The Health Status of New Medicaid Enrollees Under Health Reform

Timely Analysis of Immediate Health Policy Issues
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Summary

According to the Congressional Budget Office, the Affordable Care Act (ACA) will result in 16 million new Medicaid enrollees. A large number of these new enrollees will be childless adults. A key questions is whether the new population covered under Medicaid will have serious physical and mental health problems and a large number of chronic conditions and thus be relatively expensive, or whether they will be younger and healthier, and therefore less expensive that those currently being served in Medicaid.

In this paper we use the Medical Expenditure Panel Survey (MEPS) to provide a detailed look at the demographic and health characteristics of the population who will be eligible for Medicaid under reform. We find that both currently uninsured and privately insured adults with incomes below 138 percent of the federal poverty level (FPL) are healthier on average relative to both the nondisabled and the disabled adults who are currently enrolled in Medicaid—they are less likely to be in fair or poor general health and in fair or poor mental health, more likely to have two or more chronic conditions, and more likely to be limited in their ability to work. We find that a large number of adults in this income group who are in poor health or who have chronic health problems are already covered by Medicare and/or Medicaid through the Supplemental Security Income (SSI) program or another disability pathway, many being dual eligibles. Results from our microsimulation model indicate that the adults who enroll in Medicaid under reform are likely to be more expensive to cover than those who remain uninsured but still not likely to be as expensive as those currently enrolled in Medicaid.

The answer to whether these new enrollees will be healthier or sicker depends in large part on the level of Medicaid participation rates under reform. Because of adverse selection, it is highly likely that those with more serious health problems will be the first to enroll. Thus, if the program has relatively low participation rates, the risk of adverse selection is higher, making it likely that the enrolled population will be more expensive. If participation rates are extremely high, the new enrollees are likely to look like the underlying population of low-income uninsured and privately insured childless adults and parents.

We conclude that on balance, new Medicaid enrollees, particularly after the initial start-up period, are not likely to be markedly different from the non-disabled currently on Medicaid since the new enrollees will be drawn from a population that is healthier than the adults currently covered by Medicaid. The higher the Medicaid participation rate among the eligible population of adults and the less adverse selection that occurs, the lower the average costs will be under reform, and the broader the mix of new enrollees will be in terms of health status. This does not mean that the new population covered by Medicaid will be uniformly in good health since there are still relatively high percentages in fair or poor health and with two or more chronic conditions within the underlying population. But on average, those newly covered are likely to be healthier and less costly than those who are currently enrolled.

Introduction

A key component of the Affordable Care Act (ACA) is a large expansion of coverage for low-income adults in Medicaid. The ACA requires states to cover adults who meet the immigration requirements with gross incomes up to 138 percent of the federal poverty level (FPL).[1] The Congressional Budget Office (CBO) estimates that this requirement will bring in 16 million new enrollees, including both children and nonelderly adults (Congressional Budget Office 2010). A recent analysis by the Urban Institute suggests that the number would be even higher if enrollment and outreach efforts are successful at raising take-up in Medicaid under reform (Holahan and Headen 2010).

An important question is whether these newly enrolled individuals will be in worse health or have more chronic conditions than current Medicaid

enrollees and thus present greater challenges for states. Alternatively, will the new enrollees be relatively healthy compared with individuals states are already covering? Unfortunately, one cannot take data from current programs, such as Section 1115 waiver programs or State General Assistance programs, and necessarily extrapolate the average cost per enrollee to estimate the potential risk to states from the Medicaid expansion since these programs are likely to have relatively low participation rates and considerable adverse selection. To the extent that health reform results in much higher participation rates, it will result in a group of enrollees with a broader risk profile and less adverse selection than has been found in current programs. Thus, to gain insights about the likely health profile of the new populations that will be covered by Medicaid under reform, we need to look at the population from which the new enrollees will be drawn. In this brief, we examine the health status and related characteristics of adults, both parents and childless adults, with incomes below 138 percent FPL to gain insights into this question. We examine parents and childless adults separately because parents are much more likely than childless adults to have Medicaid coverage under current eligibility rules.

We first present data on the demographic and economic characteristics of adults in this income group according to their parent and insurance status. We then examine the health characteristics of the childless adults and parents according to their insurance status. While we cannot predict with certainty which adults will enroll in Medicaid under reform, we anticipate that they will include a mix of adults in terms of their prior insurance status and whether they are already eligible for Medicaid. We assume that many who are already eligible will enroll under reform because of the spillover effects of the mandate (which does not apply directly to adults in this income group) and other aspects of reform and because of advocacy and enrollment efforts that will be launched to cover as many low-income people as possible. We assume that the expansion will bring in mostly uninsured individuals, but that some of those with private coverage will switch to Medicaid. In the last section of the brief, we present results from our Health Insurance Policy Simulation Model (HIPSM), which projects take-up under health reform, to examine the extent of adverse selection that is likely to take place, and results from analysis of administrative data to examine average costs for enrollees currently covered by Medicaid.

We conclude that on average, those newly covered are likely to be healthier and less costly than those who are currently enrolled. The higher the Medicaid participation rate among the eligible population of adults and the less adverse selection that occurs, the lower the average costs will be under reform, and the broader the mix of new enrollees will be in terms of health status.

Data and Methods

Our primary analysis is based on estimates from the Medical Expenditure Panel Survey Household Component (MEPS-HC), a nationally representative household survey of the civilian non-institutionalized population. We use data from two years of the survey (2005–2006) to increase the sample size and the stability of our estimates. The weights have been adjusted to reflect the size of the U.S. population in 2006. Our sample is limited to adults between the ages of 19 and 64 with annual gross household income below 138 percent of the FPL, which approximates the net income standard of 133 percent of the FPL. Household income is based on an individual's health insurance eligibility unit, the unit used to determine eligibility for public health insurance. Adults in the sample are classified as parents if they are identified on the survey as being the biological, adoptive, or stepparent of a dependent child living in the same household.[2] All other adults are classified as childless adults.

Health insurance status is based on the type of coverage the respondent reported having in December of the survey year. We classify insurance type based on a hierarchy with the following categories: Medicaid (nondisabled), Medicaid (only those receiving SSI and/or dually eligible for Medicare), private (including military/Tricare coverage), Medicare or other public (state programs and Medicare beneficiaries not enrolled in Medicaid), and uninsured. Demographic characteristics are those reported in the year of the survey.

All questions on health status and the presence of specific conditions are self-reported. We create indicators for whether a respondent reported having chronic mental illness, any chronic condition affecting physical health,[3] or both, and an indicator for whether the respondent reported an alcohol- or substance-related disorder (substance abuse). Respondents who report being current smokers are also identified. We also examine responses to questions about respondents' risk-taking behavior and beliefs about the cost of and need for health insurance and medical care. The share that responded that they somewhat or strongly agree with the given statement is reported in the tables.

All standard errors were adjusted using Taylor linearization to take into account the complex sampling techniques used by the MEPS. Significance tests were conducted between nondisabled Medicaid enrollees and other insurance types using an adjusted Wald test with a p-value of less than 0.05.

