

Record low uninsured rate in 2021 amid COVID-19 pandemic

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December 2022

Introduction

Health coverage in Washington registered a record low uninsured rate at 5.3% in 2021. The last previous annual estimate available for Washington was for 2019, at 6.1%. Nearly all population groups showed a decrease in their uninsured rates from 2019 to 2021, but particularly more so in the 26-45 age group, among males and in low-income groups. The driving force for the decline is the increase in Medicaid enrollment during COVID-19. The chief booster in Medicaid enrollment during this period, in turn, is a requirement of the federal Public Health Emergency (PHE) declaration for the pandemic. Under the PHE, the Medicaid program temporarily stopped re-determining eligibility of existing enrollees so that the enrollees could have uninterrupted health coverage during the pandemic. Medicaid enrollment reversed its declining trend of the previous few years with a slight increase in 2020, followed by a significant increase in 2021. The cumulative increases in Medicaid from 2019 to 2021 accounted for most of the decrease in the

uninsured rate since coverage by other sources during this period was either stable or decreased. A lower unemployment rate and continuing PHE in 2022 may help further decrease the state's uninsured rate.

The 5.3% uninsured rate in 2021 is the lowest in Washington's history

Washington's uninsured rate has gone through major changes in the past dozen years. Before the COVID-19 pandemic, the Affordable Care and Patient Protection Act (ACA) brought the state's uninsured rate from a high of 14% in 2010-13 to 5.4% in 2016. The uninsured rate bounced up slightly in the next few years to 6.1% in 2019. Comparable estimates for 2020 are not available because there were data collection issues during the 2020 pandemic lockdowns.¹ However, an OFM model simulating weekly health coverage changes during the pandemic suggests that the uninsured rate in 2020 was higher than the rate in 2019.² Latest data for 2021 show the uninsured rate dropped to 5.3%, below the

¹ See <https://ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief106.pdf>.

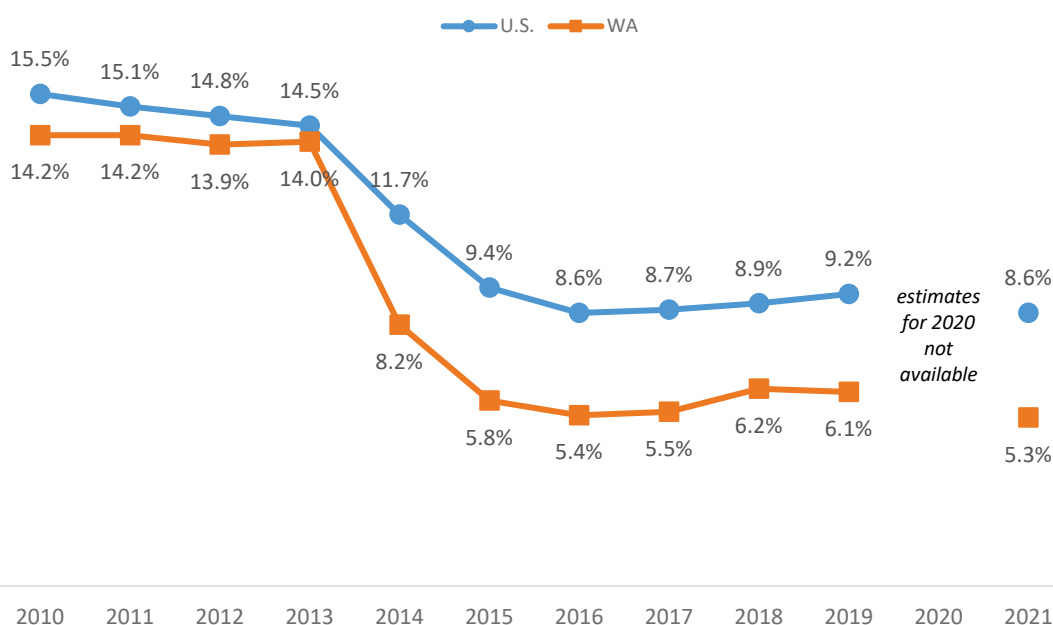
² The model shows rapid increase in uninsured rates during the weeks of 2020 lockdown, to as high as 12%, but rapid decrease after the lockdown. By the end of 2020, the estimated weekly uninsured rate remained above 6%. For more information about the model and its estimates, see https://ofm.wa.gov/sites/default/files/public/dataresearch/healthcare/healthcoverage/COVID-19_impact_on_uninsured.pdf.

previous record low of 5.4% set in 2016. (Figure 1)

The changes in Washington’s uninsured rates are like those at the national level, including the changes through the pandemic from 2019 to 2021. There are a couple of key differences, however. One is that Washington’s uninsured rate has always

been lower than the U.S. rate. The other difference is that Washington adopted Medicaid expansion and the individual market’s qualified health plan (QHP) under the ACA and many other states did not. The adoption of these programs resulted in a faster decline in Washington’s uninsured rate in mid-2010s, compared with the country.

