

# Medicaid increase created all-time low for Washington's uninsured rate, but a reversal is emerging

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February 2024

## Introduction

The year 2022 saw an all-time low uninsured rate in Washington. The rate declined from 5.3% in 2021 to 4.7% in 2022. This change extended the recent trend of decline that most likely started in 2020. This was when Washington adopted the Medicaid continuous coverage requirement that came under the federal Public Health Emergency (PHE) declaration to combat COVID-19.

The early initiatives the state implemented in 2020 to curb COVID-19 temporarily shut down most business operations and caused temporary job losses – for some, this meant losing their employment-based health insurance (EBI). Many who lost EBI turned to Medicaid for coverage. Meanwhile, when the federal government declared a public health emergency for COVID-19, it required continuous coverage for people enrolled in Medicaid. In states (including Washington) that implemented this requirement, the annual process of the Medicaid program to re-evaluate an enrollee's eligibility was temporarily suspended. This meant while the PHE was in effect, Medicaid enrollees could stay in the program even if their financial situation improved, unless they voluntarily requested to disenroll. The PHE was in effect into 2023. As a result of the continuous coverage requirement, Washington Medicaid enrollment grew from 1.7 million in 2019 to 2.1 million in 2022.<sup>1</sup>

During the same time, Washington's uninsured rate underwent a second wave of decline from 6.1% in 2019 to 4.7% in 2022 since the first wave of dramatic decline. The first wave was from 14% in 2013 to 5.5% in 2017. That decline was the result of Medicaid expansion and the Qualified Health Plan offered under the Affordable Care Act (ACA).

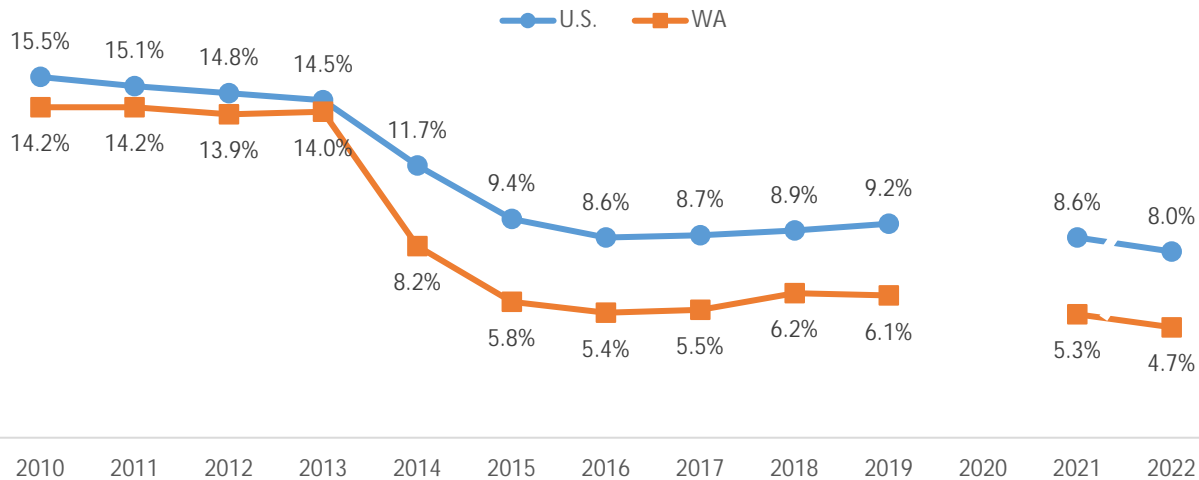
Another factor that contributed to the most recent decline in the uninsured rate was that more people were covered by Medicare, thanks to many Baby Boomers (those born from approximately 1946 to 1964) reaching age 65 and qualifying for Medicare.

The PHE declaration ended May 11, 2023, along with its requirement for Medicaid continuous coverage. The annual Medicaid eligibility redetermination resumed in Washington in April 2023, with the first wave of disenrollment taking place that June. Since Medicaid resumed eligibility redetermination, its data shows that many Medicaid enrollees were terminated from the program because they were no longer eligible or because they didn't provide the required documentation. While we expect most of those leaving Medicaid to transition to other coverage sources, some may lose health care coverage. This will cause the uninsured rate to rise. However, we can't determine yet how much this change will affect Washington's overall health coverage rate in 2023 and beyond.

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<sup>1</sup> Based on June enrollment and enrollees receiving full Medicaid benefits. Also see Figure 9.

**Figure 1. Washington and U.S. Uninsured Rates: Total Population 2010-19 and 2021-22**



**Washington’s uninsured rate fell below 5% in 2022 for the first time.**

The uninsured rate in Washington went through two waves of significant declines in the past decade. In the years before 2014, the rate was around 14%, slightly lower than the U.S. uninsured rate, which was at or above 14.5%. The first wave of the uninsured rate decline in Washington started in 2014. This is the same year the state expanded Medicaid and established the Exchange for the Qualified Health Plan under the ACA. The rate dropped from 14% in 2013 to 5.5% in 2017 and then increased slightly to end at 6.1% in 2019 (Figure 1). We believe the second wave of decline started in 2020, although reliable data is not available to confirm this.<sup>2</sup> The first year of reliable data after 2019 is 2021. The state’s uninsured rate in 2021 dropped from 6.1% in 2019 to 5.3% and then

dropped again in 2022 to 4.7%. This marked the first time the state’s uninsured rate fell below 5%.

