



Medicaid Expansion and Newly Eligible Coloradans

A Demographic Portrait



APRIL 2013

Acknowledgments

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About This Report

This Colorado Health Institute analysis looks at the demographic characteristics of Coloradans who would be newly eligible for Medicaid under an expansion of eligibility.



About This Series

Many of the most sweeping provisions of the Affordable Care Act, signed into law on March 23, 2010, will be launched in the fall of 2013. Colorado residents, businesses, health care providers and health care organizations will see significant changes. The Colorado Health Institute will closely monitor the implementation of the Affordable Care Act and related health reform efforts over the coming years in "Health Reform in Colorado: From Policy to Reality."

Read the series online at: coloradohealthinstitute.org.

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Introduction

A number of analyses have looked at the costs, affordability, benefits and economic impact of expanding Medicaid eligibility in Colorado.

This data analysis by the Colorado Health Institute delves deeper into the characteristics of the Coloradans who would become eligible for Medicaid. The information creates a portrait of members of this newly eligible population – where and how much they work, how healthy they are and how they could be expected to use the health care system.

Understanding their demographics, employment and health characteristics can help policymakers make a more informed decision about whether Medicaid expansion makes sense in Colorado.

If the Medicaid expansion is approved, this information will be useful in identifying appropriate outreach efforts and anticipating challenges to successful implementation.

Methods

This analysis uses data from the 2011 Colorado Health Access Survey (CHAS), unless otherwise noted. The analysis is limited to adults between the ages of 19 and 64 who are U.S. citizens.

Some Coloradans may enroll in Medicaid after dropping or losing their private health insurance, so the analysis includes people who are uninsured as well as those who have insurance but would qualify for Medicaid if eligibility is expanded.

Coloradans who indicated they were currently covered by Medicaid were excluded.

A small percentage of the newly eligible population, specifically non-citizens who have lived in the United States for at least five years and have legal documentation, are not included because of data limitations.

Data for the Medicaid population and the Colorado population are from the CHAS. Self-reported data may differ from actual administrative data.

Information about the 2011 CHAS, a program of The Colorado Trust, is available at: cohealthaccesssurvey.org. The Colorado Health Institute manages the survey's data collection and analysis.

Summary

The Affordable Care Act (ACA) provides financial incentives for states to increase the number of people eligible for Medicaid – the federal-state health insurance program. But while the health care law required states to implement the expansion or face a penalty, a ruling by the U.S. Supreme Court made the expansion optional – and the subject of vigorous public policy debate.

Expanding Medicaid in Colorado would affect many Coloradans across a wide spectrum of circumstances.

The Colorado Health Institute estimates that 478,000 Coloradans – uninsured as well as insured – would become eligible for Medicaid

When is
133%
Really
138%?

The Affordable Care Act specifies that Medicaid eligibility be expanded to 133 percent FPL. The law, however, uses an adjusted income formula which effectively raises the eligibility to 138 percent FPL. The adjustment is based on the modified adjusted gross income (MAGI) method for counting income based on tax-filing definitions. This means an individual could earn up to \$15,856 annually and be eligible for Medicaid. A family of four could earn up to \$32,499.

coverage if Colorado opts to raise the annual income level to 138 percent of the federal poverty level (FPL).

Working-age adults, who historically have not had access to Medicaid, would benefit most. Within this group, the expansion would encompass about 433,000 adults without dependent children and about 45,000 parents.

Overall, about one of six Coloradans between the ages of 19 and 64 would become newly eligible for Medicaid. The Colorado Health Institute anticipates about half the newly eligible population will actually enroll.

This new analysis shows that there are many similarities among those who will be newly eligible for Medicaid – but also differences that make this a unique group.

Findings from the Colorado Health Institute analysis show the newly eligible Coloradans are:

- Younger than the general Colorado population – although one in five of those without dependent children are between the ages of 55 and 64.
- More male than current Medicaid clients, especially the adults without dependent children – although nearly two of three newly eligible parents are female.
- About 70 percent white – although Hispanics are disproportionately represented compared to the state's population.
- Less educated than the Colorado population – although 59 percent have attended at least some college classes.
- Generally in worse health, with more of the adults without dependent children rating their health as fair or poor, the two lowest levels, than all Coloradans. Still, about half of both the parents and the adults without dependent children say their health is excellent or very good.

