



The Dynamics of Health Insurance Within Families

January 26, 2023

Speakers



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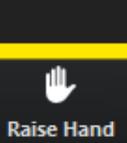
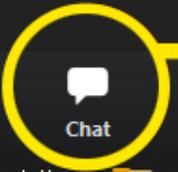
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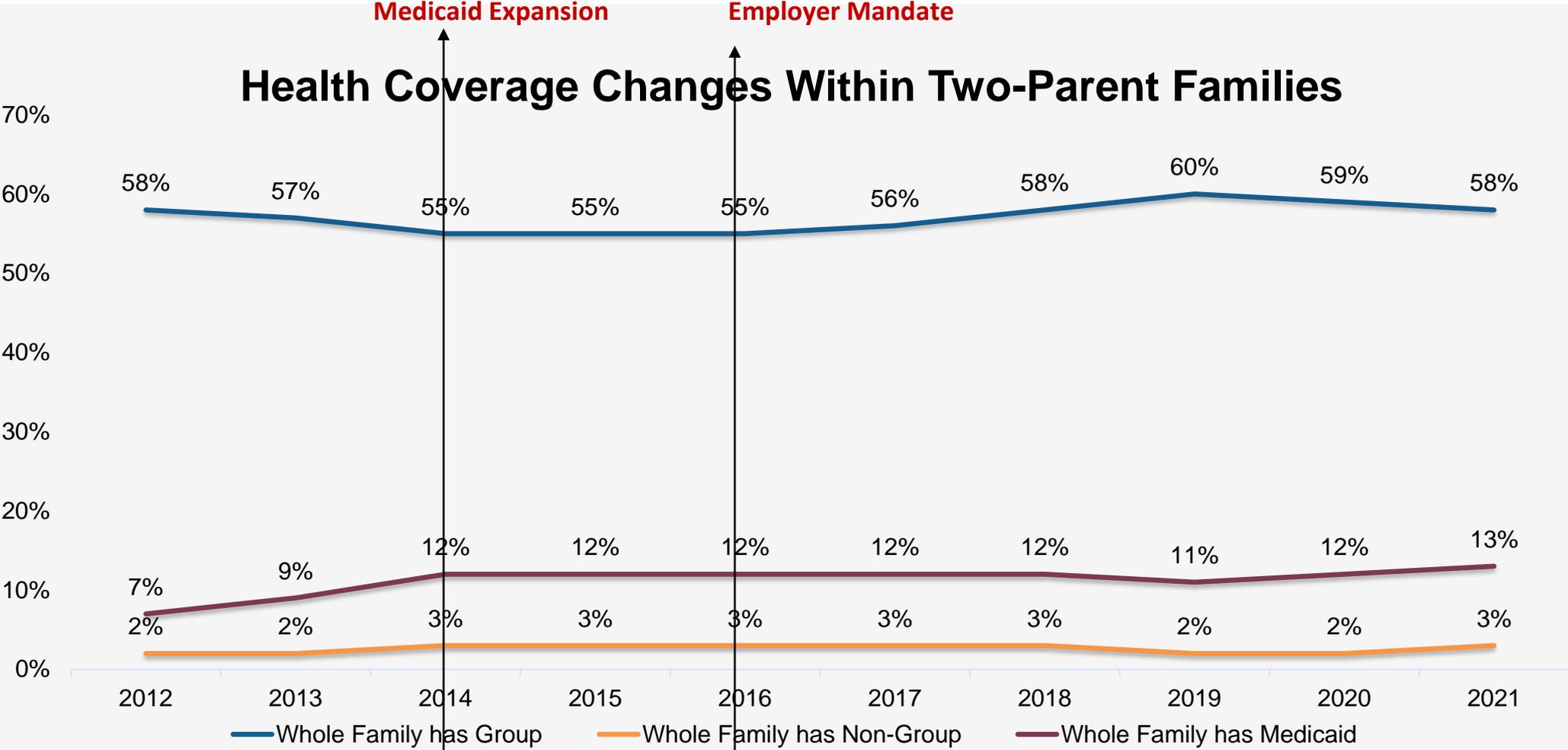
The Dynamics of Health Insurance Within Families

The Dynamics of Health Insurance Within Families: 2012-2021

This study showed:

