Did the Affordable Care Act affect insurance coverage for young adults?

Data Brief No. 2
September 2015
www.ihis.us

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Key Findings

Data from the Integrated Health Interview Series, 2007-2014

- Uninsurance declined between 2007-2014 for near-poor and not-poor young adults; the poor did not see a reduction.

- The gap in insurance coverage between not-poor and poor young adults grew from 2007-2013.

- Young adults were the only age group that did not see a decline in private insurance coverage in the postreform period.

- Among young adults, only the poor did not experience a decrease in uninsurance between the prereform and postreform periods.

- While all young adults experienced reductions in Policyholder Employer Sponsored Insurance (ESI), only poor young adults experienced no growth in Dependent ESI.

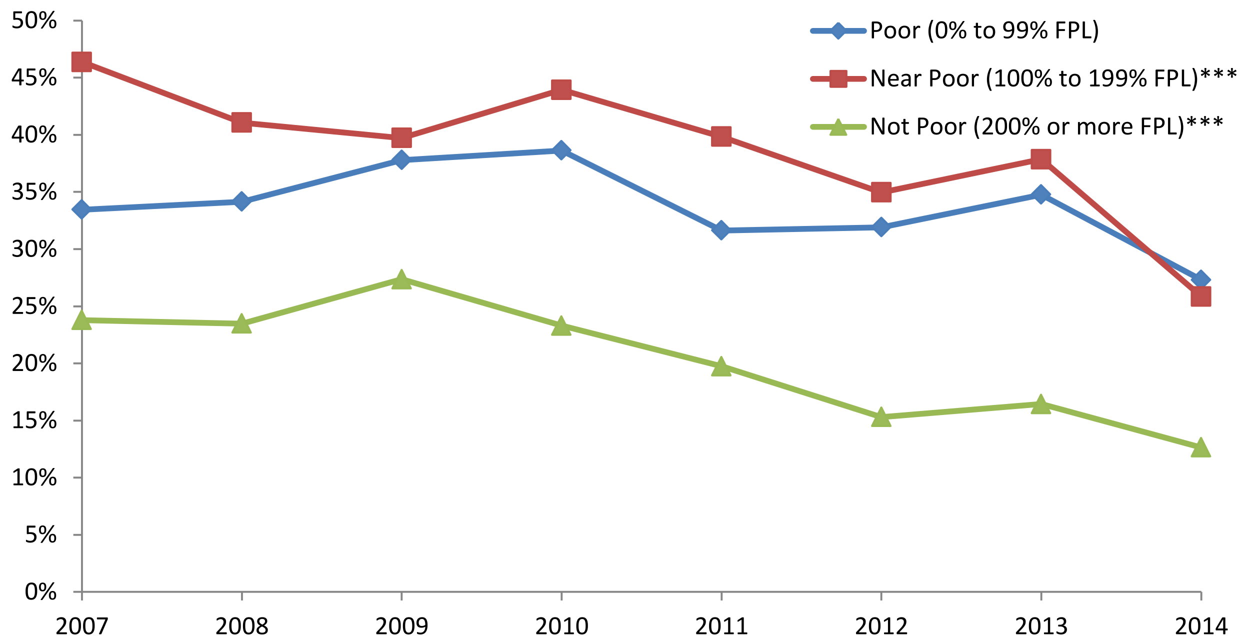
- Income barriers to care declined sharply for near-poor young adults and more modestly for not-poor young adults in 2014.

The Patient Protection and Affordable Care Act (ACA) became law in March 2010, with the enactment of its various provisions rolled out over time. In September 2010, one of the first provisions was enacted, allowing adult children under 26 to maintain dependent coverage under their parents' insurance plans ("Dependent Coverage Provision") (3,5). Implementation of the individual mandate to obtain health insurance coverage, ACA Marketplace subsidies and Medicaid expansion began on January 1, 2014 (5).

This brief describes the changes in insurance coverage and sources of private insurance that have occurred for young adults before and after the implementation of the Dependent Coverage Provision, and changes in healthcare affordability after the implementation of the Dependent Coverage Provision and the individual mandate. The National Health Interview Survey (NHIS) offers many variables suitable for monitoring change in healthcare access and utilization related to the ACA (7). Harmonized versions of these variables are available through the Integrated Health Interview Series (IHIS) at the Minnesota Population Center.

