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# ACA and Medicaid Expansion Associated with Increased Insurance Coverage for Rural Americans with Disabilities

RTC: Rural  
rtcrural@mso.umt.edu

University of Montana Rural Institute  
*ScholarWorks-Reports@mso.umt.edu*

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## ACA and Medicaid Expansion Associated with Increased Insurance Coverage for Rural Americans with Disabilities

September 2019

### SUMMARY:

- This fact sheet explores insurance rate changes associated with the **Affordable Care Act (ACA)** and Medicaid expansion for rural and urban people with and without disabilities.
- Following the implementation of the **ACA**, rural people with disabilities had the greatest gains in insurance coverage.
- Rural people with disabilities in Medicaid expansion states saw a **10.7% increase in insurance coverage**, compared to a **5.3% increase** for those in non-expansion states.
- The loss of the **ACA** and Medicaid expansion could hurt rural people with disabilities more than their urban counterparts, or those without disabilities.

### The ACA and Medicaid Expansion

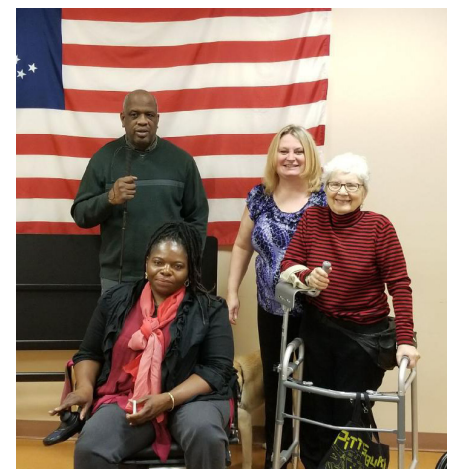
In 2010, the Patient Protection and Affordable Care Act (ACA) was signed into law with the intention of expanding health care coverage to all Americans, regardless of pre-existing conditions or ability to pay. As written, the ACA included insurance marketplace subsidies for those

living below 400% of the poverty level, and mandated Medicaid expansion to individuals with incomes up to 138% of the Federal poverty level. A 2012 Supreme Court ruling struck down the Medicaid mandate, but several states elected to provide Medicaid expansion and receive increased federal match to do so (Rudowitz & Musumeci 2019).

The passage of the ACA and adoption of Medicaid expansion was associated with substantial increases in insurance coverage across the U.S.

(MACPAC 2019). However, we wanted to know how Medicaid expansion impacted people with disabilities, particularly in rural areas.

This fact sheet analyzes microdata from the 2008-2017 American Community Survey. It compares how insurance coverage has changed over time for people with and without disabilities, living in rural and urban areas, in expansion and non-expansion states.

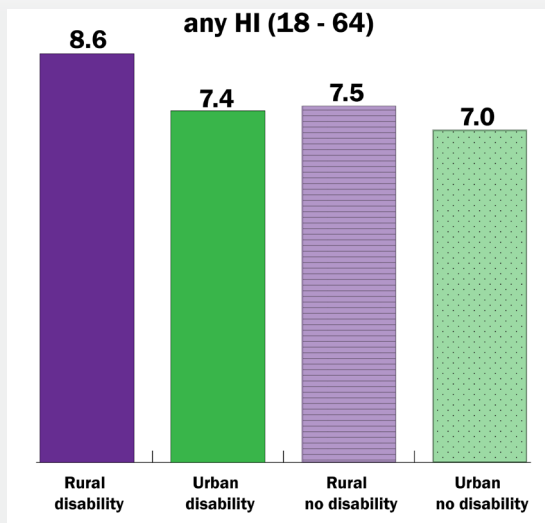


**The passage of the ACA and adoption of Medicaid expansion was associated with increases in insurance coverage across the U.S.**



## The effect of the ACA and Medicaid expansion on people with disabilities in rural areas

Among those 18 to 64 years old, rural people with disabilities were the greatest beneficiaries after ACA policy changes. Figure 1 shows a bar chart comparing the percentage point increase in health insurance coverage for different groups after ACA implementation. Between 2008 and 2017, the share of people with disabilities with health insurance living in rural areas increased by 8.6 percentage points compared to people with disabilities living in urban areas (7.4 percentage point increase). People without disabilities living in rural areas had a 7.5 percentage point increase, and people without disabilities living in urban areas had a 7 percentage point increase.