Figure 1. Washington and U.S. Uninsured Rates: Total Population, 2010-19 and 2021



Increase in Medicaid enrollment accounts for most, if not all, of the decline in Washington’s uninsured rate in 2021.

Our review of health coverage estimates using mutually exclusive categories of health coverage shows we can largely attribute the decline in Washington’s uninsured rate from 2019 to 2021 to the increase in Medicaid enrollment. During this period, coverage for

Medicaid as the only source increased by 1.4 percentage points and coverage by Medicaid plus some other source increased by another 1.6 percentage point, for a total of 3 percentage points. For the other sources of coverage, the rate was either stable or had a decrease, such as employment-based insurance, or EBI, which dropped 2 percentage points from 47.8% to 45.8%. (Figure 2 and Figure 3)

Figure 2. Percentage by Source of Coverage, 2019 and 2021, Washington

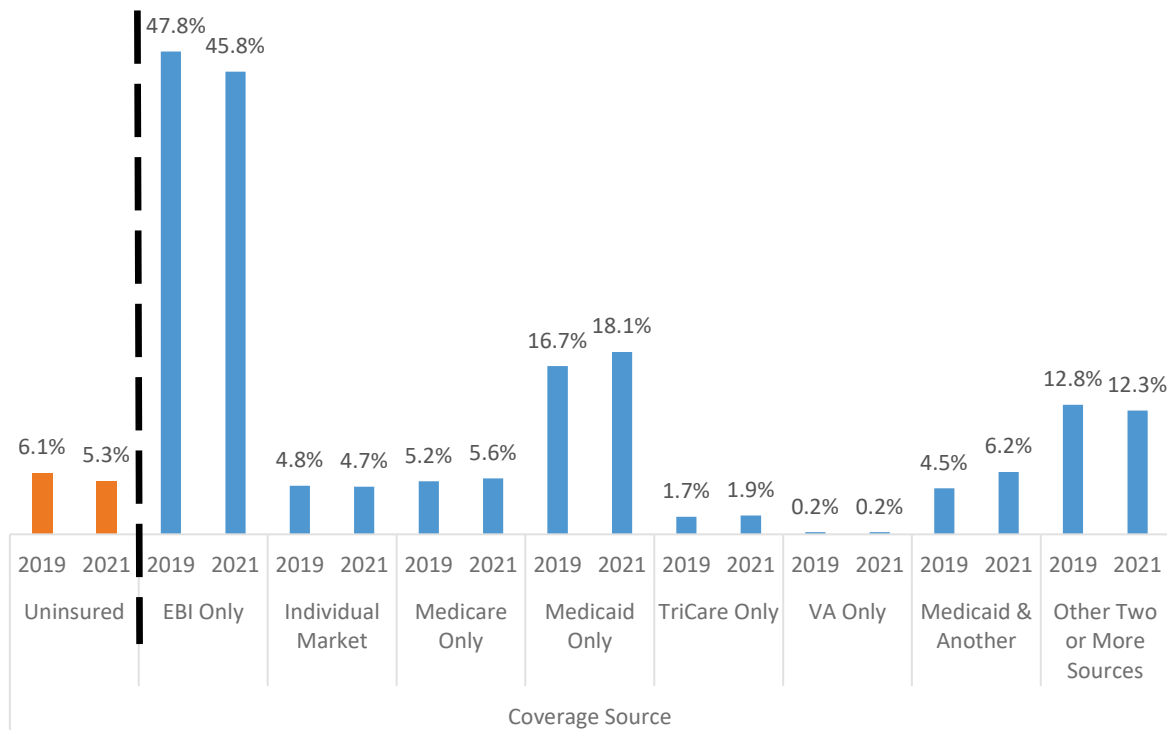
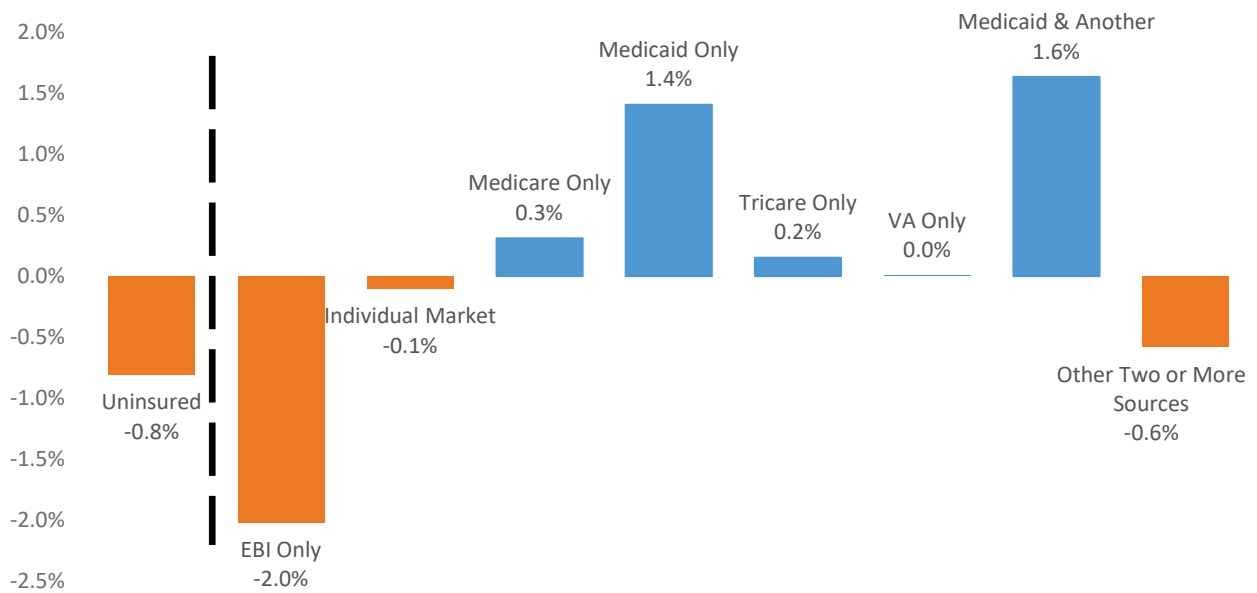