To examine the issue of adverse selection, that is, the likelihood that those new eligibles who choose to enroll in Medicaid will be in worse health than those who remain uninsured, we rely on the HIPSM model—a detailed microsimulation model of the U.S. health system. The model simulates decisions of employers, families, and individuals to offer or enroll in health insurance coverage. For this paper, the model allows us to examine health characteristics and projected expenditures for new eligibles who enroll in Medicaid compared with new eligibles who remain uninsured or keep employer-sponsored insurance. The model considers various factors in individuals' choices to enroll

in Medicaid, including expected benefits (which depend in part on the individual's health status), out-of-pocket costs without insurance, and the value placed on health insurance. We compare the projected health status distribution and spending level of the uninsured and privately insured adults with incomes below 138 percent FPL who are projected to enroll in Medicaid to those projected to remain uninsured. Finally, we use data from the 2007 Medicaid Statistical Information System (MSIS) on average costs per enrollee by eligibility pathway to understand current differences in spending between traditional enrollment and Section 1115 waiver programs, the latter in many ways being similar to the newly eligible.

Demographic and Socioeconomic Characteristics

Figure 1 shows that about half of childless adults under 138 percent of the FPL are uninsured at a point in time.[4] About 8 percent currently are covered under Medicaid as nondisabled adults. Another 12 percent are enrolled in Medicaid through SSI or are dual eligibles, and 5 percent are enrolled in Medicare because of disabilities. Finally, 26 percent have private coverage. In contrast, parents with incomes below 138 percent of the FPL are more likely to currently have Medicaid coverage as nondisabled adults. Parents currently covered by Medicaid in this category account for 29 percent of the parent population with income below 138 percent of the FPL, and another 22 percent have private coverage. About 5 percent are on Medicaid through SSI/dual-eligibility or on Medicare because of disabilities. The remaining 44 percent are uninsured.
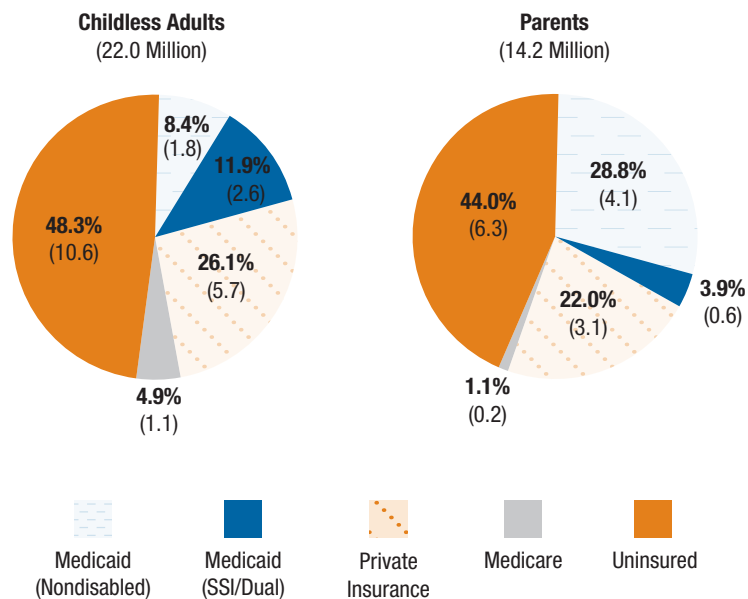
Childless Adults. Appendix table 1 highlights differences in the demographic characteristics of childless adults with incomes below 138 percent of the FPL across type of insurance. We focus on differences between current Medicaid enrollees (defined

as nondisabled Medicaid enrollees, unless otherwise noted) and those with a different insurance status. There are several findings of note. A large percentage (48 percent) of those on Medicaid through disability are age 50 to 64. In contrast, nondisabled childless adults who are currently on Medicaid through other pathways, as well as the uninsured, are relatively young. The uninsured, however, are considerably more likely (58 percent compared with 44 percent) to be between age 19 and 34, and as a result, are more likely to be healthy. The same is true of low-income childless adults with private coverage. About 60 percent of childless adults currently on Medicaid are females. In contrast, 60 percent of uninsured childless adults in this income group are males. Those currently on Medicaid are distributed fairly evenly among geographic regions, with the Northeast and the West having slightly more enrollment. However, the share of low-income childless adults on Medicaid in the South is less than their share of the population, and a high share (43 percent) of the uninsured are in the South.

Among childless adults in this income group, 51 percent of those currently on Medicaid have incomes below 50 percent of the FPL versus 45 percent for the uninsured. The uninsured are somewhat better off; over 29 percent have incomes between a 100 and 138 percent of the FPL, compared with 16 percent of the nondisabled Medicaid population. Those with private insurance are even more likely to have incomes above 100 percent of the FPL (37 percent versus 16 percent). Consistent with the income differences, uninsured, low-income childless adults are much more likely to be employed; only 34 percent of the uninsured versus 58 percent of the Medicaid nondisabled live in households with no workers. Similarly, those with private insurance are even less likely to not have a worker in the household.

Parents. A somewhat similar picture is seen for low-income parents in table 2 (see appendix). Over 60 percent of those on Medicaid are young, between the ages of 19 and 34; 54 percent of uninsured parents are also young. In

Figure 1. Insurance Distribution of Childless Adults and Parents (19–64) with Gross Household Income Less than 138% FPL, 2005–2006

Childless Adults (22.0 Million)
- 8.4% (1.8)
- 11.9% (2.6)
- 48.3% (10.6)
- 26.1% (5.7)
- 4.9% (1.1)

Parents (14.2 Million)
- 28.8% (4.1)
- 44.0% (6.3)
- 3.9% (0.6)
- 22.0% (3.1)
- 1.1% (0.2)

Legend: Medicaid (Nondisabled) | Medicaid (SSI/Dual) | Private Insurance | Medicare | Uninsured

Source: Medical Expenditure Panel Survey, 2005-2006

contrast to childless adults, only a small share of low-income parents are more than 50 years old. Those low-income parents currently on Medicaid are largely female (84 percent); uninsured parents are disproportionately female as well. Parents currently on Medicaid are spread geographically, though as with childless adults, the share of low-income parents in the South who are currently on Medicaid is smaller than their share of the population. The direct result is that over half of uninsured parents live in the South.

Parents currently on Medicaid tend to be poorer than uninsured parents. For example, 39 percent have incomes below 50 percent of the FPL versus 25 percent of the uninsured. Only 21 percent of parents on Medicaid have incomes above 100 percent of the FPL, compared with 34 percent of the uninsured. Consistent with the findings on income, the uninsured are much more likely to be employed. Those with private insurance are even more likely to be employed. For example, 53 percent of the uninsured have a full-time, full-year worker in the household, versus 29 percent of Medicaid enrollees. Seventy-three percent of those with private coverage have a full-time, full-year worker in the household.

Health Characteristics

In the next section, we examine patterns with respect to several health status measures. The first group of health status measures includes the percentage in fair and poor health, for both general and mental health, the presence of at least one chronic condition, two or more chronic conditions, work limitations, and reported substance abuse. The second group shows a range of health behaviors and attitudes. These include whether one is a current smoker, the likelihood of taking risks, and attitudes toward health insurance. The third group lists the most common chronic conditions this population faces, including asthma, diabetes, endocrine disorders,[5] hypertension,

musculoskeletal disorders,[6] nervous system disorders, and respiratory problems. The final panel indicates normal pregnancy and delivery and pregnancy-related disorders. The findings are presented in the appendix tables, with key findings highlighted in figures 2–9. The data show that the sickest populations are already covered either through Medicare or Medicaid, particularly those covered under Medicaid through a disability pathway. Over three-quarters of those covered under Medicaid through a disability pathway are also enrolled in Medicare as dual-eligibles (data not shown).

