

WASHINGTON STATE HEALTH SERVICES RESEARCH PROJECT

Statewide Uninsured Rate Remained Unchanged from 2018 to 2019

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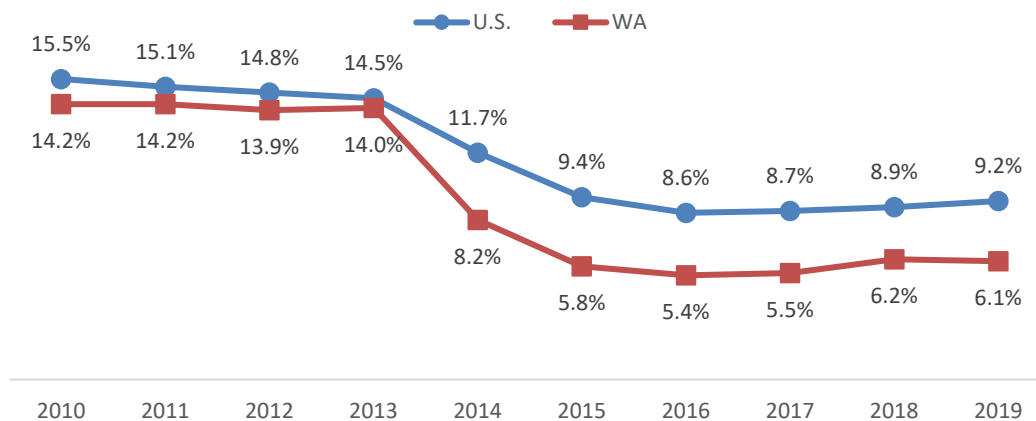
Introduction

Washington state’s uninsured rate changed little from 2018 to 2019. Its rate of 6.1% in 2019 is a statistical tie to its rate of 6.2% in 2018. The approximately one percentage point increase in employment-based health coverage offset a combined decrease of one percentage point in Medicaid and individual market plan coverages. No population group experienced a statistically significant change in its uninsured rate between 2018 and 2019. An ongoing project on weekly estimates of the uninsured during the COVID-19 pandemic points to a potential increase in the uninsured in 2020. The official estimate for 2020 will be available in fall 2021.

Washington’s uninsured rate had a dramatic decline during 2014-15, then a modest decline in 2016-17 and a small but significant increase in 2018. The uninsured rate in 2019 was a statistical tie to the 2018 rate.

Washington’s uninsured rate in 2019 was 6.1%. This rate is a statistical tie to the previous year’s rate of 6.2%. Although this rate is significantly higher than the recent lowest rates set in 2016-17, it is still much lower than the state’s uninsured rate before the implementation of major health coverage expansion components of the Affordable Care and Patient Protection Act (ACA) in 2014. In the four years before 2014, the state’s uninsured rate was stable at about 14%. It had a dramatic decline to 8.2% in 2014 and then to 5.8% in 2015 under the ACA coverage expansions. By 2016-17, the state’s uninsured rate was at its lowest level ever at about 5.4%. From 2013 to 2017 the state’s uninsured rate declined by more than 60%. In 2018, the state’s uninsured had a small but significant increase to 6.2% and it was followed by the rate of 6.1% in 2019. (Chart 1)

Chart 1. Washington and U.S. Uninsured Rates: Total Population, 2010-19



During the entire period from 2010 to 2019 covered in this brief, Washington’s uninsured rate has always been lower than that of the U.S. However, before the ACA major implementation in 2014, the gap between Washington’s uninsured rate and the U.S. uninsured rate was small, with a difference about one percentage point. The gap increased significantly beginning in 2014 and has stayed at over three percentage points since. The U.S. uninsured rate, after the initial declines from 2013 to 2016, has been increasing since 2017.

While Washington’s rate remained unchanged from 2018 to 2019, the U.S. uninsured rate increased by 0.3 percentage point from 8.9% to 9.2%. The larger decrease in Washington’s uninsured rate since 2014 is attributable to Washington’s early implementation of Medicaid expansion and individual market’s qualified health plans (QHP) under the ACA.

Changes in the coverage sources from 2018 to 2019 appear to have had a cancellation effect, with an increase in employment-based coverage offsetting a combined decrease in Medicaid and individual market plan enrollments, resulting in an overall unchanged uninsured rate.

