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DATAWATCH

Marketplaces Helped Drive Coverage Gains In 2015; Affordability Problems Remained

Health insurance coverage through the Marketplaces increased in 2015, with more nonelderly adult enrollees insured all year and fewer reporting health care affordability problems than in 2014. In 2015 more Marketplace enrollees in Medicaid nonexpansion states reported trouble paying family medical bills, compared to those in expansion states (23 percent versus 15 percent).

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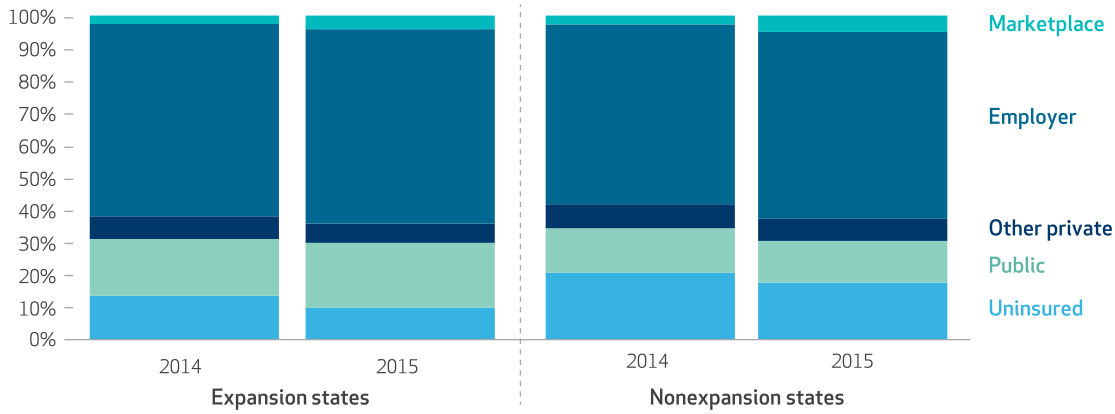
The Affordable Care Act (ACA) established federal and state-based health insurance Marketplaces to provide an affordable coverage option for people without access to Medicaid or affordable employer-sponsored coverage. The law authorized federal financial assistance for people with family incomes of 139–400 percent of the federal poverty level based on the original intention for all states to expand Medicaid eligibility to people with incomes of 138 percent of poverty or lower. When the Supreme Court ruled in June 2012 that the ACA Medicaid expansion was optional, however, uninsured people with incomes of 100–138 percent of poverty became eligible for subsidized Marketplace coverage in states that chose not to expand Medicaid.

Using data from the National Health Interview Survey (NHIS), we found that between 2014 and 2015 the share of nonelderly adults (ages 19–64) with Marketplace coverage increased from 2.6 percent to 4.2 percent (an increase of 62 percent) in expansion states, and from 2.7 percent to 5.0 percent (an increase of 85 percent) in nonexpansion states (Exhibit 1). In both groups of states, the gains in Marketplace coverage were associated with significant declines in the unin-

EXHIBIT 1

Insurance coverage for nonelderly adults, by state Medicaid expansion status, 2014 and 2015



SOURCE Authors' analysis of data for 2014–15 from the National Health Interview Survey. **NOTES** In Medicaid expansion states, the changes in the shares of nonelderly adults (ages 19–64) uninsured and with Marketplace, other private, and public coverage between 2014 and 2015 were significant ($p < 0.05$). In those states, there were approximately 3.0 million Marketplace enrollees in 2014 and approximately 4.8 million in 2015. In nonexpansion states, the changes in the shares of adults uninsured and with Marketplace and employer coverage between 2014 and 2015 were significant ($p < 0.05$). In those states, there were approximately 2.1 million Marketplace enrollees in 2014 and approximately 3.7 million in 2015.

surance rate. This indicates that Marketplaces were playing a growing role in expanding coverage in 2015, particularly in nonexpansion states.

There is now strong evidence that insurance coverage has increased and that access to and affordability of care have improved under the ACA.[1–3] Only a few studies have explicitly examined Marketplace coverage,[4–7] however, and no study has used federal survey data to explore Marketplace differences between expansion and nonexpansion states.

In this study we used early release data from the NHIS to compare the characteristics of nonelderly adult Marketplace enrollees in 2015 and 2014. We also explored changes in continuity of insurance coverage and affordability of care. Many people who enrolled in a Marketplace in 2014 would have previously been uninsured and facing problems related to the affordability of care. But we expected to see improvements in affordability of care and continuity of coverage in 2015 if the Marketplaces were addressing coverage gaps and providing high-quality coverage.

