

WASHINGTON STATE HEALTH SERVICES RESEARCH PROJECT

Second Year Impact of ACA on Washington State’s Health Coverage

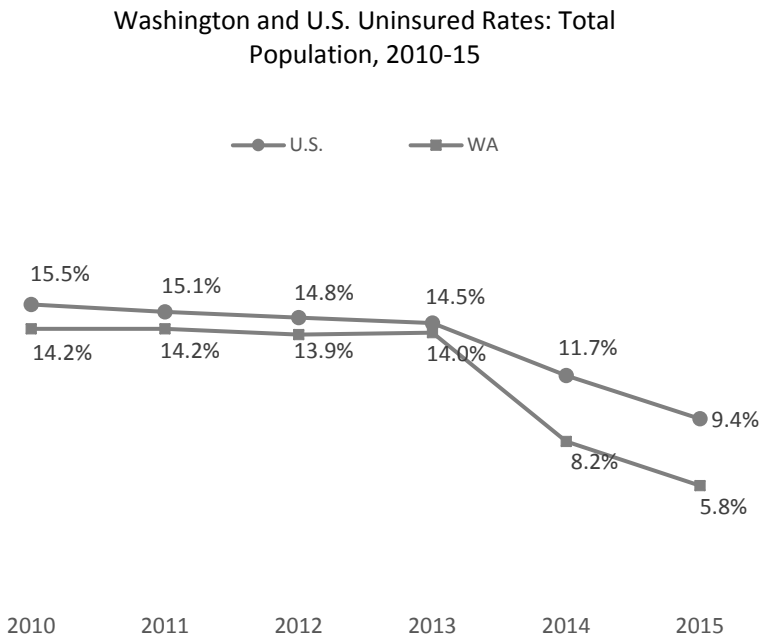
Research Brief No. 80
December 2016

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Introduction

Key provisions of the federal Patient Protection and Affordable Care Act (ACA) for reducing the number of uninsured health care consumers continued for the second year, in 2015. These provisions were the chief cause for the dramatic decrease of the uninsured rate in Washington in 2014, which dropped to 8.2 percent from approximately 14 percent.¹ New data show that the uninsured rate in Washington continued to decline in 2015 to the new low of 5.8 percent.² Just as was the case in 2014, the further reduction of Washington’s uninsured in 2015 extended to all population groups.

Uninsured rates in 2010–15, Washington and United States³



Washington’s uninsured rates as well as the U.S. uninsured rates prior to the implementation of the ACA’s key provisions had stayed somewhat flat in the four years from 2010 to 2013. Washington’s uninsured rate hovered around 14 percent while the U.S. uninsured rate hovered around 15 percent.

In the first year after key ACA provisions were in place, Washington’s uninsured rate decreased by nearly 6 percentage points to 8.2 percent, while the U.S. uninsured rate decreased by nearly 5 percentage points to 11.7 percent. Washington’s 41 percent reduction in the uninsured rate outpaced the 19 percent reduction of the United States.

¹ Yen, W. *County Health Coverage in Washington State, 2014*. Washington State Office of Financial Management, Olympia, WA. April 2016.

² Estimates in this brief, unless noted otherwise, are derived from the American Community Survey (ACS). ACS is a population survey of U.S. households conducted by the U.S. Census Bureau. Estimates for the U.S. are obtained from the Census Bureau’s American FactFinder website (<https://factfinder.census.gov>). Estimates for Washington prior to 2014 are from staff analysis of the ACS 1-year PUMS files and estimates for Washington for 2014–15 are from staff analysis of the ACS 1-year PUMS files that are adjusted by OFM for the state’s Medicaid population count. For information on the adjustment, see http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount_medicaid.pdf.

³ The concept of health coverage is measured in the ACS as having any medical coverage (e.g., Medicare, Medicaid, coverage through an employer) at the time of the interview. This measure provides a “point-in-time” snapshot.

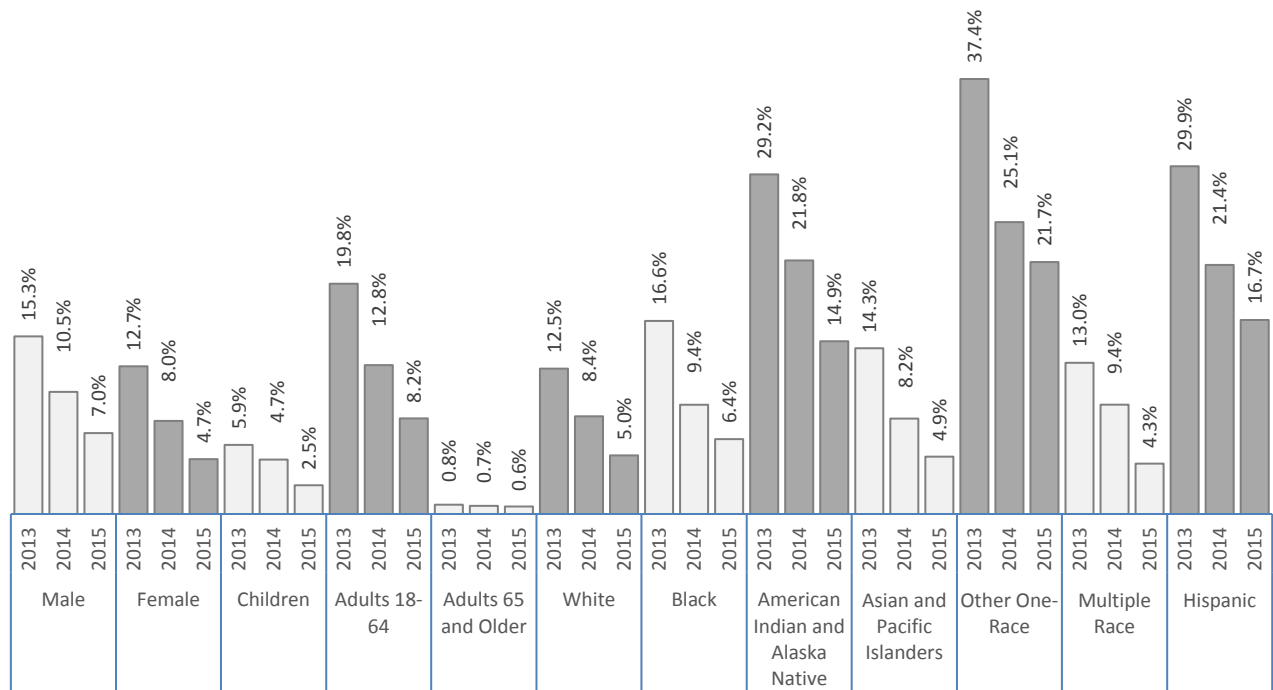
In 2015, Washington’s uninsured rate continued to decline and reached a record low of 5.8 percent. At the same time, the U.S. uninsured rate also dropped to a record low of 9.4 percent. With combined reductions in 2014 and 2015, Washington’s uninsured rate was cut more than half (58.3 percent reduction), while the U.S. uninsured rate was reduced by 35.2 percent from 2013’s level.