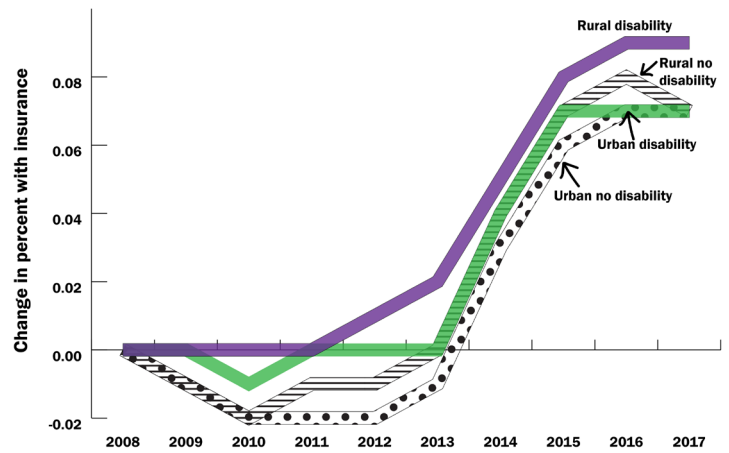


**Figure 1: Percentage point change in health insurance coverage between 2008 and 2017 for those 18 to 64**

Figure 2 shows the change in insurance coverage for different groups over time pre- and post- ACA.

From 2008 to 2010 most groups saw declining rates of insurance coverage. In 2010, when the ACA was signed into law, this trend reversed. Insurance coverage peaked in 2016.

Table 1 shows more complete results for people with and without disabilities in urban and rural



**Figure 2: Change in insurance coverage for urban and rural people with and without disabilities between 2006 and 2017. Source: Analysis of 2008-2017 American Community Survey (ACS) microdata from IPUMS-USA**

areas. It reports the percent of people with insurance coverage before Medicaid expansion (2008-2013) and the percent covered after Medicaid expansion (2015-2017) in expansion and non-expansion states.

Figure 3 shows the percent change in insurance coverage rates over time for people with and without disabilities in expansion and non-expansion states. It also shows the added impact on insurance coverage in Medicaid expansion vs non-expansion states (difference in difference).

Two important findings emerge from Table 1 and Figure 3. First, even in non-expansion states, the ACA was associated with a significant positive impact on the rates of insurance coverage. The increase in insurance coverage in non-expansion states ranged between 5.3 percentage points to 6.9 percentage points. In non-expansion states, the increases were largest for urban people without disabilities.

**Even in non-expansion states, the ACA had a significant positive impact on rates of insurance coverage.**

Second, the changes in insurance coverage in expansion states were much larger and reversed. In expansion states, rates of insurance coverage increased by between 8.6 percentage points and 10.7 percentage points and the largest increase was for rural people with disabilities.

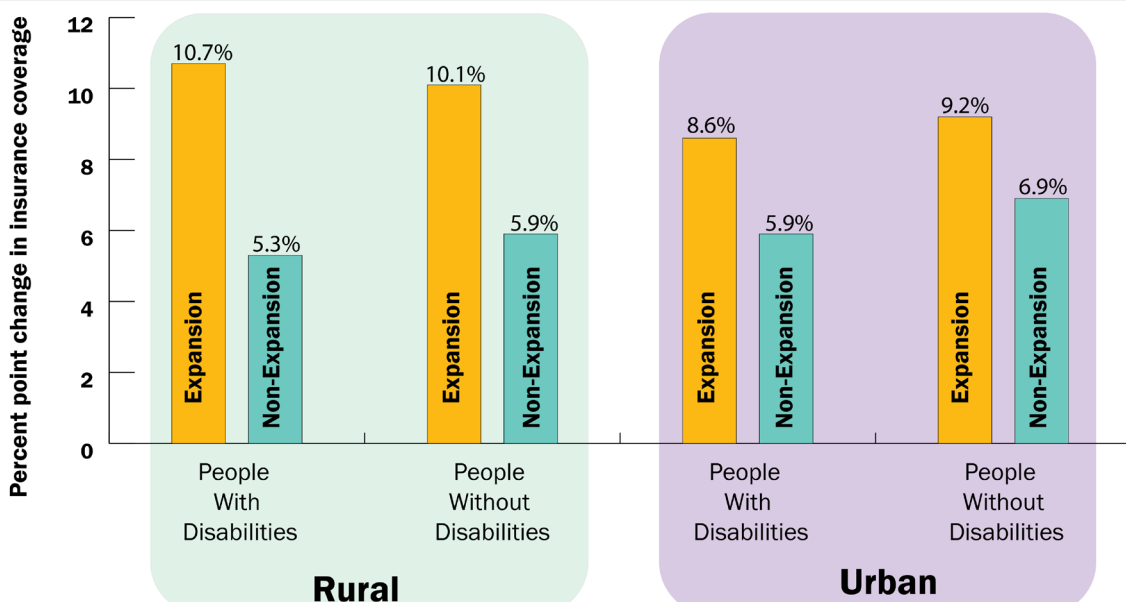
In short, while all groups benefited after the adoption of the ACA, people with disabilities in rural areas were the most impacted by Medicaid expansion.

