Report: People with Disabilities and State Health Insurance Marketplaces

The Collaborative on Health Reform and Independent Living

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Prior to implementation of the Affordable Care Act, the private insurance market was essentially closed to people with disabilities. 2014 saw the establishment of health insurance marketplaces in each state, where individuals could purchase private health insurance, regardless of pre- existing conditions, with limited price variation, and with subsidies and tax credits for certain income groups. This report describes the ways in which people with disabilities who enrolled in the marketplaces differ from non-disabled marketplace enrollees.

BACKGROUND

Before the Affordable Care Act (ACA) was implemented, self-pay private insurance in the U.S. was a "residual market" for those who fell through the cracks between public insurance and employer-sponsored private insurance (Buntin, Marquis, & Yegian, 2004). Because of this residual status, the market had high administrative costs, was subject to different regulations from state to state, and struggled with adverse selection (Browne, 1992; Pauly & Nichols, 2002) To manage risk, insurers set high premiums, excluded certain conditions from coverage, or denied coverage entirely to high risk applicants (Pauly & Nichols, 2002). These strategies meant that applicants in poorer health were more likely to face tough choices about whether to pay for coverage: they needed it more, but their costs were higher and their coverage was limited (Hadley & Reschovsky, 2003; Pollitz, Sorian, & Thomas, 2001). As a result, the US private insurance market was essentially closed to people with disabilities.

Rules enacted in 2012 prohibited the practice of insurance rescission, making private insurance more reliable for workers with chronic conditions. The ACA also prohibited annual and lifetime limits on coverage and limited cost-sharing requirements, increasing the value of these plans. Starting in 2014, insurers were no longer allowed to exclude adults with pre-existing conditions, opening the non-group private market for the first time to many adults with chronic illness and disability. 2014 also saw the establishment of health insurance marketplaces in each state, where individuals can purchase private health insurance, regardless of pre-existing conditions, with limited price variation, and with available subsidies and tax credits for certain income groups.

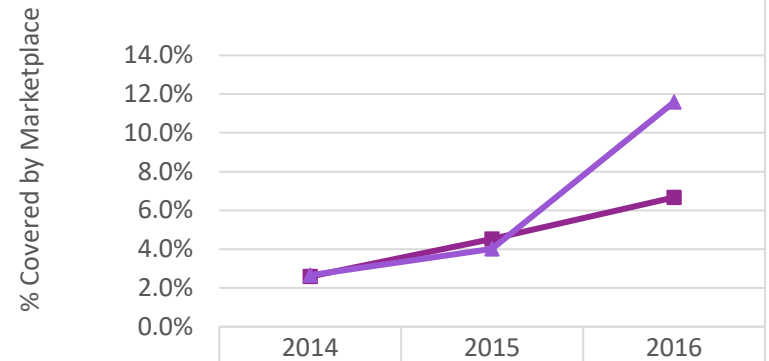
The new marketplaces faced major challenges in their first year of operation, including ongoing political opposition and significant technical difficulties. Many coverage-eligible individuals remained uninsured in 2014, and marketplace enrollments were lower than projected (Levitt, Claxton, Damico, & Cox, 2016). One survey of patients in a Medicaid expansion state found that the majority (57%) were eligible for either Medicaid or marketplace premium subsidies, but only a minority applied for coverage (Desmond, Laux, Levin, Huang, & Williams, 2015). Many of these respondents thought that they were ineligible for Medicaid, or that they could not afford a marketplace plan. A similar study in a Medicaid non-expansion state found that informational barriers (including language barriers) and concerns about cost were also barriers to applying for marketplace coverage (Kamimura et al., 2015).

