

Children's uninsurance rate held steady recently, while non-elderly adults' rate increased in 2019

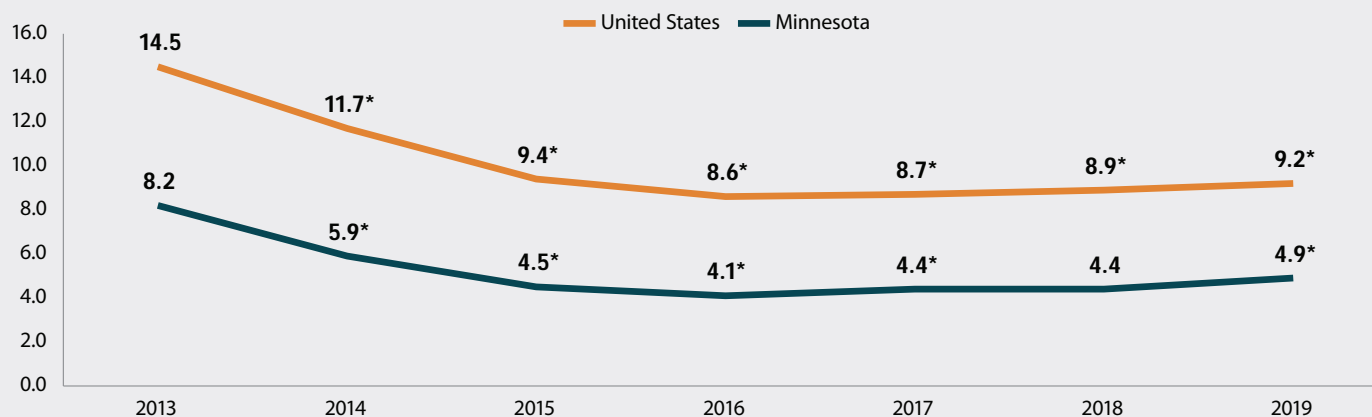
For the third consecutive year, the United States uninsurance rate increased significantly, reaching 9.2 percent in 2019, or roughly 27.9 million people. The uninsurance rate in Minnesota also increased significantly to 4.9 percent in 2019—a total of more than 270,000 people. While those increases are troubling by themselves, uninsurance rates are likely to grow even further in 2020 due to the COVID-19 pandemic and ensuing recession, which triggered historic job losses and could further cause hundreds of thousands of Minnesotans—and tens of millions across the U.S.—to lose coverage.¹

Successes and Reversals in the ACA's Coverage Expansion

Following years of growing U.S. uninsurance rates, the passage of the Affordable Care Act (ACA) in 2010 was designed to expand health insurance coverage to millions of Americans through various reforms, including the expansion of Medicaid eligibility to low-income adults, and the creation of health insurance marketplaces and tax subsidies to make individual market coverage more affordable for people with moderate incomes.

The first year of the ACA's coverage expansion provisions saw historic declines in U.S. uninsurance rates, dropping significantly from 14.5 percent in 2013 to 11.7 percent in 2014 (Figure 1). In the following years of 2015 and 2016, U.S. uninsurance rates declined further still, bottoming out at 8.6 percent in 2016. At the same time, Minnesota's uninsurance rate was cut in half—declining from 8.2 percent in 2013 to 4.1 percent by 2016.

Figure 1. U.S. and Minnesota Uninsurance Rates, 2013-2019

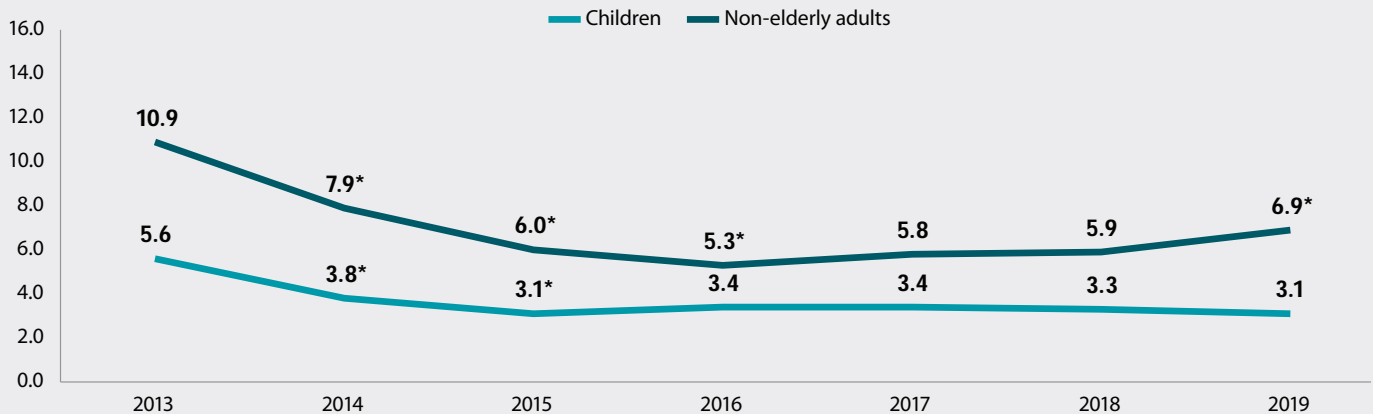


* Statistically significant change in rate from prior year
Source: U.S. Census Bureau American Community Survey (ACS), downloaded from American FactFinder and Data.Census.gov Tables S2701.

