Racial/Ethnic Differences in Uninsurance Rates under the ACA

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The Affordable Care Act (ACA) includes several provisions to increase rates of health insurance coverage and lower consumer costs: health insurance market reforms beginning in 2010, state-based health insurance Marketplaces for coverage beginning in 2014, a requirement that individuals obtain health insurance coverage, nationwide Medicaid expansion, and premium subsidies for Marketplace coverage. The law’s Medicaid expansion provision set a nationwide eligibility standard: adults with family income up to 138 percent of the federal poverty level, or $32,500 for a family of four in the continental United States. In 2012 the US Supreme Court ruled that states could decide whether to implement this Medicaid expansion. As of December 2014, 27 states and the District of Columbia had expanded Medicaid or planned to expand by January 2015 (“expansion states”). Many poor and near poor nonelderly adults (ages 19 to 64) with incomes below 138 percent of the federal poverty level who live in states that have not chosen to expand Medicaid by January 2015 (“nonexpansion states”) fall into the “coverage gap”: they are not eligible for Medicaid under their states’ eligibility rules, but they are ineligible for Marketplace premium subsidies.

According to projections reported here from the Urban Institute’s Health Insurance Policy Simulation Model using data from the American Community Survey, the ACA will lead to substantial reductions in the number of uninsured by 2016,
even with just 27 states and DC expanding Medicaid. These findings are the first state-level projections of coverage gains under the ACA for detailed racial and ethnic groups and subgroups by origin. Latinos, blacks, and American Indian/Alaska Natives would be overrepresented among the uninsured without the ACA. Uninsurance rates are projected to fall for each racial/ethnic group with current Medicaid expansion decisions under the ACA. This narrows racial and ethnic coverage differences between whites and each minority group, except for blacks. This is because a disproportionately large share of blacks lives in nonexpansion states. If all states were to expand their Medicaid programs, uninsurance rates are projected to fall further for all racial and ethnic groups, with blacks experiencing a marked reduction in uninsurance rates and a narrowing of the difference between black and white uninsurance rates.

The racial category "white" includes all those who report "white" as their only race and do not report Latino ethnicity. "Latino" includes all those who report "Hispanic, Latino, or Spanish origin" as their ethnicity and do not report American Indian or Alaska Native as their race. "Black" includes all those who report "black, African Am., or Negro" as their only race and do not report Latino ethnicity. "Asian/Pacific Islander" includes all those who report only Asian/Pacific Islander race(s) and do not report Latino ethnicity. "American Indian/Alaska Native" includes all those who report that as a race regardless of other races or ethnicities. For more details on race and ethnicity classifications, see the full report (Clemans-Cope, Buettgens, and Recht 2014).
White

FIGURE 1
Projected Affordable Care Act (ACA) Uninsured Rates by Race/Ethnicity: Three Scenarios

Baseline without ACA
- **21.5 million** whites (13 percent of all whites) would be uninsured.

ACA with Current Medicaid Expansion Decisions
- **11.1 million** whites would gain coverage, a 52 percent reduction in the number of uninsured whites.
- **10.4 million** whites (6 percent of all whites) would remain uninsured.
- **2.6 million** whites living in nonexpansion states would fall into the coverage gap: they would be eligible for Medicaid if their state expanded Medicaid, but they are ineligible for any assistance without expansion.
- Whites would account for **49 percent** of all coverage gains nationally.

ACA with All States Expanding Medicaid
- **13.9 million** whites would gain coverage, a 65 percent reduction in the number of uninsured whites.
- **7.6 million** whites (5 percent of all whites) would remain uninsured.

Latino

FIGURE 2
Projected Affordable Care Act (ACA) Uninsured Rates by Race/Ethnicity: Three Scenarios

Baseline without ACA
- 16.7 million Latinos (31 percent of all Latinos) would be uninsured.

ACA with Current Medicaid Expansion Decisions
- 6.6 million Latinos would gain coverage: a 39 percent reduction in the number of uninsured Latinos.
- 10.2 million Latinos, 19 percent of all Latinos, would remain uninsured.
- 1.2 million Latinos living in nonexpansion states would fall into the coverage gap: they would be eligible for Medicaid if their state expanded Medicaid, but they are ineligible for any assistance without expansion.
- Latinos would account for 29 percent of all coverage gains nationally.

ACA with All States Expanding Medicaid
- 7.8 million Latinos would gain coverage, a 47 percent reduction in the number of uninsured Latinos.
- 8.9 million Latinos (17 percent of all Latinos) would remain uninsured.

FIGURE 3
Projected Affordable Care Act (ACA) Uninsured Rates by Race/Ethnicity: Three Scenarios


Baseline without ACA
- **6.8 million** blacks (20 percent of all blacks) would be uninsured.