Finally, we compared the characteristics of Marketplace enrollees in Medicaid expansion and nonexpansion states in 2015. Concerns about continuity of coverage and affordability of care for Marketplace enrollees may be particularly pronounced in nonexpansion states, because the Marketplaces were designed to work in tandem with a comprehensive Medicaid expansion.

Study Data And Methods

The NHIS is the primary source of nationally representative information on the nation's health.[8] We used public use data from the 2014 Integrated Health Interview Series[9] and obtained access to 2015 NHIS data as well as state identifiers for both years through the Research Data Center of the National Center for Health Statistics (NCHS).

We focused on nonelderly adults and identified Marketplace enrollees using an NCHS-recoded variable that attempts to account for respondent misreporting of coverage type.[10] We also identified people with the following other types of coverage: employer-sponsored, other private, and public coverage and no insurance.

For Marketplace enrollees, we examined demographic and socioeconomic characteristics as well as the following health information: overall health status; ever having received a diagnosis of asthma, diabetes, or hypertension; being obese—that is, body mass index (BMI) of 30 kg/m^2 or above; and currently smoking. To measure mental health status, we used the Kessler K6 psychological distress scale[11] to divide respondents into two categories: those reporting no or mild psychological distress (with scores of 0–7 on the scale) and those reporting moderate or severe distress (with scores of 8 or higher).

We calculated the share of Marketplace enrollees who reported having trouble paying or being unable to pay family medical bills, and the share who did not receive needed medical care because of cost. We also constructed a composite measure for those who did not receive needed medical care or other care (prescription drugs, mental health care, eyeglasses, specialist care, or follow-up care) because of cost. All affordability measures refer to respondents' experiences in the twelve months before the survey.

Finally, we used information on the number of months the respondent was uninsured during the previous year, to estimate the share of Marketplace enrollees who had been continuously insured for twelve months. While this measure captured gaps in coverage, it did not allow us to identify whether a continuously insured respondent had had the same type of coverage for the entire year.

We examined changes between 2014 and 2015 in the measures described above for Marketplace enrollees, both overall and separately for expansion and nonexpansion states. We defined *expansion states* as those that had expanded Medicaid under the ACA by March 2015.[12] We also compared the characteristics and experiences of enrollees in expansion states to those of enrollees in nonexpansion states in 2015. However, we could not attribute any observed differences to policy choices based on these descriptive results.

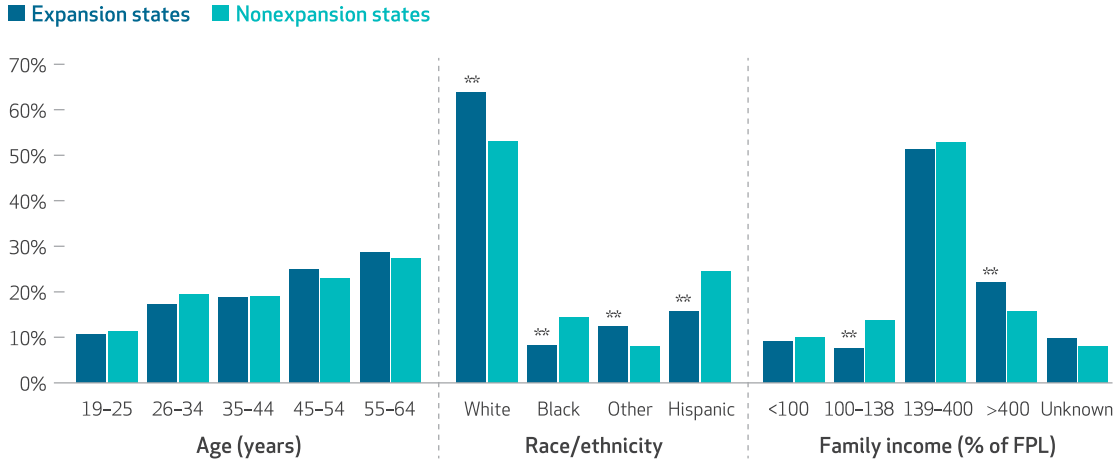
This study had several limitations. First, the NHIS early release file did not include all final data edits, so our estimates may vary from those produced using the final 2015 public use file. Second, while the NHIS is nationally representative, its sample of Marketplace enrollees may not fully reflect the characteristics of Marketplace enrollees nationwide because of modest sample sizes[13] and challenges associated with identifying Marketplace enrollees in surveys.[5,10]

Third, the early release data did not contain imputed family income information, so we examined differences in nonimputed income between expansion and nonexpansion states in 2015. Fourth, family income for the previous calendar year was reported by the respondent and might not accurately reflect the income used to determine eligibility for various programs.

