

New Census Data Won't Fully Reflect Health Insurance Gains

September 14, 2015

U.S. Census Bureau data released this week is likely to show a substantial drop in the number of uninsured Wisconsinites in 2014. However, our analysis of more recent enrollment figures indicates the 2014 Census data won't fully reflect the improvement in access to health insurance that has occurred since January 2014. The Census data is based on surveys conducted in every month of the year, and many of those were completed before there had been much gain in insurance coverage.

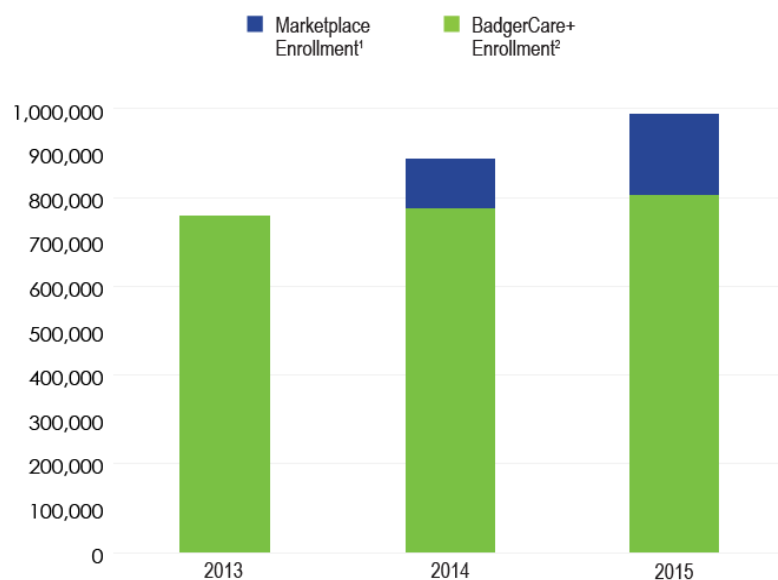
Nevertheless, the new ACS data will provide by far the best picture to date of how the Affordable Care (ACA) affected access to health care in Wisconsin in 2014, when the law's major changes took effect. It will also be the first survey data to begin to provide at least an emerging picture of how the ACA affected health care coverage in some of the larger Wisconsin counties.

Chronology of key changes in access to insurance

Access to health insurance changed in several significant ways in 2014:

- In January 2014, millions of people across the country gained access to subsidized private insurance plans, purchased through federal or state-run insurance marketplaces.
- In April 2014, roughly 60,000 adults lost their BadgerCare coverage when Wisconsin reduced BadgerCare+ eligibility for adults to the poverty level

Figure 1: The Number of People Covered by BadgerCare+ and Marketplace Insurance is Growing



Methodology Notes

¹2014 marketplace enrollment figure uses the June 2015 percent of individuals who effectuated (or paid their first premium), 79%, for their selected marketplace plan as a proxy, since HHS does not provide this number for 2014. The 2015 number is provided by HHS and reflects the number of effectuated individuals as of June 2015.

²BadgerCare+ enrollment is based on figures provided by DHS. The 2013 and 2014 number is a monthly average over the year. This was provided to better align with how the ACS calculates insurance data. The 2015 enrollment data is for the month of June.

Source: WCCF Analysis of HHS Marketplace Data and DHS BC+ Data

WCCF

- The savings from the reduction in BadgerCare+ eligibility for parents were used to partially finance the extension of BadgerCare+ eligibility to all childless adults below the poverty level. By the end of 2014, that change, which also began in April, had increased enrollment of childless adults by more than 123,000 compared to the average in 2013.

Participation in BadgerCare+ began dropping in the fall of 2013, after the Wisconsin Department of Health Services (DHS) began to notify adults over the poverty level that they would probably lose their BadgerCare+ coverage in 2014. Total BadgerCare+ enrollment fell by about 13,000 people from September 2013 through March 2014, before the changes in eligibility that took effect in April began yielding a net increase in participation over the rest of the year.

The combination of those factors meant the total number of parents and childless adults participating in BadgerCare+ was 56,000 higher at the end of 2014 than in January. Although we don't have data nearly as thorough for participation in Marketplace insurance plans, it's pretty clear the early problems with the online enrollment process slowed the growth in this new source of coverage.