The trend of Washington’s uninsured rate since 2014 largely follows the U.S. uninsured rate, which dropped from 14.5% in 2013 to 9.2% in 2019 and then to 8.6% in 2021 and 8% in 2022.

**Medicaid and Medicare were the only coverage sources that had increases from 2021 to 2022.**

Figure 2 and Figure 3 show the changes of coverage sources in mutually exclusive categories from 2021 to 2022. Figure 2 shows the share (in percentage) of each category in both years and Figure 3 shows the percentage point change for each category from 2021 to 2022. The only categories that show an increase in 2022 are the two Medicaid categories

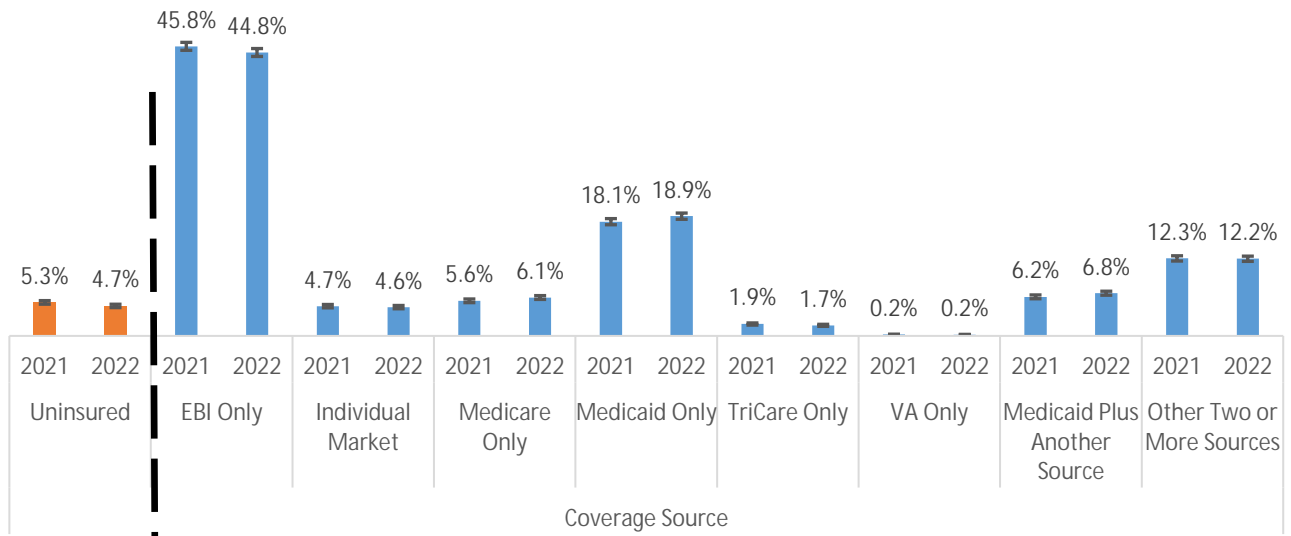
<sup>2</sup> For our analysis of Washington’s uninsured rate, we use the U.S. Census Bureau’s American Community Survey (ACS). The data collection for the survey in 2020, however, encountered challenges due to the lockdowns during the height of the COVID-19 pandemic. Those challenges affected the quality of the data. After thorough evaluation we opted not to report health coverage estimates using the 2020 ACS. For more information regarding our decision, see <https://ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief106.pdf>.

(‘Medicaid only’ and ‘Medicaid plus another source’) and the ‘Medicare only’ category.

