

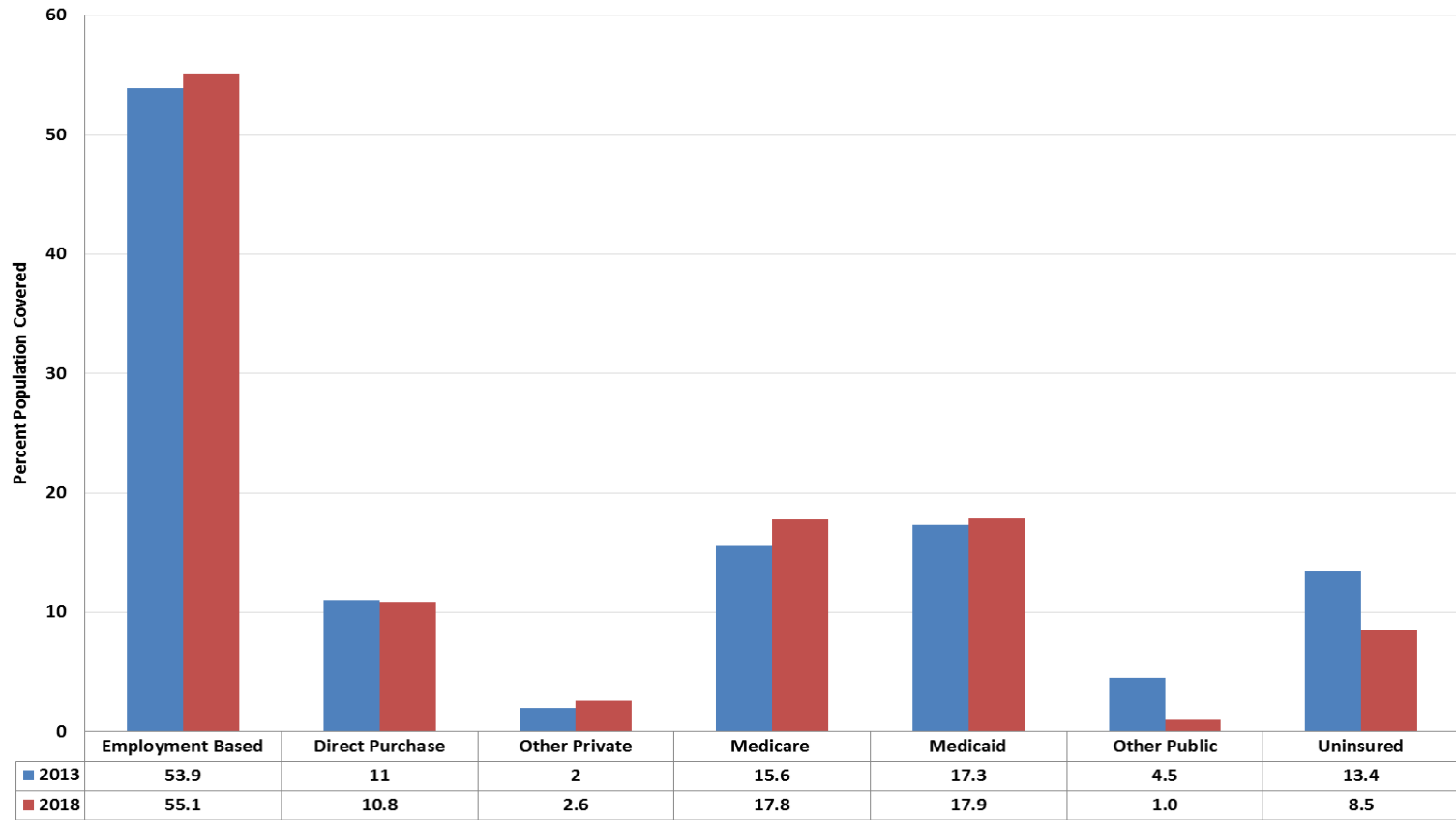
Impact of the Affordable Care Act on the Rural Uninsured

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Introduction

- Throughout the implementation of the Patient Protection and Affordable Care Act (PPACA), one key metric for its impact has been the decrease in the uninsured population.
- This presentation summarizes an analysis of the multi-year impact of PPACA on health coverage for rural populations in the nation and in individual states.
- It highlights newly prepared state profiles describing changes in health insurance coverage for individual counties within each state. These profiles are available to SORHs on Dropbox – link at the end – and will be posted later on the NOSORH website. These profiles provide a tool for SORH efforts to further improve the extent of health coverage in rural communities.
- The presentation also explores a future challenge in evaluating the impact of PPACA and further health reform efforts – measuring the affordability of Total Health Care Costs facing consumers.
- State policy tools that can have an impact on affordability are outlined.