Figure 3. Percentage Point Changes in Source of Coverage from 2019 to 2021, Washington



The uninsured rate dropped in all age groups during 2019-21 except in the 65 and older age group. The decline in the 26 to 45 age group pushed the state’s overall uninsured rate to a record low.

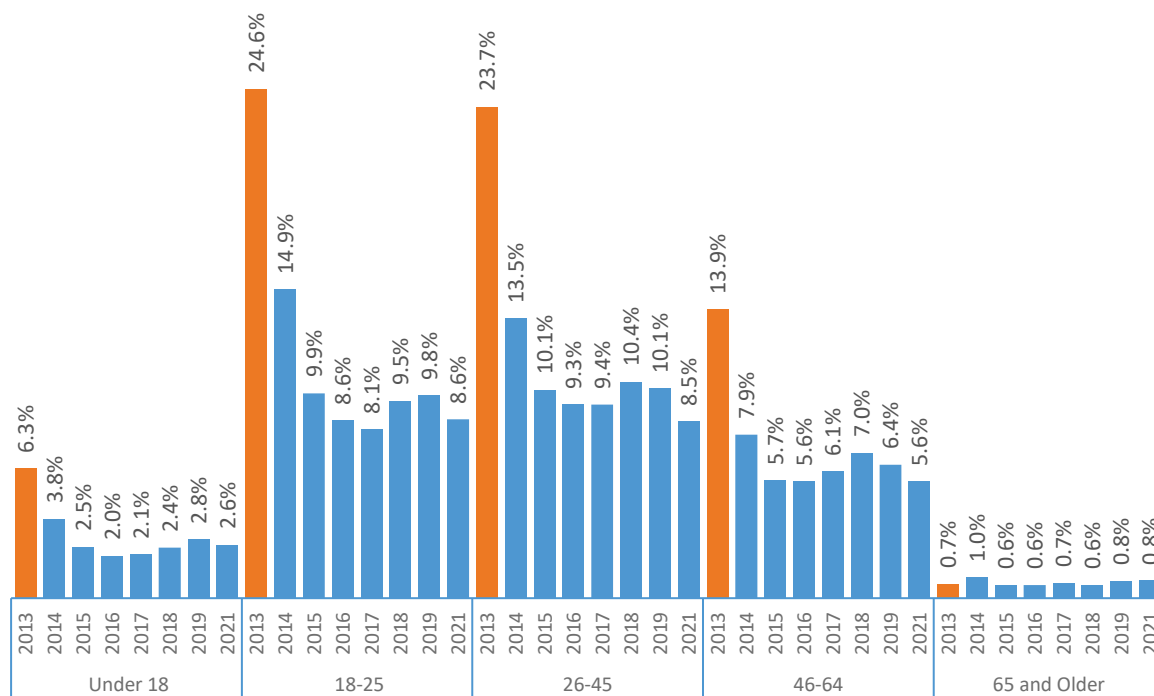
In 2013, the year before Medicaid expansion and QHP were implemented under the ACA, the four under-65 age groups had much higher uninsured rates than later years. This was particularly true in the 18 to 25 and 26 to 45 age groups. The 65 and older age group had very low and stable uninsured rates throughout, at or below 1%, as nearly all 65 and older individuals are eligible for Medicare.