Uninsured rates in 2015 further declined across all population groups in Washington

Following the trend set in 2014, the uninsured rates declined further in 2015 for all population groups in Washington. Of the population groups shown in the chart below, the largest percentage-point reduction in 2015 occurred in the American Indian and Alaska Native (AIAN) population. For this group, the uninsured rate decreased by 6.9 percentage points, from 21.8 percent in 2014 to 14.9 percent in 2015. The other population groups had uninsured rate reductions from 0.1 to 5.1 percentage points.

Under the ACA, the “other single-race” population had the largest cumulative percentage-point reduction of its uninsured rate, at 15.7, from 37.4 percent in 2013 and to 21.7 percent in 2015. Meanwhile, the female, black or African American, AIAN and multi-race populations had the largest cumulative percent reductions, by about two-thirds (62.9 percent, 61.2 percent, 65.4 percent and 66.7 percent, respectively).

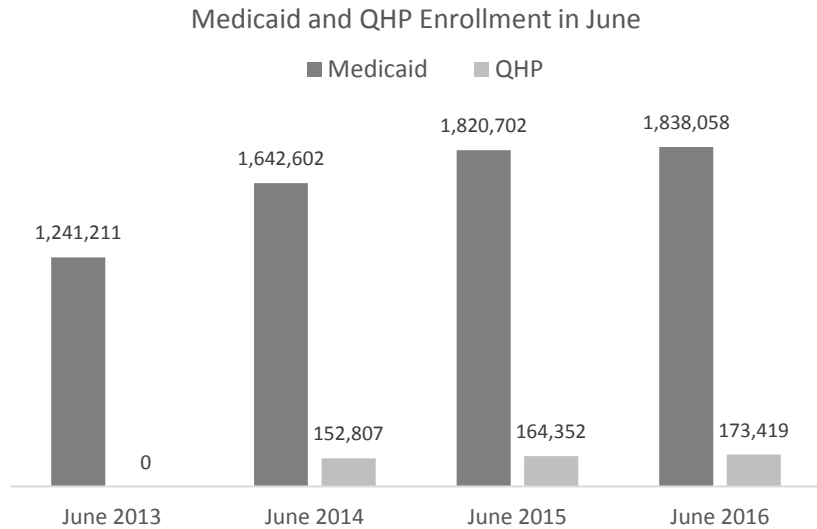
Percentage Uninsured by Demographic Characteristics: Washington, 2013-15



The declining trend of the uninsured rates is expected to continue into 2016, but at a slower pace; uncertainty emerges for 2017 and beyond

The key coverage expansion provisions of the ACA in the first two years resulted in significant reduction of the uninsured rate in Washington. With the historically low uninsured rate achieved in 2015, it is expected that the uninsured rate will reach a record low in 2016 as the ACA coverage provisions continue. However, as the number of the uninsured approaches zero and many of the remaining uninsured may not be eligible for the ACA's Medicaid expansion and subsidized marketplace plans — key drivers for the reduction of the uninsured in the past two years — it is expected that the pace of reduction in the uninsured will be much slower in 2016.

The Medicaid and Qualified Health Plan (QHP – subsidized marketplace plan) enrollments in 2016 appear to support this speculation. The June enrollment data for Medicaid and QHP show that the enrollment in June 2016 is only slightly higher than in June 2015 for both programs (see the chart to the right).⁴ Unless significant expansion takes place in 2016 in the employer-sponsored coverage and nonsubsidized marketplace plan sectors to absorb the uninsured, the pace of reduction in the uninsured is likely to be much slower than the previous two years under the ACA.



The ACA will likely face changes over the next several years under a new federal administration. Implications are unclear for people in Washington who gained coverage through the ACA. Future policy proposals will be carefully examined to fully understand their impact on coverage.

⁴ The source for the Medicaid enrollment is staff analysis of the OFM's Medicaid Eligibility File. For the source of QHP enrollment figures, see:

http://www.wahbexchange.org/wp-content/uploads/2015/12/HBE_PD_140828_August_Performance_Dashboard.pdf,
http://www.wahbexchange.org/wp-content/uploads/2015/12/HBE_PD_150722_July_Performance_Dashboard.pdf,
http://www.wahbexchange.org/wp-content/uploads/2015/12/HBE_PD_160721_July_Executive_Dashboard.pdf.