

## Monitoring the Impact of Health Reform on Americans 50–64: Medicaid Expansion and Marketplace Implementation Increased Health Coverage

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**A survey conducted by the Urban Institute and AARP shows that the share of 50- to 64-year-olds without health insurance fell between December 2013 and March 2014. In states that expanded their Medicaid programs, a greater share of previously uninsured adults gained coverage, particularly among groups that have traditionally faced barriers to obtaining it. The survey also found that the newly insured differed in key ways from those who reported being insured for all of the past 12 months. On average, more were low income, and more reported that they had had trouble paying medical bills.**

**This paper is part of a series that looks at the experience of 50- to 64-year-olds during the first open enrollment period of the Affordable Care Act (ACA).**

### **ACA Health Coverage Goals Address Unique Needs of Americans Ages 50–64**

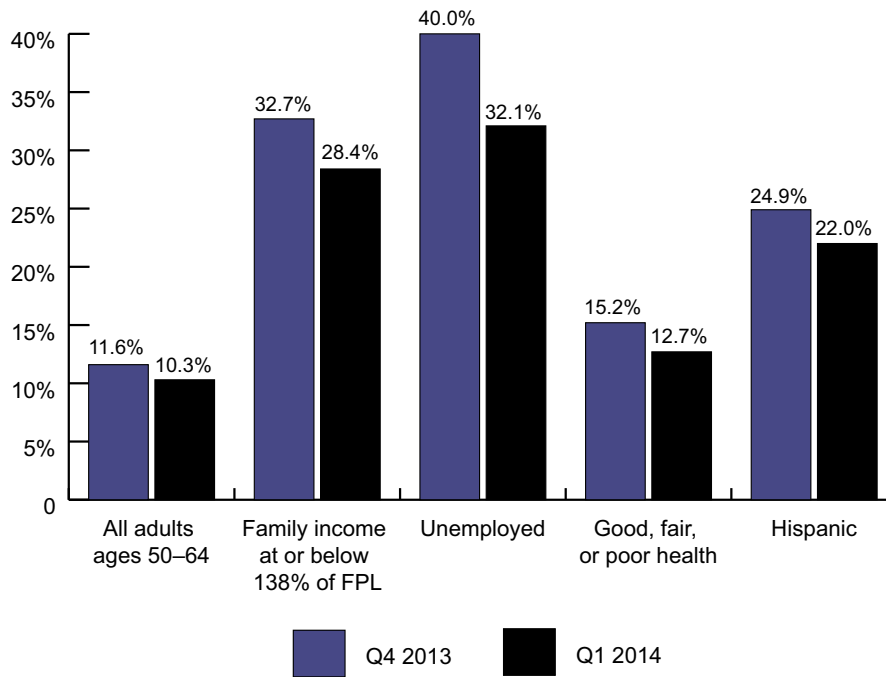
Health insurance access is a common concern for Americans ages 50 to 64, a population that has a high need for medical care but that has traditionally faced difficulties obtaining coverage. Those without coverage from an employer have often faced barriers, including (a) limited access to public insurance for poor adults without children and (b) difficulty buying comprehensive coverage in the private health insurance market because of pre-existing conditions and cost. As a result, coverage options for many Americans in that age bracket were limited to expensive nongroup (individual) insurance, COBRA, high-risk pools, and plans that provided catastrophic coverage.

The Affordable Care Act (ACA) makes health insurance more accessible and

affordable for the 50- to 64-year-old population through a number of changes designed to expand coverage. Those changes include (a) guaranteeing that individuals will have access to private insurance regardless of their medical history; (b) banning the use of health status in setting insurance rates; (c) limiting the amount that insurers can charge older people relative to the amount they can charge younger people; (d) extending the availability of Medicaid to poor, childless adults; and (e) subsidizing the cost of private nongroup coverage bought through new health insurance Marketplaces.

