

**Fact Sheet**

# Who's Gained Affordable Care Act Coverage with Financial Help?

## *Estimated Characteristics of Adults Ages 50 to 64 Gaining Health Insurance Coverage with the ACA Premium Tax Credit*

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**Introduction**

The Affordable Care Act (ACA) provides federal financial assistance to help make health insurance more affordable for individuals and families who buy their own coverage. The support comes in the form of a premium tax credit.<sup>1</sup> In states that have not expanded their Medicaid program, financial assistance is available to people with modified adjusted gross incomes between 100 percent and 400 percent of the federal poverty level (FPL). In states that have expanded Medicaid, assistance is available for those with incomes between 138 and 400 percent of the FPL.<sup>2</sup> Available on a sliding scale based on income, the tax credit helps pay for monthly premiums for coverage purchased through Health Insurance Marketplaces (i.e., state and federal websites to compare and enroll in health insurance, also known as exchanges).

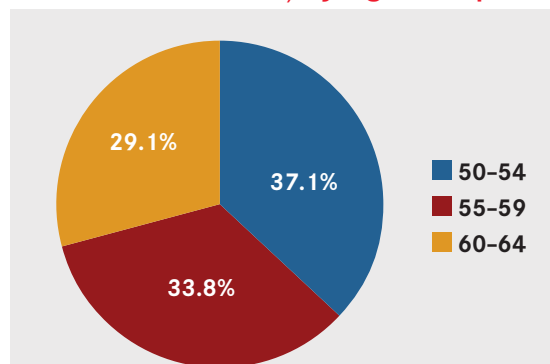
**This Fact Sheet estimates characteristics of the nearly 1.4 million adults ages 50 to 64 who were previously uninsured and who gained access to Marketplace health insurance coverage with the assistance of the premium tax credit, as of the end of 2015.**

**Findings**

**Age**

Over two-thirds (71 percent) of previously uninsured adults ages 50 to 64 gaining coverage with the ACA premium tax credit were younger than 60 years old; over one-quarter (29 percent) were on the cusp of Medicare eligibility (ages 60–64; figure 1).

**FIGURE 1**  
**Previously Uninsured Adults Ages 50–64 Gaining Health Coverage with ACA Premium Tax Credit, by Age Group\***



*Data Source: The Urban Institute, Health Insurance Policy Simulation Model, 2016. Calculations by AARP Public Policy Institute.*

*\* Results as of end of 2015.*



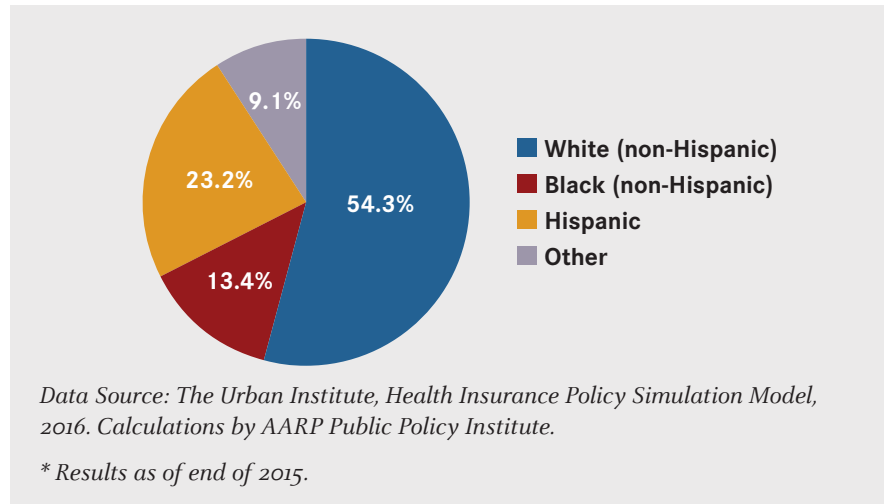
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**Race**

Of the “pre-Medicare adults” (i.e., those ages 50–64) gaining coverage with the ACA premium tax credit, more than half (54 percent) were white. Nearly one-quarter (23 percent) were Hispanic, and 13 percent were black (figure 2).