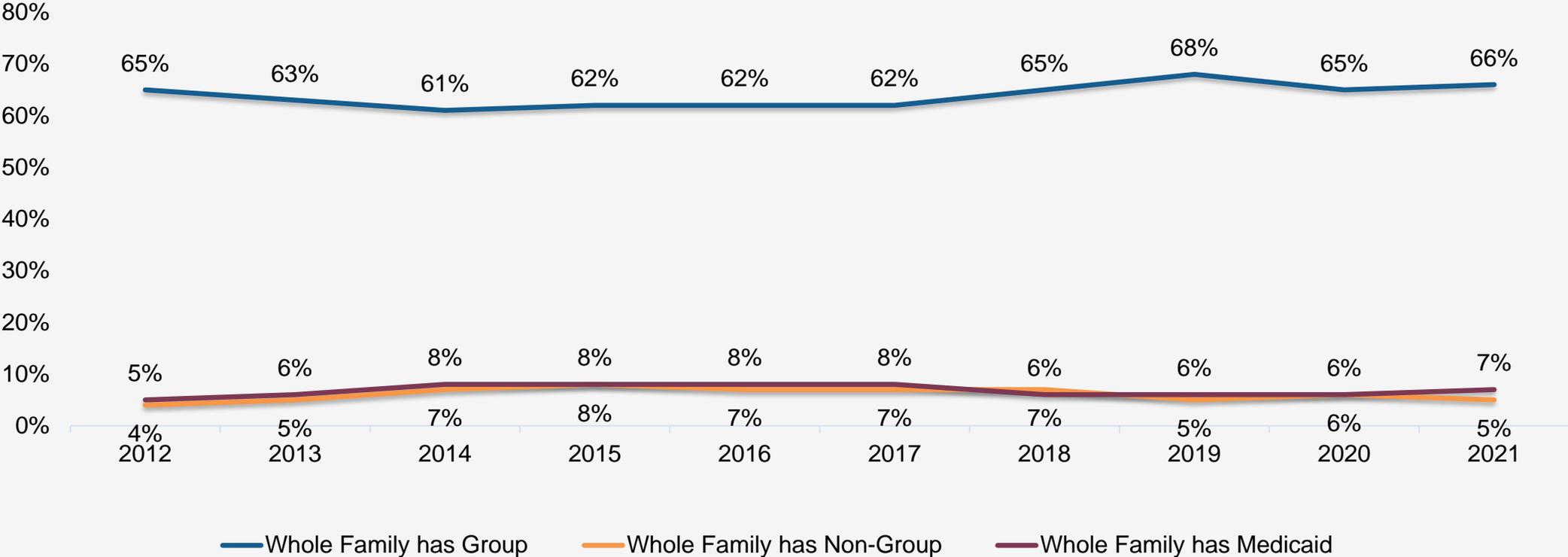
- 1) The ACA reduced differences in health insurance coverage within families by increasing Medicaid and group coverage.
- 2) Mothers are replacing fathers as children's source of group coverage.
- 3) The "family glitch" reduced enrollment in Marketplace exchange plans among women whose partners had group coverage.

After 2014 the share of families with children fully covered by Medicaid increased 50%, and after 2016 the share fully covered by a group policy increased 9%.