This paper provides data on the effect of the ACA in the first few months of implementation (between December 2013 and March 2014) and reports on changes in health insurance coverage among individuals ages 50 to 64. Data were collected from the Urban Institute's Health

**Figure 1**  
**Changes in the Uninsurance Rate for Select Groups among Adults 50–64**  
**between December 2013 and March 2014**



Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.

Note: FPL = federal poverty level. Estimated changes from quarter 4 2013 to quarter 1 2014 differ significantly from zero at at least the 5 percent level, using a two-tailed test.

Reform Monitoring Survey. This analysis compares the coverage type reported by survey respondents in the fourth quarter of 2013 (largely December 2013) with that reported by survey respondents in the first quarter of 2014 (largely during the first three weeks of March 2014). More information about the Health Reform Monitoring Survey is presented in the box at the end of this paper.

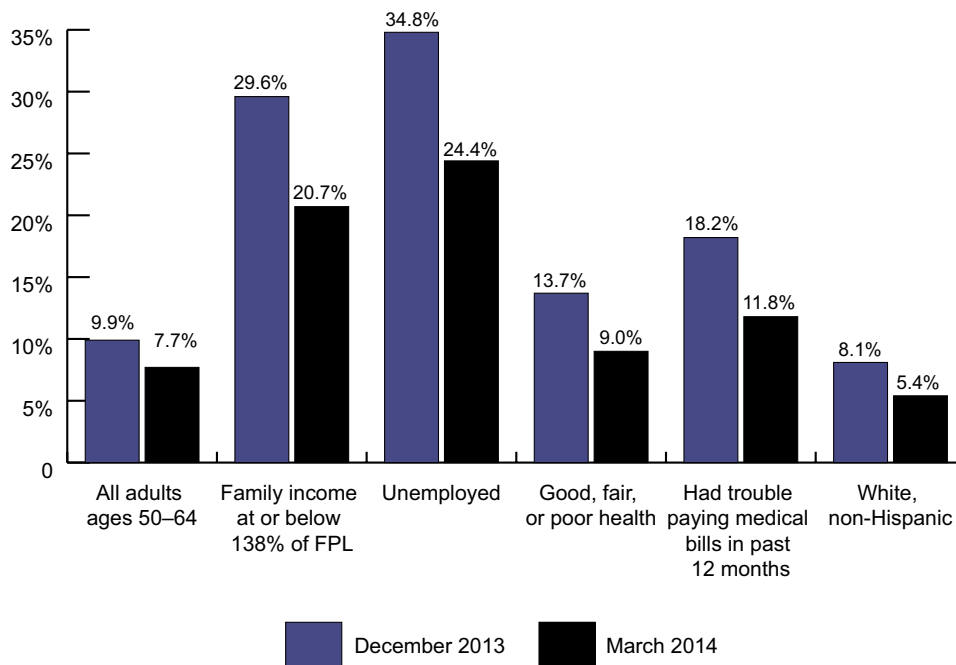
### Uninsurance Rates Fell among 50- to 64-Year-Olds in the First Months of 2014

In December 2013, 11.6 percent of all adults ages 50 to 64 reported being uninsured. Between December 2013 and March 2014, that rate fell to 10.3 percent. Some groups within the 50–64 population experienced more pronounced declines in the percentage without insurance. Table 1 in the appendix shows how

declines varied across different groups. The following are some highlights (also see figure 1):

- For individuals with family incomes at or below the Medicaid expansion threshold of 138 percent of the federal poverty level (FPL), the share without insurance fell from 32.7 percent to 28.4 percent. (For those at or above 400 percent of poverty level, it dropped from 2.2 percent to 1.4 percent.)
- The share of uninsured among the unemployed<sup>1</sup> fell from 40.0 percent to 32.1 percent.
- Among individuals reporting worse health (“poor,” “fair,” or “good” as opposed to “very good” or “excellent”), the share of uninsured fell from 15.2 percent to 12.7 percent.