Uninsurance declined between 2007-2014 for near-poor and not-poor young adults; the poor did not see a reduction.

Figure 1: Percent of young adults that are uninsured, 2007-2014 IHIS



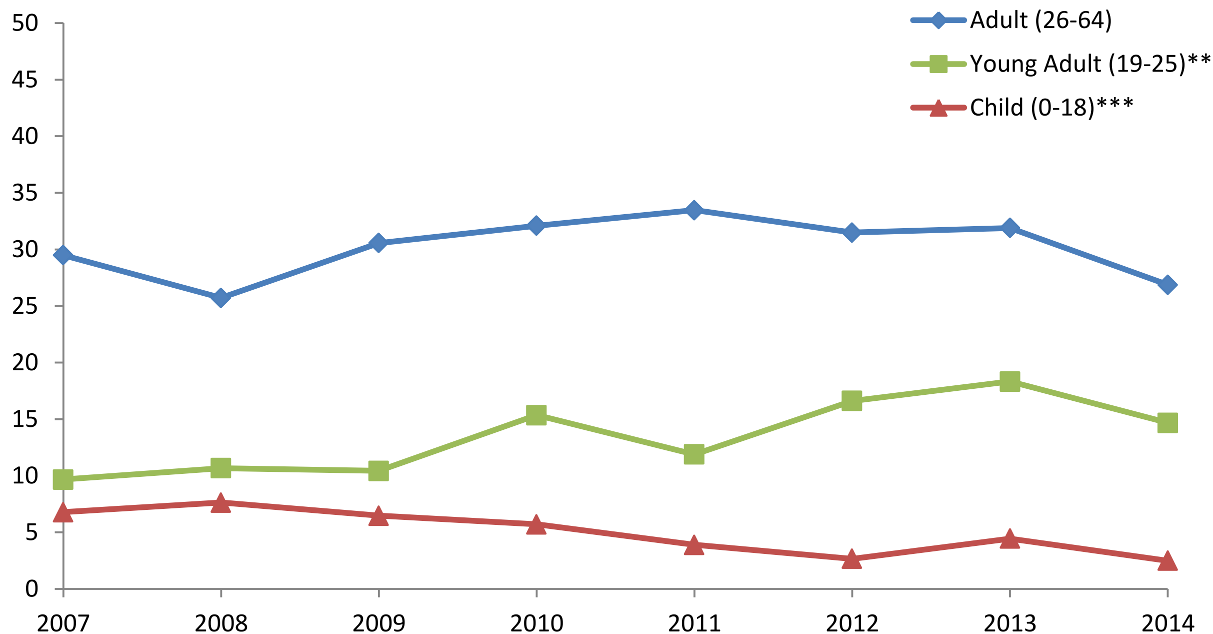
*** $p < 0.001$ (trend)

SOURCE: Integrated Health Interview Series, 2007-2014

- Rates of uninsurance have declined for near-poor and not-poor young adults since 2007, but did not change for poor young adults.
- The timing of the decline varied by poverty status. Not-poor young adults experienced a large decline from 2009 to 2012, during which time the uninsurance rate for near-poor young adults was stable. Both groups experienced a significant decline in 2014.
- Rates of uninsurance among near-poor and poor young adults are consistently higher than among their not-poor counterparts.

The gap in insurance coverage between not-poor and poor young adults grew from 2007-2013.

Figure 2: Percentage point difference in uninsurance between not-poor and poor by age group, 2007-2014 IHIS