The Two Main Newly-Eligible Populations

Coverage gaps in the Medicaid program have centered mainly on adults. The proposed expansion in Colorado would focus on two groups:

Adults without Dependent Children, also known as AwDC

- **Expanded Eligibility Level:** Annual incomes from zero to 138 percent FPL.
- **Annual Income:** Up to \$15,856 for an individual.

Parents with Dependent Children

- **Expanded Eligibility Level:** Annual incomes between 101 percent and 138 percent FPL.
- **Annual Income:** Between \$23,786 and \$32,499 for family of four.

- Employed, with nearly half of the adults without dependent children and nearly 70 percent of the parents indicating they have jobs – although the adults without dependent children are more likely to be unemployed than the Colorado population.
- About half as likely to have employer-sponsored insurance as the general population – and about twice as likely to be uninsured.

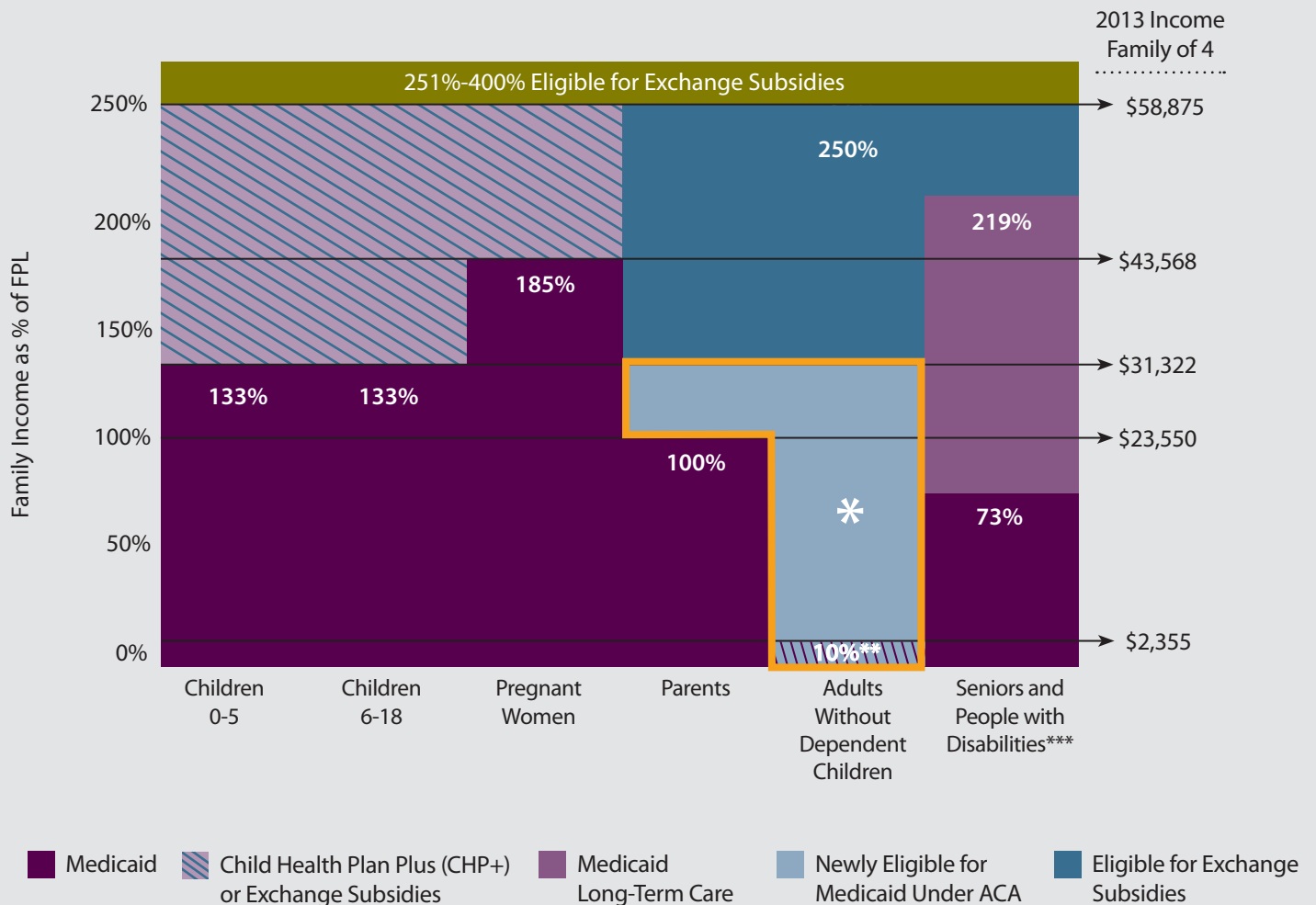
A Head Start on Expansion

Colorado began to expand its Medicaid program before the federal health reform law passed. The state authorized an expansion in 2009 under the Colorado Health Care Affordability Act (HB09-1293) that applied to both parents and adults without dependent children up to 100 percent FPL. But budget constraints have required capping the new enrollment of the adults without dependent children, limiting it to 19,250 of those with the lowest annual incomes, 10 percent FPL and below. There have been no

caps on enrolling parents in this category.