The ACA brought significant declines in the uninsured rates of all under-65 age groups since 2014. Those uninsured rates reached the lowest point in 2016 or 2017 before increasing slightly. In both the 18 to 25 and

26 to 45 age groups, the rates dropped from above 20% to below 10%.

In 2021, the uninsured rates in all under 65 age groups dropped again. However, the 26 to 45 age group was the only group with an uninsured rate in 2021 that was lower than the previous years. The rate in 2021 was 8.5%, a reduction of 0.8 percentage point compared to the previous lowest rate of 9.3% in 2016. The 46 to 64 age group’s uninsured rate of 5.6% in 2021 tied with the group’s previous lowest rate set also in 2016. In the two youngest age groups (0 to 17 and 18 to 25), their uninsured rates in 2021 were above their respective lowest uninsured rates earlier by about a half percentage point. It’s safe to conclude that the decline in the 26 to 45 age group’s uninsured rate in 2021 was the chief factor in the state’s overall uninsured rate reaching the record low. (Figure 4)

Figure 4. Percentage Uninsured by Age, 2013-19 and 2021: Washington

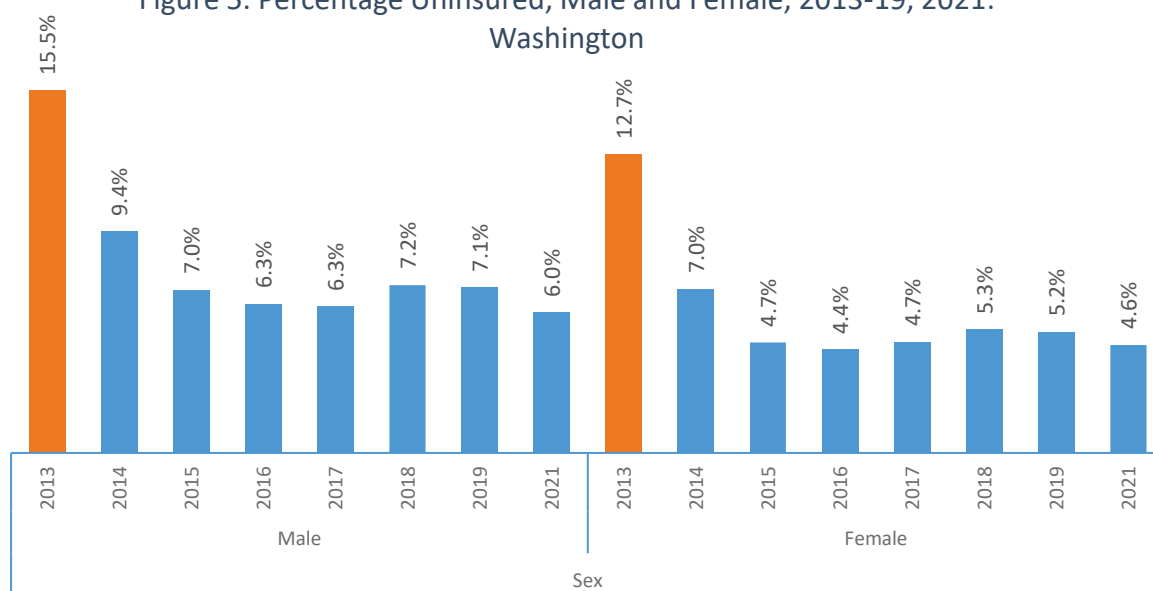


We saw declines in uninsured rates for both males and females in 2021; for males, the rate in 2021 was the lowest ever.

In breakdowns by gender, males consistently had a higher uninsured rate than females. Both groups’ uninsured rates dropped to the lowest point in 2016 under the ACA’s health coverage expansion. For

males, the rate dropped from 15.5% to 6.3% and for females, the rate dropped from 12.7% to 4.4%. Both groups had slightly higher uninsured rates in the next three years until 2021. In 2021, the rate for males dropped to 6% from 7.1% and the rate for females dropped to 4.6% from 5.2% in 2019. For males, their uninsured rate in 2021 was the lowest we’ve seen. (Figure 5)

Figure 5. Percentage Uninsured, Male and Female, 2013-19, 2021: Washington



The gap in the uninsured rates between the Asian and Pacific Islander group and the White race group disappeared when the former group’s uninsured rate reached the lowest in 2019

Before we review uninsured estimates by race, we want to draw attention to the changes in the race question in the American Community Survey – the chief

data source for this research brief – beginning in the 2020.³ The ACS introduced improvements to the race question by allowing survey participants to provide more details in their responses. The changes affected racial population estimates significantly.