Compared to 2018, several coverage sources experienced slight decreases in 2019. Individual market plans as the only source of coverage decreased by 0.5 percentage point from 5.3% to 4.8% and Medicaid as the only source also decreased by 0.5 percentage point from 17.2% to 16.7%. However, at the same time, employment-based insurance (EBI) as the only source gained 0.8 percentage from 47% to 47.8% and the coverage of “other two or more sources” gained 0.4 percentage points. These changes, in addition to even smaller changes in the remaining coverage sources, resulted in the 2019 uninsured rate of 6.1% being essentially a statistical tie to the rate of 6.2% in 2018. (Chart 2 and Chart 3)

Chart 2. Percentage by Source of Coverage, 2018 and 2019, Washington

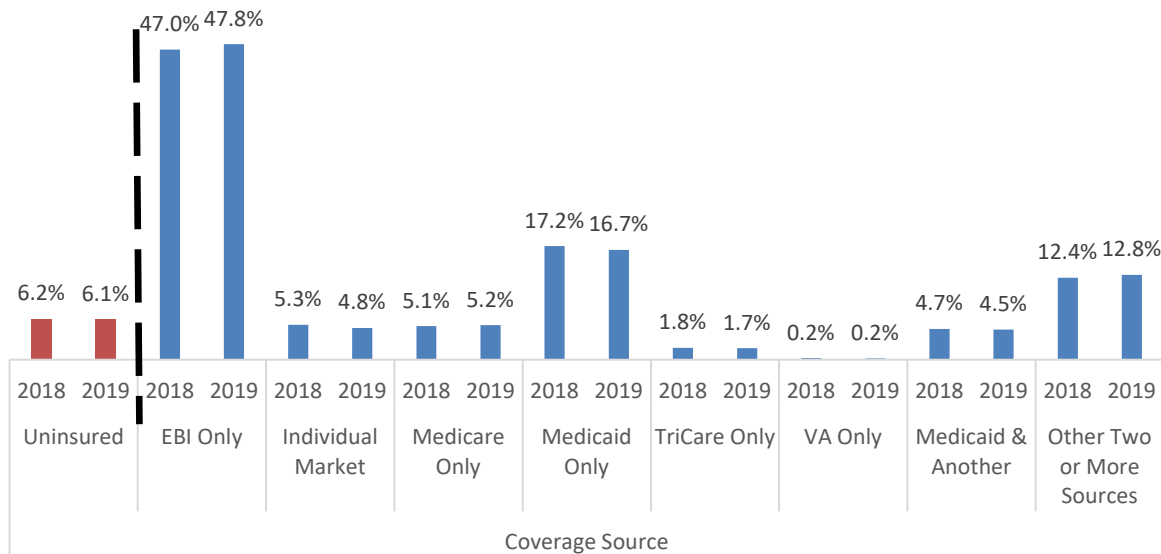
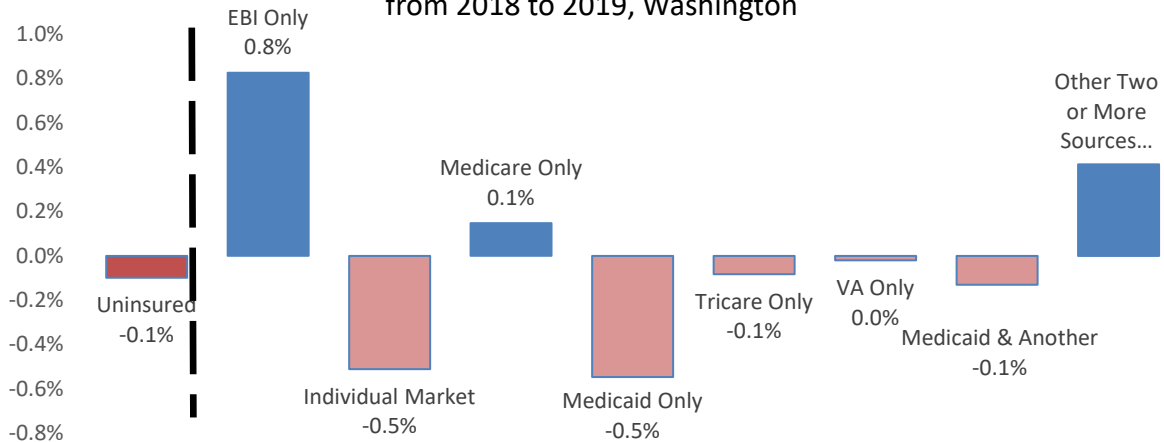


Chart 3. Percentage Point Changes in Source of Coverage from 2018 to 2019, Washington



Most of the ACA effect on the uninsured rates of the population groups manifested during 2014-16. For most population groups, there have been no significant changes in their uninsured rates since 2016. From 2018 to 2019, there were no significant changes in any of the population groups.

