

WASHINGTON STATE HEALTH
SERVICES RESEARCH PROJECTHealth Coverage Changes Under the ACA for
Non-elderly Veterans and Spouses of Veterans in
WashingtonResearch Brief No. 82
March 2017Wei Yen
OFM Health Care Research Center**Introduction**

This brief presents health coverage changes under the Patient Protection and Affordable Care Act (ACA) for the population of non-elderly veterans and their spouses in Washington state. Key ACA health coverage provisions, rolled out in 2014, were aimed at increasing coverage of people with low income, including some veterans and their families, through the Medicaid expansion and subsidies for marketplace plans.

- Data from the American Community Survey show that in Washington from 2013 to 2015, veterans and their spouses' health coverage rates increased across all income levels, especially at the lower income levels:
 - Veterans with income between 100 and 137 percent of the FPL, the income level qualifying for ACA's Medicaid expansion, had an uninsured rate of 21.4 percent in 2013. After the Medicaid expansion their uninsured rate fell to 4.9 percent, a reduction of 77 percent. Spouses of veterans also saw significant improvements.
 - Veterans and spouses above the Medicaid expansion qualification level (138%-400% FPL) also saw significant declines in their uninsured rate, dropping from 13.9 percent to 5.5 percent.
- The data further indicate that the Medicaid expansion played a key role in increasing coverage of veterans and their spouses under the ACA:
 - The increase from 1.6 percent to 4.4 percent of veterans covered by Medicaid only accounts for more than 50% of the reduction of uninsured veterans.
 - The increase from 3.3 percent to 9.3 percent of Medicaid-only covered spouses of veterans accounts for more than 80 percent of the reduction of the uninsured spouses.

Nearly 1 million veterans and spouses of veterans live in Washington and over half are under age 65

In 2015, there were 581,034 veterans living in Washington. More than two-thirds (67 percent) of these veterans were living with their non-veteran spouses (Table 1). More than half (58 percent or 334,922) of the veterans are non-elderly persons between ages 19 and 64. For these non-elderly veterans, more than three-fourths (76 percent) were living with non-veteran spouses. Together, the non-elderly veterans and spouses of veterans accounted for approximately 13 percent of Washington's total population between ages 19 and 64.

Table 1. Number of Veterans and Spouses in 2015

	All	Age 19-64	% Age 19-64
Veterans	581,034	334,922	57.6%
Spouses	390,242	253,335	64.9%
Veterans and Spouses	971,276	588,257	60.6%

Uninsured rates declined significantly from 2013 to 2015 across all income groups among non-elderly veterans and spouses; the uninsured rates of veterans in income groups eligible for Medicaid expansion and marketplace plan subsidies shrank by more than 70 percent

In 2013, the year prior the ACA rollout of health coverage provisions for Medicaid expansion and marketplace plan subsidies, Washington's veterans in low income groups had very high uninsured rates. Those living in poverty (under 100% of the federal poverty level or FPL) had an uninsured rate of 20.3 percent (Table 2). Veterans with income between 100 and 137 percent of the FPL, the income level qualifying for ACA's Medicaid expansion, had an uninsured rate of 21.4 percent. Veterans in the income group of 138-400% FPL, the income level qualifying for subsidized marketplace plans through the Exchange, had a lower uninsured rate of 11.4 percent. The overall uninsured rate of the non-elderly veterans in 2013 was 8.3 percent.

Two years later, in 2015, the uninsured rates for all income groups of the veterans declined considerably, but most notably in income groups eligible for the Medicaid expansion and marketplace plan subsidy. In the former group, the uninsured rate dropped from 21.4 percent to 4.9 percent, equivalent to a reduction of 77 percent. In the latter group, the uninsured rate dropped from 11.4 percent to 3.4 percent, equivalent to a reduction of 70 percent. The overall uninsured rate of non-elderly veterans in 2015 was 3.3 percent, among the lowest of any population groups.