**Figure 2**  
**Changes in the Uninsurance Rate between December 2013 and March 2014**  
**in Medicaid Expansion States**



Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.  
 Note: FPL = federal poverty level. Estimated changes from quarter 4 2013 to quarter 1 2014 differ significantly from zero at at least the 5 percent level, using a two-tailed test.

- The share of Hispanics without health insurance fell from 24.9 percent to 22.0 percent.

### State Medicaid Expansion Boosted Coverage Gains<sup>2</sup>

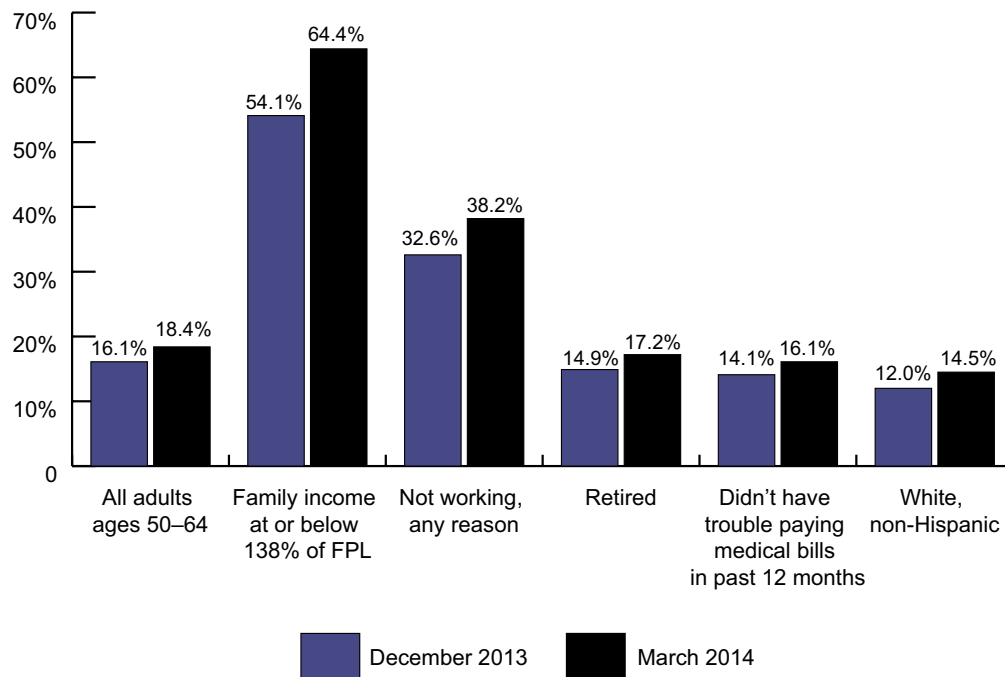
Survey data show pronounced differences between states that chose to expand their Medicaid programs under the ACA and those that did not (appendix tables 2 and 3). The percentage of uninsured adults in Medicaid expansion states declined, while the percentage with public coverage<sup>3</sup> increased, especially among groups that experience barriers to coverage (figures 2 and 3). States that did not expand Medicaid showed more limited declines in the percentage of uninsured and no gains in public coverage.

### Expansion States

The following are findings from states that expanded Medicaid:

- Among all adults ages 50 to 64 in Medicaid expansion states, the percentage of those without health insurance fell from 9.9 percent to 7.7 percent, and the public coverage rate increased from 16.1 percent to 18.4 percent.
- Among individuals with family incomes within the Medicaid expansion threshold, the percentage of uninsured fell from 29.6 percent to 20.7 percent, and the percentage of those with public coverage increased from 54.1 percent to 64.4 percent. There were no statistically significant changes in the rates of uninsurance and public insurance among 50- to 64-year-olds with higher incomes.