Childless Adults. Over half (51 percent) of low-income childless adults with only Medicare coverage are in fair or poor health, as are 56 percent of those on Medicaid through disability (figure 2). Of nondisabled childless adults currently on Medicaid, 33 percent are in fair or poor health. Among potential new enrollees under Medicaid, 18

percent of the uninsured are in fair or poor health, while 12 percent of those with private coverage are in fair or poor health; thus, both groups are significantly healthier than those now on Medicaid.

The same results are seen for mental health (figure 3). High proportions of childless adults on Medicare only (35 percent) and disabled enrollees covered under Medicaid (45 percent) are in fair or poor mental health. In contrast, among childless adults on Medicaid who are not disabled, 22 percent report fair or poor mental health and just 13 percent of the uninsured and 8 percent of those with private coverage report fair or poor mental health.

The majority (71 percent) of disabled childless adults on Medicaid and 59 percent of childless adults on Medicare only report two or more chronic conditions (figure 4). Of nondisabled childless adults currently on Medicaid,

Figure 2. Health Status and Expenditures for Childless Adults (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

General Health: % in Fair/Poor Health
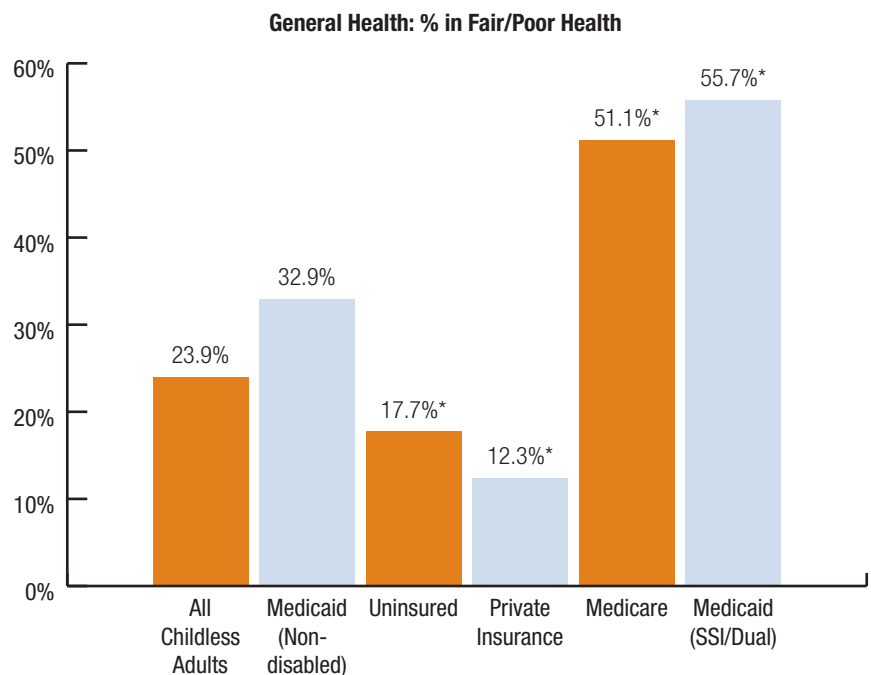
Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

44 percent report two or more chronic conditions. In contrast, only 18 percent of the uninsured report two or more chronic conditions while 28 percent of those with private coverage report two or more chronic conditions.

Finally, we looked at limitations or inability to work (figure 5). Large majorities of childless adults with Medicare only (70 percent) and the disabled enrolled in Medicaid (86 percent) report work-related limitations or an inability to work entirely. Of those on Medicaid without disability, 37 percent report such limitations. In contrast, 15 percent of the uninsured and 13 percent of those privately covered report work-related limitations.

Table 3 shows that these findings are borne out when we look at other conditions. Compared with those now on Medicaid, childless adults who are currently uninsured or have private coverage are less likely to have any physical chronic conditions listed in table 3 (except the privately insured with respiratory problems) and much less likely to be pregnant or have a pregnancy-related disorder. Interestingly, uninsured childless adults report being much more likely than nondisabled Medicaid enrollees to take risks, to not believe they need health insurance, to believe health insurance is not worth the cost, and to believe that they can overcome illness without medical help.

Parents. When we examine parents with gross incomes below 138 percent of the FPL, we find similar patterns to those described above for childless adults. The low-income parents who are privately insured or uninsured are less likely to be in fair or poor physical and mental health compared with the parents currently enrolled in Medicaid, though the differences tend to not be as large as with childless adults (figures 6 and 7). Parents who have private coverage are almost as likely as those nondisabled on Medicaid to report that they have two or more chronic conditions (figure 8). However, uninsured parents are about half as likely as those nondisabled

Figure 3. Health Status and Expenditures for Childless Adults (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

Mental Health: % in Fair/Poor Health
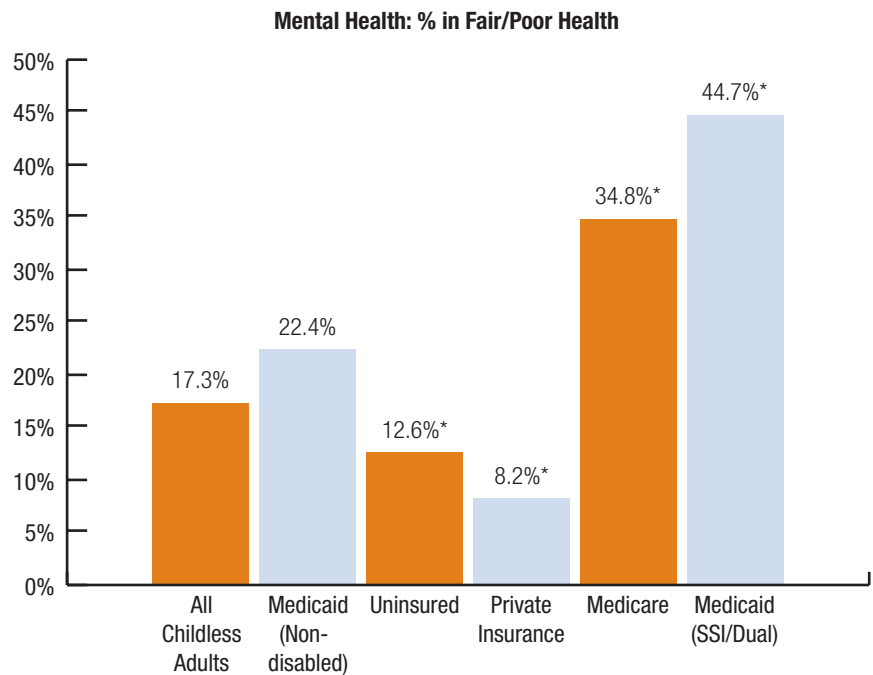
Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

Figure 4. Health Status and Expenditures for Childless Adults (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