Beginning in 2017, however, uninsurance rates began to creep back up. In the U.S., uninsurance rates increased significantly in 2017, 2018 and 2019, when they reached 9.2 percent. Minnesota uninsurance rates also grew significantly in 2017 and 2019, when they reached 4.9 percent.

In Minnesota, the increases in uninsurance appear to be driven primarily by non-elderly adults. The uninsurance rate for adults age 19-64 increased significantly between 2018 and 2019, from 5.9 percent to 6.9 percent—the second-highest recorded rate since implementation of the ACA (Figure 2).² However, the uninsurance rate for children in Minnesota remained statistically unchanged from 2018 to 2019. In fact, the 2019 uninsurance rate of 3.1 percent for Minnesota children was the lowest since implementation of the ACA (tied with the 3.1 percent rate in 2015).

Figure 2. Minnesota Children and Non-elderly Adult Uninsurance Rates, 2013-2019



* Statistically significant change in rate from prior year
Note: Statistical testing from 2016 to 2017 was not possible by age categories because group definitions changed. From 2013 to 2016, children were defined as 0-17; but from 2017 to 2019, children were defined as 0-18
Source: U.S. Census Bureau American Community Survey (ACS), downloaded from American FactFinder and Data.Census.gov Tables S2701

Even with the overall increase in uninsurance, Minnesota continued to have one of the lowest rates in the U.S.—lower than all but four other states (Massachusetts, Rhode Island, Hawaii, and Vermont) and the District of Columbia. The lowest 2019 state uninsurance rate was 3.0 percent in Massachusetts, while the highest was 18.4 percent in Texas.

Generally, states such as Minnesota that have taken up the ACA's option to expand their Medicaid programs tend to have lower uninsurance rates, while states that haven't expanded their Medicaid programs tend to have higher uninsurance rates. For instance, each of the earlier mentioned states with the lowest uninsurance rates (DC, HI, MA, MN, RI, VT) has expanded its Medicaid program, while none of the states with the five highest uninsurance rates (Florida, Georgia, Mississippi, Oklahoma, and Texas) has expanded its Medicaid program.

The Pandemic's Uninsurance Perils

Though definitive estimates of the impact of the pandemic on health insurance coverage won't be available until federal survey data are released in late 2021, it's all but certain that 2020 will show a significant increase in uninsurance rates nationally and in many states. While the share of Americans who get health insurance through an employer has declined over time, employer-sponsored insurance (ESI) remains the backbone of the U.S. health insurance system, with a majority of the U.S. population getting their insurance through ESI (52.0 percent in 2018).³

The historically massive job losses caused by the pandemic and efforts to contain the outbreak are estimated to have caused millions of people to lose their ESI in 2020. Some of those people may regain ESI coverage, through a replacement job or as a dependent on a spouse or parent's plan. Others may obtain individual market coverage through health insurance marketplaces, perhaps with the assistance of ACA premium subsidies.

In Minnesota and other states that took up the ACA's Medicaid expansion provision, many low-income people who have lost ESI will be able to rely on that public insurance program as a safety net. However, Medicaid coverage will not be an option for most adults who lost ESI in the 12 states that have yet to expand their Medicaid programs to childless adults. For that reason, those states that have yet to expand Medicaid may see larger increases in uninsurance as a result of the pandemic.

¹ Golberstein, E., Abraham, J.M., Blewett, L.A., Fried, B., Hest, R., & Lukanen, E. (2020). *Estimates of the Impact of COVID-19 on Disruptions and Potential Loss of Employer-Sponsored Health Insurance (ESI)* [PDF file]. <https://www.shadac.org/publications/COVID-19-MNHealth-Insurance-Model>

² From 2013 to 2016, non-elderly adults were defined as age 18-64, but from 2017 to 2019, they are defined as 19-64, so statistical testing of annual changes in rates wasn't possible for the subcategories of children and non-elderly adults between 2016 and 2017.

³ State Health Compare. Health Insurance Coverage Type: 2008-2018 [Data set]. State Health Access Data Assistance Center. <http://statehealthcompare.shadac.org/trend/11/health-insurance-coverage-type-by-total#0/1/86/1,2,3,4,5,6,7,8,15,24,25/21>