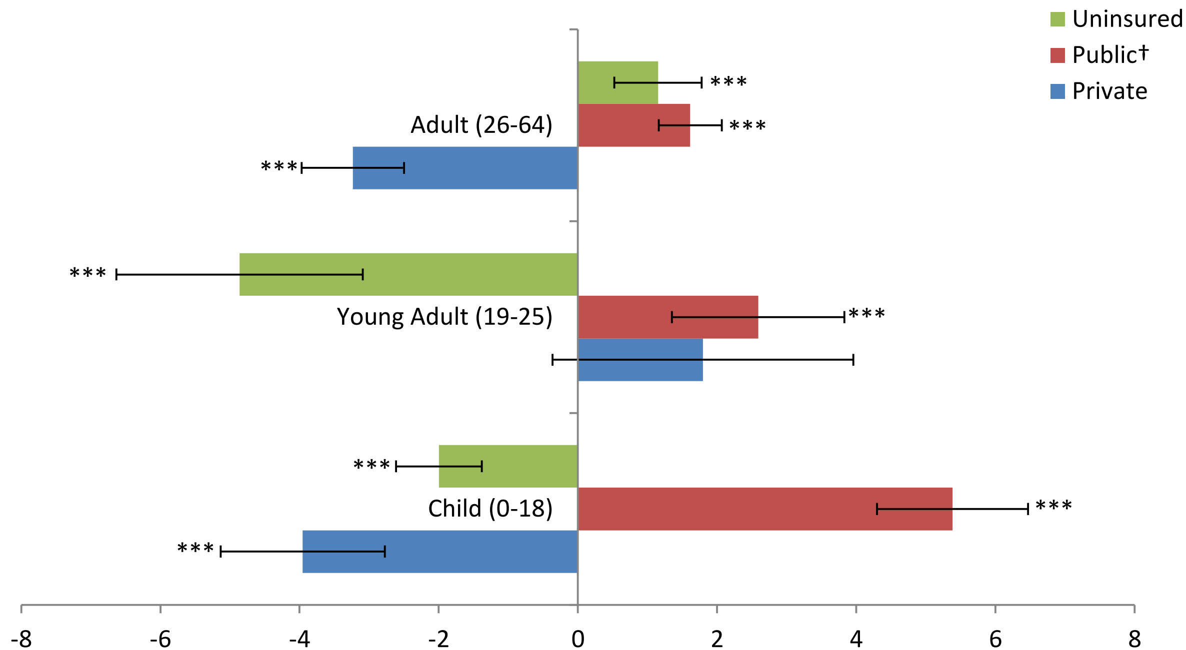
** p <0.01 (trend); *** p < 0.001 (trend)

SOURCE: Integrated Health Interview Series, 2007-2014

- Between 2007 and 2013 (prior to implementation of the ACA insurance mandate), the difference in insurance coverage rates between not-poor and poor (the "insurance gap") grew by 9 percentage points for young adults. During the same time period, the insurance gap remained stable for adults and shrank for children.
- The insurance gap between not-poor and poor persons in 2014 was 15 percentage points for young adults, compared to 27 percentage points for adults, and 2.5 percentage points for children.

Young adults were the only age group that did not see a decline in private insurance coverage in the postreform period.

Figure 3: Insurance composition change from prereform to postreform period by age group, 2007-2009 and 2011-2013 IHIS pooled samples[a]



*** $p < 0.001$

†Public insurance includes Medicare, Medicaid, any other state or local government program that pays for health care, CHIP, and military coverage.

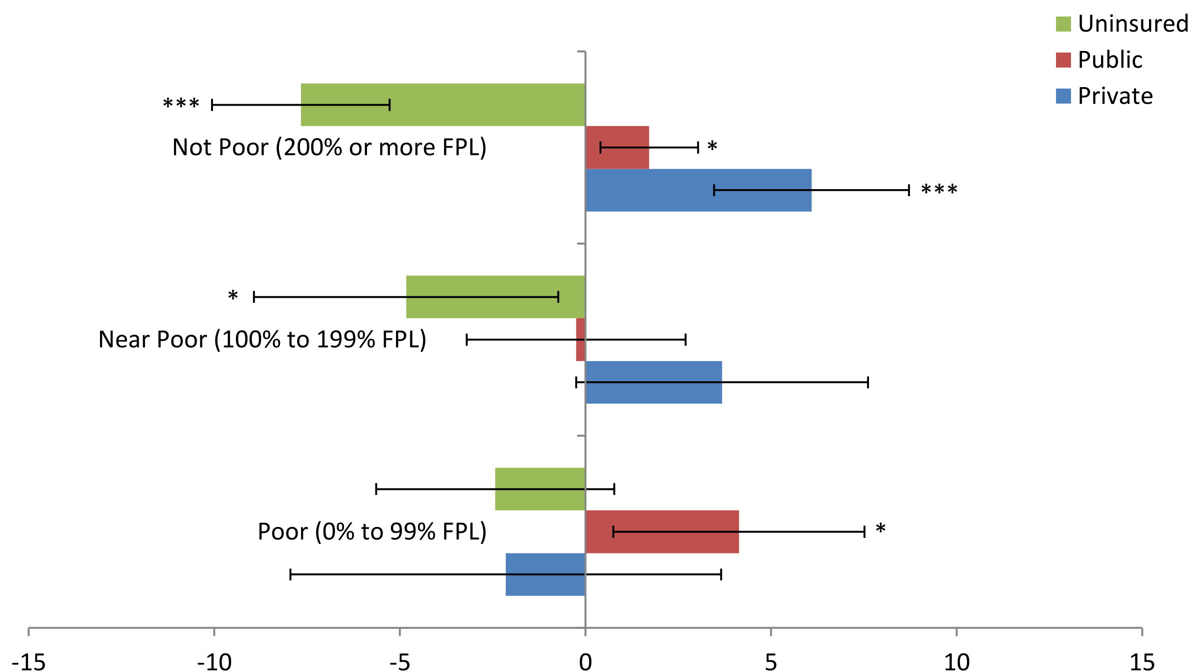
[a]Differences are expressed in terms of percentage point difference between the pre and postreform periods.