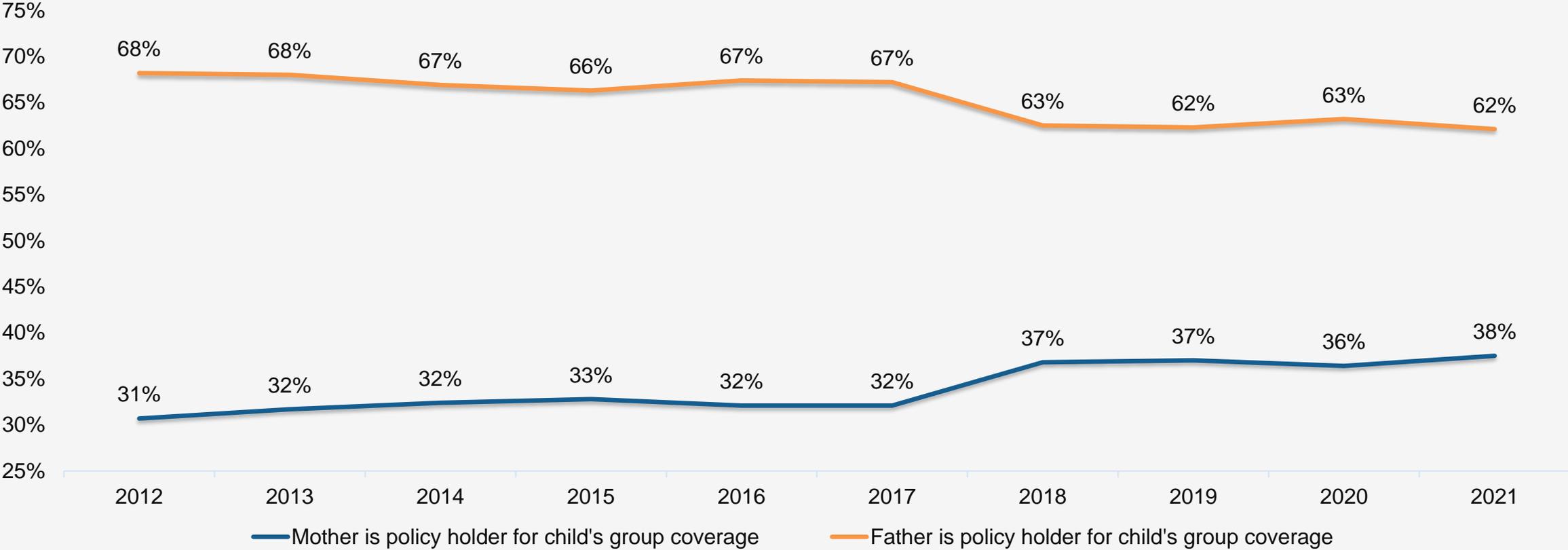
After 2014 the share of families without children fully covered by Medicaid increased 60%, and after 2016 the share fully covered by a group policy increased 6%.

Health Coverage Changes Within Two-Adult Childless Families



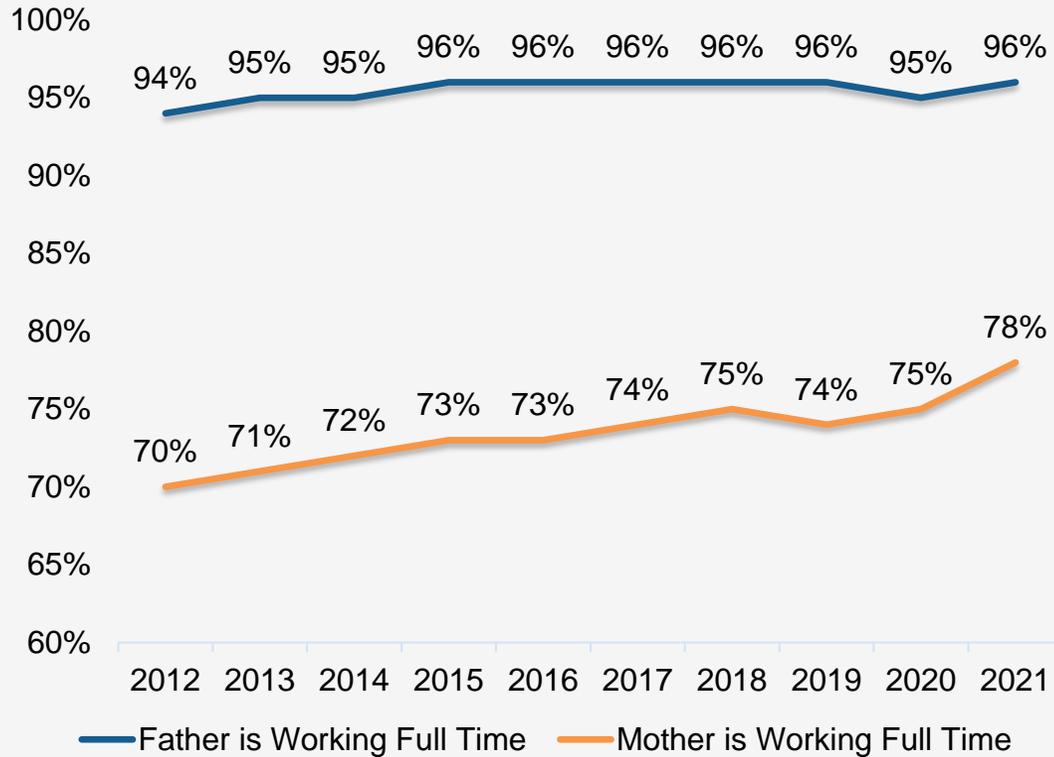
Group policy holding has increased 20% among mothers while falling 10% among fathers.