**Figure 3**  
**Changes in the Public Insurance Rate between December 2013 and March 2014 in Medicaid Expansion States**



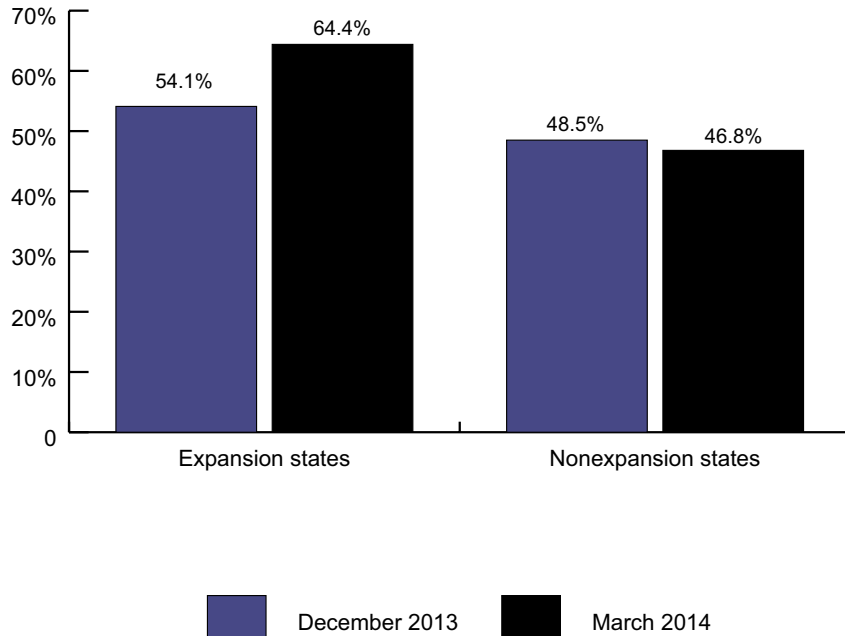
Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.  
 Note: FPL = federal poverty level. Estimated changes from quarter 4 2013 to quarter 1 2014 differ significantly from zero at at least the 5 percent level, using a two-tailed test. Public insurance includes Medicaid, medical assistance, CHIP, any kind of state or other government-sponsored assistance plan based on income or disability, or Medicare.

- Among individuals who were unemployed, the percentage of uninsured fell from 34.8 percent to 24.4 percent. Among working individuals, the percentage of uninsured declined from 8.1 percent to 6.6 percent. The percentage of those groups with public coverage rose, but those increases were not statistically significant. The increase in public coverage was significant among nonworkers collectively and among retirees..
- The percentage of individuals who were without insurance and who reported worse health (“poor,” “fair,” or “good”) fell from 13.7 percent to 9.0 percent.
- The uninsured rate among individuals who reported problems paying medical bills in the past 12 months dropped from 18.2 percent to 11.8 percent. Individuals who did not report problems paying medical bills in the past 12 months experienced a smaller decline in the percentage without insurance.
- Among white, non-Hispanic individuals, the percentage of those without health insurance declined from 8.1 percent to 5.4 percent, and the percentage with public coverage rose from 12.0 to 14.5 percent.

**Nonexpansion States**

While the public insurance rate among adults with family incomes within the Medicaid threshold rose in expansion states, there was no statistically significant change in the public insurance rate

**Figure 4**  
**Changes in the Public Insurance Rate between December 2013 and March 2014 among Adults 50–64 at or below 138% of FPL in Expansion vs. Nonexpansion States**



Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.  
 Note: FPL = federal poverty level. Estimated changes from quarter 4 2013 to quarter 1 2014 differ significantly from zero at at least the 5 percent level, using a two-tailed test. Estimated change in the nonexpansion states does not differ significantly.

among the same group in states that did not expand Medicaid (figure 4).

Unlike expansion states, states that did not expand Medicaid did not experience a statistically significant change in the percentage of all adults ages 50–64 who were uninsured.<sup>4</sup> The significant changes in the share of uninsured adults observed in nonexpansion states occurred among those with high family incomes, among Hispanics, and among those who did not have trouble paying medical bills.