**People with disabilities in rural areas were the most impacted by Medicaid expansion.**

**Table 1: Percent insurance coverage before and after ACA/Medicaid Expansion for rural and urban people with and without disabilities aged 18 to 64.**

	Percent coverage before ACA/Medicaid Expansion (2008-2013)	Percent coverage after ACA/Medicaid Expansion (2015-2017)
<b>Rural with disabilities</b>		
Expansion	81.9%	92.7%
Non-expansion	77.5%	82.8%
<b>Rural without disabilities</b>		
Expansion	78.8%	88.8%
Non-expansion	74.5%	80.4%
<b>Urban with disabilities</b>		
Expansion	84.3%	92.9%
Non-expansion	78.7%	84.6%
<b>Urban without disabilities</b>		
Expansion	80.8%	90.0%
Non-expansion	75.5%	82.5%

**Figure 3: Difference in health insurance coverage rates for people with and without disabilities in rural and urban areas in expansion and non-expansion states.**



The number of **rural people with disabilities** with health insurance in **expansion** states **increased by 10.7%**.

The number of **rural people with disabilities** with health insurance in **non-expansion** states **increased by 5.3%**.

Difference = 5.4%

The number of **rural people without disabilities** with health insurance in **expansion** states **increased by 10.1%**.

The number of **rural people without disabilities** with health insurance in **non-expansion** states **increased by 5.9%**.

Difference = 4.1%

The number of **urban people with disabilities** with health insurance in **expansion** states **increased by 8.6%**.

The number of **urban people with disabilities** with health insurance in **non-expansion** states **increased by 5.9%**.

Difference = 2.7%

The number of **urban people without disabilities** with health insurance in **expansion** states **increased by 9.2%**.

The number of **urban people without disabilities** with health insurance in **non-expansion** states **increased by 6.9%**.

Difference = 2.3%



## Health insurance matters, particularly for people with disabilities and rural places

The ACA promotes insurance coverage for those who need it most, and many people with disabilities have gained important health coverage after the ACA and Medicaid expansion.

An important provision of the ACA was to prevent insurance coverage restrictions based on pre-existing conditions. Prior to this provision, people with disabilities were at a particular disadvantage in obtaining comprehensive coverage due to insurance discrimination practices. The National Council on Independent Living (NCIL) reported that before the ACA, 13% of insurance applicants with disabilities were denied coverage, and 34% were offered insurance with higher premiums and/or coverage exclusions related to pre-existing conditions (NCIL 2017).

Uninsured people are more likely to delay or forgo health care, ration medications, and skip preventive services due to cost (Garfield, Orgera & Damico 2019). This can present consequences when preventable conditions go undetected, or chronic conditions are mismanaged (NCIL 2017).

Health complications, in turn, present downstream problems, such as barriers to employment. To reinforce this point, a study reported by NCIL found that people with disabilities living in Medicaid expansion states were significantly more likely to be employed relative to non-expansion



states, implying insurance access was a key factor to seeking and gaining employment (NCIL 2017).



The ACA and Medicaid expansion also support important medical infrastructure in rural locations. Medicaid expansion has been associated with

significant improvements in quality indicators among rural community health centers, such as percentage of adults receiving key preventative services, number of visits, and fewer patients who were uninsured (MACPAC 2019).