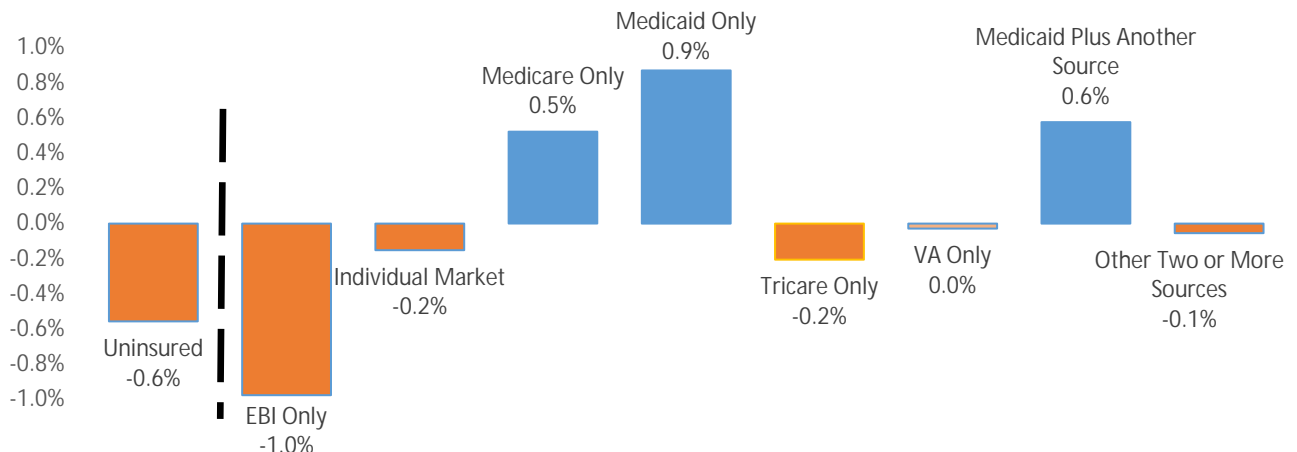
The share of ‘Medicaid only’ increased from 18.1% in 2021 to 18.9% and the share of ‘Medicaid plus another source’ increased from 6.2% to 6.8%. Together, these two categories show Medicaid increased by 1.5 percentage points. The share of ‘Medicare only’ increased from 5.6% to 6.1%

percent, or a net increase of 0.5 percentage points. This increase in ‘Medicare only’ category, though only half a percentage point, is the largest since 2018 when we first started to report coverage categories in this annual report series. Because age requirement (65 and older) is what makes most of the Medicare enrollees eligible, the 2022 increase reflects that more Baby Boomers reached age 65.

**Figure 2. Percentage by Source of Coverage, 2021 and 2022, Washington**



**Figure 3. Percentage Point Changes in Source of Coverage from 2021 to 2022, Washington**



**The trend of uninsured rates from 2019 to 2021 among age groups continued into 2022 with larger reductions in adults aged 18 to 45 and smaller reductions in younger and older age groups.**

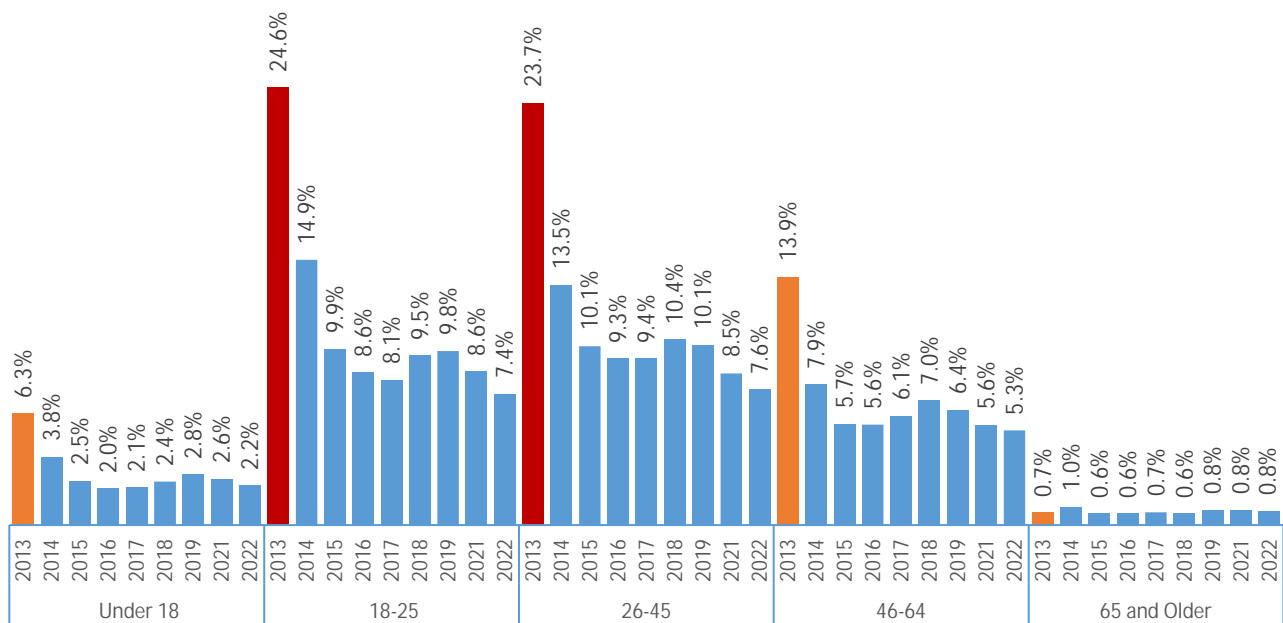
The 18 to 25 age group had a reduction of 1.2 percentage points in their uninsured rate from 9.8% in 2019 to 8.6% 2021 (Figure 4). Their rate declined by another 1.2 percentage points in 2022 to 7.4%. Similarly, the uninsured rate of the 26 to 45 age group declined by 1.6 percentage points from 10.1% in 2019 to 8.5% in 2021. It was followed by another 0.9 percentage point decline to 7.6% in 2022. Considering that the change from 2019 to 2021 reflects the change over a two-year period, the

declines from 2021 to 2022 in these two groups are larger than the average annual declines from 2019 to 2021.

