

Monitoring the Impact of Health Reform on Americans 50–64: Use of Insurance Marketplaces

Gerry Smolka and Olivia Dean
AARP Public Policy Institute

Kyle J. Caswell, Timothy A. Waidmann, and Adam L. Weiss,
Urban Institute

An Urban Institute and AARP survey conducted in December 2013 found that, despite widespread awareness of the new health insurance Marketplace among 50- to 64- year olds, relatively few who knew about the Marketplace were interested in using it to acquire new coverage. The survey also found that 50- to 64-year-olds' use of the Marketplace varied widely by health insurance status and income.

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

A key goal of the Affordable Care Act (ACA) is to reduce the number of uninsured Americans by expanding access to health care coverage. The ACA created a health insurance Marketplace in every state to help individuals assess and access new coverage options and subsidies.

Until implementation of the ACA, many people ages 50 to 64 found themselves unable to purchase insurance in the individual market because of high cost or preexisting health problems. In addition, those able to purchase nongroup insurance often faced burdensome premiums.

In December 2013, on the eve of ACA implementation, AARP and the Urban Institute surveyed Americans ages 50 to 64 about their interest in connecting with the Marketplace to learn about available insurance options (see box at the end of this paper for more details about the sur-

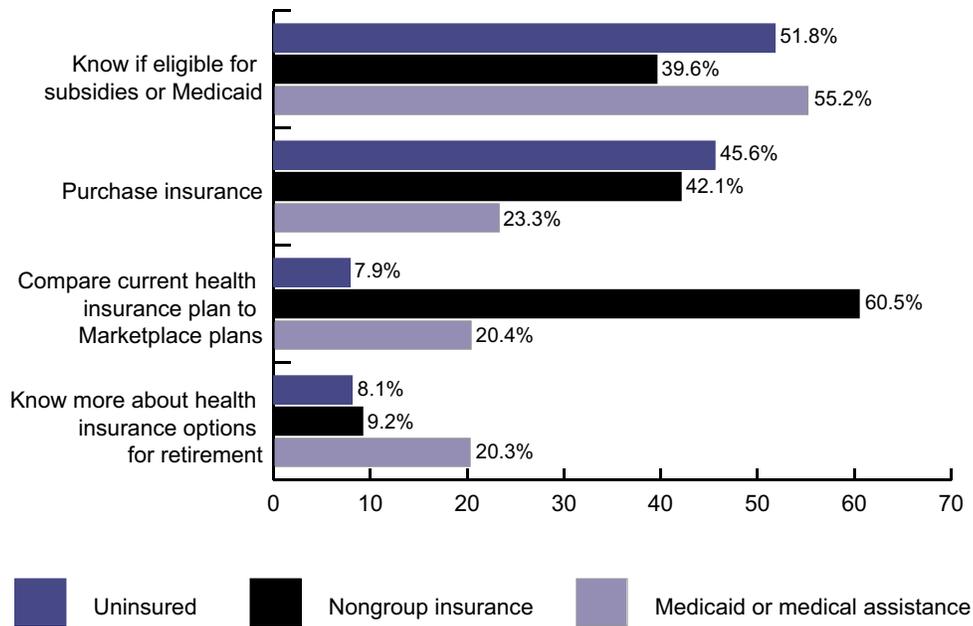
vey). The survey also asked people how they engaged or planned to engage with the Marketplace.

Health Insurance Status and Income Influenced the Use of the Marketplace among Adults Ages 50 to 64

Reasons for having used or planned to use the Marketplace varied by health insurance status, as follows:

- Just over half (52 percent) of the uninsured 50- to 64-year-olds planned to use the Marketplace to determine their eligibility for subsidies or Medicaid, and nearly half (46 percent) planned to use it to purchase insurance.
- The majority (61 percent) of those who had nongroup insurance and who were interested in using the

Figure 1
Reasons Adults 50–64 Looked or Planned to Look for Health Insurance Information in the Marketplaces, by Health Insurance Status



Source: Authors' calculations using the HRMS-AARP, December 2013.