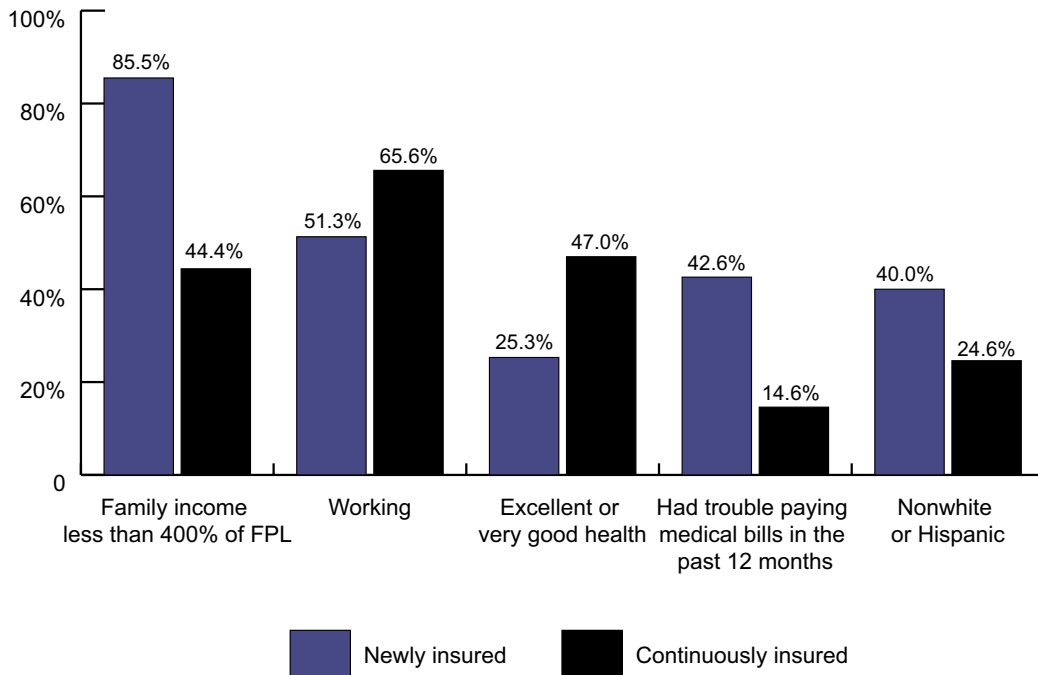
**Newly Insured Are More Likely to Be Lower Income, Unemployed**

In addition to observing changes in coverage between the December 2013 and March 2014 survey samples, the survey included questions about an in-

dividual’s health coverage for the past 12 months, thereby providing a longitudinal look at coverage during ACA implementation.

Those data reveal socioeconomic, demographic, and health care characteristics of the newly insured and continuously insured. Respondents who reported being newly insured in March 2014—that is, being uninsured for some period of time in the past 12 months and immediately prior to obtaining their current coverage—differed in key ways from those who reported being insured for all of the past 12 months (figure 5). Compared with those who were continuously insured, the newly insured, on average, have the following characteristics:

**Figure 5**  
**Characteristics of the Newly Insured**  
**and Continuously Insured in March 2014**



Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.  
 Note: FPL = federal poverty level. “Newly insured” respondents are those that reported being uninsured for some period of time in the past 12 months and immediately prior to their current coverage. “Continuously insured” respondents are those that reported being insured for the past 12 months. Percentages may not add up to 100 percent due to rounding. Estimates for the newly insured differ significantly from those for the continuously insured from zero at at least the 5 percent level, using a two-tailed test.

