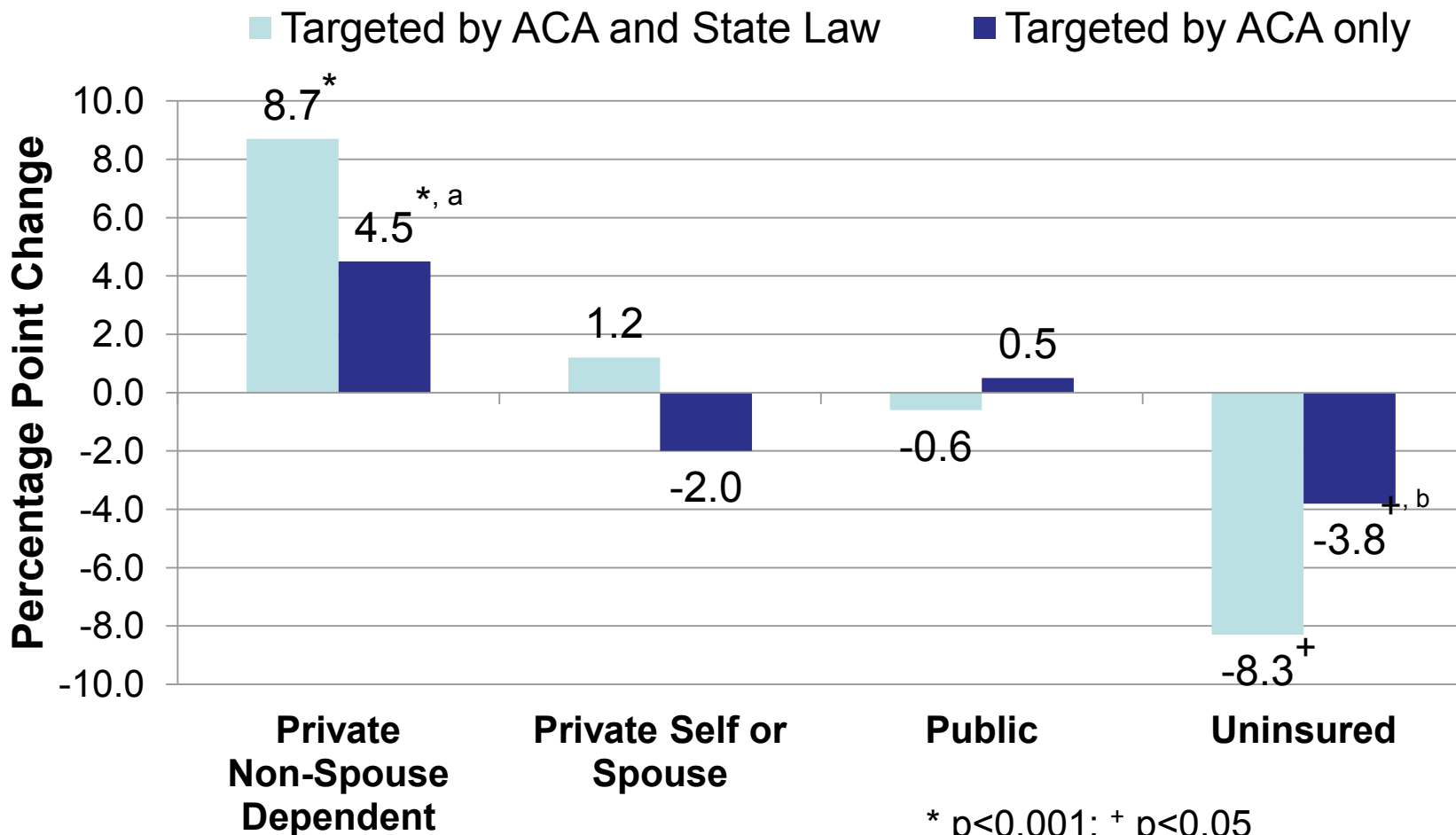
DD Estimates Post-ACA Change in Coverage

Models without ACA-state law interaction terms



DD Estimates Post-ACA Change in Coverage

Model with ACA-state law interaction terms



* p<0.001; + p<0.05

^abetween group difference p=0.068

^bbetween group difference p=0.173

Limitations

- Current Population Survey
 - Annual recall period
 - Cannot observe timing of coverage changes
 - Cannot link information about YAs living in separate households
 - Imprecise state policy target variable
- Short post-implementation observation period (2010-Q4)
 - Some respondents may report through 2011-Q1

Conclusions & Implications

- Rapid and substantial increase in dependent coverage
 - **25% increase** in dependent coverage & near **10% drop** in uninsured
 - Over 700,000 uninsured → dependent coverage due to ACA
- Partial decline in own-name/spousal coverage
 - Our earlier research showed full substitution under state reforms
 - CPS would not show within year ↓ in private coverage
 - Other factors?
- Possibly greater ACA impact on state-targeted YAs
 - Hypothesis: “Pump priming” effect

Conclusions & Implications (continued)

- Additional longer term implications
 - Improved access to care
 - Higher private family premiums
 - Fewer YAs in exchanges ==> greater average risk
 - Extend dependency further into adulthood

Thank You

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Related Publications

Monheit AC, JC Cantor, D DeLia, & D Belloff. 2011. “How have state policies to expand dependent coverage affected the health insurance status of young adults?” *Health Service Research* 46 (1 pt 2): 251-67.

Cantor JC, D Belloff, AC Monheit, D DeLia, & M Koller. 2012. “Expanding dependent coverage for young adults: lessons from state initiatives.” *Journal of Health Politics, Policy, and Law* 37(1): 99-128.

SHARE Briefs

Dependent Coverage Expansions: Estimating the Impact of Current State Policies. January 2010.
www.shadac.org/files/shadac/publications/DependentCoverageExpansionsIssueBrief.pdf

The Impact of State Dependent Coverage Expansions on Young Adult Insurance Status: Further Analysis. April 2010.

www.shadac.org/files/shadac/publications/DependentCoverageCompanionBrief.pdf

Webinar: The Impact of Extending Dependent Insurance Coverage to Young Adults. April 2010.

www.shadac.org/publications/share-webinar-April2010-dependent-coverage-expansions

Sensitivity Tests

- Non-reform states only
- Placebo model (Test for ACA “impact” in 2009)
- Models w/o student status and with FT students 19-23