Fifth, information on source of coverage was also subject to measurement error. In Arkansas and Iowa, for example, people receiving premium assistance through a Medicaid waiver should be identified in the NHIS as Marketplace enrollees, but some may be classified as having public

EXHIBIT 2

Characteristics of nonelderly adult Marketplace enrollees, by state Medicaid expansion status, 2015



SOURCE Authors' analysis of data for 2015 from the National Health Interview Survey. **NOTES** Nonelderly adults are ages 19–64. Significance refers to difference from nonexpansion states. FPL is federal poverty level. $^{**}p < 0.05$

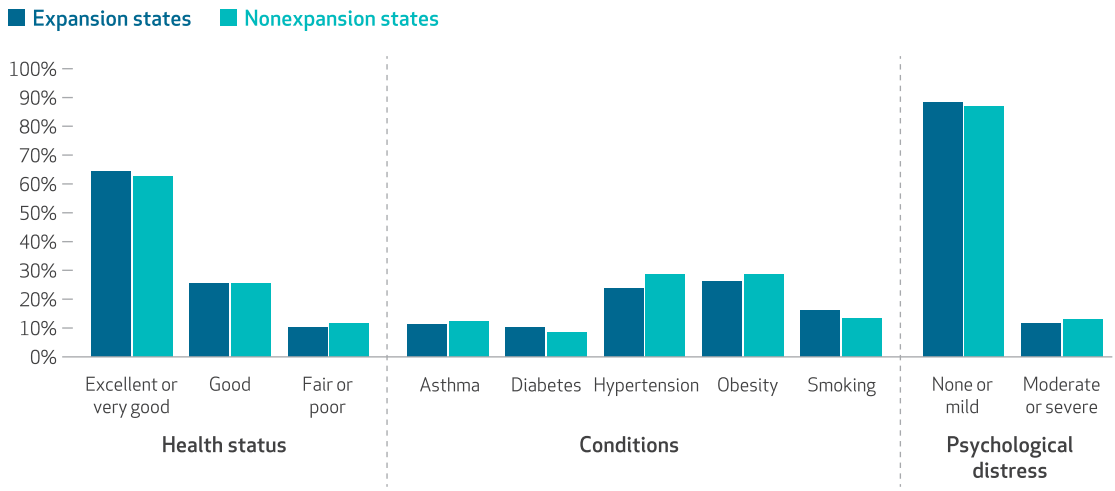
coverage. Finally, Indiana and Pennsylvania did not expand Medicaid until early 2015, but we classified them as expansion states in both 2014 and 2015 to compare the same sample of states over time. This could have biased our estimates of changes over time in expansion states toward smaller Marketplace coverage gains and larger improvements in continuity of coverage and affordability of care.

Study Results

In the expansion states in 2015, there were approximately 4.8 million nonelderly adult Marketplace enrollees, compared to roughly 3.0 million in 2014. In the nonexpansion states, Marketplace enrollment increased to approximately 3.7 million in 2015 from roughly 2.1 million in 2014 (Exhibit 1). Despite this growth in Marketplace coverage, there were few overall

EXHIBIT 3

Health status of nonelderly adult Marketplace enrollees, by state Medicaid expansion status, 2015



SOURCE Authors' analysis of data for 2015 from the National Health Interview Survey. **NOTES** Nonelderly adults are ages 19–64. Health status is self-reported. "Asthma," "diabetes," and "hypertension" refer to respondents who reported ever having been diagnosed with the condition. "Obesity" refers to respondents who reported having a body mass index of 30 kg/m^2 or above. "Smoking" refers to respondents who reported being current smokers. Psychological distress is based on the Kessler K6 psychological distress scale (see Note 10 in text): "None or mild" refers to respondents with scores of 0–7 on the scale; "moderate or severe" refers to respondents with scores of 8 or higher. None of the estimates for expansion states were significantly different from those for nonexpansion states.

changes between 2014 and 2015 in the observed characteristics of Marketplace enrollees, in either expansion or nonexpansion states (for details on the demographic, socioeconomic, and health status composition of Marketplace enrollees, see online Appendix Exhibit 1).[14]

Consistent with underlying differences in the populations and the variation in subsidy eligibility rules between expansion and nonexpansion states, Marketplace enrollees in nonexpansion states in 2015 were more likely than those in expansion states to have incomes of 100–138 percent of poverty and to be black or Hispanic (Exhibit 2). In both groups of states, nearly 30 percent of enrollees were ages 55–64, and more than 50 percent of enrollees had incomes of 139–400 percent of poverty. Other demographic and socioeconomic characteristics of Marketplace enrollees in expansion versus nonexpansion states are described in Appendix Exhibit 2.[14]

In 2015, Marketplace enrollees in expansion and nonexpansion states reported similar overall health status, presence of chronic conditions, smoking behavior, and levels of psychological distress (Exhibit 3). In both groups of states, more than 60 percent of enrollees reported being in excellent or very good health, and fewer than 15 percent reported moderate or severe psychological distress.