A refresher on this expansion, plus how the newly eligible will fit into Colorado’s public health insurance landscape of Medicaid and Child Health Plan *Plus* (CHP+), is instructive. The group authorized under state law, but not currently eligible to enroll, as well as those who would become newly eligible if Medicaid is expanded, are in light blue. (See Figure 1.)

Figure 1: Eligibility Levels for Public Insurance Programs, by Population, Colorado, 2013



* Authorized under HB09-1293 but not covered (AwDC 11-100% FPL)

** Authorized under HB09-1293 but capped at 19,250 individuals (AwDC 0-10% FPL)

*** Eligible under HB09-1293 for Medicaid buy-in program up to 400% of FPL (Individuals with Disabilities)

A Demographic Portrait

The data reveal much about the Coloradans who would become newly eligible under a Medicaid expansion.

In summary, the population tends to skew younger than all Coloradans. There are more males than females among the adults without dependent children. A greater percentage of the newly eligible belong to a racial or ethnic minority group than the overall Colorado population, but the level is lower than the current Medicaid client population.

The newly eligible are more educated than adults currently enrolled in Medicaid, but more likely not to have graduated from high school compared to Colorado's adult population.

Finally, from a health perspective, the newly eligible parents track fairly closely to the overall Colorado population, while greater percentages of the adults without dependent children report that their health is fair or poor, the two lowest levels.

A breakdown of the demographic analysis follows:

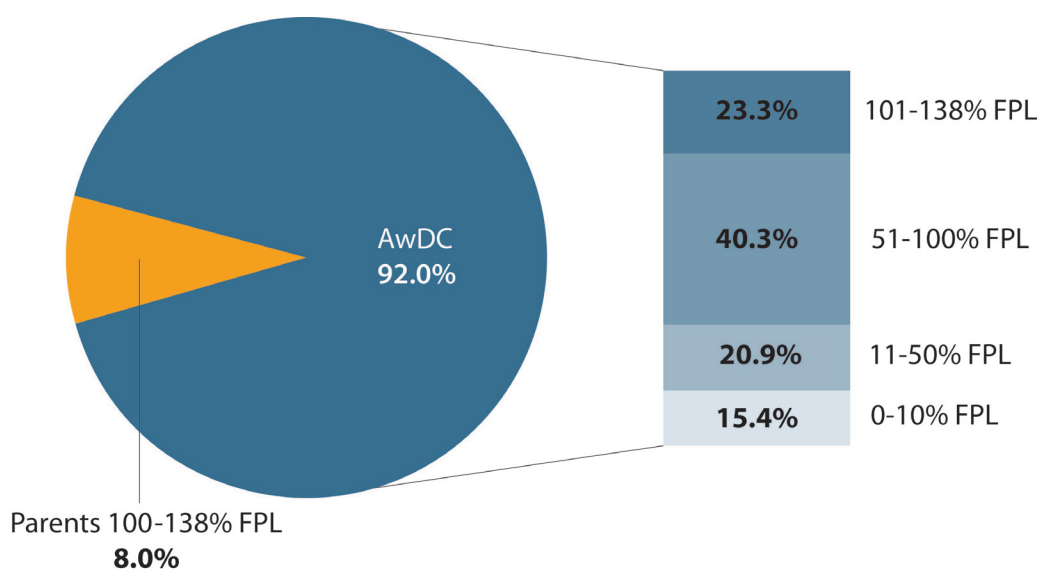
Income

Importance of this factor: Some studies have indicated that people with lower incomes may put off needed medical care, leading to a pent-up demand that could result in higher health care needs.

What the data show about those who would be newly eligible for Medicaid:

- Adults without dependent children comprise the vast majority (92.0 percent) of the newly eligible population. (See Figure 2.)
- About one in three adults without dependent children (36.3 percent) have annual family incomes at or below 50 percent FPL.
- About one in four adults without dependent children (23.3 percent) have annual family incomes above 100 percent FPL.

Figure 2: Newly Eligible Population, by Income, Colorado, 2011



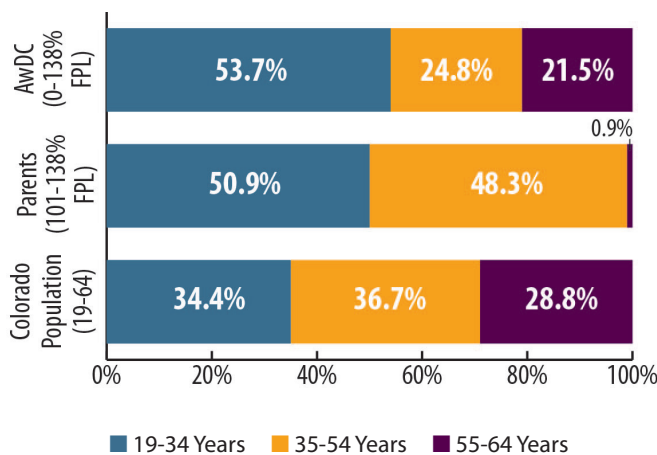
Age

Importance of this factor: Health needs and costs tend to increase as people age. The newly eligible population would include a variety of ages – young adults as well as people closer to retirement age.

What the data show about those who would be newly eligible for Medicaid:

- Younger Coloradans are disproportionately represented when compared to the state. About half of the newly eligible adults without dependent children (53.7 percent) are between 19 and 34, compared to about a third (34.4 percent) of Colorado’s population. (See Figure 3.)
- About one in five adults without dependent children (21.5 percent) are between the ages of 55 and 64. Only a fraction of the parents fall into this category.
- There are more parents between 35 and 54 (48.3 percent) than the adults who don’t have dependent children (24.8 percent).