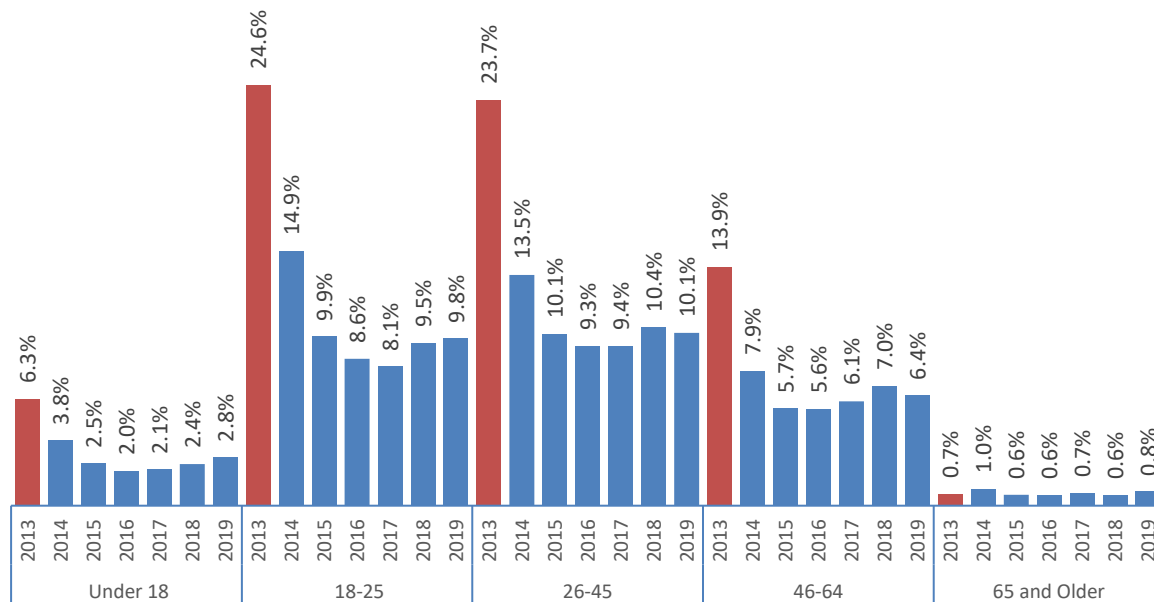
Age. During the early years of ACA’s major rollout, all non-elderly age groups had significant declines in their uninsured rates. The elderly group age 65 and older had a very low uninsured rate even before the ACA, as nearly all in this group are eligible for Medicare. This group’s uninsured rate has been the lowest of all age groups reported in this brief and has never exceeded 1%. Among the non-elderly age groups, all had significant declines in their uninsured rate from 2013 to 2014 and then from 2014 to 2015. The year-to-year change since 2015 was not significant for any of the non-elderly age group’s uninsured rates, though there appeared to be a gradual increase since 2016.

Children under age 18 had the second lowest rates of all age groups. Thanks to the State Children’s Health Insurance Program (SCHIP) and Medicaid, children in Washington had a comparatively low uninsured rate even before the ACA’s major rollout. In 2013, children’s uninsured was 6.3%. It declined by more than half to 2.5% in 2015 and was at its lowest level of 2% in 2016. In 2019, children’s uninsured rate was 2.8%, which is not statistically different from their rate of 2.4% in 2018.

The two younger adult age groups (those age 18-25 and those age 26-45) had similar uninsured rates that were the highest of all age groups. Their rates declined from approximately 24% in 2013 to 10% in 2015. However, while the 18-25 group had their lowest uninsured rate of 8% in 2017, the 26-45 group had their lowest uninsured rate of 9% in both 2016 and 2017. By 2019, both groups had an uninsured rate about 10%, similar to their rates in 2018.