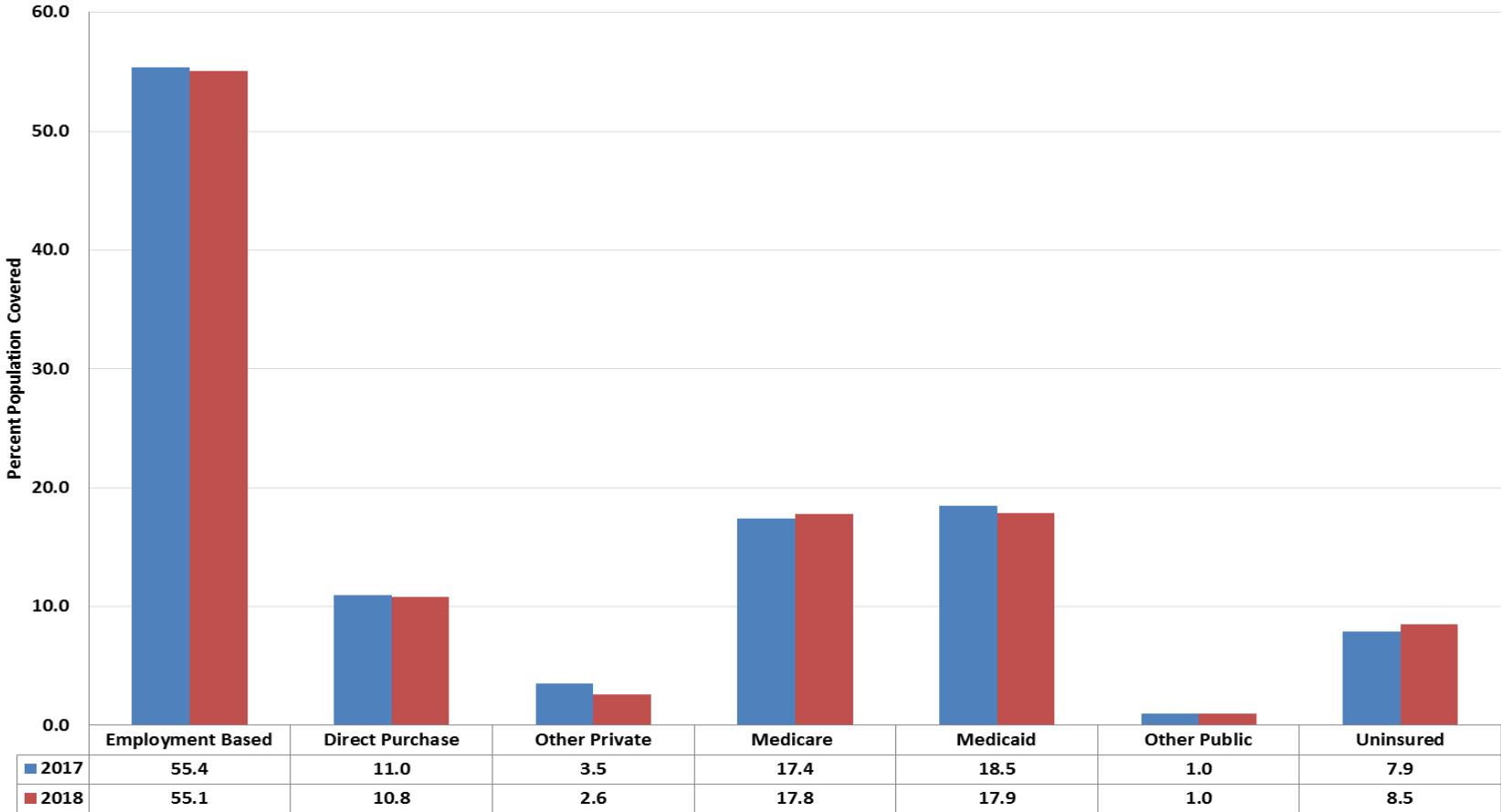
United States Health Care Coverage - 2013-2018



Source: Health Coverage in the United States – Current Population Reports – US Census Bureau

- The overall percentage of uninsured has decreased, with the difference largely noticeable in Employer, Medicare, Medicaid and Other Private categories. Employment-based coverage remains the single largest coverage category.
- Note that all categories are *non-exclusive*, with the exception of the Uninsured category.

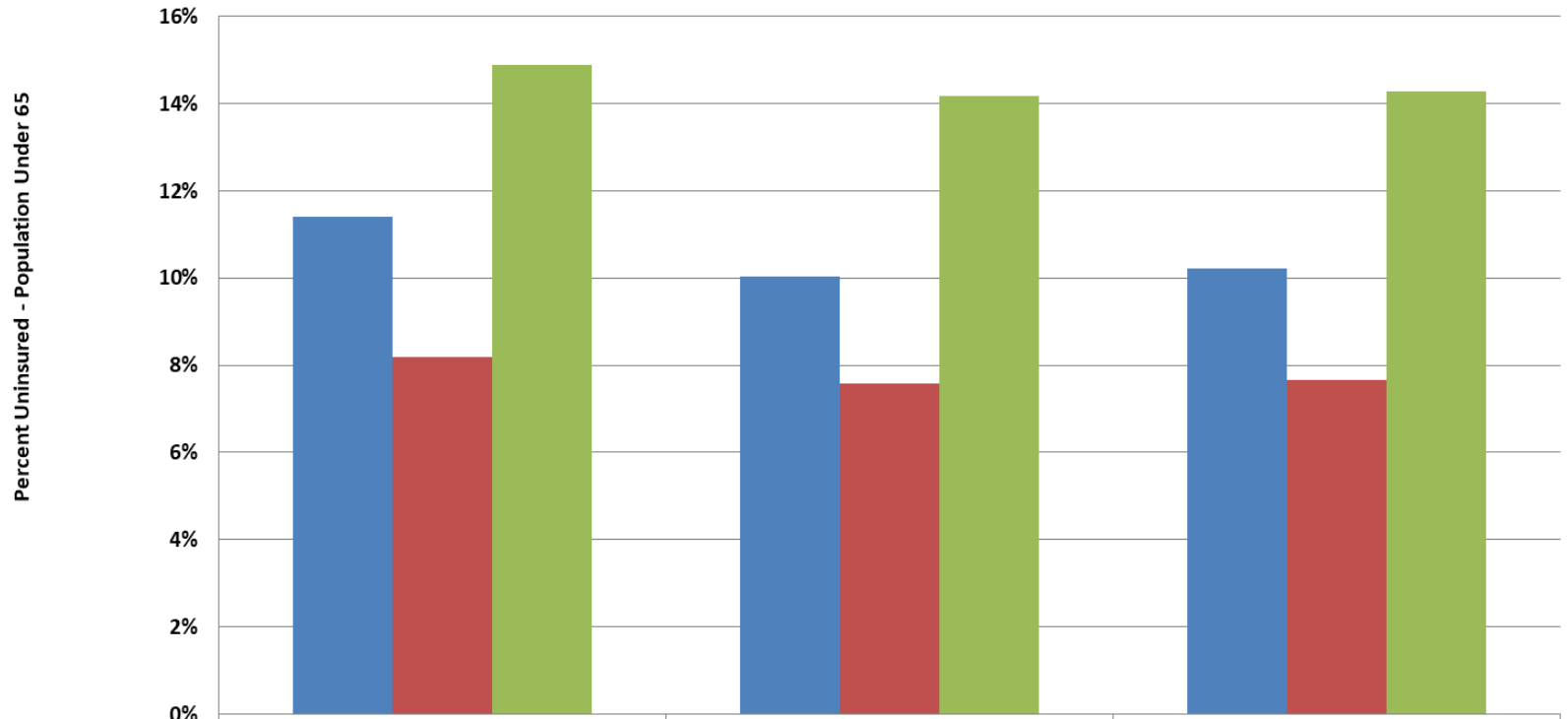
United States Health Care Coverage - 2017-2018