Two Or More Chronic Conditions

Source: Medical Expenditure Panel Survey, 2005-2006
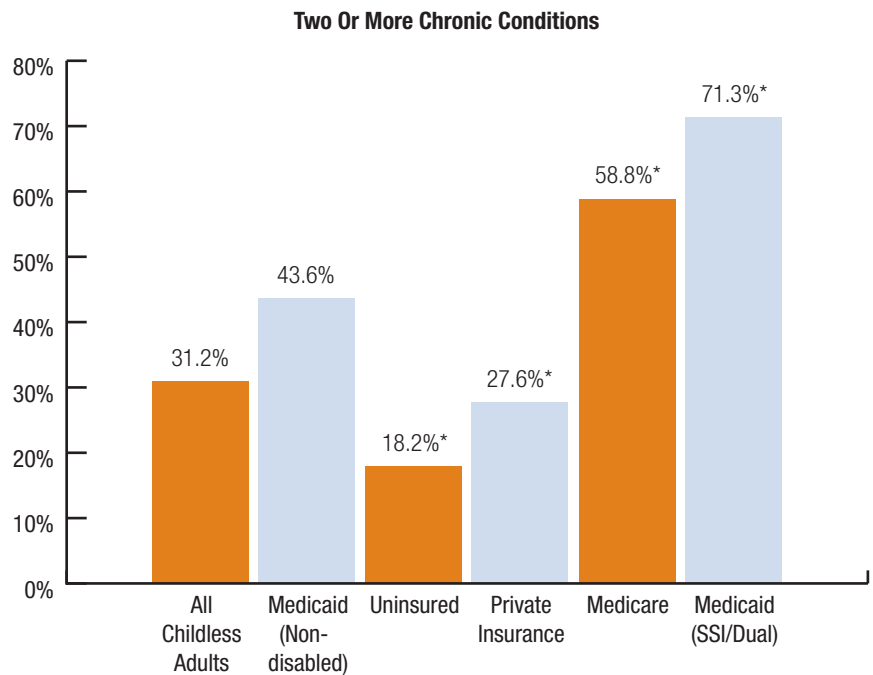** Indicates statistically significant difference from Medicaid (Nondisabled).*

Figure 5. Health Status and Expenditures for Childless Adults (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

Limited or Unable to Work

Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

Figure 6. Health Status and Expenditures for Parents (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

General Health: % in Fair/Poor Health

Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

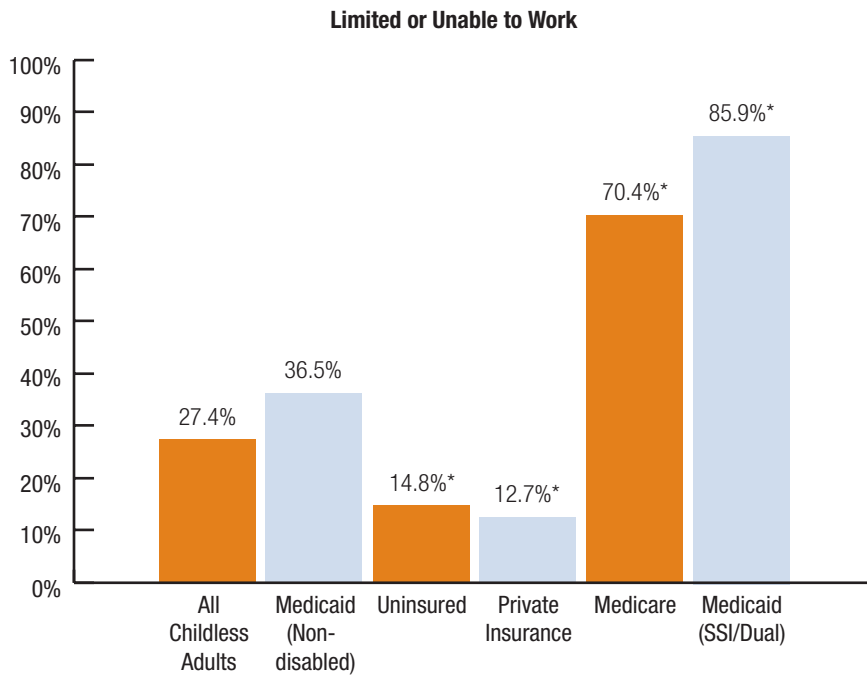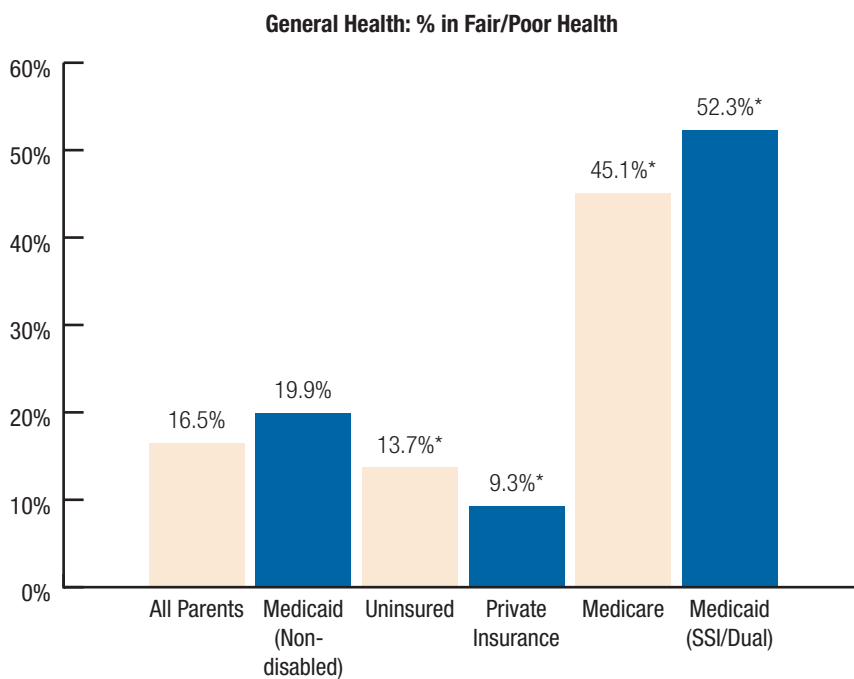on Medicaid to report two or more chronic conditions. About 12 percent of nondisabled parents currently on Medicaid report that they are limited in their ability to work or are unable to work entirely (figure 9). Smaller shares of those with private coverage and the uninsured report these work limitations (6 and 7 percent, respectively).

We find consistent results when we examine the presence of various chronic conditions (table 4). Uninsured parents are much less likely to have any of the chronic conditions examined than nondisabled parents currently on Medicaid. The privately insured also appear less likely than nondisabled adults currently on Medicaid to have many of the physical chronic conditions, but results are not significant at the p < .05 level, except in the case of asthma. Both the privately insured and uninsured are much less likely to be pregnant or have a pregnancy-related disorder. Again, as with childless adults, low-income uninsured parents say they are more likely willing to take risks, and uninsured parents and those with private coverage are more likely to believe they do not need health insurance relative to the parents covered by Medicaid.