Figure 3. Newly Eligible Population, by Age, Colorado, 2011



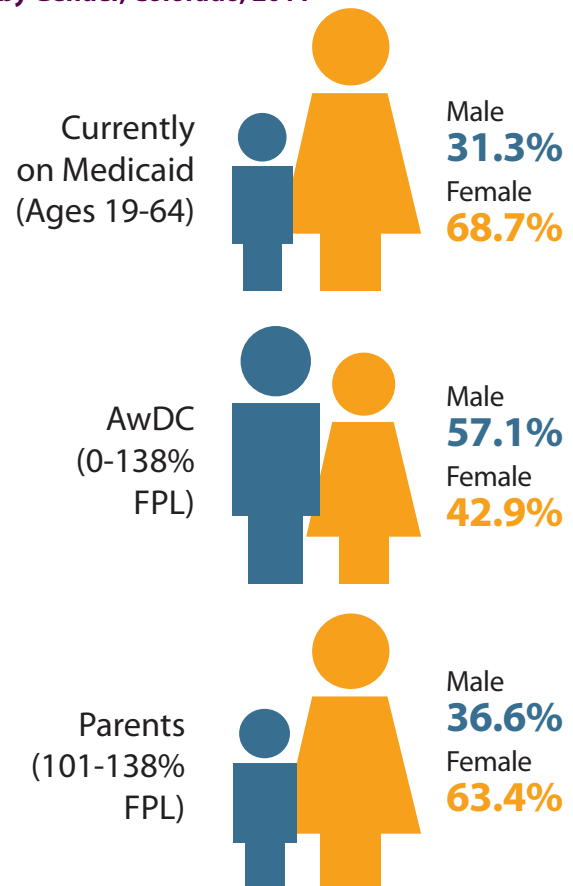
Gender

Importance of this factor: Women, in general, are more likely to use health care than men.

What the data show about those who would be newly eligible for Medicaid:

- More than half of the adults without dependent children (57.1 percent) are male. (See Figure 4.)
- Nearly two of three parents (63.4 percent) are female.
- More than two of three current adult Medicaid enrollees (68.7 percent) are female.

Figure 4: Newly Eligible Population, by Gender, Colorado, 2011



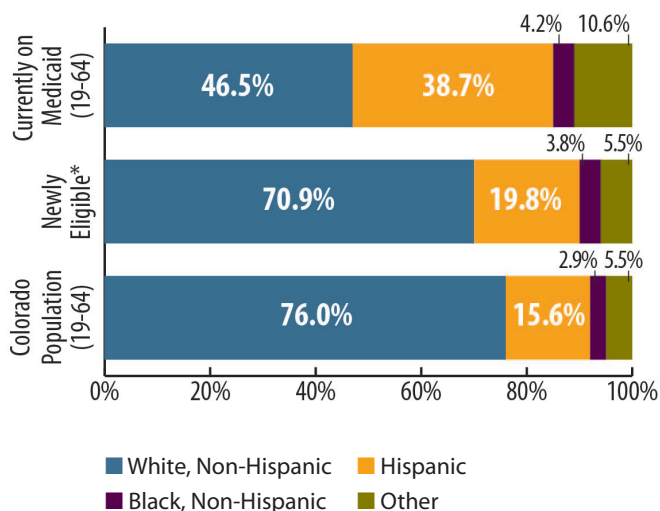
Race/Ethnicity

Importance of this factor: Studies have consistently found disparities in health status, access to care and coverage levels among different groups, including different racial and ethnic groups.

What the data show about those who would be newly eligible for Medicaid:

- Nearly three of four of the newly eligible population (70.9 percent) are white, which is similar to the state’s population. (See Figure 5.)
- Hispanics tend to be disproportionately represented among the newly eligible (19.8 percent), compared to Colorado (15.6 percent).
- Blacks make up small percentages of the newly eligible (3.8 percent) although this rate is higher than the state average.

Figure 5. Newly Eligible Population, by Race and Ethnicity, Colorado, 2011



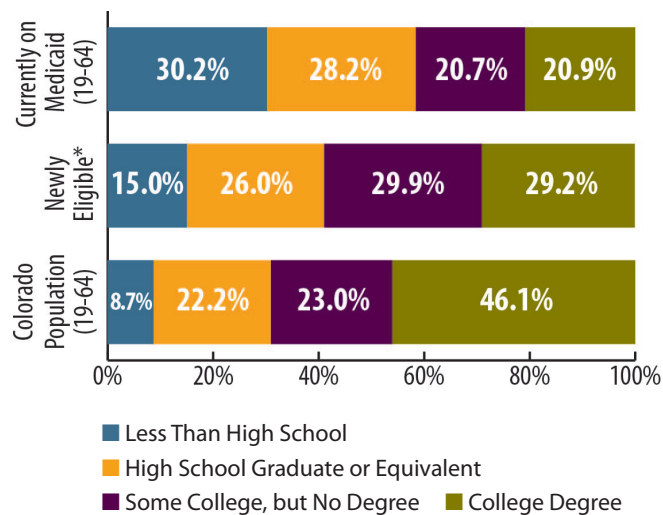
Education

Importance of this factor: Education levels are closely correlated to health status and income level. Education can also indicate levels of health literacy.