Group Policyholding Within Two-Parent Families

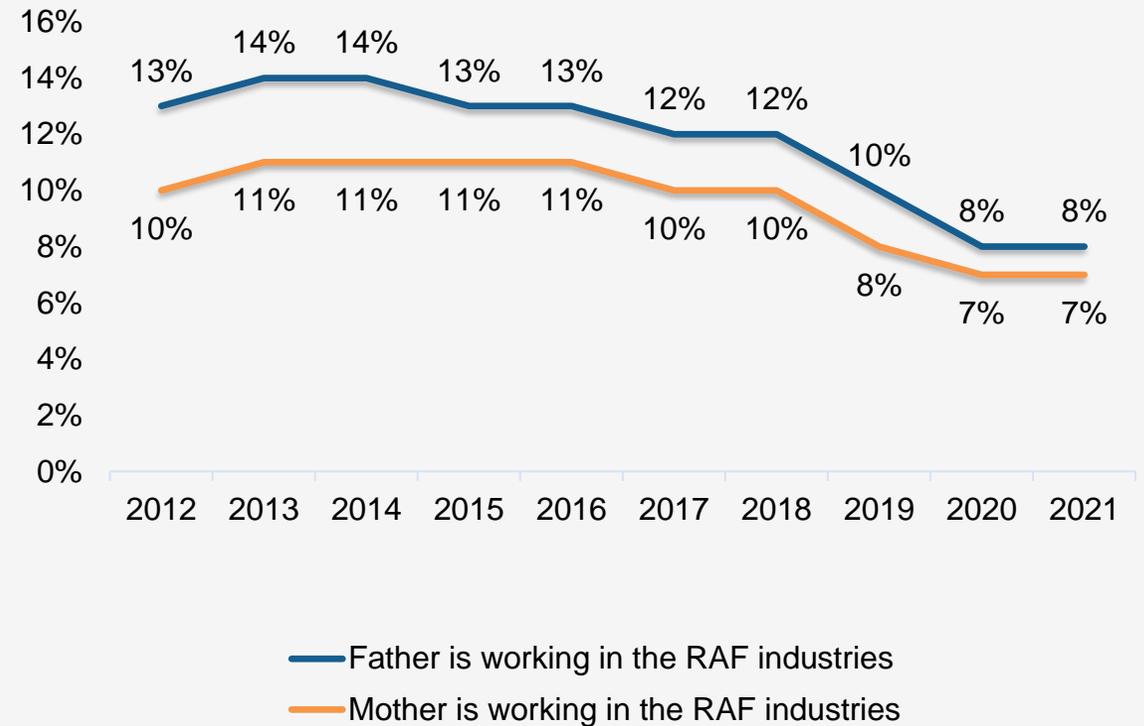


Rising rates of full-time employment and declining rates of employment in retail, accommodation, and food services (RAF) among mothers can explain these trends.