Source: Health Coverage in the United States – Current Population Reports – US Census Bureau

- In the period 2017-2018, the uninsured population percentage in the nation has increased.
- This is the first reported increase since implementation of PPACA.

Uninsured Population Under Age 65 - 2017

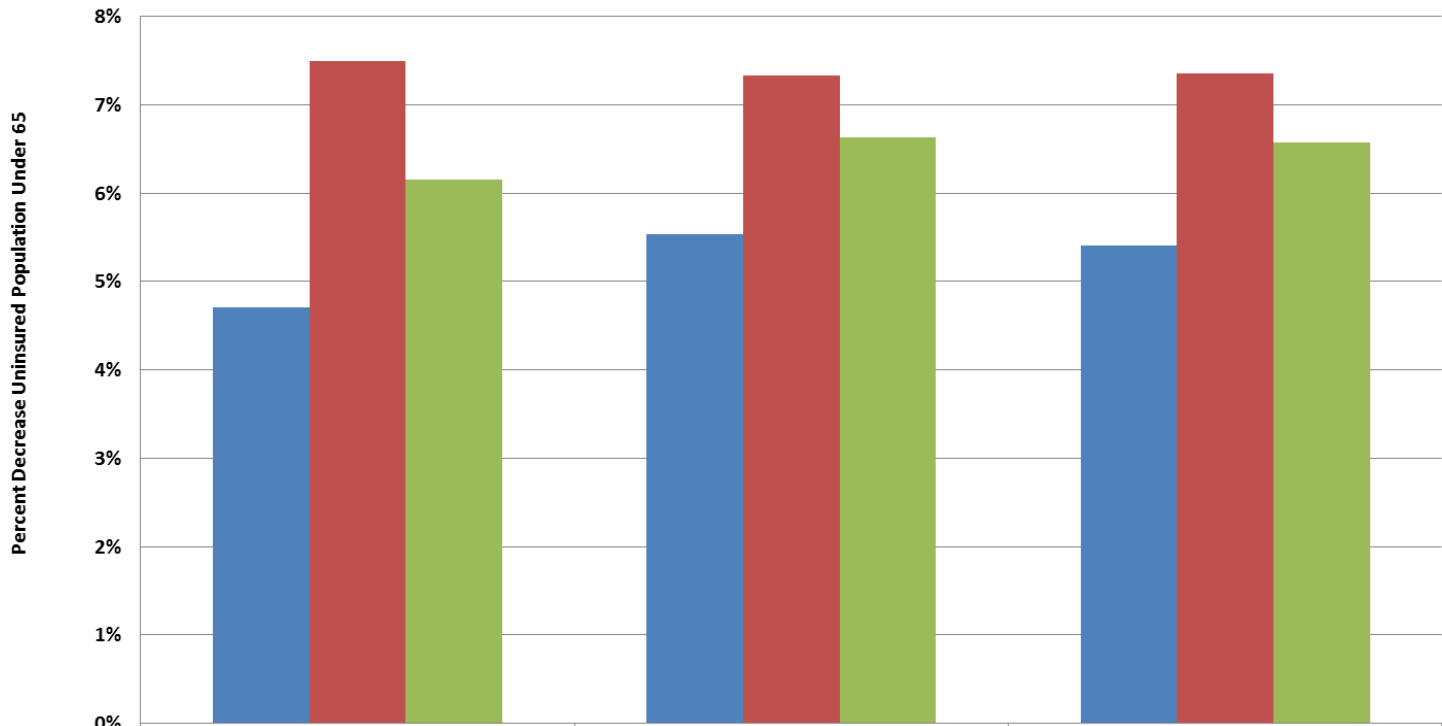


	Rural	Urban	Total
All States	11.4%	10.0%	10.2%
Medicaid Expansion States	8.2%	7.6%	7.7%
Non Medicaid Expansion States	14.9%	14.2%	14.3%

Source: Small Area Health Insurance Estimates - US Census Bureau

- For the population under age 65, rural residents have a higher percent of uninsured than do urban populations.
- This difference is noticeable for both Medicaid expansion and non-expansion states.
- The difference between expansion and non-expansion states is much more pronounced – in both rural and urban populations.