SOURCE: Integrated Health Interview Series, 2007-2009 and 2011-2013

- There was no statistically significant change in private insurance coverage for young adults between prereform and postreform periods, while private coverage declined by 4 percentage points for children and by 3 percentage points for adults.
- Young adults experienced a 5 percentage point reduction in uninsurance, while children experienced a 2 percentage point reduction and adults a 1 percentage point increase.
- Public insurance increased by 5 percentage points for children, 3 percentage points for young adults, and 2 percentage points for adults.

Among young adults, only the poor did not experience a decrease in uninsurance between the prereform and postreform periods.

Figure 4: Change in young adult insurance composition, percentage point difference from prereform period to postreform period, 2007-2009 and 2011-2013 IHIS Pooled Sample



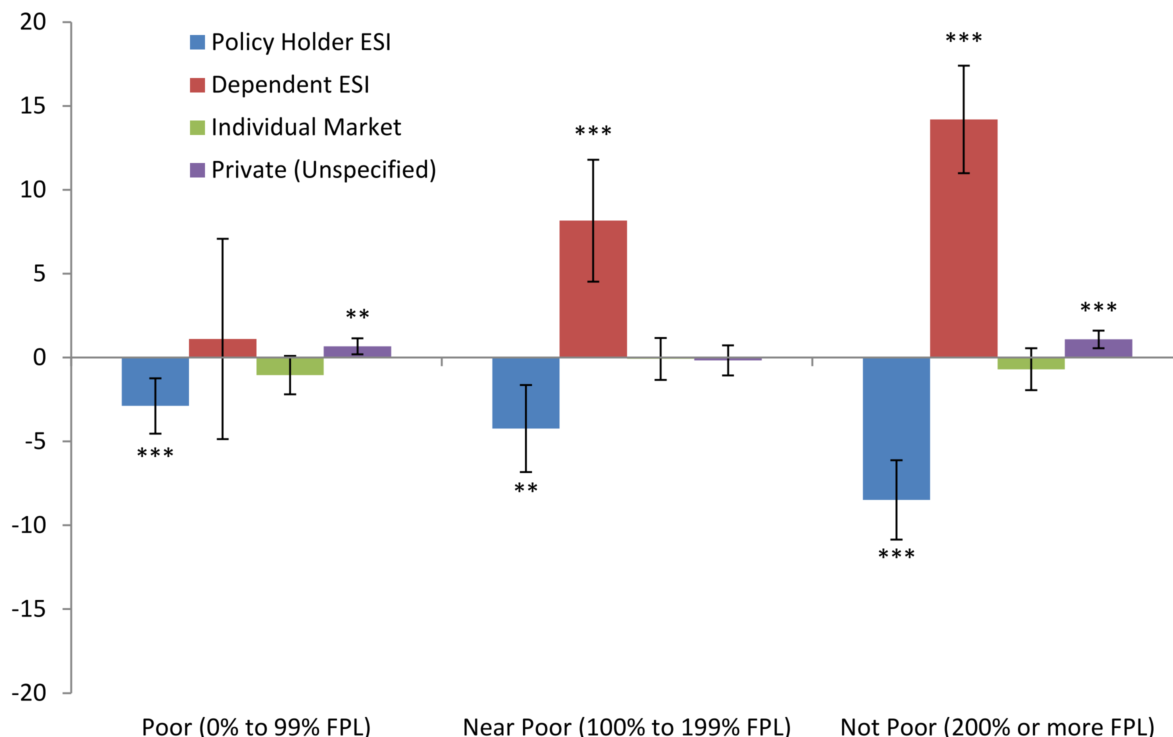
* $p < 0.05$; *** $p < 0.001$

SOURCE: Integrated Health Interview Series, 2007-2009 and 2011-2013

- Private insurance rates increased by 6 percentage points from the prereform to postreform period for not-poor young adults. There was no statistically significant change in private insurance rates for other groups of young adults.