Full Time Employment Rates Among Working Parents



Parental Employment in the RAF Industries

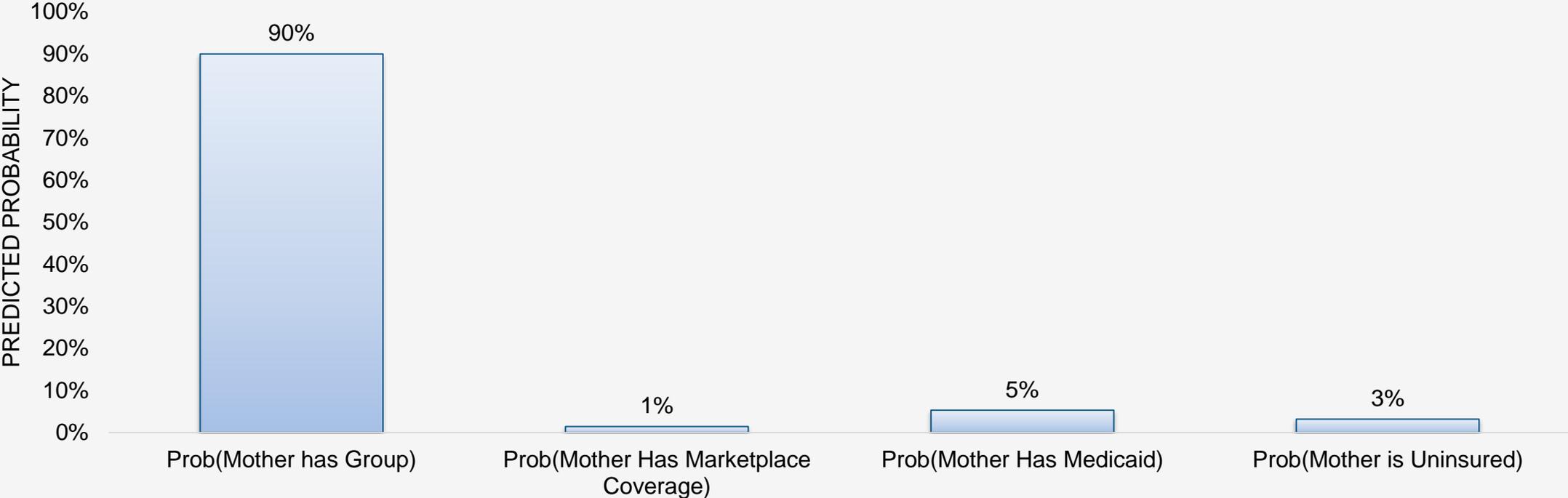


The “Family Glitch”

- The ACA stipulates that Americans with incomes between 100 and 400 percent of the federal poverty level (FPL) are eligible for premium subsidies for Marketplace (non-group) coverage.
- *However*, if an individual has a family member that receives “affordable” **employee-only** coverage from their employer, **THEY ARE INELIGIBLE FOR THE PREMIUM SUBSIDY.**
- Prior to the Oct. 2022 final rule fixing this “family glitch”, it was a financial barrier to Marketplace coverage for family members of those with group coverage.
- How much of a barrier was the glitch?

Mothers whose partner had group coverage were 3x more likely to be uninsured as opposed to have Marketplace exchange coverage.

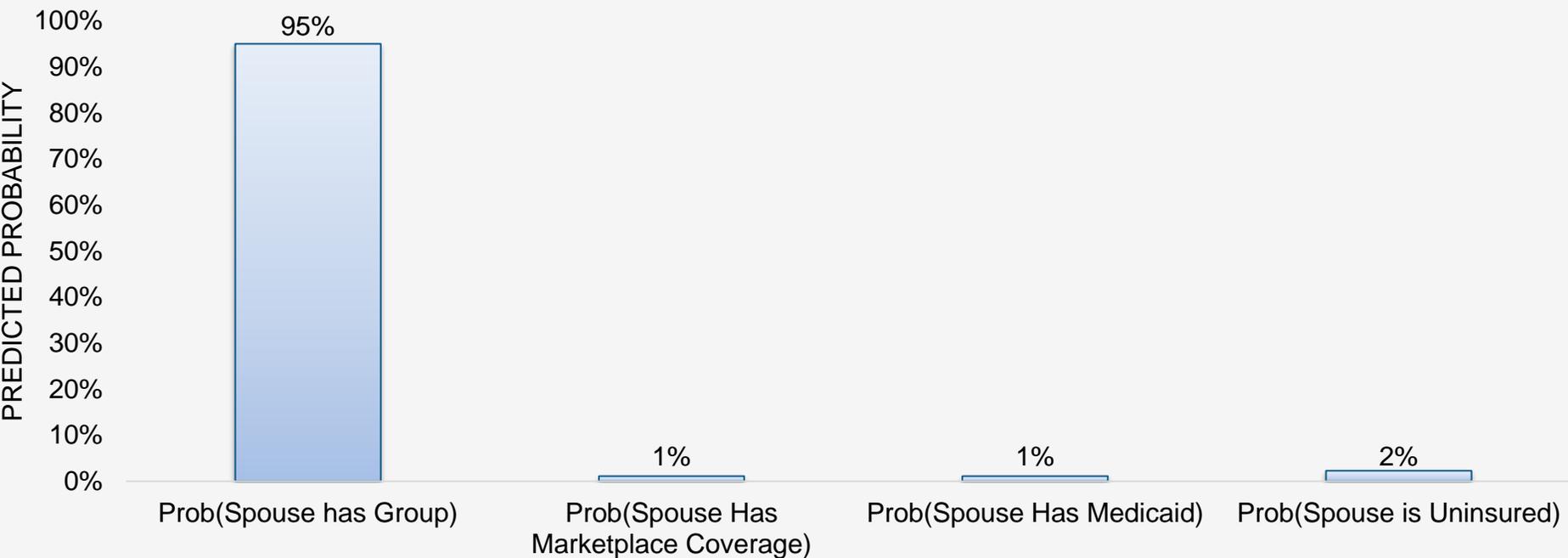
Evidence of the "Family Glitch" in Two Parent Families