While the other three age groups (under 18, 46 to 64, and 65 and older) also had further declines in their uninsured rates from 2021 to 2022, their rate declines were smaller. These declines ranged from less than 0.1 percentage point in the 65-and-older age group to 0.4 percentage point in the under-18 age group.

Despite the large reductions in the past three years, the uninsured rates for those age 18 to 45 continued to be the highest (about 7.5%), followed by the 46 to 64 age group (5.3%), children under 18 (2.2%) and adults of age 65 and over (0.8%).

**Figure 4. Percentage Uninsured by Age, 2013-19 and 2021-22: Washington**



**Uninsured rates for males and females were at their lowest levels in 2022. The gap between the rate for males and the rate for females remained but decreased.**

The uninsured rate of males set a record low in 2021, at 6%, after declining by 1.1 percentage point from 7.1% in 2019 (Figure 5). The decline of 0.7 percentage point to 5.3% in 2022 set a new low record. The uninsured rate of females also set a record low in 2022, at 4.1%, after declining by half a percentage point from 4.6% in 2021. The previous lowest level of uninsured rate for females was set in 2016, at 4.4%.

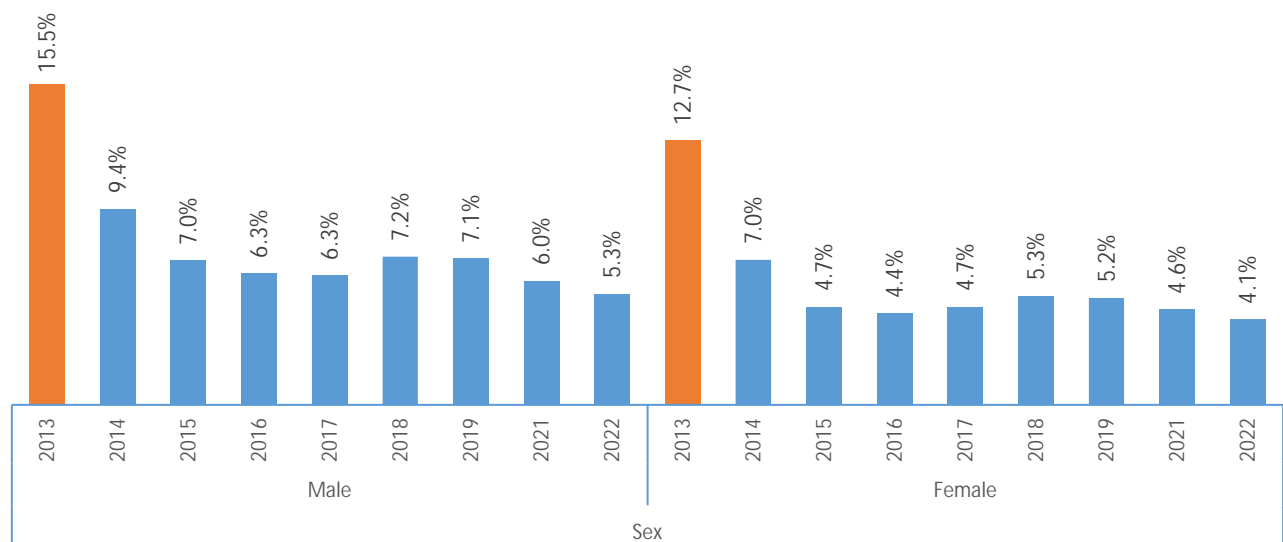
The rate decline for males from 7.1% in 2019 to 5.3% in 2022 was greater than the rate decline from 5.2% to 4.1% for females but the disparity in the uninsured rates between the two sexes persisted with the males' rate being about 29% higher than the females' rate in 2022. However, the gap was

getting smaller because the males' rate in 2019 was about 36% higher than the females' rate.

**While the uninsured rate fell in *all* race groups from 2021 to 2022, racial disparities continued.**

Figure 6 presents uninsured rates for the racial groups from 2013 to 2022. Due to changes in how the ACS collects racial data starting in 2020, the uninsured rates by race since 2020 should not be compared with rates by race before 2020.<sup>3</sup> Nevertheless, **we can make three observations about changes over time** in the uninsured rates of the race groups. **First** is that, from 2013 to 2019, the uninsured rates of all racial groups fell dramatically. The **second** is that the uninsured rates of all racial groups fell again from 2021 to 2022. The **third** is that the 'other one race' group and the American Indian and Alaska Native (AIAN) group had the highest uninsured rates in any given year. We now focus our discussion on the changes from 2021 to 2022.