Health Characteristics by Income.
One possible reason for the differences in health status characteristics between the Medicaid nondisabled and the uninsured is that the Medicaid population has lower incomes than the uninsured. If we control for income when looking at the health characteristics, would we still see the same pattern with respect to health status? The results by income group are presented in table 5. In general, the health status differences for childless adults remain even after controlling for income while differences for parents are less likely to be statistically significant. Particularly for childless adults, the uninsured population is healthier than those already on Medicaid within each income group, which indicates that those with health problems are more likely to find their way into Medicaid. Thus, under reform, Medicaid is likely

to enroll a healthier population than it serves today both because the currently uninsured and privately insured populations have somewhat higher incomes and are more likely to be employed, and also, when we control for income, they are likely to be healthier than those already covered by Medicaid.

All Adults. A disproportionate share of the uninsured are childless adults, while a disproportionate share of those currently on Medicaid are parents. Since uninsured childless adults seem to have more health problems than parents currently on Medicaid, simple comparisons within the childless adult and parent groups may be inappropriate. Table 6 examines all adults and compares the uninsured with all of those covered on Medicaid. It shows that both the privately insured and uninsured are significantly less likely to be in fair or poor health and less likely to report fair or poor mental health than those on Medicaid (nondisabled), though the differences are smaller than shown earlier (24 percent for Medicaid with fair or poor health versus 16 percent for the uninsured and 14 percent versus 11 percent for fair or poor mental health). Low-income adults who are uninsured are much less likely to report having two or more chronic conditions than those currently on Medicaid (16 percent versus 30 percent). Those with private coverage are about 5 percentage points less likely to have two or more chronic conditions than those currently on Medicaid. Finally, those with private coverage or uninsured are much less likely to report work-related limitations than those currently on Medicaid.

Thus, we conclude that the currently uninsured population, even when we account for the fact that many new enrollees will be childless adults and that many currently covered are parents, is healthier than the nondisabled population now enrolled in Medicaid. Clearly, the uninsured are not without health problems; they simply do not report as many problems as the population already served. There is, however, the possibility that there

Figure 7. Health Status and Expenditures for Parents (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

Mental Health: % in Fair/Poor Health

- All Parents: 9.9%
- Medicaid (Non-disabled): 10.7%
- Uninsured: 8.5%
- Private Insurance: 5.5%*
- Medicare: 30.7%*
- Medicaid (SSI/Dual): 35.0%*
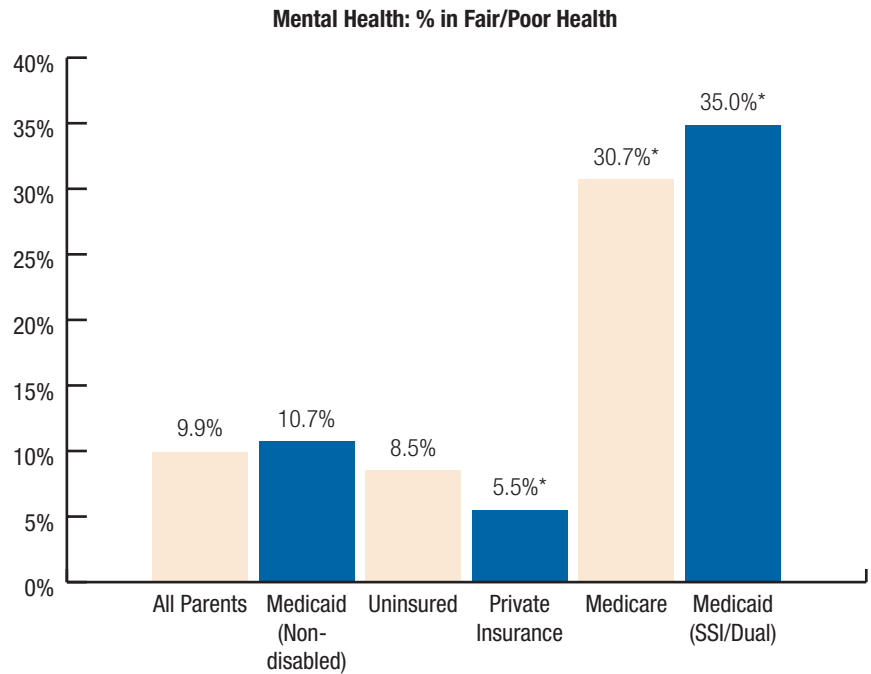
Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

Figure 8. Health Status and Expenditures for Parents (19–64) at or Below 138% FPL by Current Insurance Status, 2005–2006

Two or More Chronic Conditions

- All Parents: 20.1%
- Medicaid (Non-disabled): 24.3%
- Uninsured: 12.8%*
- Private Insurance: 21.7%
- Medicare: 45.9%*
- Medicaid (SSI/Dual): 56.2%*

Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

Limited or Unable to Work

Source: Medical Expenditure Panel Survey, 2005-2006
* Indicates statistically significant difference from Medicaid (Nondisabled).

enroll have projected spending that is 1.3 times higher than the spending projected for those who remain uninsured, under the assumption they had enrolled in Medicaid.[7] This suggests that the new eligibles who choose to enroll in Medicaid will be somewhat more expensive than those who do not; they are also considerably less expensive than those already enrolled in Medicaid. The HIPSM model assumes a participation rate of about 75 perc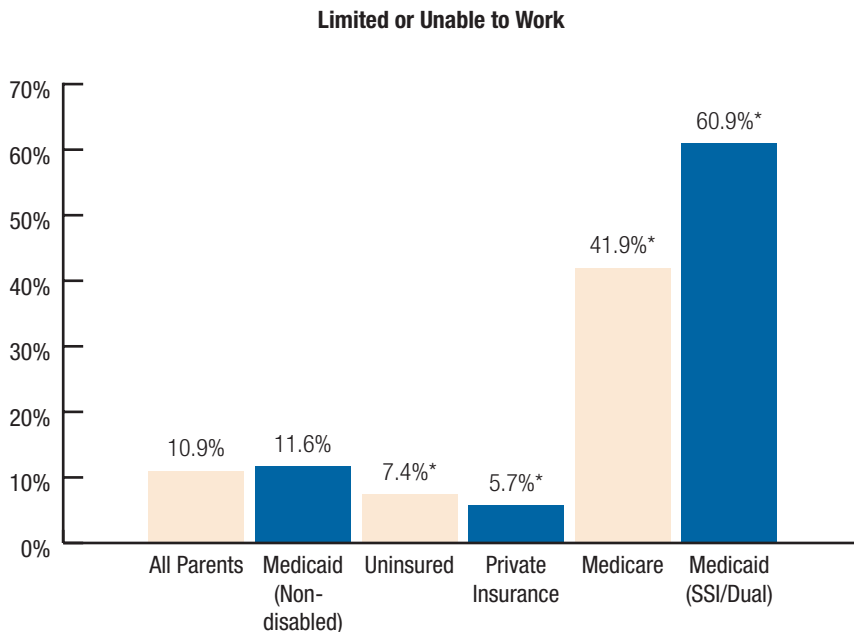ent among the previously uninsured. If the actual participation is lower, then there is likely to be more adverse selection, and vice-versa: if participation rates are higher, then more relatively healthy people would enroll in Medicaid instead of remaining uninsured.