While the changes affected the estimates for every race group in the ACS, the impact was particularly large on estimates for some. For example, the change in the U.S.

³ See Improvements to the Race Question at <https://www.census.gov/programs-surveys/acs/technical-documentation/user-notes/2021-03.html>.

population from 2018 to 2019 in the white race group was only 0.1%, but from 2019 to 2021, the change was negative 14.2%. In the ‘some other one-race’ group, the change from 2018 to 2019 was only 0.6%, but from

2019 to 2021 it was 46.2%. Finally, in the ‘two-or-more race’ group, the change from 2018 to 2019 was only 0.3% but it was 270.4% from 2019 to 2021. (Table 1)

Table 1. Estimates of U.S. population by race, 2018, 2019 and 2021
(Estimates for 2021 reflect changes in the race question in the American Community Survey)

Race	2018	2019	2021	% change 2018 to 2019	% change 2019 to 2021
U.S. total population	327,167,439	328,239,523	331,893,745	0.3%	1.1%
White alone	236,173,020	236,475,401	202,981,791	0.1%	-14.2%
Black alone	41,617,764	41,989,671	40,194,304	0.9%	-4.3%
American Indian/Alaska Native alone	2,801,587	2,847,336	3,158,694	1.6%	10.9%
Asian alone	18,415,198	18,636,984	19,157,288	1.2%	2.8%
Native Hawaiian/Other Pacific Islander alone	626,054	628,683	612,448	0.4%	-2.6%
Some other race alone	16,253,785	16,352,553	23,902,781	0.6%	46.2%
Two or more races	11,280,031	11,308,895	41,886,439	0.3%	270.4%

(Source: American Community Survey, data compiled from data.census.gov)

Race estimates from the 2021 ACS should be comparable to future ACS estimates. The U.S. Census Bureau, however, cautions comparing race-based estimates between 2021 and years before 2020,⁴ but it stops short of offering a method to make race categories comparable between 2021 ACS and the ACS before 2020. We included the 2021 race-based uninsured estimates in this research brief, not for comparison with previous years’ estimates, but as the beginning of a new trend series.

For the review of Washington’s estimates of uninsured by race, we start with the 2021 estimates first. In 2021, the whites had the lowest uninsured rate at 3.6%, followed by Asian and Pacific Islanders (4.3%), blacks (6.9%), multiracial group (7.8%), American

Indian/Alaska Natives (13.7%)⁵, and finally those identifying as a single race not already listed, i.e., ‘other one-race’ (18.9%). The other one-race group’s uninsured rate in 2021 was more than five times the rate of the white race group. Note again that these estimates of uninsured by race for 2021 are not comparable to estimates for 2019 and earlier.

Before 2021, the uninsured rates of the race groups significantly declined from their highest level in 2013 thanks to the ACA. There was considerable variation in the reductions, though. For example, from the highest rate in 2013 to the lowest, the Asian and Pacific Islanders’ rate dropped by more than two-thirds (14.2% to 4.2% in 2017) while the other one-race group’s rate

⁴ See <https://www.census.gov/programs-surveys/acs/guidance/comparing-acs-data/2021.html>

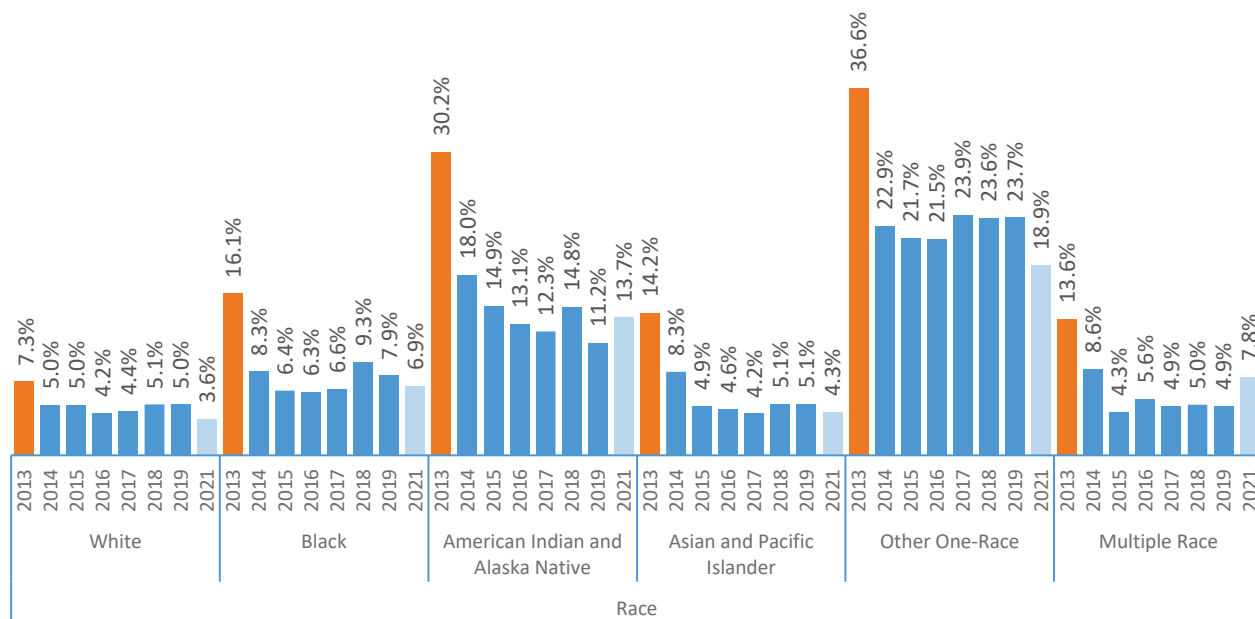
⁵ Note that American Indians and Alaska Natives may receive services from Indian Health Service. IHS is, however, not considered as health insurance coverage in calculating uninsured rates.