Decrease in Uninsured Population Under 65 - 2013-2017

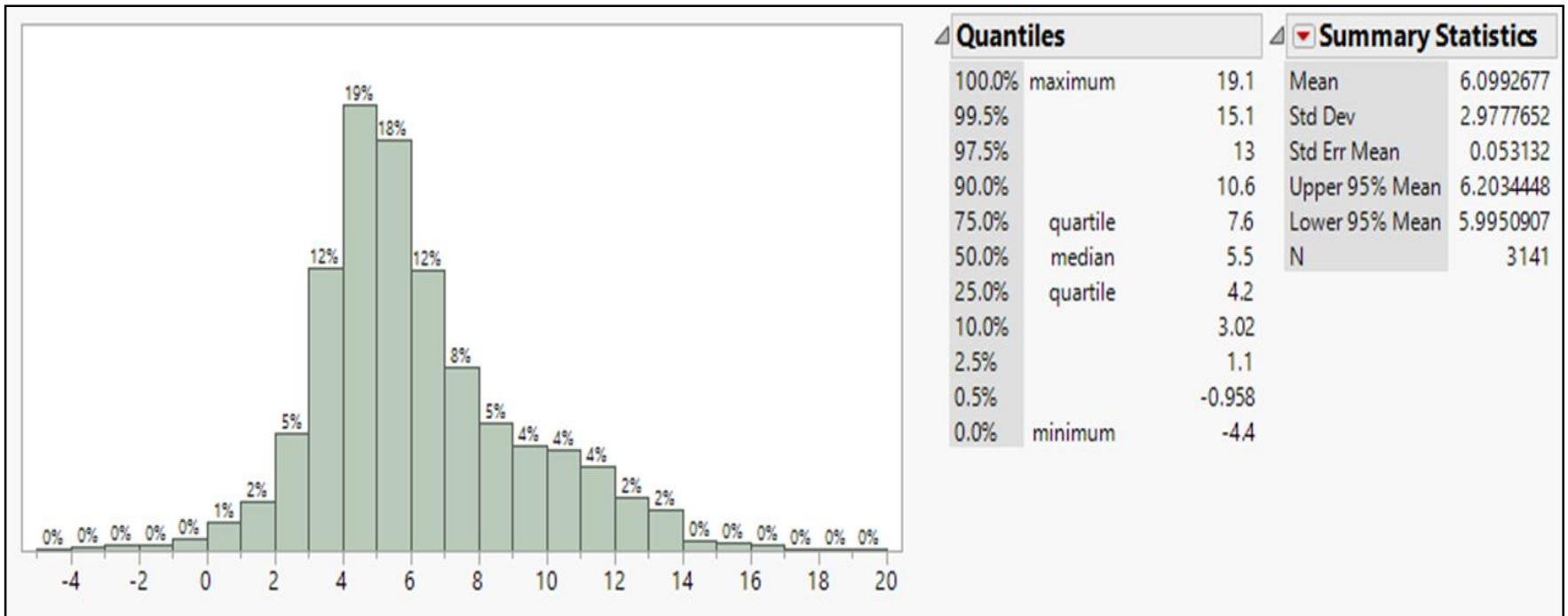


	Rural	Urban	Total
■ Non-Expansion States	4.7%	5.5%	5.4%
■ Medicaid Expansion States	7.5%	7.3%	7.4%
■ All States	6.2%	6.6%	6.6%

Source: Small Area Health Insurance Estimates - US Census Bureau

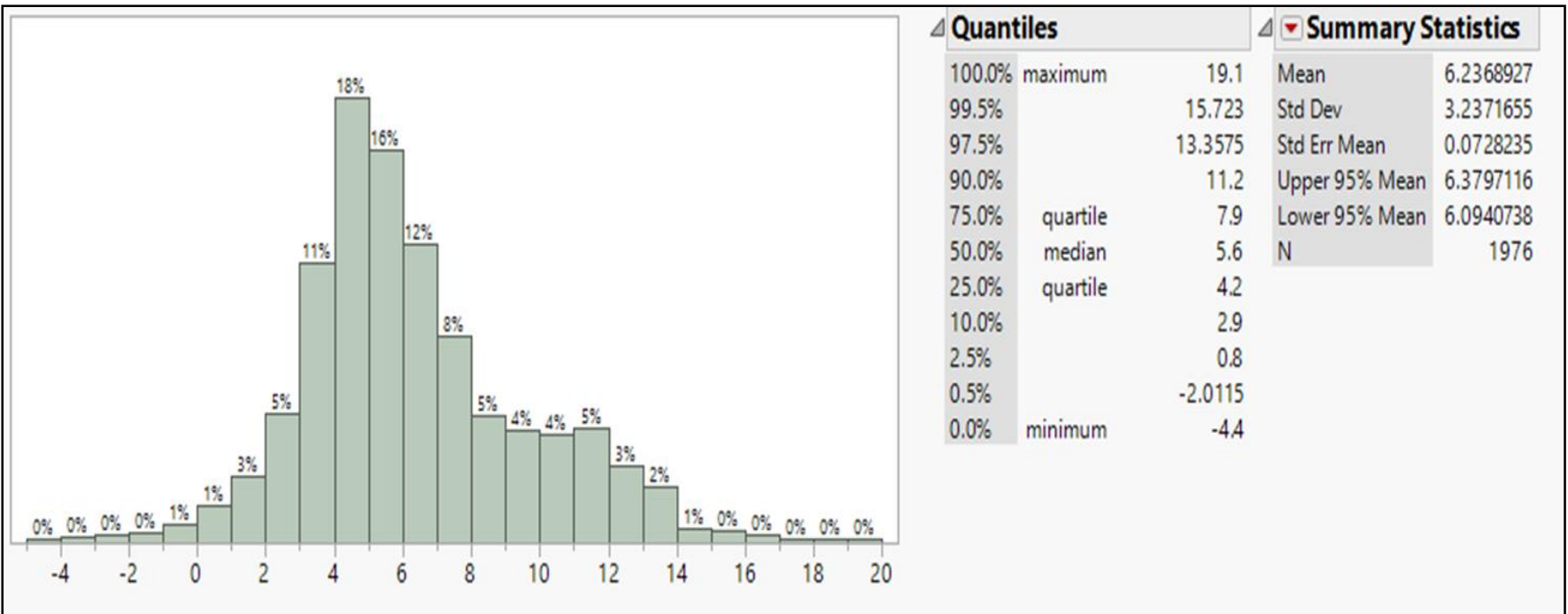
- For the population under age 65, rural populations have a lower percent decrease in the uninsured than do urban populations.
- In Medicaid expansion states, the percent decrease in the rural uninsured population is higher than for urban populations.