Marketplace enrollees reported significant improvements in the affordability of care between 2014 and 2015 (Exhibit 4). For example, the share of enrollees reporting an unmet need for medical care because of cost fell from 14.9 percent to 10.1 percent, and the share reporting problems paying family medical bills fell from 23.3 percent to 18.3 percent. A composite measure of unmet need for medical or other care also fell between 2014 and 2015.

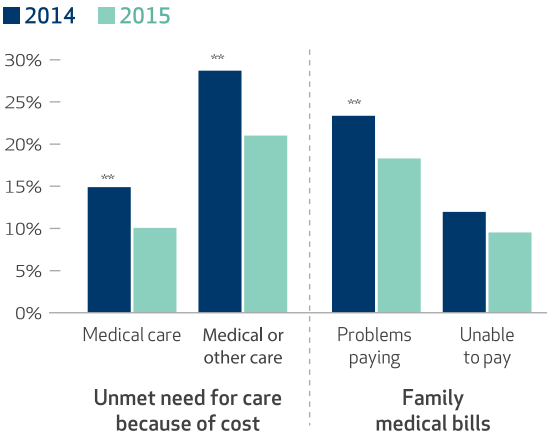
Despite these improvements in the affordability of care in both groups of states in 2015 (for changes in affordability between 2014 and 2015 by state Medicaid expansion status, see Appendix Exhibit 3),[14] 22.8 percent of Marketplace enrollees in nonexpansion states reported problems paying their family medical bills, compared to 14.5 percent in expansion states (Exhibit 5). Unmet need for medical care was also higher in nonexpansion states than in expansion states.

The improvements in affordability for Marketplace enrollees overall and the remaining affordability problems in nonexpansion states both seem to be associated with differences in continuity of coverage. Between 2014 and 2015 there was a large increase (from 54 percent to 78 percent) in the share of nonelderly adult Marketplace enrollees who had been insured for the previous twelve months (Exhibit 6). In 2015, however, enrollees in nonexpansion states remained less likely to have been insured for the previous twelve months, compared to those in expansion states (75 percent versus 80 percent).

When we limited our sample of Marketplace enrollees to those who had had coverage for the previous twelve months, the rates of affordability

EXHIBIT 4

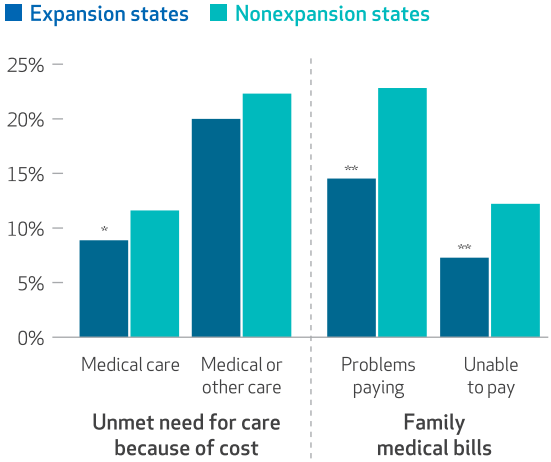
Health care affordability for nonelderly adult Marketplace enrollees, 2014 and 2015



SOURCE Authors' analysis of data for 2014 and 2015 from the National Health Interview Survey. **NOTES** Nonelderly adults are ages 19–64. All measures refer to the twelve months before the survey. "Other care" is prescription drugs, mental health care, eyeglasses, follow-up care, and specialist care. Significance refers to difference from 2015. $^{**}p < 0.05$

