

## **A Look at Remaining Uninsured Adults as of March 2015**

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### **At a Glance**

- More than two-thirds of uninsured adults in March 2015 were potentially eligible for financial assistance with insurance coverage under the ACA.
- Nationwide, about a quarter of uninsured adults had incomes below the federal poverty level and lived in states that have not expanded Medicaid.
- Many uninsured adults were concerned about the affordability of insurance coverage.
- Half of uninsured adults who were potentially eligible for financial assistance had not heard about subsidies or looked for information on health plans in the Marketplace.
- Uninsured adults face competing demands on family budgets that may preempt purchasing insurance coverage.

After the first two open enrollment periods for coverage under the Affordable Care Act (ACA), the uninsurance rate among nonelderly adults declined from 17.6 percent to 10.1 percent between September 2013 and March 2015, representing a gain in coverage for an estimated 15 million nonelderly adults (Long et al. 2015).<sup>1</sup> These gains crossed demographic and socioeconomic groups and were particularly pronounced among young adults, racial and ethnic minorities, and low-income adults who historically had the highest rates of uninsurance.

As of March 2015, 1 in 10 nonelderly adults remained uninsured. As the adults most inclined to obtain health insurance coverage have likely already enrolled, there is concern that the remaining uninsured may be harder to reach and require more assistance or other targeted strategies to encourage enrollment. However, private resources and federal grants supporting outreach efforts are waning, which makes it important to understand the characteristics of the remaining uninsured and the barriers that may be keeping them from enrolling. This brief describes adults who remain uninsured in March 2015 and focuses on their potential eligibility for financial assistance for coverage under the ACA, the reasons they give for not being insured, and potential barriers to and opportunities for expanding coverage to these adults.

### **What We Did**

The Health Reform Monitoring Survey (HRMS) was designed to provide early feedback on ACA implementation before more robust information from federal surveys with larger sample sizes is available (Long et al. 2014). We use data collected during the March 2015 round of the HRMS to describe characteristics of nonelderly adults ages 18 to 64 who remain uninsured more than one year

after the implementation of the ACA's major coverage provisions, including ongoing Medicaid expansions to adults and two open enrollment periods for coverage through the health insurance Marketplaces. Our estimates do not account for individuals who may have enrolled in coverage in a special enrollment period after filing their federal income tax return. We classify individuals as uninsured at the time of the survey if they did not report having any of the types of insurance coverage asked about in the HRMS, mainly employer-sponsored insurance, Medicare, or Medicaid, and did not report having valid insurance in a follow-up verification question.

In describing the characteristics of uninsured adults in March 2015, we estimate the share who are potentially eligible for financial assistance with coverage under the ACA provisions based on family income and state of residence. This includes

- adults who live in Medicaid expansion states and have family income at or below 138 percent of the federal poverty level (FPL) who may be eligible for Medicaid;
- adults who live in Medicaid expansion states and have family income between 139 and 399 percent of FPL who may be eligible for subsidized coverage through the Marketplace; and
- adults who live in Medicaid nonexpansion states and have family income between 101 and 399 percent of FPL who may be eligible for Marketplace subsidies.

Citizenship and residency requirements or other eligibility criteria may prevent some of these individuals from qualifying for Medicaid coverage.<sup>2</sup> In addition, some uninsured individuals in both Medicaid expansion and nonexpansion states may be eligible for Medicaid under pre-ACA eligibility standards. We define states expanding Medicaid as those with income eligibility thresholds for adults greater than or equal to 138 percent of FPL as of March 1, 2015, based on data reported by states to CMS.<sup>3</sup>

To shed light on why uninsured adults have not yet enrolled in coverage, we present the reasons uninsured adults give for being uninsured, focusing on uninsured adults who are potentially eligible for Medicaid or subsidized Marketplace coverage under the ACA. In the March 2015 HRMS, uninsured respondents were asked which of the following were reasons they were currently uninsured: do not want insurance, the cost of health insurance is too high, do not have time to get health insurance, do not know how to find information on available insurance options, or in process of enrolling in insurance coverage. Respondents could select more than one reason and could also write in a reason not listed in the survey.