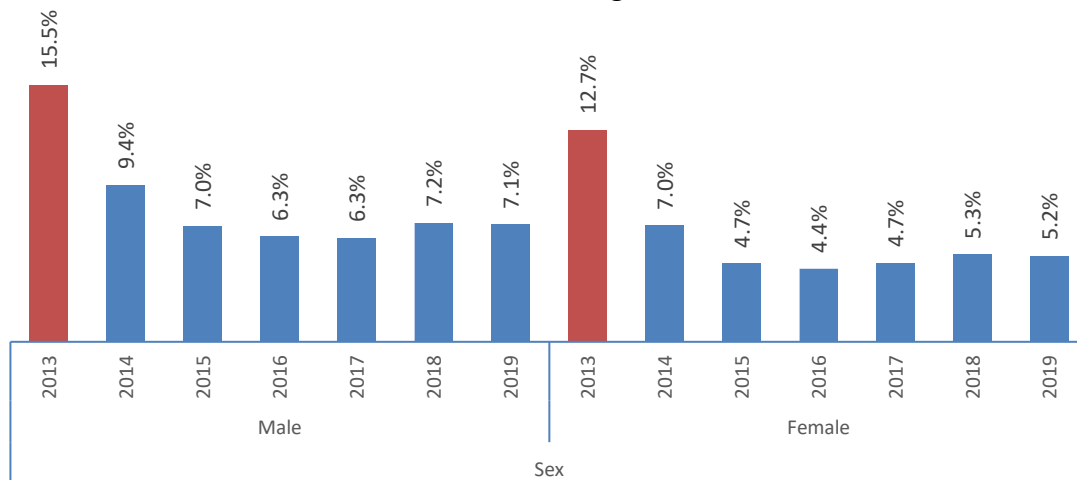
Finally, the 46-64 age group had the second highest uninsured rates that were higher than those of children and the elderly, but lower than those of the two younger adult groups in a given year. This group’s uninsured rate fell by more than half from 13.9% in 2013 to 5.7% in 2015. Their uninsured rate in 2019 was 6.4%. Although their rate in 2019 represents a decrease from 7% in 2018, the decrease was not statistically significant. (Chart 4)

Chart 4. Percentage Uninsured by Age, 2013-19: Washington



Sex. Uninsured rates of males have been consistently higher than those of females. That is true both before and since the ACA major rollout. Both groups had significant declines in their uninsured rates from 2013 to 2015. Males’ uninsured rate dropped from 15.5% to 7% and females’ uninsured rate from 12.7% to 4.7%. For both groups, the year-to-year change in their uninsured rate was not statistically significant since 2015. The males’ uninsured rate in 2019 was 7.1%, a statistical tie to their rate of 7.2% in 2018. The females’ uninsured rate in 2019 was 5.2%, a statistical tie to their rate of 5.3% in 2018 as well. (Chart 5)

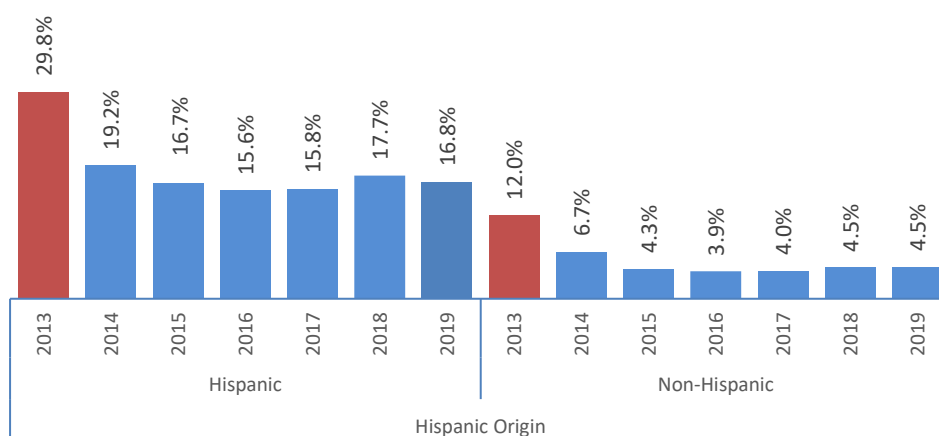
Chart 5. Percentage Uninsured, Male and Female, 2013-19: Washington



Hispanic ethnicity. The Hispanic population had an uninsured rate that was two and half times the rate of non-Hispanic population before the ACA major rollout (29.8% vs. 12% in 2013). Both populations had significant declines in their uninsured rates in 2014. The rate of Hispanic population dropped about a third to 19.2% and the rate of the non-Hispanic population dropped nearly half to 6.7%.