- Poor young adults had a 4 percentage point increase in public insurance, while not-poor young adults had a 2 percentage point increase. Near-poor young adults did not experience a statistically significant change in public insurance rates.
- Not-poor young adults experienced a net decline in uninsurance of 8 percentage points and near-poor young adults had a 5 percentage point reduction; poor young adults saw no statistically significant difference in uninsurance rates from the prereform period.

While all young adults experienced reductions in Policyholder Employer-Sponsored Insurance (ESI), only poor young adults did not experience growth in Dependent ESI.

Figure 5: Percentage point difference from prereform to postreform period in sources of private insurance for young adults, 2007-2009 and 2011-2013 IHIS pooled samples



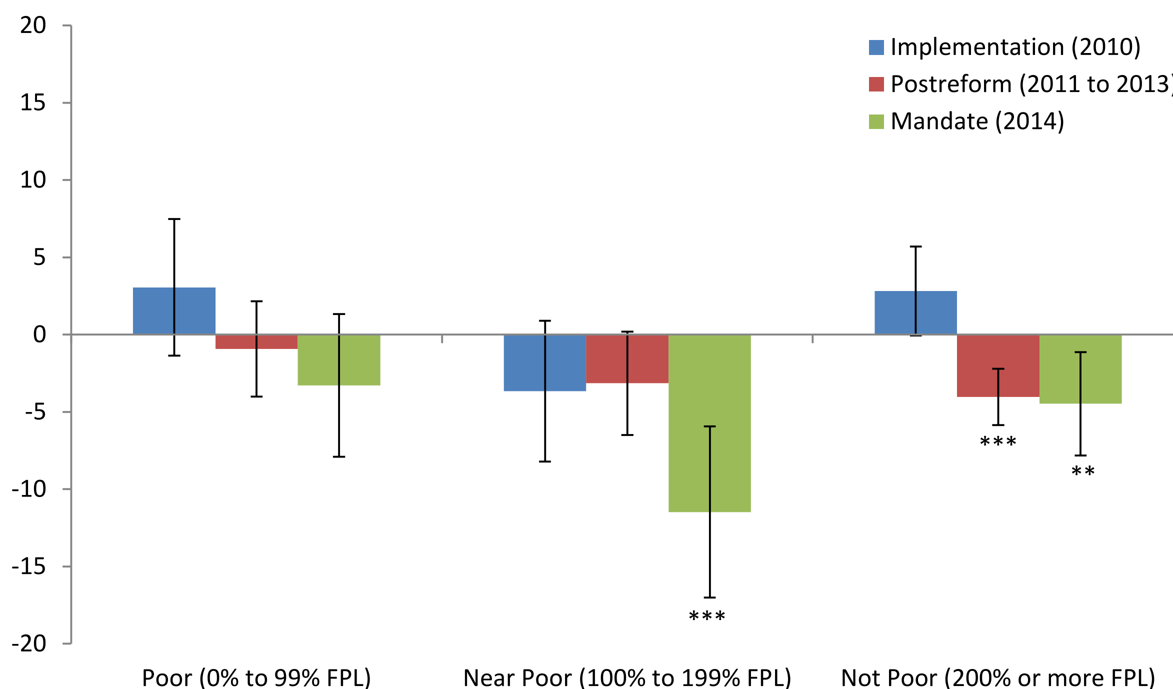
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

SOURCE: Integrated Health Interview Series, 2007-2009 and 2011-2013

- Between the prereform and postreform periods, poor young adults experienced no change in Dependent ESI coverage, whereas near-poor young adults saw an increase of 8 percentage points and not-poor young adults had an increase of 14 percentage points.
- During the same period, Policyholder ESI declined by 3 percentage points for poor, 4 percentage points for near-poor, and 9 percentage points for not-poor young adults.