- Lower income. Of the newly insured, 41.7 percent reported family incomes that are less than or equal to 138 percent of the federal poverty level (FPL), and 85.5 percent reported family incomes less than 400 percent of FPL. Only 12.6 percent of the continuously insured reported family incomes less than 138 percent of FPL, and 44.4 percent reported family incomes less than 400 percent of FPL.
- More likely to be unemployed or out of the labor force. Of the newly insured, 51.3 percent worked, compared with 65.6 percent of the continuously insured.
- In worse health. Of the newly insured, 25.3 percent reported being in excellent or very good health, compared with 47.0 percent of the continuously insured.
- More likely to report trouble paying medical bills in the past 12 months. Of the newly insured, 42.6 percent reported trouble, compared with 14.6 percent of the continuously insured.
- More likely to be ethnic or racial minorities. Of the newly insured, 40.1 percent are nonwhite or Hispanic, compared with 24.6 percent of the continuously insured.

**More Research Is to Come about Americans Ages 50–64**

Analysis of HRMS-AARP survey data suggests that the ACA decreased the percentage of uninsured persons ages 50–64 nationally. Moreover, it appears that state Medicaid expansion had a big

effect on decreasing the share of 50- to 64-year-olds without health insurance, particularly among groups that may have had difficulty accessing insurance before the ACA was passed. Other provisions of the ACA, such as limiting variation in premiums for age and guaranteeing that people with preexisting health conditions have access to insurance, have likely also had an effect on coverage among older adults.

Most recent findings have continued to show increases in coverage for the population as a whole, suggesting that adults ages 50 to 64 have had a similar experience (Long et al. 2014; Clemans-Cope et al. 2014). Additional research is needed to assess the effect of coverage on this group, including the incidence of financial hardship from high medical spending, access to health care, and health outcomes.

This work is based on the Health Reform Monitoring Survey’s oversample of individuals ages 50 to 64, which is referred to as the HRMS-AARP and was from December 2013 and March 2014. The Health Reform Monitoring Survey is a quarterly Internet survey of individuals ages 18 to 64 that is designed to produce rapid feedback on ACA implementation before the federal government’s survey data are available (Long et al. 2013). It was developed by the Urban Institute ([hrms.urban.org](http://hrms.urban.org)); fielded by GfK ([www.gfk.com](http://www.gfk.com)); and jointly funded by the Robert Wood Johnson Foundation ([www.rwjf.org](http://www.rwjf.org)), the Ford Foundation ([www.fordfound.org](http://www.fordfound.org)), and the Urban Institute ([www.urban.org](http://www.urban.org)). AARP funded the 50- to 64-year-old oversample, which is designed to produce nationally representative statistics of individuals ages 50 to 64. The December 2013 survey includes approximately 8,200 respondents, most of whom completed the survey in the first three weeks of December 2013.

The March 2014 survey includes approximately 8,759 respondents, the majority of whom completed the survey in the first three weeks of March 2014. Because most responses to the first quarter survey were collected in the first three weeks of March, those data may not capture all nongroup and Medicaid expansion coverage obtained in the first Marketplace open enrollment period. For more information on the survey instrument, go to <http://hrms.urban.org/survey-instrument/index.html>.

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- Long, Sharon K., Genevieve M. Kenney, Stephen Zuckerman, Douglas Wissoker, Adele Shartzter, Michael Karpman, and Nathaniel Anderson. 2014. “Quicktake: Number of Uninsured Adults Continues to Fall under the ACA: Down by 8.0 Million in June 2014.” Policy Briefs Series about Health Reform Monitoring Survey. Washington, DC: Urban Institute. <http://hrms.urban.org/quicktakes/Number-of-Uninsured-Adults-Continues-to-Fall.html>.

## Endnotes

- <sup>1</sup> “Unemployed” individuals reported that they either were looking for work or were temporarily laid off.
- <sup>2</sup> States that expanded Medicaid before April 1, 2014, are AZ, AR, CA, CO, CT, DE, DC, HI, IL, IA, KY, MD, MA, MN, NV, NJ, NM, NY, ND, OH, OR, RI, VT, WA, and WV.
- <sup>3</sup> Public coverage includes Medicaid, medical assistance, CHIP, Medicare, and any kind of state or other government-sponsored assistance plan that was based on income or disability.
- <sup>4</sup> Statistically significant at the 5 percent level, using a two-tailed test.