In both populations, the uninsured rates were at the lowest level in 2016: Hispanic at 15.6% and non-Hispanic at 3.9%. Since 2016, the year-to-year change of the uninsured rate was not statistically significant for either group. In 2019, the uninsured rate of the Hispanic population at 16.8% was approximately four times as high as the uninsured rate of 4.5% for the non-Hispanic population. (Chart 6)

Chart 6. Percentage Uninsured, Hispanic Ethnicity, 2013-19: Washington

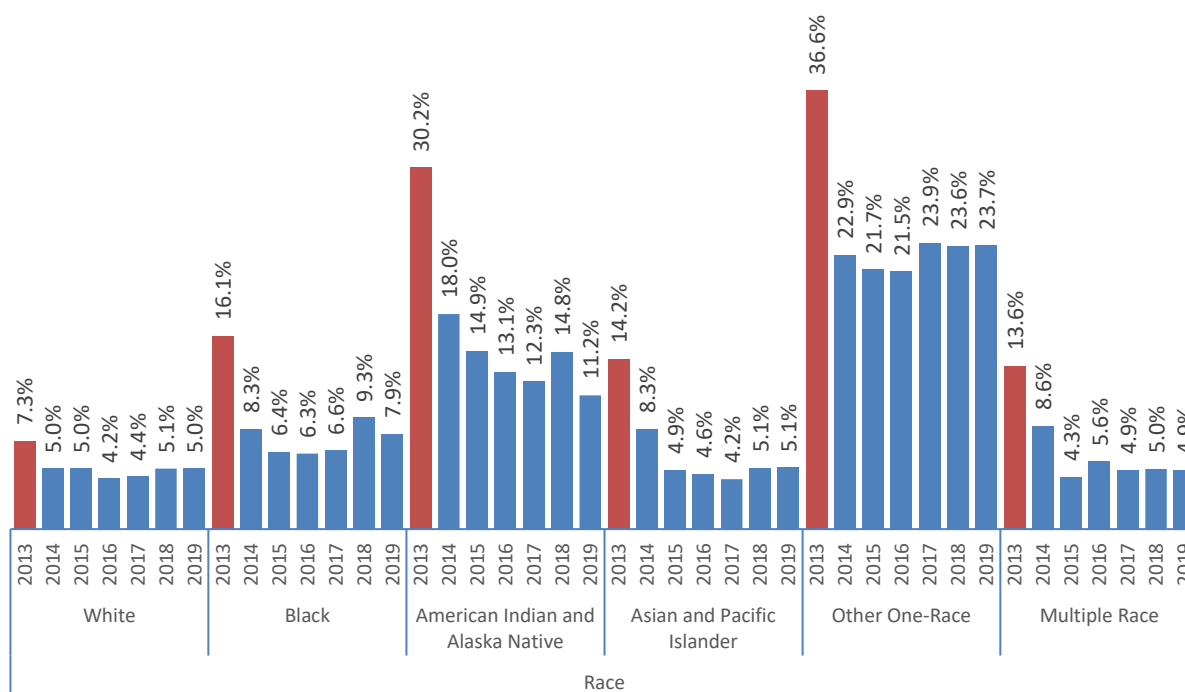


Race. All race groups had an initial significant decline in their uninsured rates in the first year of the ACA major rollout in 2014: 7.3% to 5% for whites; 16.1% to 8.3% for blacks; 30.2% to 18% for American Indians and Alaska Natives (AIAN);¹ 14.2% to 8.3% for Asian American and Pacific Islanders (API); 36.6% to 22.9% for those with other one-race; and 13.6% to 8.6% for those with multi-race.

From 2014 to 2019, while for most of the race groups the year-to-year changes in the uninsured rates were not statistically significant, there were a few changes that were significant: 8.3% to 4.9% for API from 2014 to 2015; 8.6% to 4.3% for multi-race, also from 2014 to 2015; and 4.4% to 5.1% for whites from 2017 to 2018.