Note: Statistics are limited to respondents who were aware of the health insurance Marketplace and who either looked or planned to look for information about insurance plans in the Marketplace. Respondents who indicated that they have health insurance but not a discernible type are omitted and represent 1.6 percent of the total weighted HRMS-AARP sample. Reason categories are not mutually exclusive. Health insurance categories are mutually exclusive. Respondents who did not indicate why they looked or planned to look for Marketplace plans are not reported and represent 1.1 percent of the weighted subpopulation.

Marketplace planned to use it to compare their current insurance with that available through the Marketplace (figure 1 and appendix table 2). However, less than half of those with nongroup coverage—just 42 percent—said they wanted to use the Marketplace to buy coverage, and 40 percent wanted to find out if they were eligible for subsidies or Medicaid in 2014.

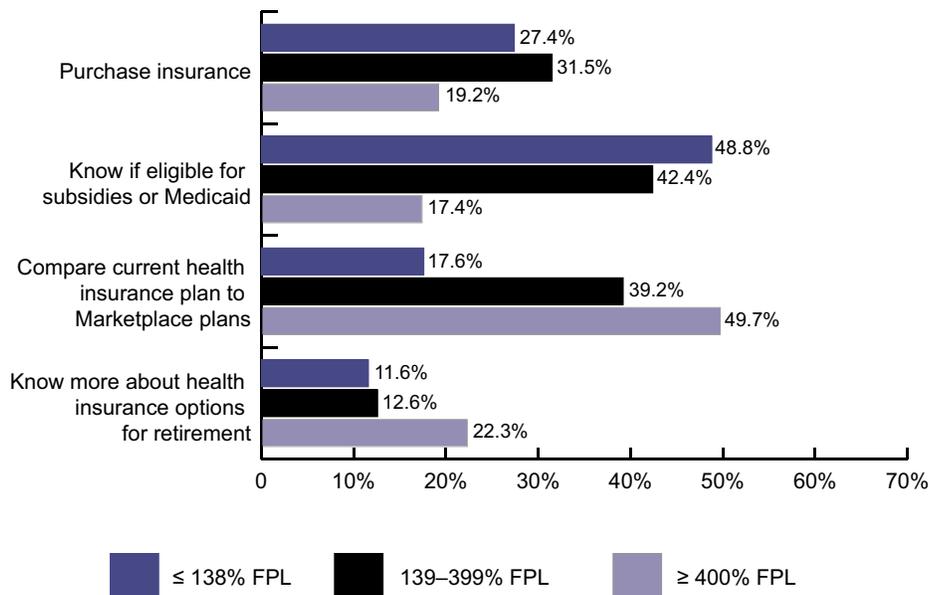
- Over half (55 percent) of those with Medicaid planned to use the Marketplace to determine their eligibility for subsidies or Medicaid.

Because the Marketplace is a pathway to new financial assistance, those with income in the range that qualifies them

to receive help with coverage costs had a particular incentive to use the Marketplace (see figure 2). We, therefore, anticipated that this group would use the Marketplace more than other groups. As expected, the following findings were seen among those who had looked or planned to look for information in the Marketplaces:

- Nearly half (49 percent) of adults with incomes at or below 138 percent of the federal poverty level (the income range eligible for Medicaid coverage under Medicaid expansion) said they wanted to find out if they qualified for subsidies or Medicaid.
- Of those with incomes between 139 percent and 400 percent of the federal poverty level (the income

Figure 2
Reasons Adults Ages 50–64 Looked or Planned to Look for Health Insurance Information in Marketplaces, by Income



Source: Authors' calculations using the HRMS-AARP, December 2013.