What the data show about those who would be newly eligible for Medicaid:

- The newly eligible population tends to have less education than Colorado’s population but more education than current Medicaid enrollees. Fifteen percent of the newly eligible have not graduated from high school compared to 8.7 percent of Colorado’s population and 30.2 percent of current Medicaid clients. (See Figure 6.)
- Nearly three of five of the newly eligible (59.0 percent) have been to college, either earning a college degree or completing some college classes.
- About one of three newly eligible (29.2 percent) has a college degree, nearly 10 percentage points more than the current Medicaid population (20.9 percent).

Figure 6: Newly Eligible Population, by Education, Colorado, 2011



* Parents and AwDC categories were combined in Figure 5 and Figure 6 due to sample size.

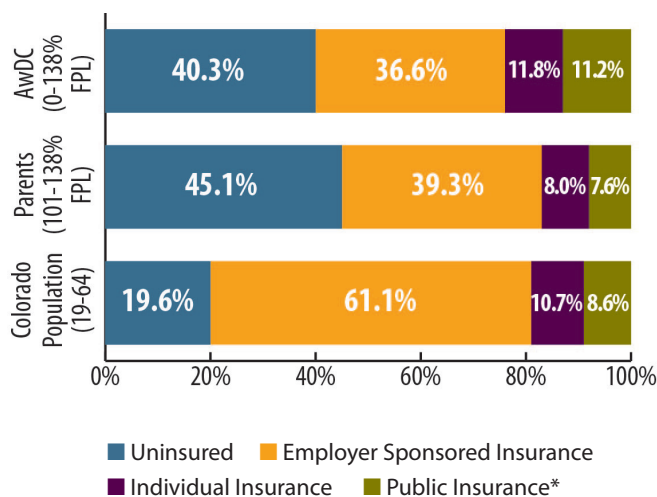
Insurance

Importance of this factor: The majority of new enrollees are anticipated to be uninsured, although some may drop or lose their private coverage and decide to enroll in Medicaid.

What the data show about those who would be newly eligible for Medicaid:

- Two of five adults without dependent children (40.3 percent) are uninsured, about double the rate of all Coloradans (19.6 percent).
- Parents are a bit more likely to be uninsured (45.1 percent) than adults without dependent children (40.3 percent).
- About six of 10 Coloradans (61.1 percent) have employer-sponsored insurance. This compares to 36.6 percent of adults without dependent children and 39.3 percent of parents.

Figure 7. Newly Eligible Population, by Insurance Status, Colorado, 2011



* Note: Public insurance includes Medicare and Child Health Plan Plus. This category for the Colorado population also includes Medicaid.

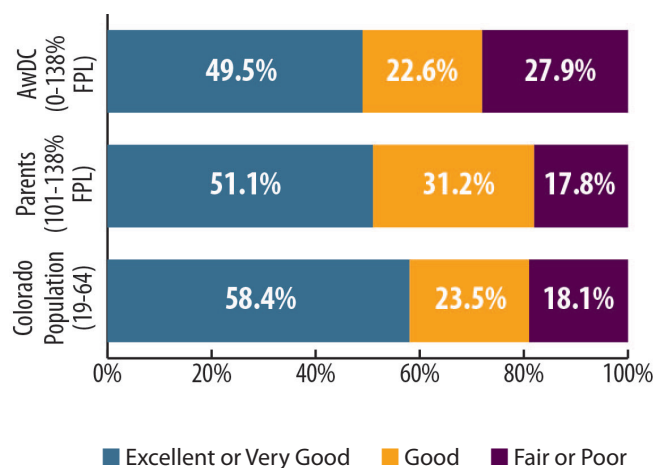
Health Status

Importance of this factor: Self-reported health status may be an indication of the level of health care needs of the newly eligible.