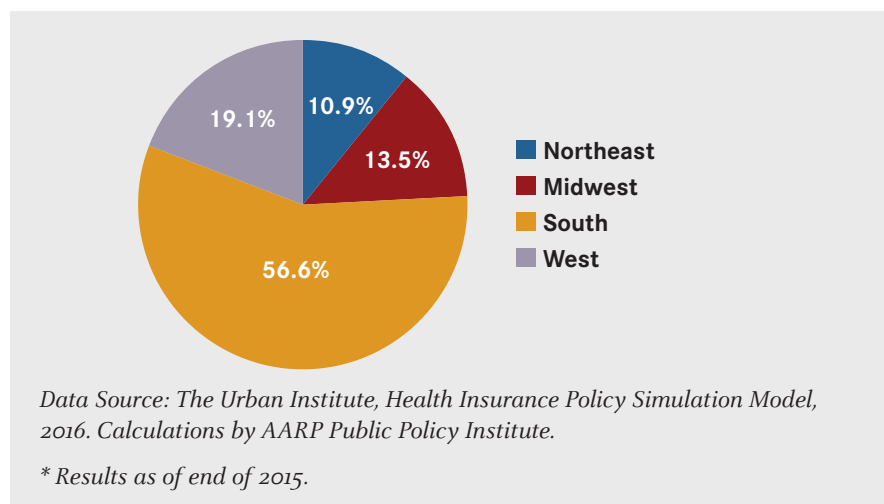
**FIGURE 2**  
**Previously Uninsured Adults Ages 50–64 Gaining Health Coverage with ACA Premium Tax Credit, by Race/Ethnicity\***



**Geographic Region**

Most (57 percent) of adults ages 50 to 64 who gained health insurance coverage with the ACA premium tax credit lived in the South (figure 3).

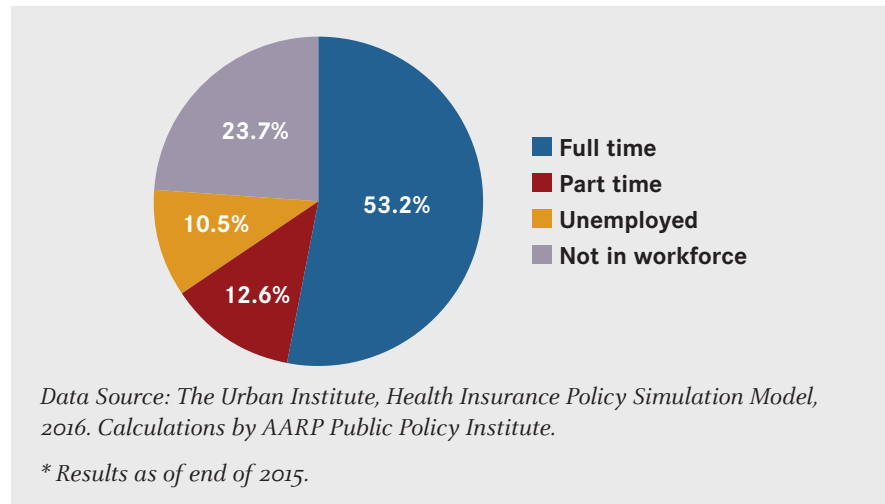
**FIGURE 3**  
**Previously Uninsured Adults Ages 50–64 Gaining Health Coverage with ACA Premium Tax Credit, by Census Region\***



### Employment

The vast majority (76 percent) of previously uninsured pre-Medicare adults (ages 50–64) who gained coverage with the ACA premium tax credit reported being in the labor force—either working or looking for work (figure 4). Among them, 53 percent reported working full time and 13 percent reported working part time.