Note: Statistics are limited to respondents who were aware of the health insurance Marketplace and either looked or planned to look for information on insurance plans in the Marketplace. Reason categories are not mutually exclusive. Health insurance categories are mutually exclusive. Respondents who did not indicate why they looked or planned to look for Marketplace plans are not reported and represented 1.1 percent of the weighted subpopulation.

range eligible for subsidies), 42 percent wanted to find out if they qualified for subsidies or Medicaid.

- Of those with incomes at or above 400 percent of the federal poverty level (the income cut-off for qualifying for subsidies), 17 percent said they wanted to find out if they were eligible for subsidies or Medicaid. However, half of this higher-income group planned to use the Marketplace to compare their current health insurance plan with Marketplace plans.

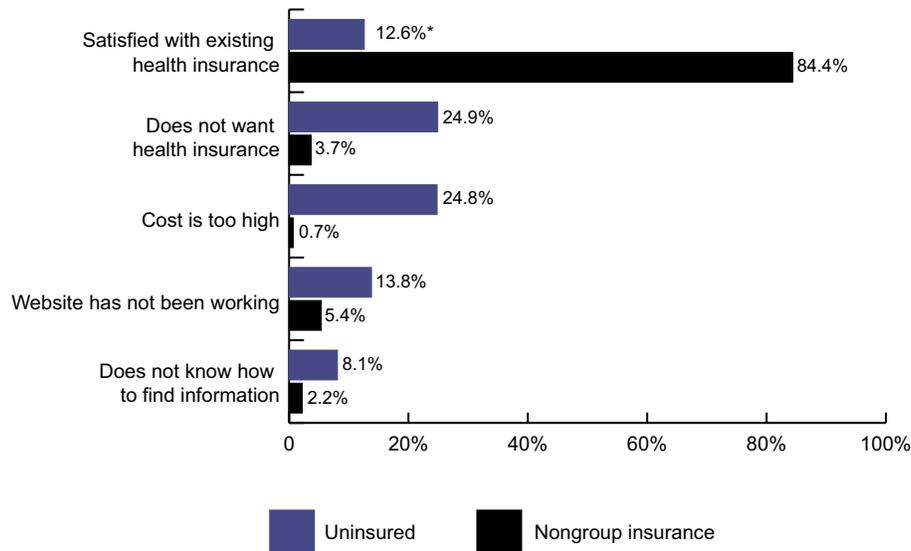
50- to 64-Year-Olds Did Not Plan to Use the Marketplace for Multiple Reasons

Because the vast majority of survey respondents had employer or public coverage, most did not plan to use the

Marketplace to look for health insurance. (See *Monitoring the Impact of Health Care Reforms on Americans 50–64: Awareness and Coverage Expectations* [Insight on the Issues 96].) However, interest was also limited among some who were uninsured or in the nongroup market (figure 3). Respondents in that group provided several reasons for their limited interest:

- Close to a quarter of uninsured 50- to 64-year-olds were not interested in the Marketplace because they didn't want insurance or thought the cost of insurance was too high.
- Among those with nongroup insurance who said they were not going to use the Marketplace, the overwhelming majority (84 percent) said it was because they were already

Figure 3
Reasons Adults 50–64 Didn’t Plan to Look for Health Insurance Information in the Marketplace, by Health Insurance Status



Source: Authors’ calculations using the HRMS-AARP, December 2013.

Note: Statistics are limited to respondents who heard about the health insurance Marketplace and did not look for information on insurance plans in the Marketplace. Respondents reported only one main reason that they did not look for information on Marketplace plans. Those who did not report a main reason are not included in the statistics above and represent 2.0 percent of those with nongroup insurance and 7.3 percent of the uninsured. * The anomaly of the uninsured being satisfied with their current insurance reflects that some people were counted as uninsured because they reported having insurance but wrote in responses that suggest that they get care from a clinic (likely charity care), which is not insurance.

satisfied with their existing health insurance.

- Smaller shares of the uninsured and those with nongroup coverage reported that website issues influenced their decision not to use the Marketplace.