EXHIBIT 5

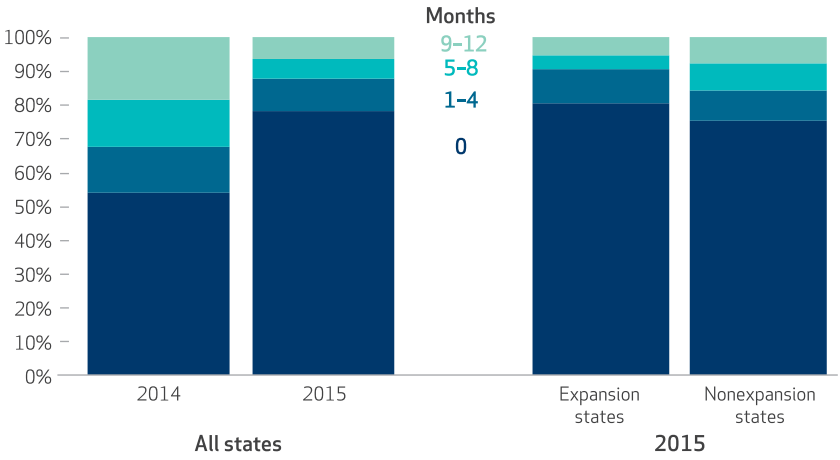
Health care affordability for nonelderly adult Marketplace enrollees, by state Medicaid expansion status, 2015



SOURCE Authors' analysis of data for 2015 from the National Health Interview Survey. **NOTES** Nonelderly adults are ages 19–64. All measures refer to the twelve months before the survey. "Other care" is explained in the Notes to Exhibit 4. Significance refers to difference from nonexpansion states. $^{*}p < 0.10$ $^{**}p < 0.05$

EXHIBIT 6

Months uninsured in the past year for nonelderly adult Marketplace enrollees, 2014 and 2015, and by state Medicaid expansion status, 2015



SOURCE Authors' analysis of data for 2014 and 2015 from the National Health Interview Survey. **NOTES** Nonelderly adults are ages 19–64. All changes in months uninsured between 2014 and 2015 were significant ($p < 0.05$). In 2015 there were significant differences between expansion and nonexpansion states in the shares of Marketplace enrollees uninsured for 0 and 5–8 months ($p < 0.05$) and 9–12 months ($p < 0.10$).

problems were lower than for the sample as a whole, and we found no significant improvements in affordability over time or significant differences between expansion and nonexpansion states in 2015 (Appendix Exhibit 4).[14]

Discussion

Our results suggest that the Marketplaces are playing a growing role in reducing uninsurance among nonelderly adults—particularly in nonexpansion states, where eligibility for subsidies includes people with incomes of 100–138 percent of poverty. Despite serious operational challenges during the Marketplaces' first open enrollment period and significant enrollment growth during the second, the observable demographic, socioeconomic, and health characteristics of Marketplace enrollees did not change between 2014 and 2015. This implies that the risk pools in the Marketplaces remained relatively stable during their first two years.

We also found significant improvements between 2014 and 2015 in the affordability of care reported by Marketplace enrollees—particularly in expansion states, where enrollees were more likely than those in nonexpansion states to report in 2015 that they had been insured for the previous twelve months. A larger share of lower-income enrollees may have contributed to the higher rate of reported affordability problems in nonexpansion states than in expansion states. But perhaps more importantly, the lack of a comprehensive Medicaid safety net leaves Marketplace enrollees in nonexpansion states vulnerable to gaps in coverage should their incomes drop below the threshold of eligibility for Marketplace subsidies.

Therefore, expanding Medicaid would likely help improve the continuity of coverage and affordability of care for Marketplace enrollees in the states that have not yet done so. Even in expansion states, other policies may be needed to reduce coverage transitions or gaps in coverage caused by shifts in eligibility between Medicaid and Marketplace coverage.[15] ■

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NOTES

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10 National Center for Health Statistics. 2014 National Health Interview Survey (NHIS): rules for evaluating and assigning exchange-based coverage [Internet]. Hyattsville (MD): NCHS; [cited 2016 Aug 29]. Available from: https://www.cdc.gov/nchs/data/nhis/health_insurance/2014-exchange_coding_-rules.pdf

11 Kessler RC, Barker PR, Colpe LJ, Epstein JF, Gfroerer JC, Hiripi E, et al. Screening for serious mental illness in the general population. Arch Gen Psychiatry. 2003;60(2): 184–9.

12 The expansion states were AZ, AR, CA, CO, CT, DE, HI, IL, IN, IA, KY, MD, MA, MI, MN, NV, NH, NJ, NM, NY, ND, OH, OR, PA, RI, VT, WA, and WV, and the District of Columbia.

13 NHIS sample sizes for nonelderly adult Marketplace enrollees were 1,834 in 2014 and 2,813 in 2015.

14 To access the Appendix, click on the Appendix link in the box to the right of the article online.

15 Sommers BD, Graves JA, Swartz S, Rosenbaum S. Medicaid and Marketplace eligibility changes will occur often in all states; policy options can ease impact. Health Aff (Millwood). 2014;33(4):700–7.