A recent Commonwealth Fund study compared people who had visited the Marketplace and enrolled in coverage (including marketplace plans or Medicaid) to those who had visited the Marketplace but not enrolled (Collins, Gunja, Doty, & Beutel, 2015). This study found that affordability is an important component in deciding on a marketplace plan, as is having a preferred doctor in-network. For non-enrollees, affordability was a major factor in deciding not to enroll. 38% said they "found the process of enrolling in a plan difficult or confusing" and 14% "did not know where to get help to sign up."

In anticipation of similar enrollment problems for people with disabilities, multiple forms of assistance were made available, including fact sheets for enrollment navigators from the Department of Health and Human Services, the National Disability Navigator Resource Collaborative, and the National Health Law Program, among others (National Disability Navigator Resource Collaborative, 2014; U.S. Centers for Medicare and Medicaid Services, 2016; Youdelman, 2013). However, based on a review of the literature, no studies currently exist that examine the relationship between disability and participation in marketplace plans.

The objective of this report is to describe the ways in which people with disabilities who enrolled in the marketplaces differ from non-disabled marketplace enrollees on key factors, including demographics, program participation, healthcare utilization, access to care, and plan features.

Figure 1. Marketplace Enrollment Over Time



	2014	2015	2016
No Disability	2.59%	4.52%	6.67%
Disability	2.66%	4.02%	11.59%

ENROLLMENT RATES

In the first year of the exchanges (2014), people with and without disabilities had similar rates of enrolling in the exchanges: 2.6% of people without disabilities and 2.7% of those with disabilities. In 2015, slightly more people without disabilities enrolled (4.5%) compared to those with disabilities (4%). But by 2016, people with disabilities were nearly twice as likely to be enrolled in marketplace plans (11.7%) as people without disabilities (6.7%).

DEMOGRAPHIC/SOCIOECONOMIC FACTORS

Table 1 shows that marketplace enrollees with disabilities tend to be older than those without disabilities (50.4 vs. 43.1, p<.001). Marketplace enrollees are more likely to be female overall; but this difference is more pronounced among people with disabilities than those without (59.5% vs. 53.3%). Nearly one in five marketplace enrollees without disabilities are Hispanic, compared to 12.4% of those with disabilities. Likewise, enrollees with disabilities are more likely to be born in the US than those without disabilities.

Enrollees with disabilities are slightly less likely to be married than those without disabilities. They also have lower levels of educational attainment than those without disabilities.

Table 1: Demographic and Socioeconomic Factors among Marketplace Enrollees by Disability Status

Description	*No Disability n=6,788*	*Disability n=787*	*p*
Age (mean)	43.1	50.4	<.001
Male	46.7%	50.4	<.001
Female	53.3%	59.5%	<.001
Hispanic	19.5%	12.4%	<.001
White	76.4%	82.4%	0.001
Black	12.6%	12.2%	0.745
Asian	9.9%	3.9%	<.001
All other races	1.2%	1.5%	0.478
Married	62.6%	57.4%	0.023
Born in the United States	71.5%	86.6%	<.001
Not high school grad	10.0%	13.3%	0.029
High school grad/GED	26.3%	29.5%	0.119
Some college	63.0%	56.0%	0.002

Source: 2014, 2015, 2016 National Health Interview Surveys

EMPLOYMENT, INCOME, AND PROGRAM PARTICIPATION

Among marketplace enrollees, nearly 70% without disabilities reported working in the past week, while less than one-third of enrollees with disabilities reported work in the past week (Table 2, next page). Nearly one in ten marketplace enrollees with disabilities had incomes below the federal poverty level ($11,770 for a single adult in 2016), meaning that they were obtaining their marketplace coverage without premium subsidies or tax credits. In contrast, only 2.9% of nondisabled enrollees had incomes below the FPL.