ACA with Current Medicaid Expansion Decisions
- **2.9 million** blacks would gain coverage, a 42 percent reduction in the number of uninsured blacks.
- **3.9 million** blacks (11 percent of all blacks) would remain uninsured.
- **1.4 million** blacks living in nonexpansion states would fall in the coverage gap: they would be eligible for Medicaid if their state expanded Medicaid, but they are ineligible for any assistance without expansion.
- Blacks would account for **13 percent** of all coverage gains nationally.

ACA with All States Expanding Medicaid
- **4.3 million** blacks would gain coverage, a 63 percent reduction in the number of uninsured blacks.
- **2.5 million** blacks (7 percent of all blacks) would remain uninsured.
Asian/Pacific Islander

FIGURE 4
Projected Affordable Care Act (ACA) Uninsured Rates by Race/Ethnicity: Three Scenarios


Baseline without ACA
- 2.6 million Asian/Pacific Islanders (17 percent of all Asian/Pacific Islanders) would be uninsured.

ACA with Current Medicaid Expansion Decisions
- 1.3 million Asian/Pacific Islanders would gain coverage, a 48 percent reduction in the number of uninsured Asian/Pacific Islanders.
- 1.3 million Asian/Pacific Islanders (9 percent of all Asian/Pacific Islanders) would remain uninsured.
- 125,000 Asian/Pacific Islanders living in nonexpansion states would fall in the coverage gap: they would be eligible for Medicaid if their state expanded Medicaid, but they are ineligible for any assistance without expansion.
- Asian/Pacific Islanders would account for 6 percent of all coverage gains nationally.

ACA with All States Expanding Medicaid
- 1.4 million Asian/Pacific Islanders would gain coverage, a 54 percent reduction in the number of uninsured Asian/Pacific Islanders.
- 1.2 million Asian/Pacific Islanders (8 percent of all A/PI) would remain uninsured.
American Indian/Alaska Native

FIGURE 5
Projected Affordable Care Act (ACA) Uninsured Rates/Ethnicity by Race: Three Scenarios

Baseline without ACA

- **1.3 million** American Indian/Alaska Natives (**26 percent** of all American Indian/Alaska Natives) would be uninsured.

ACA with Current Medicaid Expansion Decisions

- **633,000** American Indian/Alaska Natives would gain coverage, a **50 percent** reduction in the number of uninsured American Indian/Alaska Natives.
- **645,000** American Indian/Alaska Natives (**13 percent** of all AI/AN) would remain uninsured.
- **151,000** American Indian/Alaska Natives living in nonexpansion states would fall into the coverage gap: they would be eligible for Medicaid if their state expanded Medicaid, but they are ineligible for any assistance without expansion.
- American Indian/Alaska Natives would account for **3 percent** of all coverage gains nationally.

ACA with All States Expanding Medicaid

- **787,000** American Indian/Alaska Natives would gain coverage, a **62 percent** reduction in the number of uninsured American Indian/Alaska Natives.
- **491,000** American Indian/Alaska Natives (**10 percent** of all American Indian/Alaska Natives) would remain uninsured.

Source: HIPM-ACS 2014. ACA modeled as fully implemented in 2016.
References

About the Authors

Lisa Clemans-Cope is a senior research associate in the Health Policy Center at the Urban Institute. Her areas of expertise include health insurance reform legislation and regulation, Medicaid and the Children's Health Insurance Program (CHIP), dual health spending, access to and use of health care, private insurance, eligibles health-related survey data, and Medicaid claims data. Her current work includes quantitative and qualitative analyses of federal and state implementation of the Affordable Care Act, and an evaluation of children's access to and use of health services in CHIP. Clemans-Cope has a BA in economics from Princeton University and a PhD in health economics from the Johns Hopkins Bloomberg School of Public Health.

Matthew Buettgens is a senior research analyst in the Health Policy Center at the Urban Institute, where he is the mathematician leading the development of Urban's Health Insurance Policy Simulation Model (HIPSM). The model is currently being used to provide technical assistance for health reform implementation in Massachusetts, Missouri, New York, Virginia, and Washington as well as to the federal government. His recent work includes a number of research papers analyzing various aspects of national health insurance reform, both nationally and state-by-state. Research topics have included the costs and coverage implications of Medicaid expansion for both federal and state governments; small firm self-insurance under the Affordable Care Act and its effect on the fully insured market; state-by-state analysis of changes in health insurance coverage and the remaining uninsured; the effect of reform on employers; the affordability of coverage under health insurance exchanges; and the implications of age rating for the affordability of coverage. Buettgens was previously a major developer of the Health Insurance Reform Simulation Model—the predecessor to HIPSM—used in the design of the 2006 Roadmap to Universal Health Insurance Coverage in Massachusetts.

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