Variation in Costs by Medicaid Eligibility Pathway

Another way to examine the selection issue and the costs Medicaid programs would face because of new enrollment is to look at administrative data that show average spending by eligibility pathway—that is, individuals enrolled in Medicaid because of cash assistance, because they met poverty related criteria, or because they were eligible for a Section 1115 waiver program. The population likely to be newly enrolled is probably most similar to those who come in through a Section 1115 waiver program, although we expect participation rates to be somewhat higher and the costs therefore to be somewhat lower. Table 8 provides data on cost for the Medicaid nondisabled as well as for the disabled populations. The results suggest that the new population is likely to be much closer to the currently eligible nondisabled Medicaid population than to the disabled. The average cost per enrollee per year for those in Section 1115 waiver programs is $5,256 versus $4,247 for those in cash assistance programs. The average spending on those in the poverty-related group is even higher but this most likely reflects a large number of pregnant women. To the extent that participation rates under health reform

will be adverse selection into Medicaid because of the expansion, that is, those coming in to Medicaid will not simply be randomly drawn from the uninsured population but will be a sicker than average subset. To the extent that this occurs, the population could look more like the current Medicaid nondisabled population than the data presented above suggest. Much depends on how broad the reach of the Medicaid expansion is. If the indirect effects of the mandate and the advocacy efforts bring large numbers of people into Medicaid, then the new population of adults will likely be healthier than those currently being served. But if enrollment processes are difficult to navigate, it is likely that those who need coverage the most will be those who sign up. Under that scenario, there will be adverse selection and the new enrollees could appear much more like those who are currently on Medicaid. We examine this in the next section.

Adverse Selection

As indicated above, we use the HIPSM model to estimate the choices people will make when they become newly eligible for Medicaid. In particular, we examine whether those who are older and who have more health conditions are more likely to enroll and whether those who are younger and healthier are more likely to remain uninsured. The results suggest that Medicaid programs can expect some degree of adverse selection given that take-up in Medicaid is not expected to be universal. Table 7 shows that the eligibles who are predicted to choose to enroll in Medicaid under reform are older and more likely to be in fair or poor health relative to those who remain uninsured. We then compared the expected health care spending of those who enroll in Medicaid relative to the spending for the eligibles who remain uninsured and found that those expected to

are higher than under Section 1115 waiver programs, which is likely given the presence of an individual mandate, the high federal matching rates on new Medicaid eligibles, and the new outreach and enrollment investments, then the differences in costs between the newly enrolled populations and those covered under cash assistance programs would be considerably smaller than observed in table 8. But in any event, it is highly unlikely that the cost of the new population will approach the current costs of those who enroll because of disability because so few of the adults who have been made eligible for Medicaid under reform report multiple chronic health care problems.

Caveats

This analysis has a number of caveats. First, the analysis from MEPS is based on self-reported information on health status, the presence of chronic health care problems, and substance abuse. As already indicated, uninsured adults may be less likely than insured adults to be aware that they have certain chronic health care problems, which may bias the estimates downward for the uninsured. In addition, respondents may be reluctant to report substance abuse and mental health problems. This could introduce bias into estimates of the prevalence of these conditions, though that could affect reporting for both the insured and the uninsured. Given that these estimates (except for table 8) rely on household survey data, they

exclude certain groups of adults (i.e., the homeless) and may underrepresent other groups of adults (such as those who move frequently or live in households with multiple unrelated adults). While these excluded groups may have different health status profiles from the adults who are represented, it is unlikely that they constitute a large enough share of the total to dramatically alter the point estimates.

Conclusion

The Affordable Care Act (ACA) is expected to substantially increase enrollment in Medicaid, disproportionately among childless adults. We find strong evidence that those who will enroll are likely to be healthier than nondisabled adults currently enrolled in Medicaid. We separately examined childless adults and parents and in both cases those currently enrolled in Medicaid are more likely to be in fair or poor health for both general and mental health, more likely to have two or more chronic conditions, and more likely to be limited in their ability to work than the newly eligible adults currently uninsured or privately insured. There is, however, a high likelihood of adverse selection—the least healthy and older among the new eligibles will be more likely to enroll. Adverse selection is likely to be inevitable under reform since participation in Medicaid is voluntary and since enrollment into Medicaid is not likely

to be automatic. A high rate of adverse selection is especially likely in the initial period following implementation of the Medicaid expansion and the other major policy changes associated with health reform, as we expect that those with the greatest health needs will be among the first to enroll. Notwithstanding the fact that adverse selection is probably inevitable under reform, as states move beyond initial implementation of reform, new enrollees will not be markedly different than the nondisabled adults currently on Medicaid since they draw from a population healthier than that currently served by Medicaid in most states. Since the cost projections made by the Congressional Budget Office and by the Urban Institute incorporate some degree of adverse selection into their estimates, it is unlikely that they have dramatically understated the expected costs to Medicaid programs under reform (Holahan and Headen 2010; Congressional Budget Office 2010). A key driver that will determine whether there is substantial adverse selection and thus higher costs than anticipated will be the participation rate achieved among Medicaid-eligible adults under reform—other things equal, the higher the participation rate, the lower will be the average spending associated with the adults who enroll in Medicaid.

Notes

[1] Under reform, all adults under age 65 are eligible for Medicaid if their net income after a special deduction of 5 percentage points of the FPL does not exceed 133 percent of the FPL (effectively making all those with gross income up to 138 percent of the FPL eligible for Medicaid provided they meet the immigration requirements). There is no asset test, and special income rules for other eligibility pathways such as Supplemental Security Income (SSI), foster care, and low-income Medicare beneficiaries remain unchanged from before reform (Kaiser Family Foundation 2010).

[2] Dependent children are defined as all those under age 18 and full-time students between the ages of 19 and 24.

[3] Includes all chronic conditions asked about in the questionnaire: asthma, back problems, blood disorders, bronchitis, cancer, cerebrovascular disorders, circulatory disorders, congenital disorders, diabetes, digestive/gastrointestinal disorders, endocrine disorders, eye disorders, genitourinary disorders, heart disease, hypertension, infectious disease, musculoskeletal, nervous system, oral disorders, respiratory (non-asthma), and skin disorders.

[4] More recent estimates indicate that the number of uninsured adults in this income group has risen in recent years (Cohen, Martinez, and Ward 2010; Holahan and Cook 2007).

[5] These include thyroid disorders, nutritional deficiencies, disorders of lipid metabolism, gout, fluid and electrolyte disorders, cystic fibrosis, immunity disorders, and other nutritional, endocrine, and metabolic disorders.

[6] These include arthritis, osteomyelitis, osteoporosis, pathological fracture, acquired foot and other deformities, systemic lupus erythematosus and connective tissue disorders, trauma-related and nontraumatic joint disorders, other bone disease, musculoskeletal deformities, and connective tissue disease.

[7] Estimated from the Health Insurance Policy Simulation Model (HIPSM).