dropped by slightly more than one-third (36.6% to 21.5% in 2016). Each group reached their lowest uninsured rates in different years. The multiracial group reached it in 2015 (4.3% from 13.6% in 2013). American Indian/Alaskan Natives reached it in 2019 (11.2% from 30.2%). The other groups reached it in either 2016 or 2017. Throughout 2013 and 2019, the ‘other

one-race group’ had the highest uninsured rate of all race groups.

It is worth noting that the Asian and Pacific Islanders’ rate of 14.2% in 2013 was twice as high as that of the white race group (7.3%). In 2017, these two groups had quite similar rates, below 4.5%. (Figure 7)

Figure 7. Percentage Uninsured by Race, 2013-19 and 2021: Washington
(2021 estimates not comparable to estimates of prior years)



Uninsured rates for both Hispanic population and non-Hispanic population declined significantly thanks to the ACA; however, the decline in the latter population’s rate was much larger proportionately.

The U.S. Census Bureau also improved the Hispanic origin question in the 2021 ACS. The impact on the Hispanic population estimates from the changes is mild, compared to the impact of changes on race estimates. From 2018 to 2019, the Hispanic

population changed from 59.8 million to 60.5 million, or an increase of 1.2%. In 2021, it is estimated to be 62.5 million, an increase of 3.4% over two years from 2019 (see Table 2). Although the impact of the Hispanic question changes is mild, the U.S. Census Bureau recommends caution when comparing the 2021 ACS estimates for Hispanic population with estimates before 2020 from the ACS. Again, we included the 2021 uninsured estimates for the Hispanic population in this research brief, not for comparison with prior years’ estimates, but as the beginning of a new trend series.

Table 2. Estimates of U.S. population by Hispanic origin, 2018, 2019 and 2021
(Estimates for 2021 reflect changes in the race question in the American Community Survey)

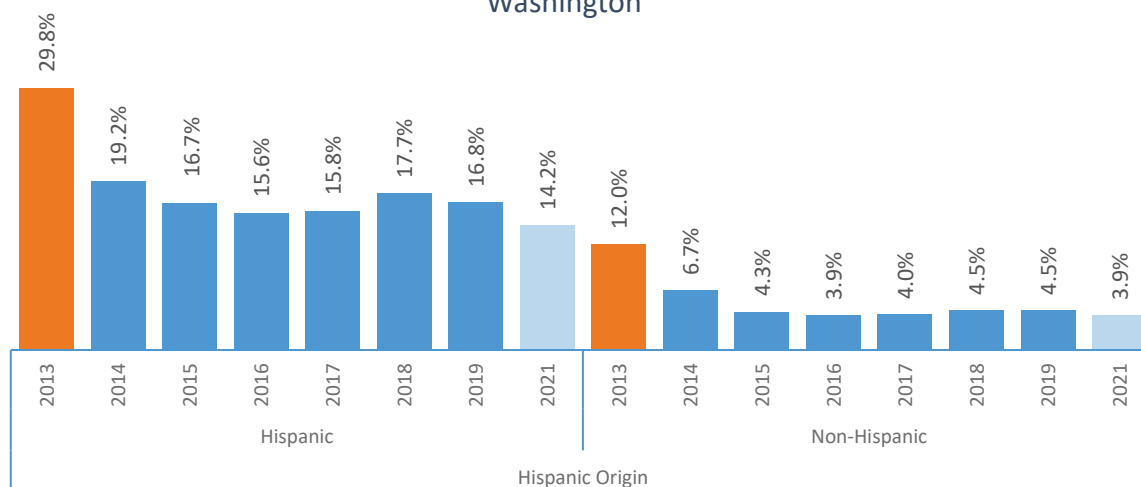
Hispanic origin	2018	2019	2021	% change 2018 to 2019	% change 2019 to 2021
U.S. total population	327,167,439	328,239,523	331,893,745	0.3%	1.1%
Hispanic	59,763,631	60,481,746	62,529,064	1.2%	3.4%
Non-Hispanic	267,403,808	267,757,777	269,364,681	0.1%	0.6%