Income barriers to care declined sharply for near-poor young adults and more modestly for not-poor young adults in 2014.

Figure 6: Change in young adults reporting any income barrier to care† by time period, percentage point difference from prereform period, 2007-2009, 2010, 2011-2013 and 2014 IHIS pooled samples



** $p < 0.01$; *** $p < 0.001$

†Includes any income barrier to medical care, prescription medicines and/or mental health care (including counseling) in the last twelve months.

SOURCE: Integrated Health Interview Series, 2007-2009, 2010, 2011-2013, and 2014 pooled samples

- Poor and near-poor young adults did not experience statistically significant changes to income barriers to care during implementation or postreform periods, while not-poor young adults saw a reduction in income barriers in the postreform period.
- Poor young adults had no change in income barriers to care during the mandate period.
- Income barriers to care were sharply reduced for near-poor young adults and somewhat reduced for not-poor young adults during the mandate period.

Summary

The Dependent Coverage Provision of the Affordable Care Act gave young adults an early opportunity for expanded access to health insurance. In this data brief, we find that in the three years following implementation of the Dependent Coverage Provision in 2010, the share of poor young adults who are insured did not increase. The share of not-poor young adults who were insured increased during this time.

Between 2007 and 2013, the gap between the uninsurance rate for poor and not-poor persons remained stable for children and adults, but grew by 9 percentage points for young adults. Following the implementation of additional provisions of the ACA in 2014, the gap shrank for all age groups.

Between the prereform and postreform periods, young adults as a group experienced no change in private insurance; however, not-poor young adults experienced private coverage growth. Both adults and children had significantly lower levels of private health insurance in the postreform period.

Changes in sources of private insurance from prereform to postreform are also associated with poverty status. Dependent Employer Sponsored Insurance (ESI) increased among near-poor and not-poor young adults, but not among poor young adults. Policyholder ESI declined by 9 percentage points among not-poor, 4 percentage points among near-poor and 3 percentage points among poor young adults. This suggests that not-poor young adults were better able to obtain Dependent ESI, mitigating the reduction in Policyholder ESI. One potential implication of this is a reduced need to seek employment for provision of ESI. This is consistent with research finding increases in labor force participation for adults above the age threshold for dependent coverage eligibility compared with those below the age threshold (2).

Not-poor young adults saw a reduction of income barriers from prereform to postreform, while poor and near-poor had no significant reduction. Implementation of additional ACA provisions in 2014 was associated with additional decreases of income barriers to care for young adults across all income levels, with the greatest decline for near-poor persons.

This analysis found unequal expansion of insurance coverage following the implementation of the Dependent Coverage Provision of the ACA; higher income young adults appear to capture more of the benefits of the ACA than poor young adults. Future research may assess whether additional provisions of the ACA are associated with increased insurance access for all income groups.

Definitions

Time periods. The Dependent Coverage Provision affected insurance policies with plan years beginning on or after September 23, 2010. However, some insurers agreed to make the dependent coverage extension available prior to that date (3). For this analysis, time periods were defined as shown in Table 1. All coverage changes in this report are presented as the difference from the prereform period.

Table 1: Time periods used for analysis

Time Period	Policy Timing	Pooled Years
Prereform	• Before implementation of any ACA provisions	2007-2009
Implementation	• Year the dependent coverage provision began, affecting youth up to age 26	2010
Postreform	• Years after implementation of dependent coverage provision, but before individual mandate began	2011-2013
Mandate	• Year the individual mandate to purchase health insurance began	2014

Age groups. Age groups are determined by the eligibility requirements of the Dependent Coverage Provision. Most insurance providers previously ended dependent coverage eligibility at age 19 or upon college graduation; most beneficiaries of the provision are ages 19 to 25 (4). Some states required dependent coverage through ages 24, 25 or 26 prior to the Dependent Coverage Provision, and New Jersey extends coverage to age 30 (3).

Poverty. Poverty levels were determined by the ratio of the family's total income to the relevant poverty threshold given the family size and number of children under age 18 living in the household (6). Persons were defined as "poor" if household income was below 100% of the poverty threshold, "near poor" if between 100% and 199%, and "not poor" if household income exceeded 200% of the poverty threshold. This analysis does not use 138% of the poverty threshold as the cut off for poor because NHIS data do not currently include detailed enough income measures to identify whether a person is above or below 138% of the poverty before 2009.