All Counties - Decrease in Percent of County Uninsured Population Under 65 - 2013-2017



- The median county *decrease in the uninsured percent of population under 65* between 2013-2017 was 5.5%.
- More than three-fifths of all counties saw a decrease of between 3%-7%.

Rural Counties - Decrease in Percent of County Uninsured Population Under 65 - 2013-2017



- The median rural county *decrease in the uninsured percent of population under 65* between 2013-2017 was 5.6%.
- More than half of all rural counties saw a decrease of between 3%-7%.

Decrease in Uninsured Population Under 65 - 2013-2017					
States - All Counties					
State Code	State Name	Decrease in PCT Uninsured Population Under 65 - 2013-2017	PCT Uninsured Population Under 65 - 2017	Uninsured Population Under 65 - 2017	Medicare Expansion?
CA	California	11.2%	8.2%	2,740,078	Yes
NM	New Mexico	10.9%	11.0%	186,717	Yes
KY	Kentucky	10.4%	6.4%	231,153	Yes
NV	Nevada	10.2%	13.1%	327,604	Yes
WV	West Virginia	9.6%	7.5%	106,784	Yes
MT	Montana	9.6%	10.4%	87,780	Yes
LA	Louisiana	9.5%	9.6%	372,802	Yes
AZ	Arkansas	9.5%	9.3%	226,179	Yes
OR	Oregon	9.0%	8.2%	277,244	Yes
WA	Washington	8.8%	7.1%	438,678	Yes
RI	Rhode Island	8.5%	5.4%	46,220	Yes
FL	Florida	8.3%	16.0%	2,615,963	No
AR	Arizona	7.9%	12.1%	685,974	Yes
CO	Colorado	7.3%	8.7%	410,250	Yes
ID	Idaho	7.0%	11.8%	168,400	No
MI	Michigan	6.8%	6.1%	496,654	Yes
IL	Illinois	6.7%	7.9%	837,890	Yes
IN	Indiana	6.5%	9.6%	526,667	Yes
AK	Alaska	6.0%	14.8%	94,727	Yes
NJ	New Jersey	6.0%	9.0%	668,596	Yes

OH	Ohio	5.9%	7.1%	671,470	Yes
NH	New Hampshire	5.8%	7.0%	75,492	Yes
NY	New York	5.8%	6.6%	1,079,651	Yes
GA	Georgia	5.7%	15.5%	1,361,978	No
NC	North Carolina	5.5%	12.6%	1,063,335	No
SC	South Carolina	5.5%	13.1%	528,726	No
MS	Mississippi	5.5%	14.5%	352,306	No
TX	Texas	5.4%	19.4%	4,704,625	No
UT	Utah	5.3%	10.0%	273,905	No
PA	Pennsylvania	5.0%	6.6%	674,739	Yes
AL	Alabama	4.9%	11.0%	438,049	No
TN	Tennessee	4.9%	11.3%	621,332	No
DE	Delaware	4.8%	6.1%	46,586	Yes
MD	Maryland	4.7%	7.0%	353,922	Yes
CT	Connecticut	4.6%	6.3%	182,122	Yes
MN	Minnesota	4.4%	5.1%	235,543	Yes
MO	Missouri	4.4%	10.9%	541,217	No
WI	Wisconsin	4.2%	6.4%	303,172	No
OK	Oklahoma	4.1%	16.5%	533,903	No
IA	Iowa	4.1%	5.5%	139,424	Yes
KS	Kansas	4.0%	10.1%	243,306	No
VA	Virginia	3.8%	10.2%	709,136	No
ND	North Dakota	3.7%	8.6%	53,542	Yes
ME	Maine	3.3%	10.2%	106,863	No
NE	Nebraska	3.3%	9.6%	152,068	No
DC	District of Columbia	3.2%	4.3%	24,833	Yes
VT	Vermont	3.2%	5.5%	26,857	Yes
HI	Hawaii	3.0%	4.6%	53,025	Yes
SD	South Dakota	2.0%	10.8%	76,049	No
WY	Wyoming	1.6%	14.2%	67,560	No
MA	Massachusetts	1.0%	3.3%	182,389	Yes

Decrease in Uninsured Population Under 65 - 2013-2017
States - Rural Counties

State Code	State Name	Decrease in PCT Uninsured Population Under 65 - 2013-2017	PCT Uninsured Population Under 65 - 2017	Uninsured Population Under 65 - 2017	Medicare Expansion?
KY	Kentucky	11.7%	6.8%	98,278	Yes
NM	New Mexico	11.2%	11.5%	62,863	Yes
CA	California	11.0%	8.4%	52,553	Yes
AR	Arkansas	10.6%	9.3%	81,780	Yes
WA	Washington	10.5%	9.4%	52,212	Yes
LA	Louisiana	10.4%	10.0%	59,583	Yes
WV	West Virginia	10.2%	7.9%	42,031	Yes
OR	Oregon	10.0%	9.7%	48,374	Yes
MT	Montana	9.8%	11.1%	59,992	Yes
CO	Colorado	9.1%	11.7%	64,453	Yes
NV	Nevada	8.5%	13.0%	27,670	Yes
ID	Idaho	7.7%	14.2%	64,887	No
MI	Michigan	7.3%	6.9%	95,263	Yes
AK	Alaska	7.1%	17.9%	36,766	Yes
FL	Florida	6.9%	18.0%	92,455	No
NH	New Hampshire	6.8%	7.7%	29,256	Yes
AZ	Arizona	6.7%	15.1%	41,045	Yes
IN	Indiana	6.5%	10.4%	121,215	Yes
IL	Illinois	6.1%	6.3%	70,335	Yes
OH	Ohio	6.0%	7.8%	146,347	Yes