Recent and upcoming data on health care coverage changes

Two health insurance surveys released in August of this year shed some light on gains in insurance coverage during the early months of 2015, but only reveal a sketchy picture of the trends in our state:

- [National Health Interview Survey](#) -- The latest NHIS survey data, which covers the first three months of 2015, show that the number of Americans without health insurance has dropped by 15.8 million, or one-third, since 2013. That includes a drop of 7 million uninsured people this year (relative to the 2014 average). The results include regional data, but the survey size is too small to yield reliable state-level data.
- A [Gallup survey](#) spanning the first six months of 2015 shows the large gain in insurance coverage among adults in 2014 continued in 2015, and it includes some state-level data. The polling results suggest that only 5.6% of Wisconsin adults were uninsured in the first half of 2015, compared to 8.4% last year and 11.7% in 2013. However, the Gallup survey didn't include children, and the sample size for Wisconsin – 1,834 people during the first half of this year – isn't large enough to confidently compare the gains in Wisconsin to those in other states.

The American Community Survey (ACS) data that will be released on September 16 and 17, will only reflect insurance coverage in 2014. In contrast to the Gallup survey, it applies to people of all ages. Because the survey sample in Wisconsin is quite large – encompassing about 65,000

Wisconsinites, the ACS yields far more reliable results than other surveys. The much larger size of the ACS sample also enables the Census Bureau to provide insurance coverage estimates for about 23 of Wisconsin's largest counties, but the county-level data will have a very high margin of error.

Another very important source of information on how health care coverage is growing is the enrollment data for Marketplace insurance plans and BadgerCare+. Figure 1 illustrates the combined enrollment figures in BadgerCare+ and the federal marketplace – comparing the total in June 2015 with the averages in each of the two preceding calendar years.

Although the administrative data is precise, and much more current than the ACS data, what it doesn't show is how much of the growth in publically subsidized coverage comes from people who had previously had other types of private coverage and how much of that growth represents newly insured Wisconsinites. A [recent analysis from the UW Population Health Institute](#) examines the administrative data, and provides a range of estimates about the effect of that enrollment growth on the uninsured rate in Wisconsin, based on different assumptions made by several researchers regarding the percentage of the growth in publicly subsidized coverage that comes from people who hadn't previously been insured.

Census data likely to miss much of the gains

The American Community Survey (ACS) interviews more than 75,000 Wisconsin household each year, and the surveys are spread evenly over all 12 months. In light of that timing, the ACS findings will reflect the average BadgerCare+ enrollment during 2014, and that average was about 18,400 people below the total at the end of the year and almost 31,000 below the enrollment in June 2015.

Similarly, marketplace coverage took at least a few months to ramp up in 2014, so averaging the 12 months of survey data won't fully capture the growth that occurred by the end of the year. More importantly, there has been a big jump in marketplace enrollment this year, as illustrated in Figure 1. The bar graph shows the combined enrollment figures in BadgerCare+ and the federal marketplace.

It compares the total BadgerCare+ enrollment in June 2015 with the averages in each of the two preceding calendar years. The federal marketplace data compares the number of "effectuated" individuals, which is the number of individuals who enrolled in a plan and paid their first premium. HHS did not provide 2014 marketplace enrollment data regarding the number of people who enrolled and purchased a plan, so WCCF estimated that number by using the 2015 percent of individuals who actually purchased a plan (79%) as a proxy.

What we will be watching for in the ACS insurance data

The total net change in insurance coverage is the most awaited part of the Census Bureau's new ACS data. Even though they won't be as current as the Gallup and NHIS data, the ACS

findings will be more reliable because the survey size is so much larger. In addition, the ACS results will provide several perspectives that haven't been part of the previously released findings.

- **Effects on the coverage of children** – The 2014 ACS survey will be the first source to report data on the effect of the ACS on health insurance coverage among children. The Gallup survey excluded children, and the NHIS survey doesn't include any state-level data on children's coverage.
- **Net effect on private insurance** – We have good quarterly data on the number of people enrolled in Marketplace plans, and thorough monthly data on changes in BadgerCare participation. However, what we don't know is how much of the growth in those two areas of coverage has come from people who previously had other private insurance, and how much is from people who had been uninsured. Even though the ACS won't fully capture the insurance gains that started in January 2014, it may begin to reflect what portion of the increase in subsidized insurance coverage is being offset by a net reduction in private coverage.
- **County-level data** – Because of the size of the ACS sample, the Census Bureau is able to provide data on health insurance coverage in about 23 Wisconsin counties to see if there are substantial differences in insurance trends for different counties, but caution needs to be exercised in using the county-level data because the margin of error will generally be high.

Conclusion

New data from the Census Bureau's American Community Survey (ACS) will shed light on how the Affordable Care Act affected the number of uninsured Americans in 2014, including insurance coverage in Wisconsin. Unfortunately, it won't reflect the substantial growth in coverage that continued this year; and because the survey is conducted during each month of the year, the new data won't fully reflect the growth in the number of people with insurance in 2014.

Nevertheless, the new ACS data will be very helpful because it's a very large survey and will provide the first state-level data on the changes in coverage for children, as well as adults. In addition, it will provide very valuable information on the change in the number of people with private insurance outside the Marketplace.

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