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Appendix

Table 1. Demographic Characteristics of Childless Adults (19–64) with Gross Household Income Less than 138% FPL, 2005–2006

	All Childless Adults		Medicaid (Nondisabled)		Uninsured		Private		Medicare†		Medicaid (Disabled)‡	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
Total (19-64)	22,018,385	100.0%	1,842,363	100.0%	10,626,770	100.0%	5,745,900	100.0%	1,080,201	100.0%	2,617,608	100.0%
Age												
19 to 34	11,198,201	50.9%	805,559	43.7%	6,159,660	58.0%*	3,556,267	61.9%*	185,343	17.2%*	465,285	17.8%*
35 to 49	4,197,975	19.1%	440,533	23.9%	2,119,708	19.9%	514,661	9.0%*	217,245	20.1%	886,878	33.9%*
50 to 64	6,622,209	30.1%	596,271	32.4%	2,347,402	22.1%*	1,674,971	29.2%	677,613	62.7%*	1,265,445	48.3%*
Gender												
Male	11,877,350	53.9%	740,999	40.2%	6,380,729	60.0%*	2,952,542	51.4%*	526,727	48.8%	1,197,220	45.7%
Female	10,141,035	46.1%	1,101,364	59.8%	4,246,041	40.0%*	2,793,358	48.6%*	553,474	51.2%	1,420,388	54.3%
Region												
Northeast	4,004,832	18.2%	531,031	28.8%	1,683,924	15.8%*	1,045,821	18.2%*	175,417	16.2%*	558,012	21.3%*
Midwest	4,412,929	20.0%	367,012	19.9%	1,939,056	18.2%	1,407,618	24.5%	172,360	16.0%	506,269	19.3%
South	8,545,468	38.8%	410,978	22.3%	4,541,153	42.7%*	2,076,142	36.1%*	523,613	48.5%*	970,375	37.1%*
West	5,055,156	23.0%	533,342	28.9%	2,462,637	23.2%	1,216,318	21.2%*	208,811	19.3%*	582,952	22.3%
Metropolitan Statistical Area (MSA)												
Non-MSA	3,834,805	17.4%	303,078	16.5%	1,920,852	18.1%	815,586	14.2%	187,469	17.4%	571,372	21.8%
MSA	18,183,580	82.6%	1,539,285	83.5%	8,705,918	81.9%	4,930,313	85.8%	892,733	82.6%	2,046,236	78.2%
Race/Ethnicity												
Non-Hispanic White	11,896,138	54.0%	787,772	42.8%	5,204,795	49.0%	3,818,179	66.5%*	593,050	54.9%*	1,433,973	54.8%*
Non-Hispanic Black	4,612,289	20.9%	568,685	30.9%	2,171,035	20.4%*	893,500	15.6%*	247,613	22.9%	717,834	27.4%
Hispanic	3,907,937	17.7%	349,151	19.0%	2,487,643	23.4%	552,111	9.6%*	153,783	14.2%	342,945	13.1%*
Non-Hispanic Other	1,602,021	7.3%	136,754	7.4%	763,297	7.2%	482,110	8.4%	85,755	7.9%	122,856	4.7%
Income as % of FPL												
0 to 49% FPL	8,402,733	38.2%	938,821	51.0%	4,786,036	45.0%*	2,022,673	35.2%*	279,323	25.9%*	334,662	12.8%*
50 to 99% FPL	6,893,981	31.3%	607,478	33.0%	2,739,105	25.8%*	1,597,923	27.8%	333,244	30.9%	1,579,805	60.4%*
100 to 138% FPL	6,721,672	30.5%	296,064	16.1%	3,101,630	29.2%*	2,125,304	37.0%*	467,634	43.3%*	703,141	26.9%*
Employment Status												
Full-Time, Full-Year Worker in Household	3,605,330	16.9%	157,894	8.7%	2,031,855	20.0%*	1,325,912	23.5%*	61,544	5.8%	20,402	0.8%*
Less than Full-Time, Full-Year Worker in Household	8,326,792	39.0%	604,213	33.2%	4,675,289	46.0%*	2,609,655	46.3%*	183,781	17.4%*	238,385	9.2%*
No Worker in Household	9,427,127	44.1%	1,056,288	58.1%	3,452,264	34.0%*	1,694,919	30.1%*	812,955	76.8%*	2,328,350	90.0%*

Source: 2005–2006 Medical Expenditure Panel Survey. Population estimates reflect the U.S. noninstitutionalized population in 2006.

† Includes non-elderly Medicare beneficiaries who are not enrolled in Medicaid and a small number of individuals with other state-funded public coverage.

‡ Includes individuals receiving Supplemental Security Income and/or dually-eligible for Medicare.

* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 2. Demographic Characteristics of Parents (19–64) with Gross Household Income Less than 138% FPL, 2005–2006

	All Parents		Medicaid (Nondisabled)		Uninsured		Private		Medicare†		Medicaid (Disabled)‡	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
Total (19-64)	14,237,180	100.0%	4,097,761	100.0%	6,258,938	100.0%	3,128,972	100.0%	153,216	100.0%	554,544	100.0%
Age												
19 to 34	7,501,946	52.7%	2,583,994	63.1%	3,371,540	53.9%*	1,273,904	40.7%*	53,882	35.2%*	204,817	36.9%*
35 to 49	5,612,793	39.4%	1,335,051	32.6%	2,426,428	38.8%*	1,486,873	47.5%*	69,607	45.4%	266,183	48.0%*
50 to 64	1,122,442	7.9%	178,717	4.4%	460,969	7.4%*	368,195	11.8%*	29,727	19.4%*	83,544	15.1%*
Gender												
Male	4,427,238	31.1%	665,290	16.2%	2,308,575	36.9%*	1,227,511	39.2%*	54,468	35.5%*	128,935	23.3%
Female	9,809,942	68.9%	3,432,471	83.8%	3,950,363	63.1%*	1,901,460	60.8%*	98,748	64.5%*	425,609	76.7%
Region												
Northeast	2,291,566	16.1%	957,999	23.4%	680,866	10.9%*	490,077	15.7%*	32,013	20.9%	130,612	23.6%
Midwest	2,490,898	17.5%	941,818	23.0%	831,598	13.3%*	569,480	18.2%	26,693	17.4%	117,976	21.3%
South	5,759,994	40.5%	927,290	22.6%	3,194,375	51.0%*	1,356,547	43.4%*	58,020	37.9%	184,636	33.3%
West	3,694,722	26.0%	1,270,655	31.0%	1,552,099	24.8%*	712,868	22.8%*	36,490	23.8%	121,320	21.9%*
Metropolitan Statistical Area (MSA)												
Non-MSA	2,545,056	17.9%	655,007	16.0%	1,093,390	17.5%	652,606	20.9%	55,111	36.0%*	86,741	15.6%
MSA	11,692,124	82.1%	3,442,754	84.0%	5,165,548	82.5%	2,476,366	79.1%	98,105	64.0%	467,803	84.4%
Race/Ethnicity												
Non-Hispanic White	5,699,412	40.0%	1,646,361	40.2%	2,201,691	35.2%	1,509,941	48.3%*	78,959	51.5%	232,679	42.0%
Non-Hispanic Black	2,759,339	19.4%	1,037,693	25.3%	932,066	14.9%*	598,585	19.1%*	28,413	18.5%	159,091	28.7%
Hispanic	4,748,816	33.4%	1,138,869	27.8%	2,700,290	43.1%*	745,998	23.8%	28,841	18.8%	124,341	22.4%
Non-Hispanic Other	1,029,613	7.2%	274,838	6.7%	424,890	6.8%	274,448	8.8%	17,003	11.1%	38,433	6.9%
Income as % of FPL												
0 to 49% FPL	3,877,750	27.2%	1,603,682	39.1%	1,564,508	25.0%*	491,045	15.7%*	54,266	35.4%	125,408	22.6%*
50 to 99% FPL	5,472,716	38.4%	1,655,262	40.4%	2,542,834	40.6%	927,432	29.6%*	56,258	36.7%	287,438	51.8%*
100 to 138% FPL	4,886,715	34.3%	838,817	20.5%	2,151,596	34.4%*	1,710,494	54.7%*	42,692	27.9%	141,698	25.6%
Employment Status												
Full-Time, Full-Year Worker in Household	6,811,944	48.4%	1,187,848	29.2%	3,293,580	53.2%*	2,267,915	73.0%*	29,391	19.2%	33,210	6.4%*
Less than Full-Time, Full-Year Worker in Household	4,689,131	33.3%	1,870,171	46.0%	2,044,314	33.0%*	597,759	19.3%*	48,384	31.6%	88,244	17.0%*
No Worker in Household	2,570,883	18.3%	1,005,571	24.7%	848,461	13.7%*	239,337	7.7%*	75,441	49.2%*	398,582	76.6%*

Source: 2005–2006 Medical Expenditure Panel Survey. Population estimates reflect the U.S. noninstitutionalized population in 2006.