What Information Channels Did 50- to 64-Year-Olds Use to Get Information?

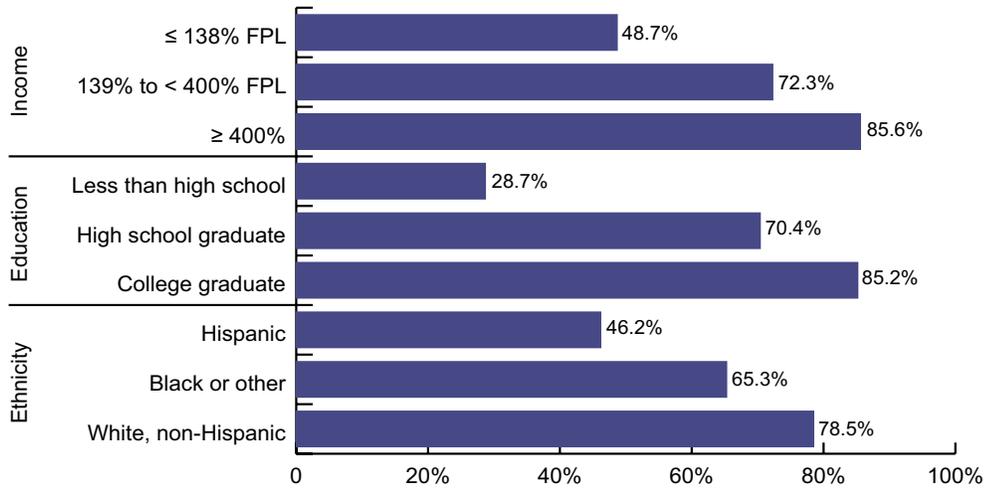
The federal and state Marketplaces built websites so people could shop and apply for health care coverage, could access subsidies, and could enroll in Marketplace plans. Failure of the federal and some state Marketplace websites to provide a simple and efficient experience—at least in the first months of implementation—has been well documented. Despite these obstacles, the vast majority (71 percent) of adults ages 50

to 64 who used or planned to use the Marketplace did so through the website. Website use varied significantly by income, education, and ethnicity (figure 4).

Other channels are available besides the website that people can use to obtain information about the Marketplace. Those channels, which include the Marketplace call center and other professionals trained to answer questions, give people information about coverage options and guide people through the process of applying for coverage and subsidies (appendix table 3). Other sources of help are family, friends, and insurance agents or brokers. The survey showed use of resources to obtain information:

- Fewer than half of adults ages 50 to 64 with the lowest family incomes reported using the Marketplace website, and they were more than

Figure 4
Adults Ages 50–64 Who Used Marketplace Website to Find Health Insurance Information



Source: Authors' calculations using the HRMS-AARP, December 2013.

Note: Statistics are limited to respondents who were aware of the health insurance Marketplace and who either looked or planned to look for information on insurance plans in the Marketplace. Respondents were able to report more than one method. Those who did not report any method are included in the statistics above but are not reported. The range of nonresponse rates was 0.8–4.8 percent across income categories, 0.9–5.6 percent across education categories, and 2.1–3.8 percent across race or ethnicity categories.

twice as likely to report turning to the call center and family and friends for assistance than were the highest income group.

- Those who had not completed high school used call centers, family and friends, and brokers and agents for information and help with enrollment nearly as much as they used the Marketplace website. Only about 3 in 10 of this group reported using the Marketplace website, which was well below half the rate of those with a high school diploma or more.
- Hispanic adults ages 50 to 64 reported using the Marketplace website considerably less than did white non-Hispanics. Hispanics were more likely to turn to family and friends and professional assistance

for help compared with white non-Hispanics.

- Blacks and other nonwhite, non-Hispanic adults also relied on the website less than did white non-Hispanics. They were more likely to seek help from family and friends and other in-person assistance, such as navigators, compared with white non-Hispanics.

