Health Insurance, the ACA, and Affordability among Low-Income Families

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The ACA aims to make insurance more available and affordable.

**Figure 1**

- Medicaid Coverage for Low-Income Individuals (≤138% FPL)
- Marketplaces with Subsidies for Moderate Income Individuals (100 - 400% FPL)
- Health Insurance Market Reforms
- Employer-Sponsored Coverage
- Individual Mandate

Universal Coverage
With ACA, the uninsured rate has dropped sharply.

Share of non-elderly population uninsured:

Millions have gained coverage through the Marketplaces and through Medicaid since the law was implemented.

**Marketplace Enrollment**

*(In millions)*

- Number who were enrolled in a Marketplace plan (February 2016): 12.7

**Growth in Medicaid**

*(In millions)*

- Increase in Medicaid enrollment over baseline (December 2015): 14.5

Sources: CMS, Medicaid and CHIP enrollment data and ASPE HHS, Marketplace enrollment 2016.
However, millions are left in a “coverage gap” due to state Medicaid expansion decisions.
About half of the remaining uninsured are eligible for financial assistance but not enrolled in coverage.

**Eligibility for ACA Coverage Among NonelderlyUninsured as of 2015**

- **Ineligible for Financial Assistance due to Income** 12%
- **Ineligible for Financial Assistance due to ESI Offer** 15%
- **Ineligible for Coverage Due to Immigration Status** 15%
- **Medicaid Eligible Adult** 18%
- **Medicaid/CHIP Eligible Child** 10%
- **Tax Credit Eligible** 22%
- **In the Coverage Gap** 9%
- **Total = 32.3 Million Nonelderly Uninsured**

**Eligible for Financial Assistance 49%**

NOTES: Numbers may not sum to subtotals or 100% due to rounding. Tax Credit Eligible share includes adults in MN and NY who are eligible for coverage through the Basic Health Plan.

Main Reason for Lacking Coverage Among Remaining Uninsured in California:

- **Too Expensive/Can't Afford it**: 47%
- **Not Eligible**: 19%
- **Haven't Tried**: 10%
- **Application Issues**: 9%
- **Unemployed/Lost Job**: 2%
- **Not Available**: 2%
- **Opposed to ACA**: 2%

The cost of insurance remains the main barrier to coverage.

SOURCE: Wave 4 of the Kaiser Family Foundation California Longitudinal Panel Survey (2016)
Lack of coverage poses financial barriers to accessing needed care.

Barriers to Health Care Among Nonelderly Adults by Insurance Status, 2014

- **No Usual Source of Care***
  - Uninsured: 52%
  - Medicaid /Other Public: 10%
  - Employer/Other Private: 12%

- **Postponed Seeking Care Due to Cost***
  - Uninsured: 32%
  - Medicaid /Other Public: 12%
  - Employer/Other Private: 8%

- **Went Without Needed Care Due to Cost***
  - Uninsured: 27%
  - Medicaid /Other Public: 10%
  - Employer/Other Private: 5%

- **Could Not Afford Prescription Drug***
  - Uninsured: 19%
  - Medicaid /Other Public: 13%
  - Employer/Other Private: 4%

**NOTES:** *In past 12 months. Respondents who said usual source of care was the emergency room were included among those not having a usual source of care. All differences between uninsured and insurance groups are statistically significant (p<0.05).

**SOURCE:** Kaiser Family Foundation analysis of 2014 National Health Insurance Survey (NHIS) data.
People who gained coverage under the ACA report fewer problems with medical bills than those who remained uninsured.

Problems Paying Medical Bills Among Low- and Middle-Income Nonelderly Adults, by Insurance Coverage in Fall 2014

NOTE: Includes adults ages 19-64. “Previously Insured” includes people who were insured as of interview date and have been insured since before January 2014. “Newly Insured” include people who were insured as of interview date and gained coverage since January 2014. “Uninsured” includes people who lacked coverage as of the interview date.