Note: Ordinary least squares (OLS) estimates from linear probability model. EBRI analysis of 2020 Annual Socioeconomic Supplement of the Current Population Survey (CPS ASEC) data. Weighted using ASEC family weights.

Childless women whose partner had group coverage were 2x more likely to be uninsured as opposed to have Marketplace exchange coverage.

Evidence of the "Family Glitch" in Two-Adult Families



Note: Ordinary least squares (OLS) estimates from linear probability model. EBRI analysis of 2020 Annual Socioeconomic Supplement of the Current Population Survey (CPS ASEC) data. Weighted using ASEC family weights.

In Summary:

- The ACA led to convergence in health plan coverage, but disparities remain.
- It is an open question as to how or whether the Oct. 2022 “family glitch” fix will affect this variation in health insurance coverage.

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January 26, 2023

Sarah Heard

Director, Legislative and Regulatory Policy



BlueCross
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Association

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

Agenda

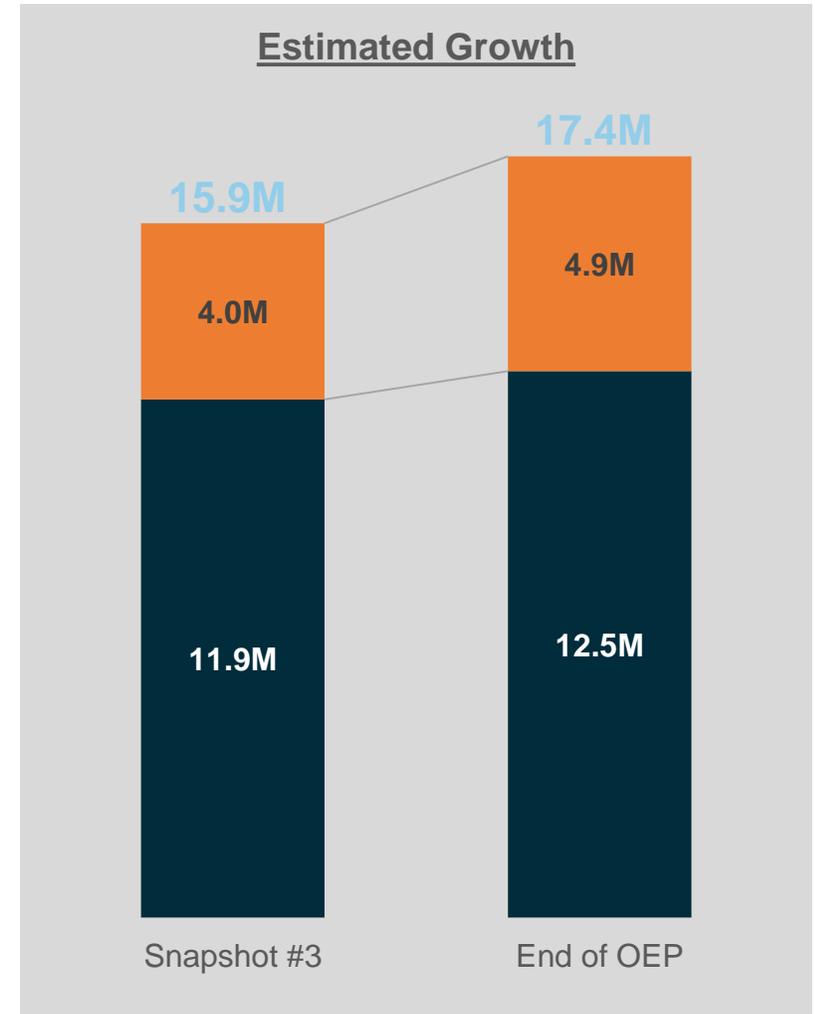
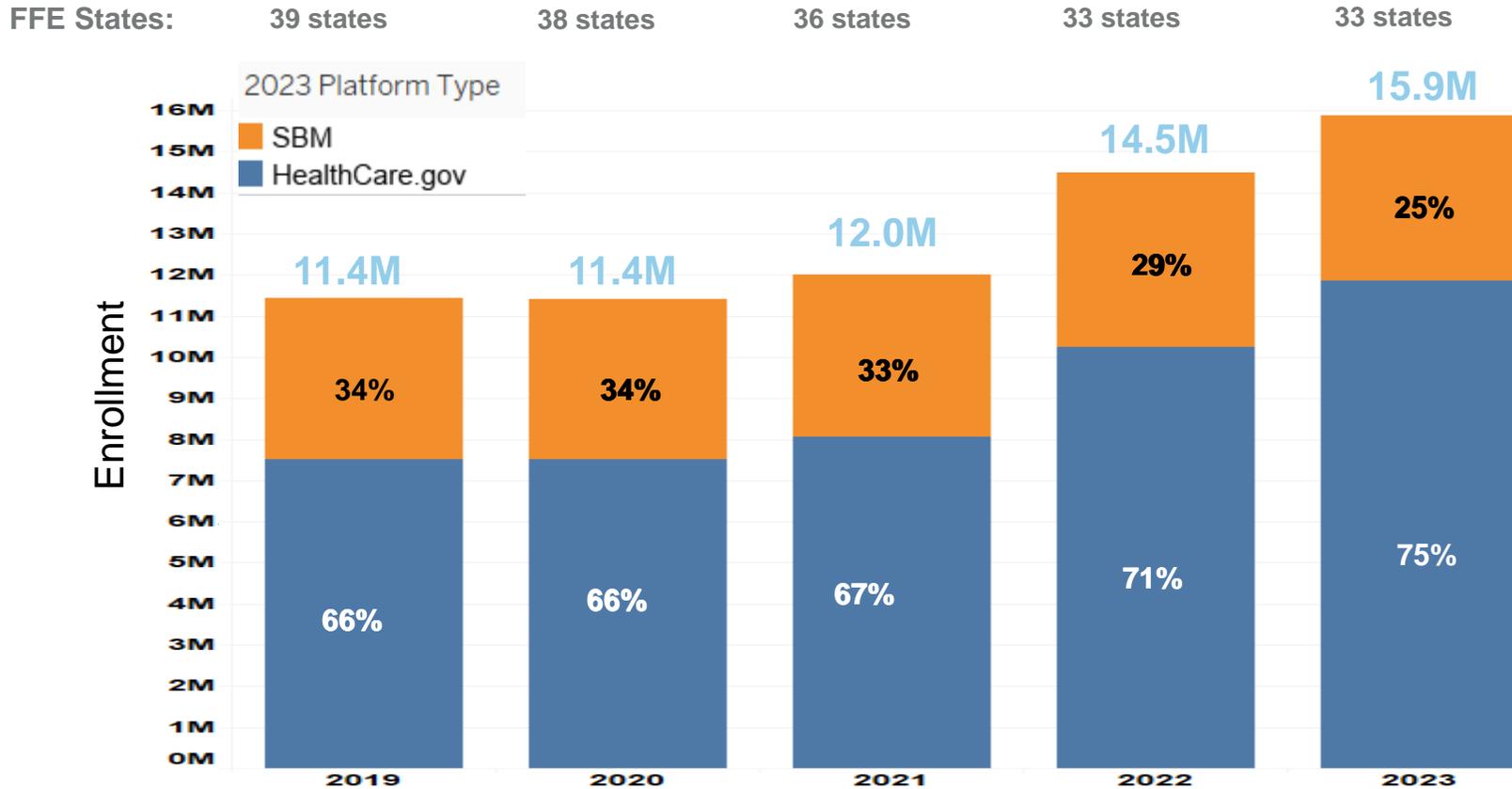
- Family Glitch Fix Implementation
- Open Enrollment for 2023
- Family Glitch Fix Impact on Enrollment

Implementing the Family Glitch Fix

- Healthcare.gov and several state exchanges have built new questions into online applications fixing the family glitch
 - Other state-based exchanges lag due to late finalization of the rule
- Exchanges targeting outreach to consumers deemed potentially newly eligible due to the family glitch fix, but consumer awareness remains low
- Consumers are eligible for a special enrollment period to move from employer-based coverage to Marketplace coverage when they discover their employer coverage is no longer affordable under IRS' new rule