Affordability could be cited as a barrier to insurance coverage for uninsured adults for various reasons, with different implications for policy. Information barriers may limit the awareness of uninsured adults of potential financial assistance or of the range of insurance coverage options available to them, suggesting that improved outreach and educational efforts could make more uninsured adults perceive coverage as affordable. On the other hand, cost barriers could persist even after individuals are aware of and have explored potential options, indicating that insurance coverage may not be affordable for some even after applying premium or cost-sharing subsidies, or that eligibility requirements related to immigration status, for example, may prevent some uninsured

adults from qualifying for assistance. To assess the nature of the affordability barriers reported by respondents, we place uninsured adults into categories based on their reported knowledge of and experience with the Marketplace. We combine two HRMS questions—awareness of subsidies for premiums and out-of-pocket costs through the Marketplace as well as whether the respondent had ever looked for information on health plans in the Marketplace—to create four categories of uninsured adults:

- 1) had heard some or a lot about subsidies for insurance coverage through the Marketplace and reported they had looked for information on health plans through the Marketplace;
- 2) had heard some or a lot about Marketplace subsidies but had not looked for information in the Marketplace;
- 3) had heard little or nothing about Marketplace subsidies but had looked for information; and
- 4) had heard little or nothing about Marketplace subsidies and had not looked for information.

To shed light on competing priorities and challenges uninsured adults may encounter, we assess the share of uninsured adults who reported problems affording food (defined as those who reported it was sometimes or often true in the past 12 months that food did not last) or reported problems affording housing in the past 12 months.

## **What We Found**

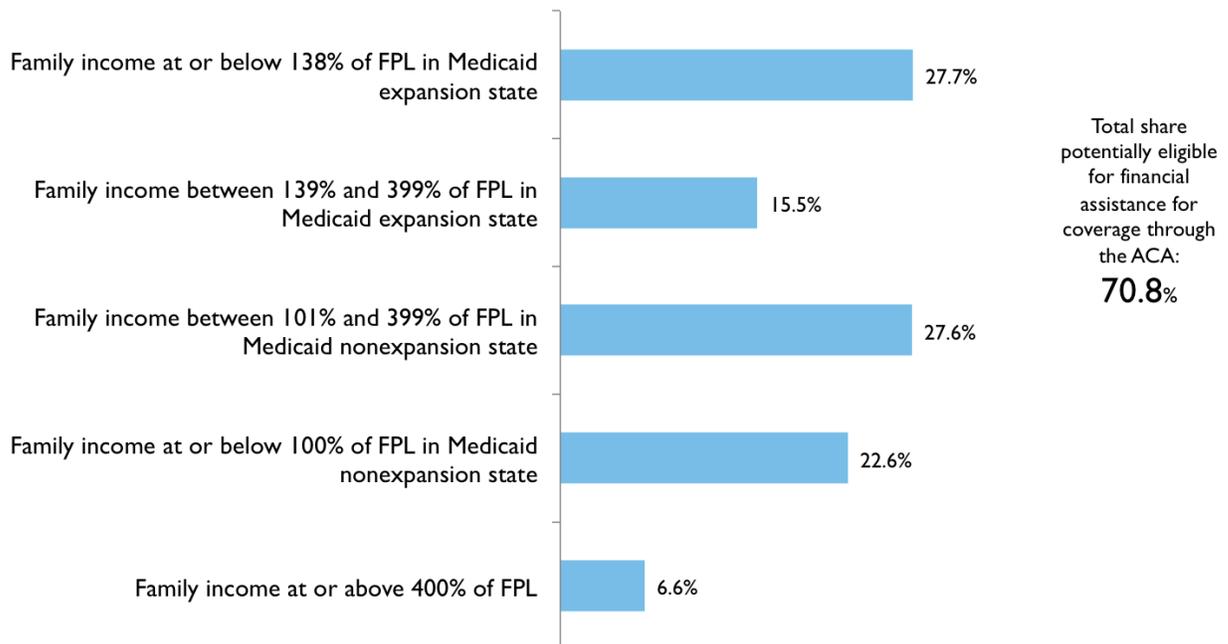
*Nearly two-thirds of uninsured adults (70.8 percent) are potentially eligible for financial assistance for coverage under the ACA (figure 1).* About a quarter (27.7 percent) of uninsured adults are potentially eligible for the ACA's Medicaid expansion to adults, meaning they have family income at or below 138 percent of FPL and live in a Medicaid expansion state. In addition, about four in ten uninsured adults (43.1 percent) have family income in the range targeted by Marketplace subsidies, including 15.5 percent of uninsured adults in Medicaid expansion states with family income between 139 and 399 percent of FPL and 27.6 percent of uninsured adults in Medicaid nonexpansion states with family income between 101 and 399 percent of FPL. Marketplace subsidies begin at 100 percent of FPL but were structured to layer over the Medicaid expansion, so adults with family income between 100 and 138 percent of FPL in expansion states would be potentially eligible for Medicaid rather than Marketplace subsidies.