## Appendix

**Table 1**  
**Percentage-Point Change in the Uninsurance Rate for Adults 50–64 between**  
**December 2013 and March 2014**

	Q4 2013 (percent)	Q1 2014 (percent)	Percentage- point change
All adults ages 50–64	11.6	10.3	–1.3**
<b>Family income</b>			
At or below 138% of FPL	32.7	28.4	–4.3*
139–399% of FPL	13.6	13.0	–0.6
400% of FPL or higher	2.2	1.4	–0.7*
<b>Work status</b>			
Working	10.1	9.2	–0.9*
Employed	8.0	7.2	–0.8
Self-employed	23.1	21.3	–1.8
Not working, any reason	14.2	12.4	–1.7*
Retired	8.4	6.4	–1.9*
Disabled	6.5	4.8	–1.6
Unemployed	40.0	32.1	–7.9**
Other	20.2	21.5	1.3
<b>Health</b>			
Excellent or very good health	7.7	7.1	–0.6
Good, fair, or poor health	15.2	12.7	–2.5**
<b>Financial trouble in past 12 months</b>			
Had trouble paying medical bills	20.4	19.0	–1.4
Didn't have trouble paying medical bills	9.4	8.2	–1.2**
<b>Race or ethnicity</b>			
White, non-Hispanic	9.5	8.0	–1.5**
Nonwhite, non-Hispanic	12.5	13.1	0.6
Hispanic	24.9	22.0	–2.9*

Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.

Note: Estimated change is significantly different from zero, using a two-tailed test. Significance level: \* = 5 percent, \*\* = 1 percent.

**Table 2**  
**Percentage-Point Change in the Uninsurance Rate between**  
**December 2013 and March 2014, by State Medicaid Expansion Status**

	Expansion states			Nonexpansion states		
	Q4 2013 (percent)	Q1 2014 (percent)	Percentage- point change	Q4 2013 (percent)	Q1 2014 (percent)	Percentage- point change
All adults ages 50–64	9.9	7.7	–2.2**	13.5	13.1	–0.4
<b>Family income</b>						
At or below 138% of FPL	29.6	20.7	–8.9**	35.4	34.8	–0.5
139–399% of FPL	13.1	11.4	–1.7	14.1	14.4	0.4
400% of FPL or higher	1.9	1.4	–0.5	2.5	1.5	–1.0*
<b>Work status</b>						
Working	8.1	6.6	–1.5**	12.3	12.0	–0.3
Employed	6.3	5.0	–1.4**	9.8	9.6	–0.2
Self-employed	18.6	16.6	–2.0	28.5	26.3	–2.2
Not working, any reason	13.0	9.8	–3.2**	15.3	15.0	–0.3
Retired	6.1	4.6	–1.5**	10.8	8.4	–2.4
Disabled	7.3	2.7	–4.6*	5.8	6.5	0.7
Unemployed	34.8	24.4	–10.5**	47.4	42.4	–5.0
Other	17.2	17.9	0.7	23.2	25.2	2.0
<b>Health</b>						
Excellent or very good health	6.2	5.9	–0.3	9.5	8.7	–0.8
Good, fair, or poor health	13.7	9.0	–4.6**	16.7	16.2	–0.5
<b>Financial trouble in past 12 months</b>						
Had trouble paying medical bills	18.2	11.8	–6.4**	22.2	24.5	2.3
Didn't have trouble paying medical bills	8.0	6.7	–1.3*	10.9	9.8	–1.1*
<b>Race/ethnicity</b>						
White, non-Hispanic	8.1	5.4	–2.8**	10.9	10.7	–0.2
Nonwhite, non-Hispanic	10.8	10.0	–0.8	14.0	15.7	1.7
Hispanic	20.0	19.1	–0.9	31.0	25.8	–5.1*

Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.