Medicaid expansion also supports the financial performance of rural hospitals, many of which are at risk of closure (Hinkle 2019, Searing 2018). Rural hospitals provide important health, community, and economic benefits, and closures can

have negative impacts on per capita income and employment (Kacik 2019). Data show that rural hospitals in Medicaid expansion states are faring better than non-expansion states due, in part, to reductions in the number of uninsured adults (Hinkle 2019).

Since its passage in 2010, the ACA has been questioned and litigated to varying degrees of success. In July, 2019, the constitutionality of the ACA came under review in the courts once again. The loss of the ACA could have ramifications for the more than 20 million Americans who have gained access to health insurance since passage of the ACA. What our findings show is that those with the most to lose may be rural people with disabilities.

**The loss of the ACA could have ramifications for the more than 20 million Americans who have gained access to health insurance since the passage of the ACA.**

## Technical Notes

- These results are based on an analysis of 2008-2017 American Community Survey (ACS) microdata obtained from IPUMS-USA. Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas, and Matthew Sobek. *IPUMS USA: Version 9.0 [dataset]*. Minneapolis, MN: IPUMS, 2019. <https://doi.org/10.18128/D010.V9.0>
- For the data presented in Table 1 and Figure 3, we restrict our analysis to include people ages 18-64 who lived in states that expanded Medicaid in 2014 (initial expansion states) or who lived in states that had not expanded as of 2017.
- Initial expansion states include: AZ, AR, CA, CO, CT, DE, DC, HI, IL, IA, KY, MD, MA, MI, MN, NV, NJ, NM, NY, ND, OH, OR, RI, VT, WA, and WV. Non-expansion states include: AL, FL, GA, ID, KS, ME, MS, MO, NE, NC, OK, SC, SD, TN, TX, UT, VA, WI, WY.
- We exclude 2014 (the transition year) from the Medicaid expansion differences-in-differences.
- Estimates obtained from STATA 13.1 and use individual weights. More sophisticated differences-in-differences analyses that include state fixed effects and demographic and economic controls yield similar results.

## Disability Questions and the American Community Survey

The ACS does not directly measure disability. Instead, it uses questions related to functional impairment to identify individuals who may experience a disability.

The ACS asks six questions about if the respondent has:

1. Serious difficulty hearing or is deaf;
2. Serious difficulty seeing or is blind;
3. Difficulty concentrating, remembering or making decisions because of a physical, mental or emotional problem;
4. Serious difficulty walking or climbing stairs;
5. Difficulty bathing or dressing;
6. Difficulty doing errands alone because of a physical, mental or emotional problem.

Respondents who say “yes” to any one of these questions are identified as having a disability.



## Defining Rural

This fact sheet uses the Office of Management and Budgeting (OMB, 2015) classifications to group counties as metropolitan (urban) and nonmetropolitan (rural).

**Metropolitan counties** include at least one urban core of 50,000 or more people.

**Nonmetropolitan counties** can be further split into two categories:

- **Micropolitan counties** include an urban core of 10,000 to 50,000 people.
- **Non-core counties** are counties with an urban core population of less than 10,000 people.

Data for this fact sheet include a subset of U.S. counties due to access restrictions related to Public Use Micro Area (PUMA) data. To protect individual confidentiality, the smallest geographic unit of a PUMA is 100,000 people. For this reason, PUMAs often contain both metropolitan and nonmetropolitan counties. We exclude individuals who cannot be identified as residing in a metropolitan or nonmetropolitan area because their PUMA contains both types of counties.

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## Photos

Unless otherwise noted, all photos are from our Healthy Community Living project ([www.HealthyCommunityLiving.org](http://www.HealthyCommunityLiving.org)) under which people from around the country have sent in photos of "Real People, Real Places" that have to do with living with disability in America.

## Suggested Citation

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**Research and Training Center**  
on Disability in Rural Communities

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## For Additional Information

### Research and Training Center on Disability in Rural Communities

The University of Montana Rural Institute for Inclusive Communities

35 N. Corbin Hall, Missoula, MT 59812-7056

(888) 268-2743 or (800) 732-0323

[rtc rural@mso.umt.edu](mailto:rtc rural@mso.umt.edu) | [rtc.ruralinstitute.umt.edu](http://rtc.ruralinstitute.umt.edu)

Prepared by: Bryce Ward, Catherine Ipsen, Lillie Greiman, and Lauren Smith.

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