The current employment rate of nondisabled enrollees was more than twice that of enrollees with disabilities (69.9% vs 32.6%). Along with lower incomes and lower rates of workforce participation, marketplace enrollees with disabilities were much more likely to apply for and receive disability and/or welfare benefits than enrollees without disabilities. It is important to note that adults who become eligible for Social Security Disability Insurance (SSDI) must wait 24 months before receiving Medicare, and the marketplaces appear to be an important source of bridge coverage. Adults who receive Supplemental Security Income (SSI) are typically eligible for Medicaid coverage, but income and eligibility rules vary by state. A relatively large portion of marketplace enrollees applied for, but are not currently receiving, SSDI and/or SSI.

Table 2: Employment, Income Support Programs, and Income among Marketplace Enrollees by Disability Status

Description	*No Disability n=6,788*	*Disability n=787*	*p*
Working last week	69.9%	32.6%	<.001
Worked last year	79.0%	53.4%	<.001
Income <Poverty Level	5.4%	11.2%	<.001
Income 100-199% FPL	2.9%	4.3%	0.097
Income 200-299% FPL	11.2%	12.3%	0.495
Income > 300% FPL	17.4%	15.7%	0.296
Ever applied for SSDI	1.6%	34.5%	<.001
Received SSDI in past year	0.3%	9.3%	<.001
Ever applied for SSI	1.2%	17.5%	<.001
Received SSI in past year	0.3%	4.3%	<.001
Received TANF in past year	0.5%	2.3%	<.001
Source: 2014, 2015, 2016 National Health Interview Surveys			

HEALTHCARE UTILIZATION AND SPENDING

Table 3 shows that marketplace enrollees with disabilities use significantly more healthcare than those without disabilities. Marketplace enrollees with disabilities are much more likely to have been hospitalized in the past year (17.7% vs. 4.0%). They also spend more nights in the hospital (7.4 vs. 3.6). Receipt of home care was rare, but enrollees with disabilities were more likely to receive home care (2.0% vs. 0.2%). Over one in three enrollees with disabilities visited a health professional in their office in the past two weeks, compared to only 13.8% of people without disabilities (p<.001). A third (33.9%) of people with disabilities had received healthcare ten or more times in the past year, compared to only 6.7% of people without disabilities (p<.001).

Table 3: Healthcare utilization among marketplace enrollees by disability status

Description	*No Disability n=6,788*	*Disability n=787*	*p*
Been in hospital overnight, past 12 months	4.6%	18.8%	<.001
Number of times in hospital overnight or longer, past 12 months	1.2	1.7	0.0001
Number of nights in hospital, past 12 months	3.6	7.4	0.015
Received home care from a professional, past 2 weeks	0.2%	2.0%	<.001
Visited health professional in office, past 2 weeks	13.8%	36.2%	<.001
Received healthcare 10+ times in past year	6.7%	33.9%	<.001
Out-of-pocket family medical expenditure in past year – None	11.7%	8.7%	0.046
Out-of-pocket family medical expenditure in past year – Less than $500	32.3%	25.0%	0001
Out-of-pocket family medical expenditure in past year –$500--$1,999	29.9%	26.1%	0.065
Out-of-pocket family medical expenditure in past year – $2,000--$2,999	9.4%	13.5%	0.011
Out-of-pocket family medical expenditure in past year – $3,000--$4,999	7.1%	9.5%	0.055
Out-of-pocket family medical expenditure in past year – $5,000 or more	7.8%	15.5%	<.001
Source: 2014, 2015, 2016 National Health Interview Surveys			

Marketplace enrollees with disabilities report higher out-of- pocket spending in the past year than those without disabilities. They were less likely to report no healthcare spending (8.7% vs. 11.7%) or spending under $500 (25.0% vs. 32.3%, p<.01). Enrollees with disabilities were nearly twice as likely to report spending more than $5,000 on medical care in the prior year than those without disabilities (15.5% vs. 7.8% of people without disabilities, p<.001).