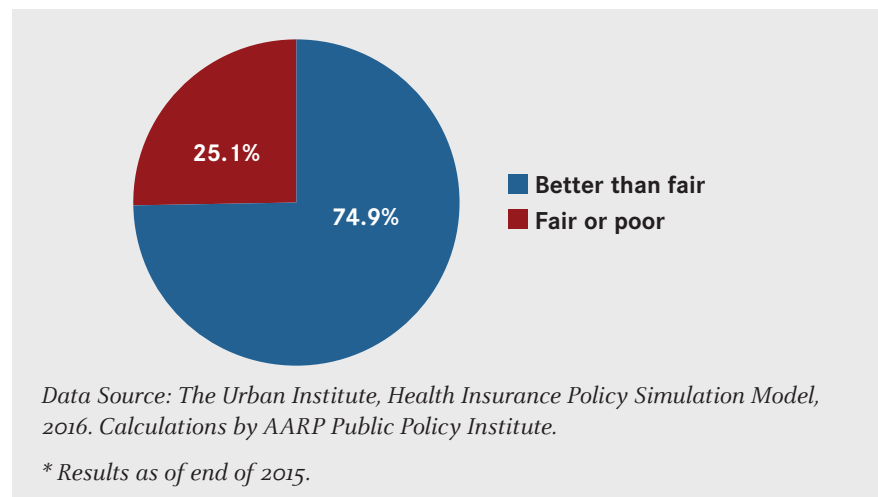
**FIGURE 4**  
**Previously Uninsured Adults Ages 50–64 Gaining Health Coverage with ACA Premium Tax Credit, by Employment Status\***



### Health Status

Most (75 percent) of the previously uninsured adults ages 50 to 64 who gained coverage with the ACA premium tax credit reported being in better than fair health (figure 5).

**FIGURE 5**  
**Previously Uninsured Adults Ages 50–64 Gaining Health Coverage with ACA Premium Tax Credit, by Self-Reported Health Status\***



## Key Takeaways

After implementation of the ACA, a significant number of pre-Medicare adults (ages 50–64) gained coverage.<sup>3</sup> Upon closer look at modest-income individuals in this age group who gained Marketplace coverage with the assistance of the ACA premium tax credit, the majority reported being employed and in good health. These findings should be taken into account as any future policy changes are considered.

### Method for Estimating Access to Health Care Coverage with the Premium Tax Credit

No survey data for the end of 2015 on the characteristics and health coverage of adults ages 50 to 64 exist in sufficient detail for our analysis. Therefore, we used the Urban Institute’s Health Insurance Policy Simulation Model (HIPSM)<sup>4</sup> and enrollment data<sup>5</sup> to estimate the number and characteristics of individuals who gained access to the ACA premium tax credit and obtained health insurance coverage through Health Insurance Marketplaces.

We pooled data from the 2012 and 2013 American Community Survey (ACS) to compile a representative sample population of individuals and families living in the United States. We used the pooled ACS data to determine the types of health coverage these individuals and families reported having before the implementation of the ACA Health Insurance Marketplaces.

Projections from the Urban Institute’s Mapping America’s Future Project were used to age the population to 2015.<sup>6</sup> We then applied the ACA’s current premium tax credit eligibility rules to the survey population to determine those eligible to receive the premium tax credit. We used HIPSM to determine the likelihood that eligible individuals would enroll in Health Insurance Marketplace plans using the premium tax credit, based on certain characteristics, and matched the numbers of 2015 Marketplace enrollees with tax credits in each state, as reported by the Centers for Medicare and Medicaid Services.

- 1 The premium tax credit can help pay for monthly premiums for plans offered through the Health Insurance Marketplace. The tax credit may be paid in advance directly to the insurance company or claimed on federal income tax returns. See <https://www.healthcare.gov/glossary/premium-tax-credit/>.
- 2 Legal immigrants with lower incomes can also qualify for tax credits if they are ineligible for Medicaid because they have been a resident for fewer than five years. Undocumented immigrants cannot obtain either Medicaid or Marketplace coverage.
- 3 The uninsured rate for 50- to 64-year-olds dropped an estimated 47 percent between December 2013 and March 2015. AARP Public Policy Institute (PPI). “Monitoring the Impact of Health Reform on Americans Ages 50–64: Uninsured Rate Dropped by Nearly Half between December 2013 and March 2015”. October 2015, <http://www.aarp.org/content/dam/aarp/ppi/2015/uninsured-rate-dropped-by-nearly-half-between-december-2013-march-2015.pdf>.
- 4 For more information on The Urban Institute’s Health Insurance Policy Simulation Model, see <http://www.urban.org/research/data-methods/data-analysis/quantitative-data-analysis/microsimulation/health-insurance-policy-simulation-model-hipsml>.
- 5 Centers for Medicare and Medicaid Services (CMS), “March 31, 2015 Effectuated Enrollment Snapshot,” CMS, Washington, DC, 2015, <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-06-02.html>.
- 6 Urban Institute, “Mapping America’s Futures,” <http://apps.urban.org/features/mapping-americas-futures/>.

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