Insurance. All insurance coverage determinations are based on recoded insurance variables that reconciled the verbatim name of the insurance plan with the type of insurance the person reported having. Unless otherwise noted, insurance variables refer to the insurance coverage of the person at the time of the survey.

Uninsurance. Includes persons who did not report having private or public insurance. Persons with only Indian Health Service coverage or only a private single-service health plan were also defined as uninsured.

Public health plan coverage. Includes persons who had Medicaid, Children's Health Insurance Program (CHIP), other state or local health insurance coverage, Medicare and/or military plans. A small number of persons were covered by both public and private plans. These persons were considered to have private insurance coverage except for children with both Medicare and a private plan, who were designated as publicly insured.

Private health insurance coverage. Includes persons who had any comprehensive private insurance plan; the plan may have been provided in part or in full by an individual's employer or union, or purchased directly by the person.

Source of private coverage. Persons with private coverage are identified by the source of their insurance plan.

- *Individual health insurance*: any directly purchased private coverage.
- *Dependent Employer-Sponsored Insurance (ESI)*: any private insurance plan paid for by someone else in the family or outside the household that is not directly purchased private coverage.
- *Policyholder Employer-Sponsored Insurance (ESI)*: an insurance plan was in the person's own name and paid for, at least in part, by an employer, or that was not directly purchased by the person.
- *Private (Unspecified)*: private coverage for persons who did not provide adequate information to ascertain the source of coverage.

Unknown insurance coverage. Persons who did not provide any information about insurance were classified as "Unknown"; however, display of "Unknown" frequencies is suppressed in this report as insurance status was unknown for less than 1% of persons in all age groups.

Data source and methods

This data brief uses data from the Integrated Health Interview Series (IHIS). IHIS harmonizes public use National Health Interview Survey (NHIS) data across years to allow for cross-temporal comparisons. Along with information on insurance status and sources, integrated NHIS data provided through IHIS contain rich demographic and socioeconomic information.

For Figures 1 and 2, time trends regress uninsurance (or insurance coverage gap) on year by subpopulation group. The significance levels reported are for the coefficient of year. For Figures 3 through 6, differences between the prereform period and subsequent periods were evaluated using two-sample t-tests. All analyses are population weighted and adjusted for complex survey structure. All error bars are mean ± 95% CI.

NHIS offers imputed income supplements to address incomplete income reporting and subsequent challenges to poverty level estimation. Analyses including poverty as an independent variable merged results of separate regressions for each of the five imputed poverty estimates using the multiply imputed data analysis procedures in SAS 9.2.

One individual responds to questions on the NHIS core questionnaire about the health of everyone in the family; this family respondent was asked the 14 questions regarding health insurance and access that are presented in Table 2. Many of these variables are recodes generated by IHIS to merge information from multiple insurance plans and across multiple types of insurance coverage.

Table 2: List of Variables Used to Measure Health Insurance Coverage and Barriers to Care

Variable	Description
HINOTCOVE*	Health Insurance coverage status
HIPUBCOVE*	Has any Medicaid/other public assistance/State sponsored plan or CHIP (recode)
HIMCAREE	Covered by Medicare: Recode
HIMILITE	Covered by military health insurance: Recode
HIPRIVATEE	Covered by private health insurance: Recode
HIPBUYOWNR*	Has any private insurance purchased directly
HIPOUTR*	Has any private insurance plan paid for by someone outside the household
HIPSELFR*	Has any private insurance plan paid for by self/family
HIPEMPAYR*	Has any private insurance plan paid in part or full by employer
HIPWORKR*	Has any private insurance obtained through employment
HIP1WHO/HIP2WHO	Plan 1/Plan 2: Plan in whose name
YBARCARE	Needed but couldn't afford medical care, past 12 months
YBARMEDS	Needed but couldn't afford prescription medicines, past 12 months
YBARMENTAL	Needed but couldn't afford mental health care, past 12 months

* Summary variable available only through IHIS

About the author

Aaron Berger is a graduate student research assistant on the IHIS project at the Minnesota Population Center, University of Minnesota, Twin Cities.

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