Citizenship and residency requirements may prevent some of these potentially eligible uninsured adults from enrolling in Medicaid or receiving subsidies; 25.9 percent of potentially eligible uninsured adults in March 2015 reported being a noncitizen, which could include undocumented immigrants as well as legal noncitizen residents who may or may not meet length-of-residency requirements for the ACA's financial assistance provisions (data not shown). Some uninsured adults who have family income in the range potentially eligible for Marketplace subsidies may have access to employer-sponsored coverage that is deemed affordable under the ACA, preventing them from receiving Marketplace subsidies; among the 43.1 percent of uninsured adults potentially eligible for Marketplace subsidies, 26.6 percent reported having an offer of employer-sponsored insurance

through their own or a family member’s employer (data not shown), though we do not have enough information to determine whether that offer meets the ACA affordability standards.

*Nationwide, 22.6 percent of uninsured adults have incomes at or below FPL and live in states that have not expanded Medicaid (figure 1).* In addition to citizenship and residency requirements that limit the ability of some uninsured adults to enroll in coverage under the ACA, some uninsured adults are not eligible for ACA assistance either because their family income is too high or because they live in a state that is not implementing the Medicaid expansion and have family income that is too low to qualify for assistance. In March 2015, one in five uninsured adults (22.6 percent) had family income at or below 100 percent of FPL and lived in a Medicaid nonexpansion state, and so these adults may fall into the “coverage gap” between their states’ existing Medicaid eligibility requirements and subsidized coverage available through the Marketplace.<sup>4</sup> A small share of uninsured adults—6.6 percent—had family income of 400 percent of FPL or higher, above the range targeted by the ACA’s financial assistance provisions.

**Figure 1. Distribution of Remaining Uninsured Adults Ages 18 to 64 by Family Income and State Medicaid Expansion Status, March 2015**