The delayed launch of the Spanish language version of the federal Marketplace website may be a factor in lower Marketplace website use and in higher use of alternate sources of assistance among Hispanic adults. Similarly, greater use of call centers and alternative sources of assistance among other racial and ethnic groups could, in part, be attributable to a need for information in another language.

Ways to Improve the Use of the Marketplaces and Alternative Sources of Information

Widespread awareness of the new health insurance Marketplaces among the uninsured and those with nongroup health insurance—the groups that are most likely to benefit from the 2014 health reforms—indicates that public education and outreach efforts leading up to and during the 2013–14 open enrollment period were generally effective.

Nevertheless, the survey results suggest that there is room for improvement. State and federal policy makers need to renew their focus on the following:

- Maintaining a well-functioning, well-designed website where people can easily find the information they need and can get answers to their questions.
- Educating the public about the various ways they can get information and personal assistance, and letting the public know that help with coverage costs is available.
- Having an adequate supply of well-trained professionals to provide personal assistance through call centers and in person.
- Targeting outreach to those with educational or language barriers, and providing them with information and assistance that meets their needs.

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); fielded by GfK (www.gfk.com); and jointly funded by the Robert Wood Johnson Foundation (www.rwjf.org), the Ford Foundation (www.fordfound.org), and the Urban Institute (www.urban.org). AARP funded the 50- to 64-year-old population 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. For more information about the HRMS instrument, go to <http://hrms.urban.org/survey-instrument/index.html>. See appendix table 1 for a summary of the HRMS-AARP sample for December 2013.

Reference

Long, Sharon K., Genevieve M. Kenney, Stephen Zuckerman, Dana E. Goin, Douglas Wissoker, Fredric Blavin, Linda J. Blumberg, Lisa Clemans-Cope, John Holahan, and Katherine Hempstead. 2013. “The Health Reform Monitoring Survey: Addressing Data Gaps to Provide Timely Insights into the Affordable Care Act.” *Health Affairs* 3 (1), 161–67.

Appendix

Table 1
Summary of HRMS-AARP Sample, December 2013

	% of respondents with characteristic
Family income	
400% of the federal poverty level (FPL) or greater	48.0
139% to less than 400% FPL	33.7
At or below 138% FPL	18.3
Insurance status at the time of the survey	
Employer-sponsored insurance	66.3
Nongroup coverage	7.2
Medicaid or medical assistance	6.1
Medicare	7.2
Other	1.6
Uninsured	11.6
Unmet medical need or problems paying medical bills	
Any unmet medical need due to costs in past 12 months ^a	22.6
No unmet medical need	77.4
Missing data on unmet medical need	0.1
Problems paying or unable to pay medical bills in past 12 months	19.6
No problems paying medical bills	80.0
Missing data on problems paying medical bills	0.4
Health status	
Very good or excellent	47.5
Good	34.6
Fair or poor	17.6
Not reported	0.3
Age	
50–54	36.5
55–59	34.4
60–64	29.1
Gender	
Male	48.1
Female	51.9
Race or ethnicity	
White, non-Hispanic	72.2
Black or other race or ethnicity, non-Hispanic	17.3
Hispanic	10.5

Table 1 (continued)
Summary of HRMS-AARP Sample, December 2013

	% of respondents with characteristic
Education	
College graduate	31.4
High school graduate or some college	60.9
Less than high school	7.7
Marital status	
Married	63.4
Not married	36.6
Employment status	
Employed	53.5
Self-employed	8.5
Not working, retired	15.2
Not working, other	22.8
Region	
Northeast	19.2
Midwest	25.0
South	34.1
West	21.8
Urban	
In metropolitan area	82.6
Not in metropolitan area	17.4
Missing data on metropolitan area	0.1
Medicaid expansion state of residence	
Expansion state	51.4
Nonexpansion state	48.6
Exchange type	
Federal	66.1
State	33.9
Sample size (respondents)	8,208

Source: Authors' calculations using the HRMS-AARP, December 2013.

a. Unmet medical needs include any of the following categories: prescription drugs, medical care, general physician care, specialist care, medical tests or follow-up care, and mental health care.