* Significantly different from Newly Insured at the p<0.05 level.

People who gained coverage report less financial insecurity over medical care than those who remained uninsured.

Financial Insecurity Over Medical Costs Among Low- and Middle-Income Nonelderly Adults, by Insurance Coverage in Fall 2014

- Not Confident Can Afford Usual Medical Costs: 68% Uninsured, 34% Newly Insured, 24% Previously Insured
- Not Confident Can Afford Major Medical Costs: 82% Uninsured, 59% Newly Insured, 40% Previously Insured
- Worry About Medical Costs Affects Job Performance, Family Relationships, or Ability to Sleep: 27% Uninsured, 16% Newly Insured, 12% Previously Insured

NOTE: Includes adults ages 19-64. “Previously Insured” includes people who were insured as of interview date and have been insured since before January 2014. “Newly Insured” include people who were insured as of interview date and gained coverage since January 2014. “Uninsured” includes people who lacked coverage as of the interview date. * Significantly different from Newly Insured at the p<0.05 level.

However, newly-insured adults still report high overall financial insecurity.

Financial Security Among Low- and Middle-Income Nonelderly Adults, by Insurance Coverage in Fall 2014

NOTE: Includes adults ages 19-64. “Previously Insured” includes people who were insured as of interview date and have been insured since before January 2014. “Newly Insured” include people who were insured as of interview date and gained coverage since January 2014. “Uninsured” includes people who lacked coverage as of the interview date. * Significantly different from Newly Insured at the p<0.05 level.

And some report difficulty affording health care, among other financial struggles.

**AMONG NON-GROUP ENROLLEES WITH ACA-COMPLIANT PLANS: In general, how easy or difficult is it for you to afford each of the following**

<table>
<thead>
<tr>
<th>Category</th>
<th>Very difficult</th>
<th>Somewhat difficult</th>
<th>Somewhat easy</th>
<th>Very easy</th>
<th>Not applicable (Vol.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving money for retirement, education, or other purposes</td>
<td>40%</td>
<td>31%</td>
<td>18%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Paying off debt, such as credit card bills, student loans, or other types of debt</td>
<td>21%</td>
<td>30%</td>
<td>23%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>The out-of-pocket costs your insurance doesn't cover, like co-pays and deductible</td>
<td>19%</td>
<td>31%</td>
<td>31%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>The cost of your health insurance each month</td>
<td>14%</td>
<td>33%</td>
<td>36%</td>
<td>15%</td>
<td>1%</td>
</tr>
<tr>
<td>Basic necessities such as food, housing, or utilities</td>
<td>7%</td>
<td>26%</td>
<td>40%</td>
<td>24%</td>
<td>1%</td>
</tr>
</tbody>
</table>

NOTE: Don’t know/Refused responses not shown.
Most people left without coverage options are in working families.

**Work Status of Adults in the Coverage Gap**

- **Full-time worker**: 41%
- **Part-time worker**: 21%
- **No worker**: 38%

Total = 2.9 Million in the Coverage Gap

**Firm size and industry among those working:**

- <50 employees: 48%
- 50-99 employees: 6%
- 100+ employees: 46%

- Agriculture/Service: 55%
- Professional/Public Admin: 14%
- Education/Health: 17%
- Manufacturing/Infrastructure: 8%
- Other: 6%

Total = 1.5 Million Workers in the Coverage Gap

Notes: Totals may not sum to 100% due to rounding.
Source: Kaiser Family Foundation analysis based on 2015 Medicaid eligibility levels updated to reflect state Medicaid expansion decisions as of January 2016 and 2015 Current Population Survey data.
Research finds no effect of the ACA on employment or work status.

- Academic studies find that ACA coverage provisions have had no measurable negative effect on:
  - Labor force participation & employment status
  - Job switching
  - Part-time employment or hours worked per week

- State evaluations estimate that Medicaid expansion led to job creation in states that expanded their programs (CO, KY)

For more information on health reform and affordability of coverage, visit...

www.kff.org