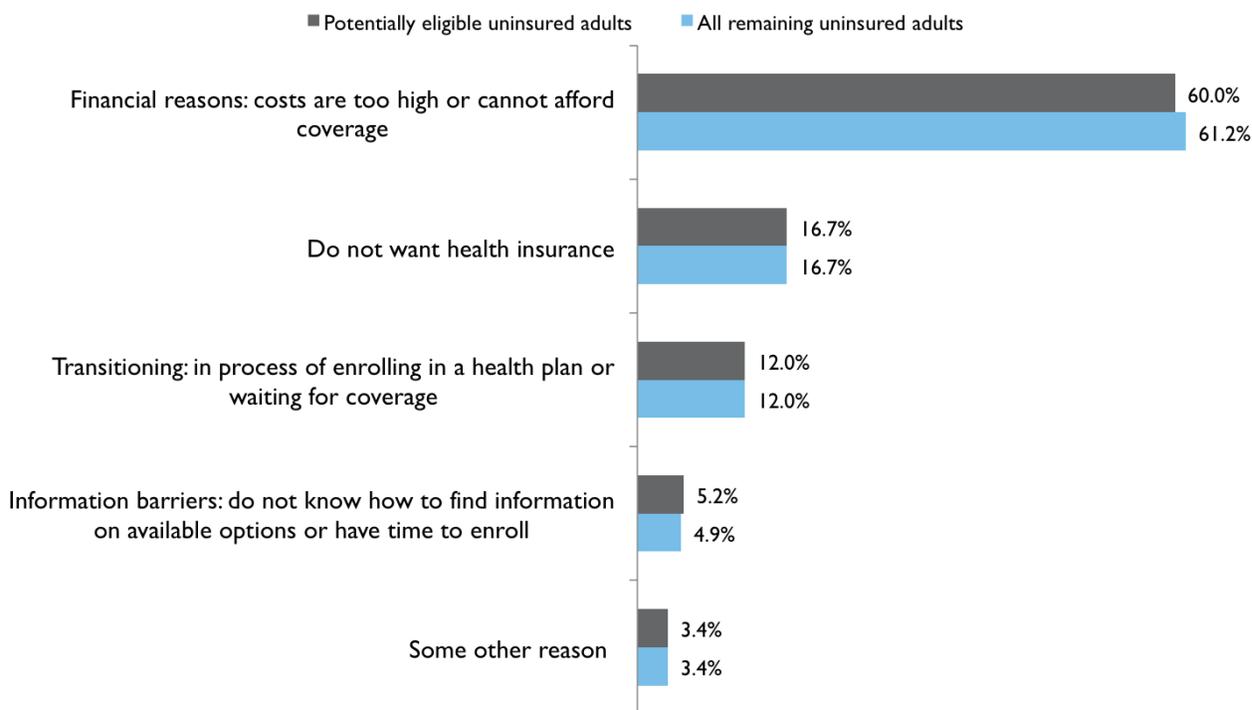
Source: Health Reform Monitoring Survey, quarter 1 2015.

Notes: FPL is federal poverty level. States expanding Medicaid are those with income eligibility levels for adults at or below 138 percent of FPL as of March 1, 2015.

*Three in five uninsured adults (61.2 percent) cited affordability issues as the reason they do not have insurance in March 2015 (figure 2).* Even among those who were potentially eligible for financial assistance, affordability was the most common reason reported for being uninsured, cited by 60.0 percent of potentially eligible uninsured adults. By comparison, only a small share of all uninsured adults (16.7 percent) and of those potentially eligible for financial assistance (16.7 percent) reported they did not

want insurance coverage. Some potentially eligible uninsured adults were on the verge of gaining health insurance coverage, as about 1 in 8 (12.0 percent) reported they were in the process of enrolling in coverage or were waiting for their coverage to start, and about 1 in 20 of all uninsured adults (4.9 percent) and of those potentially eligible for financial assistance (5.2 percent) reported they did not know how to find information on available options or did not have time to get insurance.