Table 2
Reasons Adults Ages 50–64 Looked, or Planned to Look, for Information about Health Insurance in the Marketplace, December 2013

		Purchase insurance	Know if eligible for subsidies or Medicaid	Know more about health insurance options for retirement	Compare current health insurance plans with Marketplace plans	Other (did not report any reason already listed)
Family income	At or below 138% FPL	27.4%	48.8%**	11.6%**	17.6%**	19.8%
	139% to less than 400% FPL	31.5%**	42.4%**	12.6%**	39.2%**	18.9%*
	400% FPL or greater (R)	19.2%	17.4%	22.3%	49.7%	24.7%
Health insurance status	Uninsured	45.6%**	51.8%**	8.1%**	7.9%**	16.1%**
	Nongroup	42.1%**	39.6%**	9.2%**	60.5%**	8.3%**
	Medicaid or medical assistance	23.3%*	55.2%**	20.3%	20.4%**	18.3%
	Medicare	15.2%	37.8%**	4.1%**	34.7%**	29.5%
	Employer-sponsored insurance (R)	11.1%	21.2%	23.5%	49.4%	28.0%

Source: Authors' calculations using the HRMS-AARP, December 2013.

Note: Estimate is statistically different from the reference group marked with "R" using a two-tailed test. Significance level: * = 5 percent, ** = 1 percent.

Table 3
Methods Used by Adults 50–64 to Look for Information on Health Insurance Plans in the Marketplace

		Website	Call center	Assistance from navigators, application assisters, certified application counselors, or CHWs	Assistance from family or friends	Assistance from an insurance agent or broker	Other
Income	At or below 138% FPL	48.7%**	36.0%**	17.5%**	21.2%**	16.6%	7.1%**
	139% to less than 400% FPL	72.3%**	23.8%*	11.9%	17.7%*	21.6%	3.2%
	400% FPL or greater (R)	85.6%	16.7%	10.9%	12.8%	23.2%	1.7%
Education	Less than high school	28.7%**	27.0%	20.1%	25.3%**	26.5%	7.6%*
	High school graduate or some college	70.4%**	26.2%*	12.1%	17.1%	20.0%	4.0%**
	College graduate (R)	85.2%	19.9%	12.2%	13.8%	21.0%	1.6%
Ethnicity	Hispanic	46.2%**	31.4%	21.2%*	22.0%*	25.2%	4.2%
	Black or other race or ethnicity, non-Hispanic	65.3%**	28.2%	15.3%*	22.7%**	17.9%	4.1%
	White, non-Hispanic (R)	78.5%	21.5%	10.3%	14.0%	20.9%	3.3%

Source: Authors' calculations using the HRMS-AARP, December 2013.

Note: CHW = community health worker. Estimate is statistically different from the reference group marked with "R" using a two-tailed test. Significance level: * = 5 percent, ** = 1 percent. Statistics are limited to respondents who were aware of the health insurance Marketplace and who either looked or planned to look for information on insurance plans in the Marketplace. Respondents were able to report more than one method. Those who did not report any method are included in the statistics above but are not reported. The range of nonresponse rates was 0.8–4.8 percent across income categories, 0.9–5.6 percent across education categories, and 2.1–3.8 percent across race/ethnicity categories.

Insight on the Issues 97, December 2015

Written by Gerry Smolka, Olivia Dean, Kyle J. Caswell, Timothy A. Waidmann, and Adam L. Weiss
 AARP Public Policy Institute
 601 E Street, NW, Washington, DC 20049
www.aarp.org/ppi
 202-434-3890, ppi@aarp.org
 © 2015, AARP.
 Reprinting with permission only.