Non-elderly spouses of veterans had higher uninsured rates than veterans in 2013 in all income groups. The group eligible for Medicaid expansion (with income of 100-137% of the FPL) had the highest uninsured rate, 32.8 percent. In 2015, the uninsured rates of spouses dropped significantly across all income groups, but continued to be higher than the rates of veterans, except in the group with income below 100 percent of the FPL. In this group, the uninsured rate for spouses was 5.5 percent, compared with 11.4 percent of the veterans. It is also this income group of spouses that had the largest decline of uninsured, dropping from 29.9 percent in 2013 to 5.5 percent in 2015, equivalent to an 82 percent reduction. The overall uninsured rate of the non-elderly spouses in 2015 was 5.2 percent, a decline from 11.8 percent in 2013.

Table 2. Uninsured Rates by Household Income Level in 2013 and 2015, Non-elderly Veterans and Spouses

	Year	Under 100% FPL	100-137% FPL	138-400% FPL	400% FPL and higher	All
		% Uninsured	% Uninsured	% Uninsured	% Uninsured	% Uninsured
Veterans	2013	20.3%	21.4%	11.4%	2.9%	8.3%
	2015	11.4%	4.9%	3.4%	1.9%	3.3%
Spouses	2013	29.9%	32.8%	17.2%	4.8%	11.8%
	2015	5.5%	14.9%	8.2%	2.7%	5.2%
Veterans and Spouses	2013	22.9%	25.9%	13.9%	3.8%	9.6%
	2015	9.9%	8.4%	5.5%	2.3%	4.1%

Medicaid played a key role in increasing health coverage of the non-elderly veterans and spouses from 2013 to 2015 -- growth in Medicaid coverage accounts for more than 50 percent of the reduction in uninsured veterans and more than 80 percent of the reduction in uninsured spouses of veterans

For veterans, the largest coverage changes from 2013 to 2015 are the decline in the uninsured and the growth in the Medicaid coverage. Table 3 shows two non-overlapping coverage sources related to Medicaid: “Medicaid only” and “Medicaid plus another source (excluding privately purchased plans)”. Both sources show a large growth while the other coverage sources, except for “private purchase only”, show slight declines. The 2.8 percentage point growth in “Medicaid only” alone accounts for approximately 55 percent of the 5 percentage point decline in the uninsured.

The same pattern is true for spouses of veterans but with even more pronounced effect of Medicaid. For the spouses, the large changes again occurred in the uninsured and Medicaid coverage. The “Medicaid only” coverage increased from 3.3 percent to 9.3 percent, a net growth of 6.0 percentage points. At the same time, the uninsured rate declined from 11.8 percent to 5.2 percent, a net decline of 6.6 percentage points. These changes suggest that the growth in “Medicaid only” coverage can account for more than 90 percent of the decline in the uninsured spouses. Changes in the other non-Medicaid coverage sources include a modest increase in “private purchase only” source and slight declines in other non-Medicaid coverage sources.

Table 3. Health Coverage Status of Non-elderly Veterans and Spouses in 2013 and 2015

	Year	Uninsured	Medicaid only	Private purchase only	Medicaid + other (excl. private purchase)	Private purchase + Other (excl. Medicaid)	Other Other
Veterans	2013	8.3%	1.6%	2.6%	3.6%	3.9%	80.0%
	2015	3.3%	4.4%	3.1%	7.2%	3.4%	78.7%
Spouses	2013	11.8%	3.3%	7.5%	1.8%	2.8%	72.8%
	2015	5.2%	9.3%	7.9%	3.5%	2.6%	71.5%
Veterans and Spouses	2013	9.8%	2.3%	4.6%	2.9%	3.4%	77.0%
	2015	4.1%	6.5%	5.2%	5.6%	3.1%	75.6%

Data source and notes

The original data source for this research brief is the U.S. Census Bureau’s American Community Survey 1-year Public Use Microdata Sample (ACS 1-year PUMS).¹ In working with the ACS data, OFM analysts uncovered a significant increase of undercount of Medicaid enrollment in the ACS for Washington starting in 2014, the year the ACA first rolled out the Medicaid expansion program. An adjustment was made to the 2014 and 2015 ACS 1-year PUMS weights to account for the undercount of Medicaid. The adjustment resulted in overall lower uninsured rates than the original ACS rates.²

¹ See <http://www.census.gov/programs-surveys/acs/data/pums.html>.

² For a discussion of the rationale and method for the adjustment of the undercount of Washington’s Medicaid population in the 2014 and 2015 ACS, see http://www.ofm.wa.gov/healthcare/healthcoverage/pdf/undercount_medicaid.pdf.