**Figure 5. Percentage Uninsured, Male and Female, 2013-19, 2021-22: Washington**

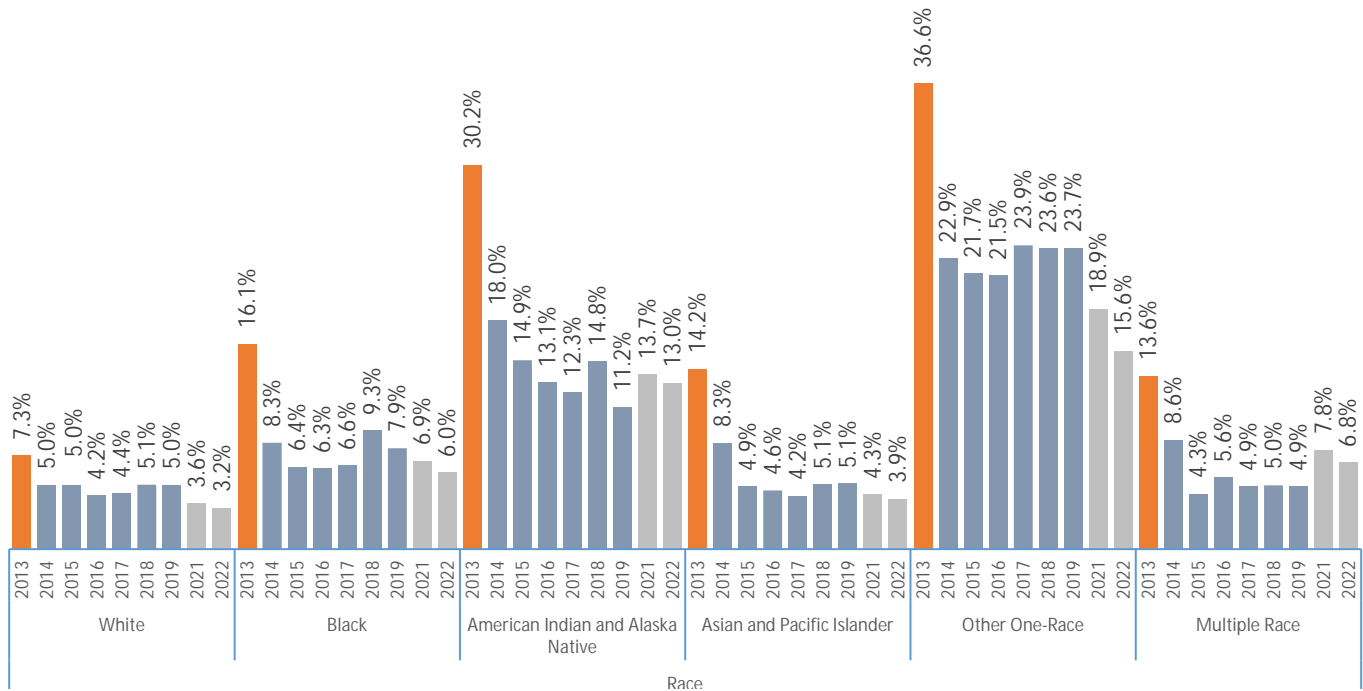


<sup>3</sup> For more information on the changes in the ACS collection of racial data and the impact on race estimates, see relevant discussion in <https://ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief108.pdf>.

The six race groups in Figure 6 are mutually exclusive. As we mentioned above, the uninsured rates fell in all six groups from 2021 to 2022. The largest decline in percentage points took place in the ‘other one race’ group. Their rate declined by 3.3 percentage points from 18.9% to 15.6%. This group’s

uninsured rate was the highest of all six groups in both years. The group with the second highest uninsured rate in both years was the AIAN group. Their uninsured rate declined by 0.7 percentage points from 13.7% to 13%.

**Figure 6. Percentage Uninsured by Race, 2013-19 and 2021-22: Washington**



Two groups had the smallest decline of 0.4 percentage point each. These were the white group and the Asian and Pacific Islander (API) group. However, these two groups were also the groups with the lowest uninsured rates in both years. The white group’s rate dropped from 3.6% to 3.2% while the API group’s rate dropped from 4.3% to 3.9%. The disparities in the uninsured rates were large between the two highest groups and the two lowest groups. In both years, rates in the ‘other one race’ group and the AIAN group were over three times as large as rates in the white group and the API group. These disparities persisted over time.

Those with Hispanic ethnicity had a significant decline in their uninsured rate from 2021 to 2022, but their rate remained about three times as high as that of the non-Hispanic group.