SC	South Carolina	5.8%	13.9%	79,616	No
NC	North Carolina	5.6%	14.5%	247,071	No
PA	Pennsylvania	5.5%	7.1%	77,935	Yes
NY	New York	5.5%	5.7%	60,288	Yes
MD	Maryland	5.4%	8.0%	9,202	Yes
MS	Mississippi	5.3%	15.4%	197,852	No
TN	Tennessee	5.3%	12.3%	144,171	No
AL	Alabama	5.0%	12.7%	114,467	No
GA	Georgia	4.9%	17.4%	242,113	No
TX	Texas	4.9%	21.9%	518,789	No
CT	Connecticut	4.7%	5.1%	7,410	Yes
UT	Utah	4.6%	12.9%	35,383	No
VA	Virginia	4.6%	12.1%	94,005	No
MO	Missouri	4.5%	13.3%	157,852	No
IA	Iowa	4.5%	5.9%	58,656	Yes
MN	Minnesota	4.4%	6.2%	59,457	Yes
HI	Hawaii	4.2%	6.0%	12,994	Yes
KS	Kansas	4.1%	11.6%	85,294	No
WI	Wisconsin	4.1%	7.5%	86,951	No
ME	Maine	3.4%	11.6%	47,765	No
ND	North Dakota	3.4%	10.0%	30,431	Yes
VT	Vermont	3.4%	5.8%	17,959	Yes
NE	Nebraska	3.4%	10.6%	55,606	No
OK	Oklahoma	3.1%	19.0%	201,101	No
SD	South Dakota	1.7%	12.3%	43,480	No
WY	Wyoming	1.5%	14.8%	48,761	No
MA	Massachusetts	1.2%	3.5%	2,756	Yes

State Profiles – Uninsured Population Under PPACA

Decrease in Uninsured Under 65 - 2013-2017					
-- New Mexico Counties - Ranked by Percent Decrease					
Name	FIPS	PCT Decrease Uninsured Under 65 - 2013-2017	Uninsured Under 65 - Number - 2017	Uninsured Under 65 - PCT- 2017	Rural-Urban
Catron County, NM	35003	19.1	214	10.0	RURAL
DeBaca County, NM	35011	16.0	175	13.3	RURAL
Harding County, NM	35021	15.9	42	9.2	RURAL
Luna County, NM	35029	14.0	2,368	12.9	RURAL
Mora County, NM	35033	13.9	326	10.0	RURAL
Lincoln County, NM	35027	13.8	1,764	12.8	RURAL
Dona Ana County, NM	35013	13.7	20,424	11.5	URBAN
Sierra County, NM	35051	13.6	687	9.8	RURAL
Guadalupe County, NM	35019	13.1	247	8.3	RURAL
Rio Arriba County, NM	35039	13.1	3,626	11.5	RURAL
Otero County, NM	35035	12.5	5,642	10.7	RURAL
Torrance County, NM	35057	12.1	1,213	10.4	URBAN
Taos County, NM	35055	12.0	3,071	12.6	RURAL
Hidalgo County, NM	35023	11.9	332	10.0	RURAL
McKinley County, NM	35031	11.9	10,972	17.4	RURAL
San Miguel County, NM	35047	11.8	1,854	8.9	RURAL
Chaves County, NM	35005	11.2	6,252	11.8	RURAL
Socorro County, NM	35053	11.2	1,613	12.3	RURAL
Valencia County, NM	35061	11.2	6,658	10.9	URBAN

Policy Target -Consumer Affordability

- Coverage isn't the only question – the affordability of Total Health Care Costs faced by consumers must also be a policy target.
- Components of Total Health Care Cost.
 - Premium: The consumer expenditure on health coverage purchase. This includes:
 - Direct Purchase: the unsubsidized portion of the premium.
 - Employer-based: the employee share of the premium.
 - Medicare: Part B, Part D and Medicare supplemental plan cost.
 - Medicare Advantage: premium cost.
 - Co-pays/Co-insurance: Consumer shared cost for covered services, including pre-deductible and post deductible services.
 - Deductible: Costs for which the consumer is responsible prior to coverage taking effect.
 - Uncovered services.
 - Out of network services: including surprise billing.
- Maximum out of pocket: Coverage guarantee becoming the true limit of health care cost.
- The bottom-line question: What portion of a consumer's income should be spent on health care? When is health care affordable?



Bronze 60 HMO


BRONZE HMO

\$541.71
monthly premium

ADD 

Plan Highlights


Total Expense Estimate	\$8087.20
Plan Name	Bronze 60 HMO
Primary Care Visits	You pay \$75
Generic Drugs	You pay 100%
Yearly Deductible	\$12600 / \$1000 (May Not Apply)
Health Savings Account (HSA)	No
Quality Rating	★★★★★



Silver 70 HMO

SILVER HMO

\$780.80
monthly premium

ADD 

Plan Highlights

Total Expense Estimate	\$10186.20
Plan Name	Silver 70 HMO
Primary Care Visits	You pay \$40
Generic Drugs	You pay \$15
Yearly Deductible	\$5000 / \$400 (May Not Apply)
Health Savings Account (HSA)	No
Quality Rating	★★★★★

Two Southern California direct-purchase options for couple, age 32, family income = \$75,000.