PLAN FEATURES

Although the plans on the health insurance marketplaces are subject to regulations and must offer certain essential health benefits, there remains a degree of flexibility in plan design. There were no significant differences in plan design by disability status (table 4). Around a third of marketplace enrollees reported having a high-deductible health plan (31.9% of people with disabilities, 29.7% of people without disabilities). Nearly half of both groups were required to select their doctor from a group or list approved by the insurer (41.4% of people with disabilities, 42.2% of people without disabilities). Both groups were similarly likely to report that their plan required them to have a primary care doctor who approved all their care (43.1% of people with disabilities vs. 38.8% of people without disabilities, p<.05). They were also more likely to have the plan in their own name, rather than to have obtained their marketplace plan through a spouse or parent (53.3% of people with disabilities vs. 49.6% of people without disabilities, p<.05). Neither those with disabilities nor those without were likely to have a plan that covered dental services (8.3% of people with disabilities, 10.5% of people without disabilities).

Table 4: Marketplace Plan features

Description	*No Disability n=6,788*	*Disability n=787*	*p*
High-deductible health plan	29.7%	31.9%	0.36
Required to select doctor from group or list approved by insurer	42.2%	41.4%	0.71
Plan requires having a doctor that approves all care	38.8%	43.1%	0.06
Plan covers dental care	10.5%	8.3%	0.09

Source: 2014, 2015, 2016 National Health Interview Surveys

ACCESS TO CARE

Marketplace enrollees with disabilities were more likely to report access problems than those without disabilities on each available measure (table 4). They were more likely to report having delayed medical care for cost reasons in the past 12 months (35.9% vs. 12.8%) and three times more likely to say that they needed but did not receive medical care due to cost in the past 12 months (28.2% vs. 8.4%).

They were also more likely to say they had problems paying their medical bills (42.3% vs. 18.7%) and more likely to pay medical bills off over time (45.7% vs. 27.2%). Of those who were paying medical bills off over time, enrollees with disabilities were more likely to say that they could not pay their medical bills at all (58.1% vs. 47.4%).

Among working-age adults enrolled in marketplace coverage, confidence in one's ability to obtain affordable coverage was similar between those with and without disabilities. The majority of marketplace enrollees, regardless of disability status, were not confident that they could obtain affordable coverage on their own without help from an employer.

Table 5: Access to care and coverage among marketplace enrollees by disability status

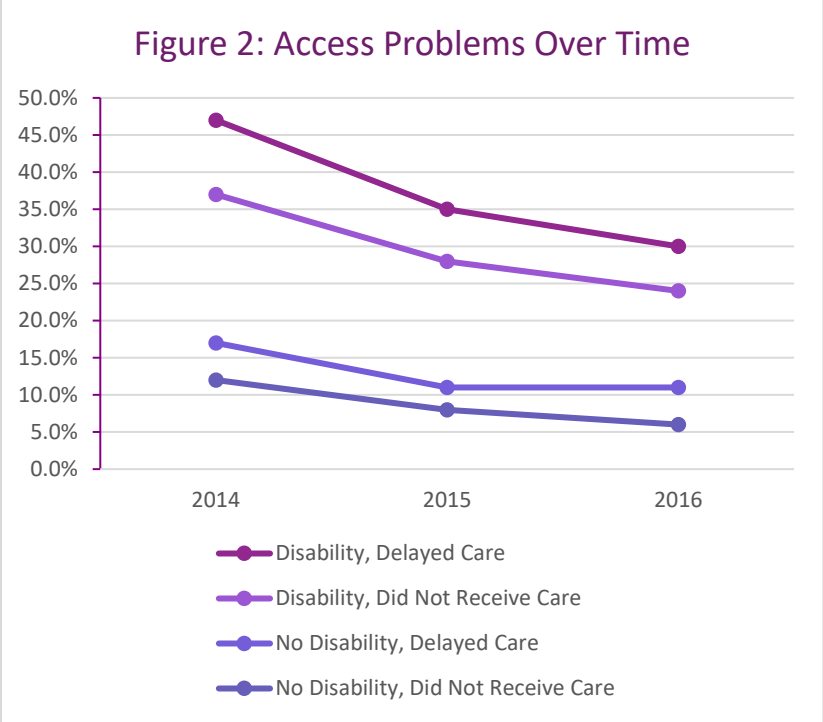
Description	*No Disability n=6,788*	*Disability n=787*	*p*
Has medical care been delayed for cost, past 12 months	12.8%	35.9%	<.001
Needed and did not receive medical care due to cost, past 12 months	8.4%	28.2%	<.001
Problem paying medical bills	18.7%	42.3%	<.001
Medical bills being paid off over time	27.2%	45.7%	<.001
Cannot pay medical bills at all	47.4%	58.1%	0.004