**Figure 2. Reasons Uninsured Adults Ages 18 to 64 Give for Why They Do Not Have Insurance Coverage**



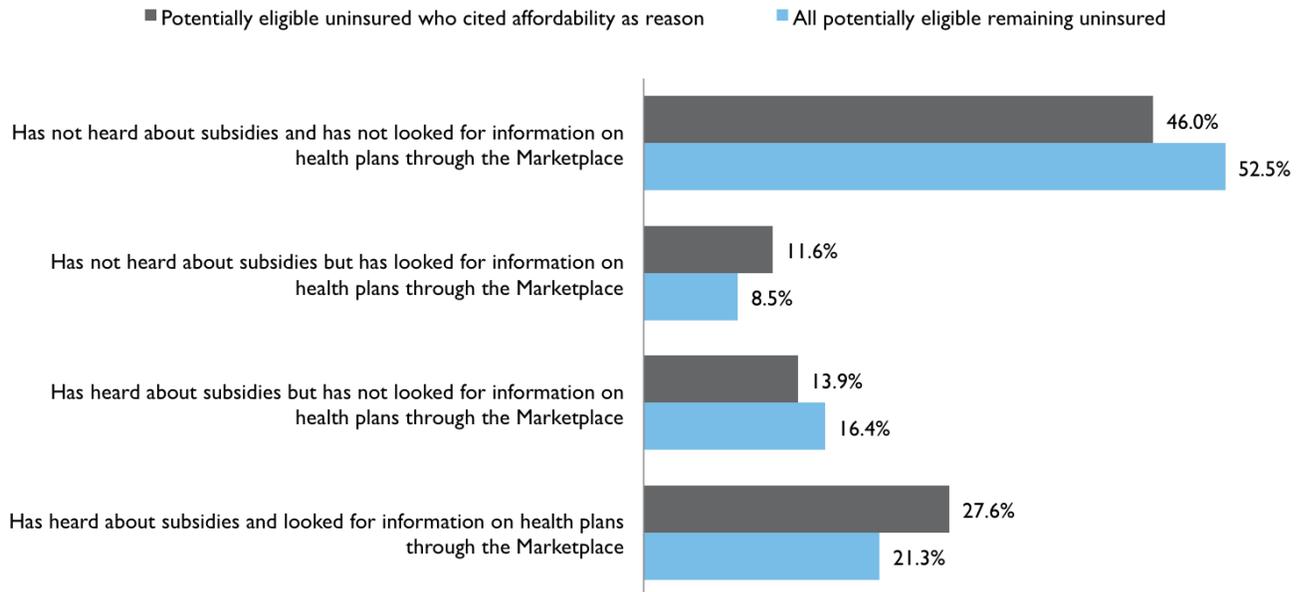
Source: Health Reform Monitoring Survey, quarter 1 2015.

Notes: Uninsured adults who did not provide a reason are not shown. Uninsured respondents could select more than one reason for why they do not have insurance coverage, so totals exceed 100 percent.

Half of uninsured adults who were potentially eligible for financial assistance (52.5 percent) had not heard about subsidies and had not looked for information on health plans in the Marketplace (figure 3). However, 21.3 percent of all potentially eligible uninsured adults and 27.6 percent of those in this group who cited affordability barriers had heard about the Marketplace subsidies and had looked for information on Marketplace plans, suggesting a substantial share of the uninsured were aware of financial assistance available to them, investigated coverage options, and still found insurance coverage unaffordable. Some potentially eligible uninsured adults who cited affordability barriers (11.6 percent) had not heard about the subsidies but reported looking for information on health plans through the Marketplace, suggesting they may have missed seeing information about available financial assistance when looking in the Marketplace. For some potentially eligible adults, barriers other than awareness of financial assistance prevented them from looking for information on Marketplace plans; 16.4

percent of potentially eligible uninsured adults and 13.9 percent among this group who cited affordability barriers had heard about subsidies but had not looked for information.

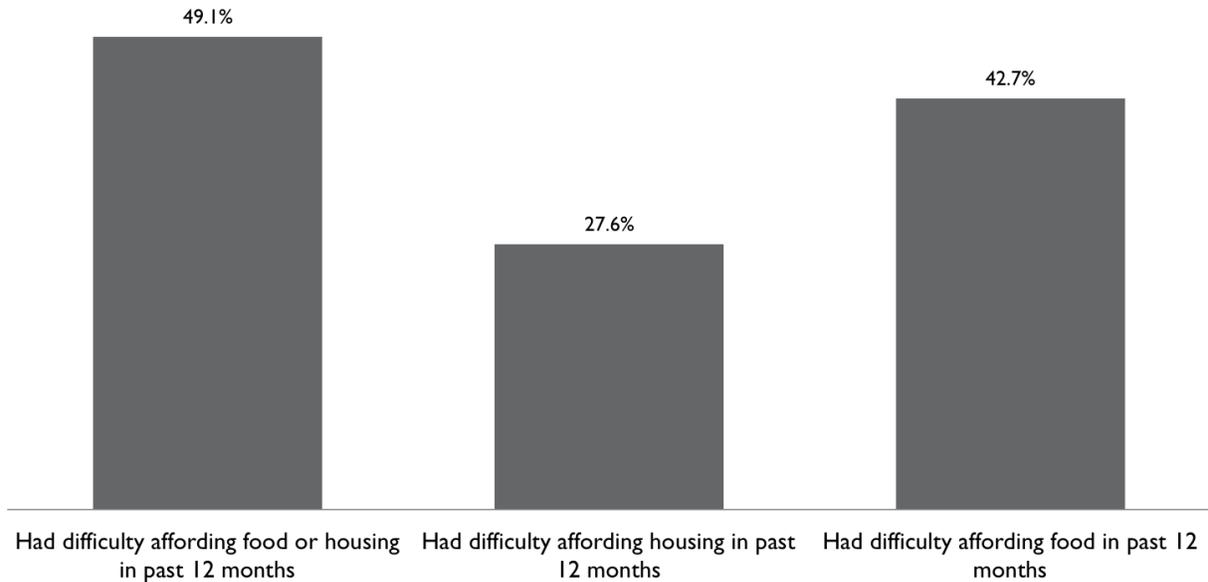
**Figure 3. Knowledge of Marketplace Subsidies and Marketplace Experience of Uninsured Adults Ages 18 to 64 Potentially Eligible for Financial Assistance under the ACA**