Example 1 - Affordability Under Bronze Plan

- **Bronze Plan Benefits:**
 - **Primary Care:** \$75 co-pay for 3 outpatient visits annually per person. No further primary care coverage until \$12,600 family medical deductible is reached.
 - **Specialist Care:** \$105 co-pay as one of 3 outpatient visits annually per person. No further specialist coverage until \$12,600 family medical deductible is reached. \$105 copay after that.
 - **Prenatal Care:** Fully covered.
 - **Pharmacy:** No coverage until after \$1,000 pharmacy deductible.
 - **Inpatient Services:** No coverage until \$15,100 family maximum out of pocket is reached.
- **Financial Impact/Affordability:** The Truven Report put the uninsured cost of having a baby at anywhere from \$30,000 for an uncomplicated vaginal birth to \$50,000 for a C-section. And those prices have increased dramatically in the last decade. For a couple with \$75,000 annual income, an unplanned pregnancy could mean:
 - Premium \$6,500 + \$15,100 maximum out of pocket = \$21,600
 - **Total cost could represent more than 25% of annual gross family income.**

Example 2 - Affordability Under Silver Plan

- **Silver Plan Benefits:**
 - **Primary Care:** \$40 co-pay for in-network outpatient. No coverage for out of network visits. No charge after \$15,100 out of pocket maximum is reached.
 - **Specialist Care:** \$80 co-pay for in-network outpatient. No coverage for out of network visits. No charge after \$15,100 out of pocket maximum is reached.
 - **Prenatal Care:** No charge for in-network care. No coverage for out of network visits.
 - **Pharmacy:** No coverage until after \$400 pharmacy deductible. \$15/\$55 co-pay for generic/non-generic drugs after deductible.
 - **Inpatient Services:** No coverage until \$5,000 family deductible is reached. 20% co-pay after deductible up to \$15,100 out of pocket maximum is reached.
- **Financial Impact/Affordability:** The Truven Report put the uninsured cost of having a baby at anywhere from \$30,000 for an uncomplicated vaginal birth to \$50,000 for a C-section. And those prices have increased dramatically in the last decade. For a couple with \$75,000 annual income, an unplanned pregnancy could mean:
 - Premium \$9,370 + \$15,100 maximum out of pocket = \$24,470
 - **Total cost could represent more than 30% of annual gross family income.**



2019 Patient-Centered Benefit Designs and Medical

Benefits in blue are NOT subject to a deductible. Benefits in blue with a white corner are subject to a deductible after the first three visits.

Coverage Category	Minimum Coverage	Bronze	Silver	Enhanced Silver 73	Enhanced Silver 87	Enhanced Silver 94
Percent of cost coverage	Covers 0% until out-of-pocket maximum is met	Covers 60% average annual cost	Covers 70% average annual cost	Covers 73% average annual cost	Covers 87% average annual cost	Covers 94% average annual cost
Cost-sharing Reduction Single Income Range	N/A	N/A	N/A	\$24,281 to \$30,350 (>200% to ≤250% FPL)	\$18,211 to \$24,280 (>150% to ≤200% FPL)	up to \$18,210 (100% to ≤150% FPL)
Annual Wellness Exam	\$0	\$0	\$0	\$0	\$0	\$0
Primary Care Visit	After first 3 non-preventive visits, full cost per instance until out-of-pocket maximum is met	\$75*	\$40	\$35	\$15	\$5
Urgent Care		\$75*	\$40	\$35	\$15	\$5
Specialist Visit	Full cost per service until out-of-pocket maximum is met	\$105*	\$80	\$75	\$25	\$8
Emergency Room Facility		Full cost until deductible is met	\$350	\$350	\$100	\$50
Laboratory Tests		\$40	\$35	\$35	\$15	\$8
X-Rays and Diagnostics		Full cost until deductible is met	\$75	\$75	\$30	\$8
Imaging			\$300	\$300	\$100	\$50
Tier 1 (Generic Drugs)			\$15**	\$15**	\$5 or less	\$3 or less

Tier 1 (Generic Drugs)	Full cost per script until out-of-pocket maximum is met	Full cost up to \$500 after drug deductible is met	\$15**	\$15**	\$5 or less	\$3 or less	
Tier 2 (Preferred Drugs)			\$55**	\$50**	\$20**	\$10 or less	
Tier 3 (Non-preferred Drugs)			\$80**	\$75**	\$35**	\$15 or less	
Tier 4 (Specialty Drugs)			20% up to \$250** per script	20% up to \$250** per script	15% up to \$150** per script	10% up to \$150 per script	2
Medical Deductible	N/A	Individual: \$6,300 Family: \$12,600	Individual: \$2,500 Family: \$5,000	Individual: \$2,200 Family: \$4,400	Individual: \$650 Family: \$1,300	Individual: \$75 Family: \$150	
Pharmacy Deductible	N/A	Individual: \$500 Family: \$1,000	Individual: \$200 Family: \$400	Individual: \$175 Family: \$350	Individual: \$50 Family: \$100	N/A	
Annual Out-of-Pocket Maximum	\$7,900 individual only	\$7,550 individual \$15,100 family	\$7,550 individual \$15,100 family	\$6,300 individual \$12,600 family	\$2,600 individual \$5,200 family	\$1,000 individual \$2,000 family	\$7,900 individual only \$15,800 family

Drug prices are for a 30 day supply.

* Copay is for any combination of services (primary care, specialist, urgent care) for the first three visits. After three visits, future visits will be at full cost until the medical deductible is met.