Source: 2014, 2015, 2016 National Health Interview Surveys

SUMMARY AND CONCLUSIONS

Compared to marketplace enrollees without disabilities, marketplace enrollees with disabilities tended to be older, more likely to be female, less likely to be black, Asian, or Hispanic, and more likely to be born in the United States. Only a minority of them had worked in the past week, although more than half had worked in the past year. They tended to be from lower-earning families than those without disabilities and were much more likely to currently take advantage of various social programs (such as SSI or TANF) or to have done so in the past.

Despite their lower earnings, people with disabilities were more likely to say that they had spent more than five thousand dollars on healthcare in the prior year. Correspondingly, they have much higher healthcare utilization, and are more likely to report hospitalization, multiple hospital stays, home care, and office visits.



Their lower earnings and higher healthcare utilization/spending are likely to account for the greater access problems reported by people with disabilities: they are much more likely to delay or skip care for cost reasons. Nearly half are paying off medical bills over time, and many say that they cannot pay their medical bills at all, representing a significant cost burden of healthcare even though coverage has been obtained. This could reflect either gaps in marketplace plans, or persistent problems related to prior uninsurance or underinsurance.

A notable finding is that less than half of respondents who are currently covered by marketplace plans report that they are somewhat or very confident that they could find affordable health insurance if they needed to. Given that there is no question in the survey about whether they consider their current coverage affordable, it is unclear whether this represents dissatisfaction with marketplace plans, or concerns about the long-term availability of marketplace plans (potentially exacerbated by the 2016 presidential election). High-deductible health plans are common among these marketplace enrollees, despite their low household incomes, and very few have dental coverage.

Since their origin in 2014, the marketplaces have enrolled thousands of working-age adults with disabilities. Given the importance of health insurance to this population and the pre-ACA barriers to obtaining coverage in the self-pay private market, the marketplaces are serving an important role for people with disabilities. Based on the three years of currently-available data, access problems seem to be decreasing, but are still an issue for a third of marketplace enrollees with disabilities. Further efforts are necessary to ensure that the marketplaces continue to provide coverage for working-age adults with disabilities, and that marketplace enrollees with disabilities are matched with plans that adequately cover their healthcare needs.

APPENDIX ONE: METHODOLOGY

Data

The NHIS is an ongoing cross-sectional survey of US households conducted by the National Center for Health Statistics. It provides nationally representative information on health-related factors including disability status, health insurance coverage, and demographic characteristics. This analysis used the 2014, 2015, and 2016 Person and Imputed Income Files.

Sample

The sample for these analyses included all working-age adults (18-64) in the 2014 and 2015 NHIS, a total sample size of 407,698. Health insurance options for those under 18 and over 65 vary significantly from those within this range. Respondents with missing data are not represented in these tables. Disability was defined as being work-limited or work-disabled due to a health condition or receiving help for an activity of daily living (ADL) or an instrumental activity of daily living (IADL).

Analytic Approach

Statistical analyses were weighted and adjusted to compensate for the NHIS's survey design features, and proportions represent weighted counts. Statistical significance was assessed using Pearson's chi-square test or simple regression as appropriate. All analyses were conducted using STATA 14.

APPENDIX TWO: REFERENCES

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