What the data show about those who would be newly eligible for Medicaid:

- About one of three adults without dependent children (27.9 percent) report fair or poor health, the two lowest levels, compared to 18.1 percent of all Coloradans. (See Figure 8.)
- Parents report slightly better health than the state's population as a whole. The percentage of parents reporting fair or poor health is 17.8 percent compared to 18.1 percent of all Coloradans.
- More than half of the parents list their health as excellent or very good, the two highest levels. Their self-reported health is slightly higher than the adults without dependent children, but seven percentage points lower than the Colorado population.

Figure 8: Newly Eligible Population, Health Status, Colorado, 2011



Work Status

Importance of this factor: Employment provides some indication of how many newly eligible might have access to an employer sponsored health insurance plan.

What the data show about those who would be newly eligible for Medicaid:

- Adults without dependent children are the most likely to be unemployed (18.5 percent) compared to parents (5.3 percent) and the Colorado population (8.9 percent).

- About three of four parents (74.4 percent) are employed.
- The majority of the newly eligible who are not working are not currently in the labor force. This group includes stay-at-home parents, early retirees and people with disabilities, among others.

Figure 9: Colorado Population (Ages 19-64)

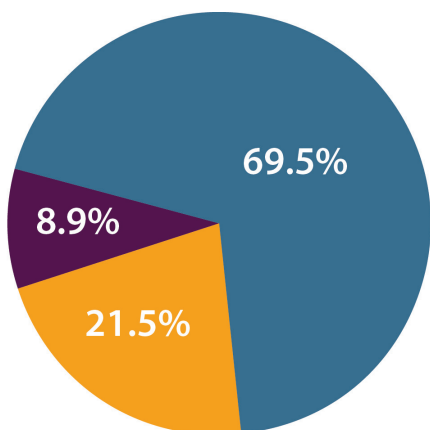
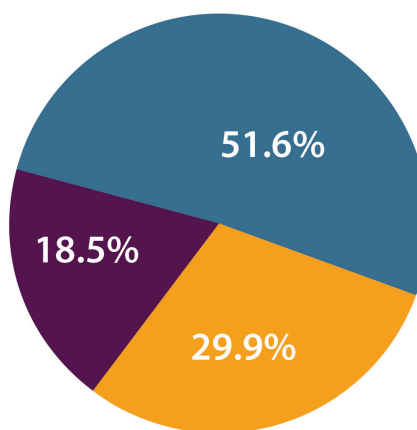
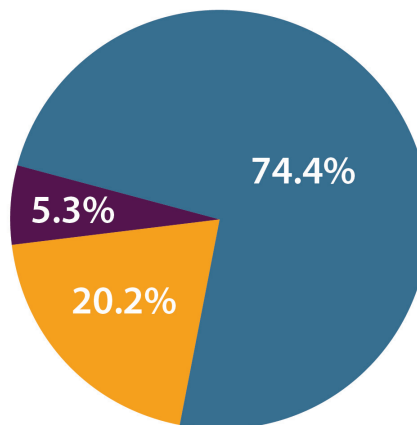


Figure 10: AwDC (0-138% FPL)



- Employed
- Not in Labor Force
- Unemployed Looking for Work

Figure 11: Parents (101-138% FPL)





Conclusion

The data paint a detailed portrait of the Coloradans who would become eligible for Medicaid under an expansion.

While the analysis reveals a population that is generally younger, more male, less educated and less healthy than the general population, it also shows that these Coloradans are a diverse group that could be expected to impact Colorado's health care system in different ways.

The differing needs indicated by health status,

education level, age and other factors have major implications for the level of care that the newly eligible population will require as well as the strategies to communicate with them and enroll them, should eligibility be expanded.

Colorado, which already struggles with providing adequate levels of care in a number of rural and urban areas identified as "underserved," will need to pay close attention should these new populations gain coverage.







Colorado Health Institute is a trusted source of independent and objective health information, data and analysis for the state's health care leaders. Colorado Health Institute is funded by the Caring for Colorado Foundation, Rose Community Foundation, The Colorado Trust and the Colorado Health Foundation.

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