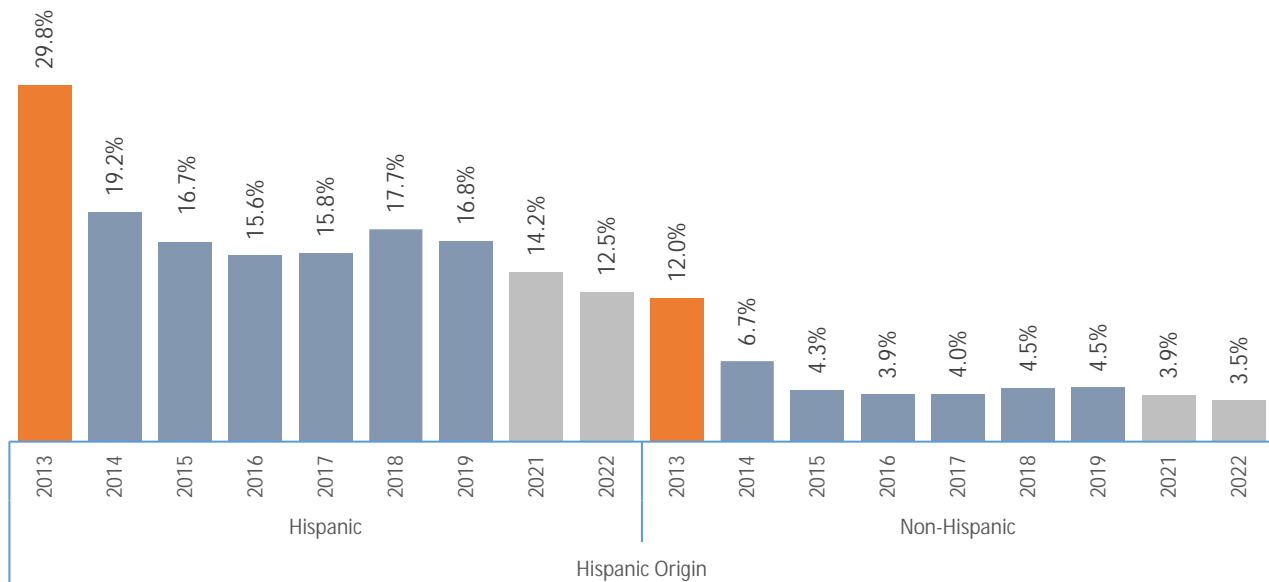
The U.S. Census Bureau also made changes to how it collected Hispanic ethnicity data starting in 2020.<sup>4</sup> As U.S. Census Bureau recommends, we shouldn’t compare the estimates involving Hispanic ethnicity before and after the changes. Similarly, **we can still make three observations** for uninsured rates over

<sup>4</sup> For more information on the changes in the ACS collection of racial data and the impact on race estimates, see relevant discussion in <https://ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief108.pdf>.

the past decade pertaining to Hispanic ethnicity. **First**, between 2013 and 2019, the uninsured rates for both Hispanic and non-Hispanic groups had dramatic declines (Figure 7). **Second**, both groups' rates declined again from 2021 to 2022. **Third**, the

Hispanic group's rate was significantly higher in any given year. Our discussion below focuses on uninsured rates for these two groups in 2021 and 2022.

**Figure 7. Percentage Uninsured, Hispanic Ethnicity, 2013-19, 2021-22: Washington**



From 2021 to 2022, the uninsured rate of the Hispanic group declined by 1.7 percentage point, from 14.2% to 12.5%. In the non-Hispanic group, the rate declined by 0.4 percentage point, from 3.9% to 3.5%. There were large gaps in the uninsured rates between the Hispanic group and the non-Hispanic group in 2021 and 2022. The Hispanic group's rate was more than three times as high as the rate of the non-Hispanic group. This gap was similar to the gap that existed before 2021.

- The expansion of Medicaid to persons in low-income families.
- The income-based premium subsidy for the Qualified Health Plan.
- The requirement for medium to large employers to provide coverage to their employees.
- The mandate for all individuals to have coverage (also known as the individual mandate).

**Mid- and low-income groups continued to see declines in their uninsured rates from 2021 to 2022 while the rate in the upper income group remained low and unchanged.**

The dramatic declines in the uninsured rates in all four income levels from 2013 to 2019 were the combined effect of the ACA components in 2014:

However, the impact of the ACA was the strongest in the first two years. For all income groups, the uninsured rate dropped by more than half by 2015 from its level in 2013. In the years that followed through 2019, the uninsured rate remained relatively unchanged for some income groups and increased somewhat in others. While the expansion of Medicaid, QHP and the requirement for provision of employee coverage by medium and large