** Price is after pharmacy deductible amount is met.

*** See plan Evidence of Coverage for imaging cost share.

An Entirely Qualitative Assessment of Trends in Health Care Affordability – Sources of Dissatisfaction

- Employer and Direct Purchase Coverage
 - Premium Issues:
 - Premiums have increased.
 - Employee share of premiums has gone up.
 - Deductible Issues:
 - Deductible levels have risen.
 - Pre-deductible benefits are disappearing.
 - Cost-Sharing Issues:
 - Co-pays/c-insurance have increased.
 - More services have co-pays.
 - Service Coverage Issues:
 - Fewer services are covered.
 - Managed care utilization reviews are disallowing previously approved services retroactively .

Total Health Cost - Affordability Trends (con't)

- **Network Issues:**

- Surprise billing is increasing.
 - Networks are narrowing - forcing consumers to use uncovered out of network providers.
- **Medicare Supplement and Medicare Advantage plans have, to a somewhat lesser degree, many of the trends discussed under employer and direct purchase insurance.**
 - **Medicaid coverage, including Medicaid managed care plans, have had more limited issues. There have been reductions in services covered, and imposition of some cost-sharing. Some states have implemented Medicaid expansion with a private purchase option for covered enrollees. This coverage can face the same of the same issues as direct purchase plans.**

State Affordability Policy - What Can States Do?

- **Medicaid Market:**
 - Expand Medicaid.
 - Regulate Medicaid MCO cost-sharing, networks and surprise billing.
- **Individual Market:**
 - Establish standard benefits – including pre/post deductible co-pays for key services.
 - Define appropriate rating areas with larger population pools.
 - Link participation in regulated individual market to participation as a Medicaid MCO.
 - In 1332 waiver states with risk reduction schemes, establish more aggressive total health care cost limits for private insurers.
- **Employer Market:**
 - Establish standard benefits for public employee plans – including state, local government and school employee plans.
 - Establish standard benefits for fully-insured private employer plans
- **Medicare Market:** Establish standards for Medicare Advantage.
- **The Final Frontier:** Price controls.
- **State Policy Limitations** – Federal statutes, including ERISA and PPACA, constrain State decision-making.

Affordability Standards for Total Health Care Cost

- **PPACA affordability standards** – only for employment-based plans [bronze plan standard].
 - **Premium Standards**
 - ACA's premium affordability standard for 2019 as adjusted for inflation, health coverage will satisfy the requirement to be affordable if the lowest-cost self-only coverage option available to employees does not exceed 9.86 percent of an employee's household income.
 - As most employers do not know an employee's household income, they can follow one of several Federal guidelines for maximum employee monthly premium contribution - \$99.75. This is the same for all employee income levels.
 - **Service Spending Standards**
 - The PPACA establishes a type of affordability standard for the employment-based plans of covered employers of at least 50 employees. The standard is the same for all employees, regardless of income level.
 - The standard is an 'out-of-pocket' annual maximum on employee spending under the plan deductible, co-payments and percentage-of-cost co-sharing payments – it does not plan include premiums. It is set at 9.86% of the FPL. This computes to \$7,900 for the employee and \$15,800 for an employee and family.
- This establishes total affordability at \$9,097 per annum [\$1,197+\$7,900] for an individual, regardless of income level. There is no standard for a family. This has limited usefulness.

Summary

- **Impact of PPACA on Rural Uninsured**
 - The percentage and number of uninsured under 65 have decreased in most rural areas.
 - The decrease in the uninsured population percentage under 65 in rural areas nationwide has lagged that of the urban areas.
 - The decrease in the uninsured population percentage under 65 in rural areas is higher in those states which have implemented Medicaid expansion than in those which have not.
 - The decrease in the uninsured population percentage under varies markedly between states, both for total population and for the rural population.
- **Total Health Care Cost and Health Care Affordability**
 - There is limited data available on total health care costs faced by consumers. There is only fragmentary data on the key policy question, *“What total out-of-pocket health care spending do consumers face under different types of health care coverage.”*
 - There are few standards available for what constitutes health care affordability. This is area for future policy discussion. Consensus standards on affordability are needed to establish a framework for state and Federal policy decisions.
 - Multiple state policy tools exist which can impact affordability. The tools are generally fragmented, and there is not a comprehensive framework for policy.

Resource Links

- ***Health Coverage in the US – 2018.*** US Census Bureau
 - <https://www.census.gov/library/publications/2019/demo/p60-267.html>
- ***Health Coverage in the US – 2013.*** US Census Bureau
 - <https://www.census.gov/library/publications/2014/demo/p60-250.html>
- ***Small Area Health Insurance Estimates (SAHIE) Program,*** US Census Bureau
 - <https://www.census.gov/programs-surveys/sahie.html>
- ***Effects of the Patient Protection and Affordable Care Act on Coverage and Access to Care in Metropolitan vs. Non-Metropolitan Areas through 2016,*** RUPRI, August 2019
 - <https://rupri.public-health.uiowa.edu/publications/policybriefs/2019/ACA%20Insurance%20Effects.pdf>
- ***Regulation of Employment-Based Health Benefits: The Intersection of State and Federal Law,*** Institute of Medicine, 1993
 - <https://www.ncbi.nlm.nih.gov/books/NBK235993/>
- ***How Affordability of Health Care Varies by Income Among People With Employer Coverage,*** Kaiser Family Foundation, April 2019
 - <https://www.healthsystemtracker.org/brief/how-affordability-of-health-care-varies-by-income-among-people-with-employer-coverage/>
- ***State Profiles***
 - https://www.dropbox.com/sh/76pssxcf6ia3xf5/AAAGgBk8RbmBl_6xhShhAN9Ta?dl=0&lst=
 - <https://bit.ly/2oHsAg3>