In 2013, whites had the lowest uninsured rate. The rates of the other race groups were at least 85% higher. In 2019, whites also had the lowest rate (5.1%); however, two other groups, API and multi-race, had rates (5.1% and 4.9%, respectively) in 2019 that were statistical ties to the rate for whites. Rates in 2019 for the remaining race groups were all higher: blacks at 7.9%, AIAN at 11.2% and other one-race at 23.7%. (Chart 7)

Chart 7. Percentage Uninsured, Race, 2013-19: Washington



Family income. While the overall objective of the ACA was to expand health coverage to more people and make health care more affordable, its rollout of Medicaid expansion in 2014 was intended to improve specifically the coverage of low-income population. The results show that the low-income populations did indeed have significant reductions in their uninsured rates since the 2014 ACA rollout. However, populations of higher income levels also had significant reductions in their uninsured rates since 2014.

In 2013, the two income groups eligible for the ACA Medicaid expansion, those with family income below 100% of the federal poverty level (FPL) and those with family income between 100% and 138% FPL, had

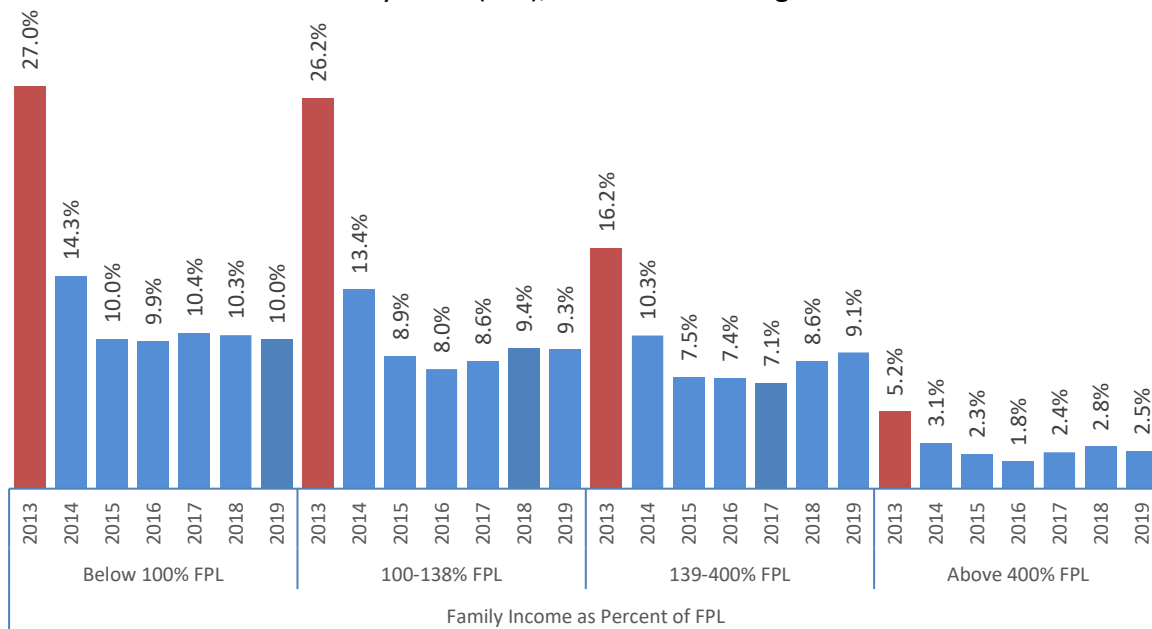
¹ Note that American Indians and Alaska Natives may receive services from Indian Health Service. IHS is, however, not considered as health insurance coverage in calculating uninsured rates.

uninsured rates over 25%.² Their rates were at least 10 percentage points higher than the rate of the next higher income group (139-400% FPL) and five times as high as the rate of those with income above 400% FPL.

In 2014 alone, the uninsured rates in the two low-income groups fell by nearly half to slightly below 15%. The 139-400% FPL group's uninsured rate also declined, from 16.2% to 10.3%, as did the rate of the group above 400% FPL, from 5.2% to 3.1%.³ From 2014 to 2015, all income groups had another decline in their uninsured rates, though the declines were much smaller. The year-to-year changes in the uninsured rates for these income groups from 2015 to 2019 were not statistically significant, except for the change in the 139-400% FPL group from 2017 to 2018 (7.1% to 8.6%).