Source: Health Reform Monitoring Survey, quarter 1 2015.  
 Note: Data for those who did not report or refused to report are not shown.

*Uninsured adults face competing demands on family budgets; half (49.1 percent) reported difficulty paying for housing or food in the past 12 months (figure 4).* More than a quarter (27.6 percent) of uninsured adults reported difficulty paying housing costs in the past 12 months. Feeding their families was also a common challenge for uninsured adults, with 42.7 percent reporting they had difficulties affording food in the past 12 months. While many uninsured adults say they value health insurance (16.7 percent said they were uninsured because they did not want health insurance coverage), competing demands in tight family budgets often make health insurance important but not a top priority (PerryUndem 2015).

**Figure 4. Food and Housing Affordability Challenges among Adults Ages 18 to 64 Uninsured in March 2015**



Source: Health Reform Monitoring Survey, quarter I 2015.  
Note: Data for those who did not report or refused to report are not shown.

## What It Means

As of March 2015, 1 in 10 nonelderly adults remained uninsured. We find that two-thirds (66.5 percent) of the uninsured were potentially eligible for full or subsidized coverage through Medicaid or the Marketplace, but a range of barriers including eligibility limitations based on immigration status, awareness of available assistance, and insurance coverage that may still be out of reach financially even with subsidies limit the ability of these uninsured adults to enroll in insurance coverage.

For another 22.6 percent of remaining uninsured adults, their state’s decision not to expand Medicaid likely stands as a major barrier to enrolling in coverage. These uninsured adults have family income at or below 100 percent of FPL, meaning they could fall into the “coverage gap” between pre-ACA Medicaid eligibility levels in their state and subsidies for insurance coverage through the Marketplace. In light of their state’s decision, these uninsured adults have few options for affordable insurance coverage, and continued support for the health care safety net will likely be critical in order to provide at least some access to health care for these adults and others who remain uninsured.

The high cost of insurance coverage is the most frequently cited barrier for uninsured adults, even among those who are potentially eligible for financial assistance with coverage under the ACA.

Six in 10 uninsured adults cited the high costs of coverage as a reason why they were uninsured. For the remaining uninsured with family incomes in the range potentially eligible for Medicaid or subsidized coverage through the Marketplaces, limited knowledge about available assistance is one barrier; half of these uninsured adults reported they had not heard about Marketplace subsidies and had not looked for information on health plans in the Marketplace. Improved outreach to these uninsured to alert them to potential assistance could address awareness gaps, but the resources to support outreach and education efforts are waning. Coordinating enrollment in insurance coverage with participation in other programs could also address awareness gaps; states have the option to link outreach and enrollment efforts among this eligible population to participation in other public benefits programs, such as SNAP or the earned income tax credit, or to a family member already enrolled in Medicaid (Dorn et al 2013; Goodwin and Tobler 2014).