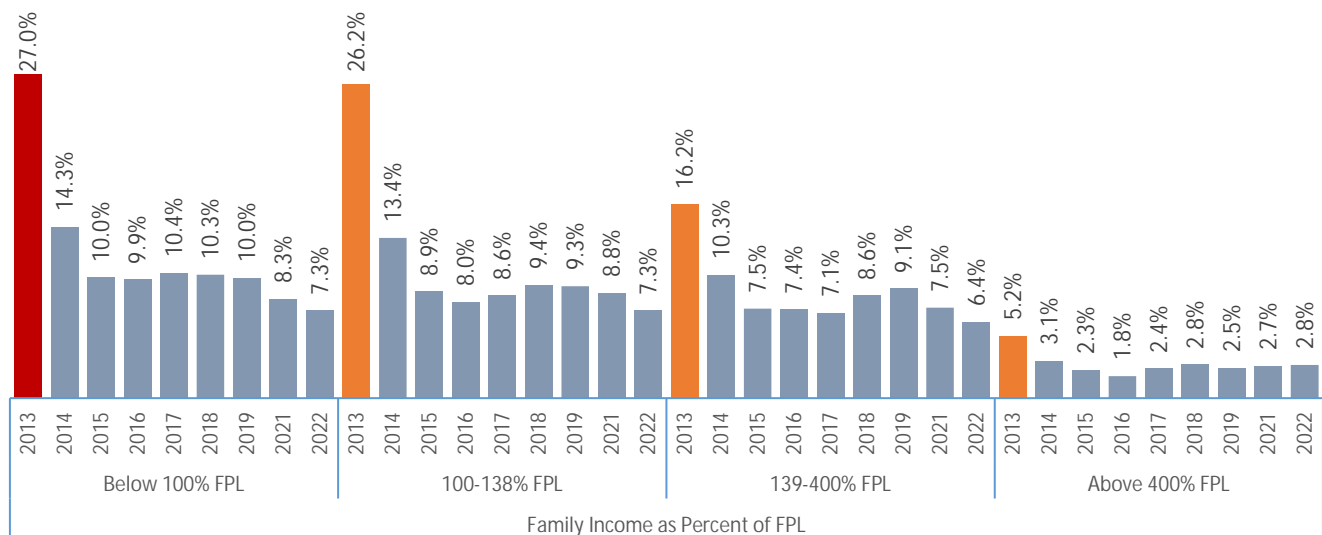
businesses remained law, Congress removed the penalty in 2017 for non-compliance to the individual mandate. This effectively made the individual mandate unenforceable.

We can attribute the declines in the uninsured rates in the mid- and low-income groups from 2019 to 2021 and again from 2021 to 2022 to the federal Public Emergency Declaration’s requirement for Medicaid continuous coverage during the pandemic. Most states, including Washington, implemented this requirement. The purpose was to prevent coverage interruptions for Medicaid enrollees during the pandemic since individuals’ employment and financial status frequently changed and this could change their Medicaid eligibility back and forth (known as Medicaid churns). The continuous coverage requirement temporarily suspended the eligibility redetermination for people on Medicaid. That meant even if a Medicaid enrollee’s financial status improved to be above the eligibility threshold, that enrollee would stay enrolled, unless the enrollee requested to disenroll. As we will show in the last section of this brief, the Medicaid enrollment increased steadily from 2020 to 2022.

The steady increase in Medicaid enrollment from 2020 to 2022 translated into reductions of uninsured rates for people in low-income and medium-income households. Specifically, the uninsured rate for individuals with family income below 100% of the federal poverty level (FPL) declined by 1.7 percentage point from 10% in 2019 to 8.3% in 2021, and then by another 1 percentage point to 7.3% in 2022 (Figure 8). For those in 100-138% of the FPL (also known as the ACA Medicaid expansion group), the uninsured rate declined by half a percentage point from 9.3% in 2019 to 8.8% in 2021 and by another half percentage point in 2022 to 8.3%.

The PHE’s continuous coverage requirement effect on uninsured rate is probably most noticeable in the income group of 139-400% FPL. Individuals in this income group are not eligible for Medicaid under the regular eligibility rules. However, if a Medicaid enrollee’s income moved up to this level while the PHE’s requirement was in effect, this enrollee would remain on Medicaid. The uninsured rate for this income group declined by 1.6 percentage point from 9.1% in 2019 to 7.5% in 2021 and then by another 1.1 percentage point to 6.4% in 2022.

**Figure 8. Percentage Uninsured, Family Income as Percent of Federal Poverty Level (FPL), 2013-19, 2021-22: Washington**





## The PHE and its Medicaid continuous coverage requirement ended in 2023. Washington resumed Medicaid eligibility redetermination in April and the first wave of terminations started June 2023. How this change will affect the overall health coverage in Washington remains to be seen.

The year 2023 will be an interesting year for measuring Washington's health coverage. One key source of coverage, Medicaid, experienced a strong growth in the first five months when the PHE's continuous coverage requirement was still in effect. June was the first month some Medicaid enrollees were terminated from the program<sup>5</sup> when one of the following happened:

- They were found no longer eligible.
- They did not respond to the request for eligibility redetermination.
- They did not provide the necessary documents requested for verification.

According to the Health Care Authority's January 2024 report on the resumed eligibility redetermination status, more than 600,000 were terminated from Medicaid during the period from June to December 2023.<sup>6</sup> At the same time, higher

than expected new members were enrolled in Medicaid each month since May. Between May and December 2023, when both the terminations and new enrollees were considered, Washington's Medicaid enrollment had a net reduction of 11.8% (or 274,000) from highest enrollment of 2,328,000 (set in May) to 2,053,000 in December. The eligibility redetermination of all 2,328,000 enrollees in May 2023 is scheduled to finish by the end of April 2024. We expect to see additional terminations.<sup>7</sup>

We also expect that some of those leaving Medicaid because of the redetermination to transition to other coverage sources, such as EBI, Medicare, or a marketplace plan. Some may initially become uninsured, at least for a short period of time. However, it is too early to quantify the state's overall coverage change resulting from resumed Medicaid eligibility redetermination.