Note: Estimated change is significantly different from zero, using a two-tailed test. Significance level: \* = 5 percent, \*\* = 1 percent.

**Table 3**  
**Percentage-Point Change in the Public Insurance Rate between**  
**December 2013 and March 2014, by State Medicaid Expansion Status**

	Expansion states			Nonexpansion states		
	Q4 2013 (percent)	Q1 2014 (percent)	Percentage- point change	Q4 2013 (percent)	Q1 2014 (percent)	Percentage- point change
All adults ages 50–64	16.1	18.4	2.3**	18.0	17.4	–0.6
<b>Family income</b>						
At or below 138% of FPL	54.1	64.4	10.3*	48.5	46.8	–1.7
139–399% of FPL	16.2	18.5	2.3	15.6	16.4	0.8
400% of FPL or higher	4.3	3.7	–0.6	5.7	4.0	–1.6
<b>Work status</b>						
Working	6.5	7.5	1.1	4.4	4.7	0.3
Employed	6.0	7.0	1.0	4.3	4.4	0.1
Self-employed	9.5	11.0	1.5	5.2	6.8	1.6
Not working, any reason	32.6	38.2	5.6**	39.2	38.5	–0.7
Retired	14.9	17.2	2.4*	20.8	18.1	–2.6
Disabled	79.3	85.4	6.2*	80.6	81.8	1.2
Unemployed	16.8	22.3	5.5	6.4	10.4	4.0
Other	18.0	23.4	5.4*	21.1	12.8	–8.3*
<b>Health</b>						
Excellent or very good health	7.6	8.8	1.2	8.1	7.2	–0.9
Good, fair, or poor health	24.5	26.8	2.3	26.3	24.6	–1.7
<b>Financial trouble in past 12 months</b>						
Had trouble paying medical bills	25.7	31.0	5.3	28.7	24.9	–3.8
Didn't have trouble paying medical bills	14.1	16.1	2.0*	15.1	15.5	0.3
<b>Race/ethnicity</b>						
White, non-Hispanic	12.0	14.5	2.5*	13.1	13.0	–0.1
Nonwhite, non-Hispanic	21.4	23.5	2.1	30.7	30.3	–0.4
Hispanic	35.0	35.5	0.6	30.2	25.0	–5.2

Source: HRMS-AARP, quarter 4 2013 and quarter 1 2014.

Note: Estimated change is significantly different from zero, using a two-tailed test. Significance level: \* = 5 percent, \*\* = 1 percent.

**Table 4**  
**Characteristics of the Continuously Insured and Newly Insured in March 2014**

	Insured for all of past 12 months (percent)	Newly insured (percent)
<b>Income (% in each category)</b>		
At or below 138% of FPL	12.6	41.7**
139–399% of FPL	31.8	43.9*
400% of FPL or higher	55.6	14.5**
<b>Work status (% in each category)</b>		
Working	65.6	51.3**
Employed	58.0	41.3**
Self-employed	7.5	9.9
Not working, any reason	34.4	48.7**
Retired	14.1	8.7**
Disabled	11.9	14.3
Unemployed	3.1	16.1**
Other	5.3	9.6*
<b>Health (% in each category)</b>		
Excellent or very good health	47.0	25.3**
Good, fair, or poor health	52.8	73.7**
<b>Financial trouble in past 12 months (% in each category)</b>		
Had trouble paying medical bills	14.6	42.6**
Didn't have trouble paying medical bills	85.0	57.3**
<b>Race/ethnicity (% in each category)</b>		
White, non-Hispanic	75.4	59.9**
Nonwhite, non-Hispanic	16.4	21.6
Hispanic	8.2	18.4

Source: HRMS-AARP, quarter 1 2014.

Note: Among respondents, 43 indicated they were insured but did not indicate either the number of months out of the past 12 months that they were insured or whether they were uninsured immediately prior to having their current coverage. Estimated change is significantly different from zero, using a two-tailed test. Significance level: \* = 5 percent, \*\* = 1 percent.

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