With weeks to go, OEP sign ups already exceeded previous years with more growth expected from SBMs

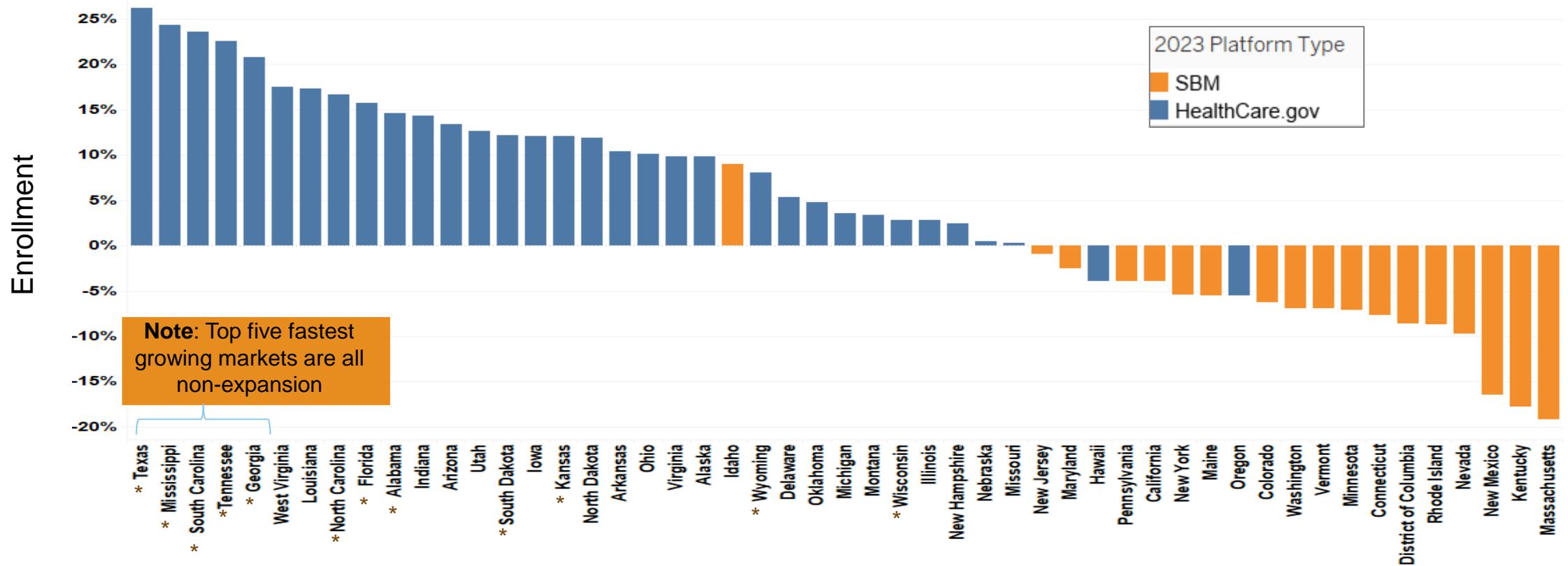
Open Enrollment by Platform, All Markets



Note: 2023 FFE enrollment is through January 7th, 2023 and SBM enrollment is through December 31st, 2022
 2019-2022 enrollment is through January 15th
 All years are represented based off 2023 enrollment platform type

FFM markets have shown sizeable growth with much more enrollment anticipated through SBMs

% Enrollment Growth from Final Enrollment 2022 vs Current 2023
(FFE as of 1/7/23, SBM as of 12/31/22)



*State that has NOT expanded Medicaid

Family Glitch Fix Impact on Enrollment

- Many consumers who are eligible for Marketplace subsidies remain enrolled in employer-based coverage, making it difficult to estimate long-term impact of the fix
 - IRS expects take-up of Marketplace coverage to increase by 1M, roughly 20% of the newly-eligible population, with even smaller impact on the uninsured
- Low-income, healthy families have the strongest financial benefit from the family glitch fix due to the generosity of ACA tax credits relative to bronze premiums
- Employers may be incentivized to stop contributing to dependent coverage or even offering it now that Marketplace coverage is more affordable

DISCUSSION

Upcoming Events

February 7 — Wellness in the Workplace: Findings From the EBRI/Greenwald 2022 Workplace Wellness Survey

May 11 — EBRI Policy Forum

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