Our annual tracking of June enrollment in Medicaid programs that provide full benefits since 2013 shows that June 2023 still had the highest enrollment at 2,116,000. This was true even though the first wave of termination took place that month. That enrollment number is about 15,000 more than the enrollment in June 2021. This increase followed consecutive increases from 2019 to 2022 to more than 100,000 each year (Figure 9).

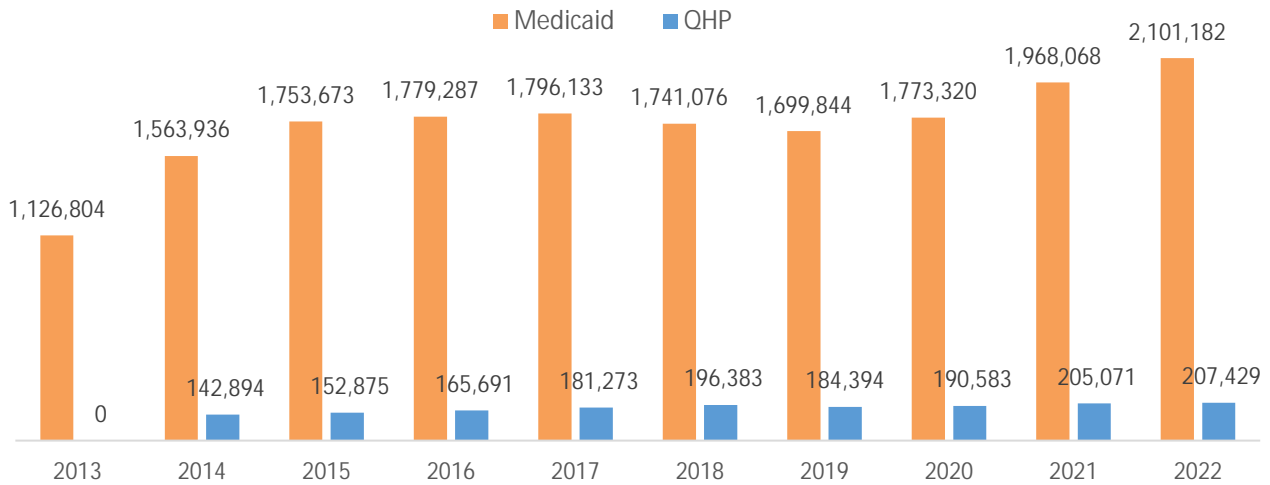
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<sup>5</sup> Children under age 6 enrolled in Medicaid are exempt from the Medicaid eligibility redetermination thanks to a waiver from the Centers for Medicare and Medicaid Services in a letter to HCA dated April 14, 2023.

<sup>6</sup> See <https://www.hca.wa.gov/assets/free-or-low-cost/apple-health-phe-unwind-enrollment-data.pdf>. Note that the HCA report at this link is updated monthly with the updated report replacing the previous month's report. Readers of this brief may not see the January 2024 update of the HCA report, but a later HCA report instead.

<sup>7</sup> A recent preliminary forecast on Medicaid by the Washington state Caseload Forecast Council shows that from June 2023 to June 2024, the net reduction will continue, but at a slower pace (approximately 167,000).

**Figure 10. Medicaid and QHP Enrollment in June: 2013-22**



We have also tracked QHP enrollment. QHP enrollment officially started in 2014. By June 2019, the QHP enrollment reached 184,000. From 2019 to 2023, the June enrollment in QHP increased each year, with the June 2023 enrollment hitting 207,000. We expect QHP enrollment to accelerate in the wake of resumed Medicaid eligibility redetermination. However, we also expect the QHP increase to constitute only a fraction of the total Medicaid terminations.

The state has recently approved new programs to expand coverage access to segments of the uninsured population that are otherwise not eligible for public coverage.<sup>8</sup> Although these programs are not meant for individuals leaving Medicaid due to resumed redetermination, we expect them to help slow down the growth in the overall uninsured population.

The landscape of Washington’s health coverage in 2023 may not be known before the 2023 ACS data become available in the fall 2024.

**Data source**

Estimates that we use in this brief, unless noted otherwise, came from the American Community Survey. The ACS is a population survey of U.S. households that the U.S. Census Bureau conducts annually. We obtain estimates for the U.S. from the Census Bureau’s website.<sup>9</sup> Estimates for Washington from the ACS before 2014 are from our analysis of the ACS 1-year PUMS files. Estimates for Washington for 2014-19 and 2021-22 are also from our analysis of the ACS 1-year PUMS files, but OFM adjusted them for the state’s Medicaid population count before our analysis.<sup>10</sup>

<sup>8</sup> See <https://www.hca.wa.gov/assets/program/apple-health-expansion-immigrant-health-webinar-november-2023.pdf>.

<sup>9</sup> <https://data.census.gov/>

<sup>10</sup> For more information on the adjustment, see [http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount\\_medicaid.pdf](http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount_medicaid.pdf).