In 2019, the uninsured rates for the three groups with income at or below 400% FPL were similar, ranging from 9.1% to 10%. However, despite their rates in 2019 being significantly lower than their rates before the ACA major rollout, the uninsured rates of these three income groups were still about four times as high as the uninsured rate of 2.5% for the group with income above 400% FPL.

Chart 8. Percentage Uninsured, Family Income As Percent of Federal Poverty Level (FPL), 2013-19: Washington



Washington's uninsured rate is expected to rise in 2020 due to the COVID-19 Pandemic.

For most of 2020, the world has been plagued by a pandemic that is unprecedented in recent history. Washington reported the first confirmed COVID-19 in the U.S. From March to May, the state was in a lockdown intended to curtail the spread of the virus. Most of the country soon followed suit. With the

² The Medicaid expansion has two components: (1) expansion of the then existing income limit of below 100% of the FPL to 138% and (2) expansion of coverage to all persons qualifying for the income eligibility beyond the “traditional” Medicaid requirement intended mostly for families with children.

³ The decline in the high income group (above 400% of the FPL) can be attributed, in part, to another key ACA component – the individual mandate, which required all citizens to have insurance and imposed fines on persons failing to do so. The penalty from this mandate was later eliminated.

lockdown came the historical number of people filing for unemployment claims. By May 2020, the number people filing for unemployment claims in Washington as a result of the pandemic exceeded one million.

As data above show that approximately half of Washington's residents had employment-based health insurance as the only coverage in 2019. When workers lose their jobs that provide them with health insurance, they and their family are at risk of losing their health insurance as well. In the spring of 2020, several national studies projected the impact of the pandemic on health coverage.^{4,5,6,7} OFM Health Care Research Center staff also developed a model to assess the pandemic's impact on Washington's health coverage.⁸

The OFM model provided weekly estimates of the uninsured starting in April. According to the model, Washington's uninsured rate nearly doubled in May from its rate before the pandemic. However, as the lockdown started to lift in late May, the uninsured rate declined rapidly in June and then more gradually for the rest of the year. As of the publication of this brief, the state's uninsured rate declined to nearly the level before the pandemic, according to the OFM model. While workers returning to work since the lift of the lockdown is assumed to account for most of the decline in the state's uninsured since May, the increase in Medicaid enrollment and, to some extent, in the Qualified Health Plans (the part of the individual market run by the Washington Health Benefit Exchange) is partially attributable for the decline of the uninsured rate.

Data from the OFM model point to an official estimate of the state uninsured rate in 2020 that would be higher than the rate in 2019. However, because of the different measurements in the OFM model and the source for the official estimate, estimates from the two sources are not interchangeable.⁹ The official estimate for 2020 will become available in late fall of 2021.

Data source

Estimates in this brief, unless noted otherwise, are derived from the American Community Survey (ACS). The ACS is a population survey of U.S. households conducted by the U.S. Census Bureau. Estimates for the United States are obtained from the Census Bureau's website.¹⁰ Estimates for Washington prior to 2014 are from staff analysis of the ACS 1-year PUMS files and estimates for Washington for 2014-19 are from staff analysis of the ACS 1-year PUMS files that are adjusted by OFM for the state's Medicaid population count.¹¹

⁴ <https://www.healthmanagement.com/wp-content/uploads/HMA-Estimates-of-COVID-Impact-on-Coverage-public-version-for-April-3-830-CT.pdf>.

⁵ https://www.urban.org/research/publication/how-covid-19-recession-could-affect-health-insurance-coverage/view/full_report

⁶ https://www.shadac.org/sites/default/files/publications/UMN%20COVID-19%20ESI%20loss%20Brief_April%202020.pdf

⁷ ⁴ <https://www.epi.org/blog/12-7-million-workers-have-likely-lost-employer-provided-health-insurance-since-the-coronavirus-shock-began/>

⁸ https://ofm.wa.gov/sites/default/files/public/dataresearch/healthcare/healthcoverage/COVID-19_impact_on_uninsured.pdf

⁹ For the official estimates, the data source is the American Community Survey (ACS). The ACS provides annual estimates, as opposed to the weekly estimates from the OFM model.

¹⁰ <https://data.census.gov/cedsci/>

¹¹ For more information on the adjustment, see http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount_medicaid.pdf.