(Source: American Community Survey, data compiled from data.census.gov)

We start the review of uninsured rates for the Hispanic population in 2021. The Hispanic population’s rate in 2021 was 14.2%. This rate is 3.6 times as high as the 3.9% for the non-Hispanic population. Before 2021, the Hispanic population’s uninsured rate was also higher than the rate for the non-Hispanic population, at all times. The Hispanic population’s uninsured rate had a significant decline thanks to the ACA, from the high rate of 29.8% in 2013 to the lowest rate of 15.6% in 2016 and it ended

slightly higher at 16.8% in 2019. The decline from 2013 to 2016 reduced the Hispanic population’s uninsured by nearly half (48%). However, during the same period, the decline in the non-Hispanic population’s uninsured rate was even larger proportionately. Their rate dropped by more than two-thirds (68%), from the high of 12% in 2013 to the lowest rate of 3.9% in 2016, before rising slightly to 4.5% in 2019. (Figure 8)

Figure 8. Percentage Uninsured, Hispanic Ethnicity, 2013-19, 2021: Washington



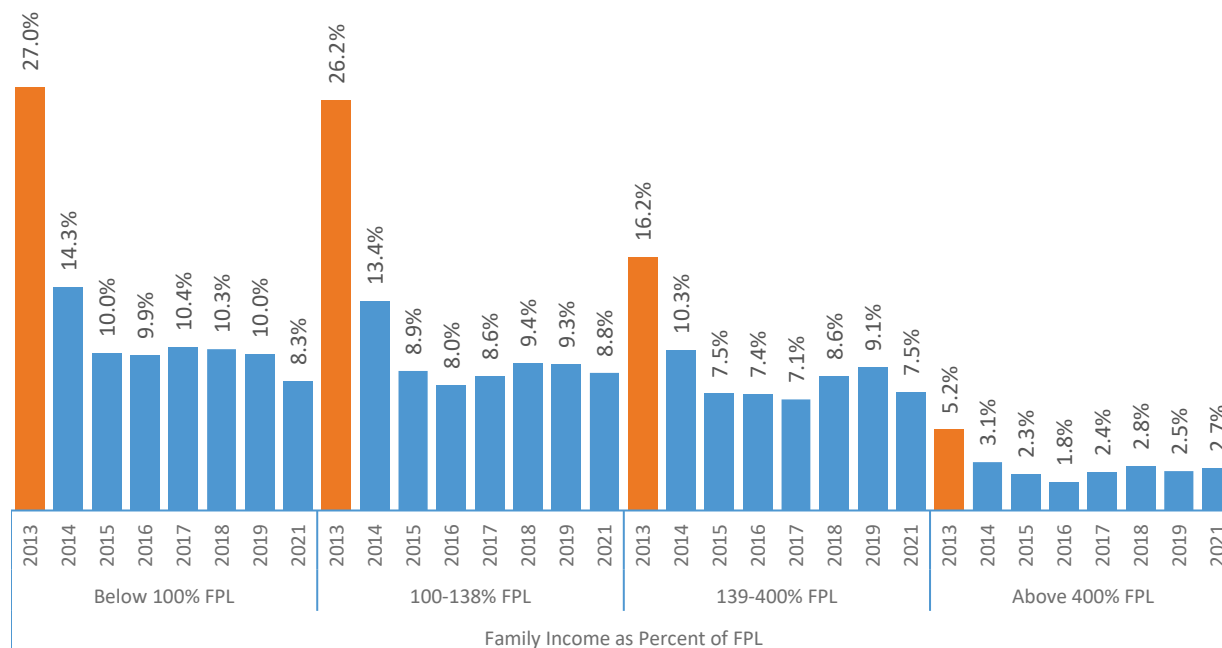
ACA’s coverage expansion programs and the PHE during the pandemic reduced the health coverage disparities between the low-income groups and the middle-income group, although the large gap between the highest income group and the other groups remains.