For other uninsured adults who are potentially eligible for help, however, lack of awareness is not the primary issue. More than a quarter of potentially eligible uninsured adults who cited affordability barriers reported being aware of the Marketplace subsidies and had looked for information on health plans in the Marketplace. These uninsured adults appear to be informed and engaged yet still cite financial reasons for being uninsured. Perhaps their information is not accurate. But this finding could also reveal that current Marketplace subsidies for low- and moderate-income individuals in fact may not be adequate to encourage participation.

Uninsured adults face competing demands for their family budgets and must weigh the relative affordability of health insurance coverage against other short- and long-term needs of their family, such as housing and food. Poor families' incomes are often not adequate to cover even basic necessities like housing, clothing, food, and utilities (Assistant Secretary for Planning and Evaluation 2015). The financial difficulties facing uninsured adults were echoed in a recent survey that found 58 percent had less than \$100 in savings and that enrolling in insurance coverage ranked fourth among their priorities behind paying off debts, saving money, and paying for necessary repairs when their financial situation improved (PerryUndem 2015).

Though affordability is a common issue, financial challenges are not the only coverage barrier uninsured adults face. Some uninsured adults say they do not know where to find information on available options or have time to look and could be helped by improved in-person assistance, decision supports, and easier-to-use enrollment technology (Pollitz, Tolbert, and Ma 2014). For those uninsured who said they were in the process of enrolling in coverage or waiting for their coverage to start, faster application processing and policies that smooth transitions between different types of coverage could minimize gaps in coverage (; Buettgens, Nichols, and Dorn 2012; Rosenbaum 2015; Sommers et al. 2014; Wishner et al. 2015).

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## About the Series

This brief is part of a series drawing on the Health Reform Monitoring Survey (HRMS), a quarterly survey of the nonelderly population that is exploring the value of cutting-edge Internet-based survey methods to monitor the Affordable Care Act (ACA) before data from federal government surveys are available. The briefs provide information on health insurance coverage, access to and use of health care, health care affordability, and self-reported health status, as well as timely data on

important implementation issues under the ACA. Funding for the core HRMS is provided by the Robert Wood Johnson Foundation and the Urban Institute.

For more information on the HRMS and for other briefs in this series, visit [www.urban.org/hrms](http://www.urban.org/hrms).

## About the Authors

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## Notes

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<sup>1</sup> The second Marketplace open enrollment period began November 15, 2014, and ended February 15, 2015. A special open enrollment period was offered between February 15, 2015, and February 22, 2015, for people who started applications in the federal Marketplace but experienced technical issues or waited in line at the call center. Most state-based Marketplaces offered similar special enrollment periods, with most ending in February (Assistant Secretary for Planning and Evaluation 2015). In addition, a special enrollment period was extended from March 15, 2015, to April 30, 2015, to individuals in states with a federally facilitated Marketplace if they paid a tax penalty for not having coverage in 2014 and only became aware of the requirement to have coverage after open enrollment ended and in connection with preparing their 2014 tax return (see Centers for Medicare and Medicaid Services, "CMS Announces Special Enrollment Period for Tax Season," February 20, 2015). Eight state-based Marketplaces also extended special enrollment periods to these individuals (see Manatt Health Solutions, "Tax Season Special Enrollment Periods," February 25, 2015).

<sup>2</sup> The State Health Access Data Assistance Center has produced state-level estimates of low-income uninsured individuals who are not eligible for benefits based on immigration and residency status, with a national estimate that 17 percent of low-income uninsured adults are ineligible. See [http://www.rwjf.org/content/dam/farm/reports/issue\\_briefs/2013/rwjf404825](http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf404825).

<sup>3</sup> Centers for Medicare and Medicaid Services, "State Medicaid and CHIP Income Eligibility Standards," accessed July 13, 2014, <http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/Medicaid-and-CHIP-Eligibility-Levels-Table.pdf>.

<sup>4</sup> Pre-ACA Medicaid eligibility levels for adults varied by state, and the income eligibility level depended on the eligibility pathway (such as for pregnant women, parents, adults with disabilities, etc.). The HRMS does not collect information in the level of detail necessary to estimate how many uninsured adults would have been eligible for Medicaid under pre-ACA standards.