Both the Medicaid expansion and the QHP under the ACA were aimed to reduce the high uninsured rates among low-income populations. Before these ACA programs were implemented, more than a quarter of the population with income between 0% and 138% of the federal poverty level were uninsured. The next higher income group, between 139% and 400% of the FPL, had a distant lower uninsured rate of 16.2%. The highest income group (greater than 400%

FPL) had the lowest uninsured at 5.2%. All income groups had significant declines in their uninsured rates since 2014. By 2019, the uninsured rates in the two groups below 139% FPL were only slightly higher than the 9.1% uninsured rate of next higher income group (139-400% FPL). These three income groups had another reduction in their uninsured rates from 2019 to 2021 while the uninsured rate in the highest income group increased slightly. The uninsured rate in the lowest income group (below 100% FPL) reached record low (8.3%) in 2021.

The declines in the uninsured rates in income groups at or below 400% FPL during the pandemic were most likely because of PHE. The PHE temporarily halted the Medicaid redetermination rule, which allowed uninterrupted coverage during the pandemic. (Figure 9)

Figure 9. Percentage Uninsured, Family Income As Percent of Federal Poverty Level (FPL), 2013-19, 2021: Washington

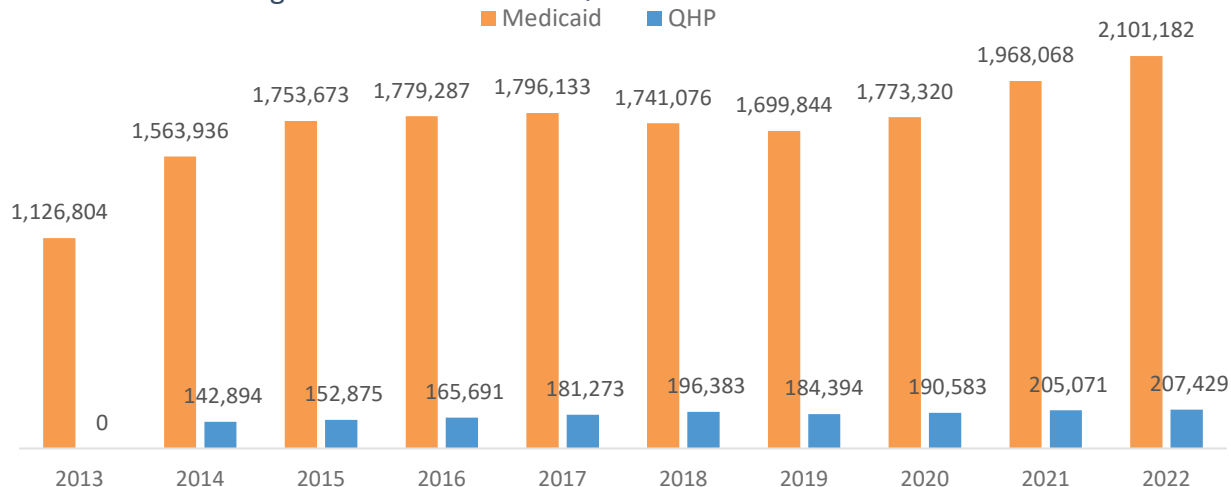


Washington’s uninsured rate is expected to drop again in 2022 due to continued Medicaid growth under the PHE and a lower unemployment rate

The better employment situation and the PHE extension in 2022 provided a favorable condition to further reduce the state’s uninsured rate. With more people gaining employment, more could be eligible for employment-based insurance. The average monthly unemployment rate in Washington

as of October in 2022 is 4%. That is more than one percentage point lower than the 5.3% rate in 2021.⁶ Meanwhile, midyear enrollment reports from Medicaid and QHP show continued growth in both programs from 2021 to 2022. Medicaid enrollment grew by 133,000 and QHP by another 2,400.⁷ The growth in Medicaid enrollment is mostly attributable to the PHE, which remained effective in 2022. Actual estimates for the uninsured in 2022 will be available toward the end of 2023 after the release of the 2022 ACS data files. (Figure 10)

Figure 10. Medicaid and QHP Enrollment in June: 2013-22



Data source

Estimates in this brief, unless noted otherwise, came from the American Community Survey (ACS). The ACS is a population survey of U.S. households conducted by the U.S. Census Bureau. We obtain estimates for the U.S. from the

Census Bureau’s website.⁸ Estimates for Washington from the ACS before 2014 are from staff analysis of the ACS 1-year PUMS files. Estimates for Washington for 2014-19 and 2021 are also from staff analysis of the ACS 1-year PUMS files, but OFM adjusted them for the state’s Medicaid population count.⁹

⁶ Calculation based on Washington State Employment Security Department from <https://www.esd.wa.gov/labormarketinfo/monthly-employment-report>.

⁷ Staff analysis of program administrative data for Washington’s Medicaid and QHP.

⁸ <https://data.census.gov/>

⁹ For more information on the adjustment, see http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount_medicaid.pdf.