† Includes non-elderly Medicare beneficiaries who are not enrolled in Medicaid and a small number of individuals with other state-funded public coverage.

‡ Includes individuals receiving Supplemental Security Income and/or dually-eligible for Medicare.

* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 3. Health Characteristics of Childless Adults (19–64) with Gross Household Income Less than 138% FPL by Current Insurance Status, 2005–2006

	All Childless Adults		Medicaid (Nondisabled)		Uninsured		Private		Medicare†		Medicaid (Disabled)‡	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
Total (19-64)	22,018,385	100.0%	1,842,363	100.0%	10,626,770	100.0%	5,745,900	100.0%	1,080,201	100.0%	2,617,608	100.0%
Summary Health Status												
General Health												
Excellent/Very Good/Good	16,753,868	76.1%	1,236,913	67.1%	8,745,523	82.3%*	5,041,033	87.7%*	528,745	48.9%*	1,159,895	44.3%*
Fair/Poor	5,264,517	23.9%	605,450	32.9%	1,881,247	17.7%*	704,866	12.3%*	551,457	51.1%*	1,457,713	55.7%*
Mental Health												
Excellent/Very Good/Good	18,217,082	82.7%	1,428,963	77.6%	9,284,364	87.4%*	5,276,180	91.8%*	704,621	65.2%*	1,445,249	55.3%*
Fair/Poor	3,798,883	17.3%	413,400	22.4%	1,342,406	12.6%*	469,720	8.2%*	375,580	34.8%*	1,169,940	44.7%*
At Least One Chronic Condition	11,890,437	54.0%	1,164,698	63.2%	4,380,301	41.2%*	3,004,894	52.3%*	857,911	79.4%*	2,399,229	91.7%*
Physical Chronic Condition Only	6,473,417	29.4%	581,771	31.6%	2,457,334	23.1%*	1,878,056	32.7%	422,022	39.1%	1,069,110	40.8%*
Mental Chronic Condition Only	1,740,064	7.9%	147,042	8.0%	952,375	9.0%	396,386	6.9%	49,480	4.6%	187,539	7.2%
Both Mental and Physical Chronic Conditions	3,571,488	16.2%	430,685	23.4%	912,929	8.6%*	690,577	12.0%*	386,408	35.8%*	1,139,849	43.5%*
Two or More Chronic Conditions	6,860,329	31.2%	803,830	43.6%	1,938,184	18.2%*	1,585,869	27.6%*	634,822	58.8%*	1,866,741	71.3%*
Limited or Unable to Work	6,036,439	27.4%	672,898	36.5%	1,567,624	14.8%*	728,306	12.7%*	760,413	70.4%*	2,247,487	85.9%*
Substance Abuse	391,511	1.8%	48,680	2.6%	156,881	1.5%	51,518	0.9%	7,063	0.7%*	127,369	4.9%
Health Behaviors/Beliefs												
Current Smoker	7,152,339	36.0%	641,881	38.3%	3,859,867	40.8%	1,228,085	23.6%*	342,599	34.0%	1,024,554	42.0%
More Likely to Take Risks	5,583,085	28.3%	348,685	20.7%	3,094,280	32.8%*	1,399,616	27.1%*	232,724	24.1%	478,344	20.1%
Does Not Believe Needs Health Insurance	2,858,305	14.4%	148,983	8.9%	1,797,254	18.9%*	694,261	13.4%*	56,307	5.8%	159,005	6.6%
Believes Health Insurance Not Worth Cost	5,085,938	25.8%	300,998	18.0%	2,928,930	31.0%*	1,165,080	22.4%	228,745	24.0%	445,813	18.8%
Can Overcome Illness without Medical Help	4,641,526	23.5%	297,059	17.7%	2,558,012	27.0%*	1,349,656	26.0%*	129,988	13.4%	297,134	12.4%
Physical Chronic Conditions												
Asthma	1,269,955	5.8%	170,504	9.3%	352,333	3.3%*	284,055	5.0%*	76,598	7.1%	386,466	14.8%*
Diabetes	1,898,100	8.7%	245,353	13.4%	467,036	4.4%*	352,720	6.2%*	208,200	19.3%	608,353	23.3%*
Endocrine Disorders	2,821,379	12.9%	311,805	17.0%	666,424	6.3%*	716,637	12.6%	334,079	30.9%*	782,913	29.9%*
Hypertension	3,537,022	16.1%	418,486	22.8%	960,810	9.1%*	738,971	13.0%*	405,687	37.6%*	989,880	37.9%*
Musculoskeletal	2,001,515	9.1%	178,359	9.7%	620,372	5.9%*	403,195	7.1%	203,201	18.8%*	594,625	22.7%*
Nervous System	1,757,760	8.0%	184,259	10.0%	434,134	4.1%*	378,020	6.6%	135,819	12.6%	594,219	22.7%*
Respiratory (non-Asthma)	1,973,260	9.0%	154,052	8.4%	515,254	4.9%*	635,205	11.1%	148,417	13.7%*	518,567	19.8%*
Pregnancy												
Normal Pregnancy/Delivery	390,176	1.8%	159,493	8.7%	114,668	1.1%*	77,857	1.4%*	10,403	1.0%*	27,754	1.1%*
Pregnancy-related Disorders	68,743	0.3%	34,311	1.9%	16,064	0.2%	8,982	0.2%	0	0.0%*	9,385	0.4%

Source: 2005–2006 Medical Expenditure Panel Survey. Population estimates reflect the U.S. noninstitutionalized population in 2006.

† Includes non-elderly Medicare beneficiaries who are not enrolled in Medicaid and a small number of individuals with other state-funded public coverage.

‡ Includes individuals receiving Supplemental Security Income and/or dually-eligible for Medicare.

* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 4. Health Characteristics of Parents (19–64) with Gross Household Income Less than 138% FPL by Current Insurance Status, 2005–2006

	All Parents		Medicaid (Nondisabled)		Uninsured		Private		Medicare†		Medicaid (Disabled)‡	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
Total (19-64)	14,237,180	100.0%	4,097,761	100.0%	6,258,938	100.0%	3,128,972	100.0%	153,216	100.0%	554,544	100.0%
Summary Health Status												
General Health												
Excellent/Very Good/Good	11,889,215	83.5%	3,282,046	80.1%	5,403,978	86.3%*	2,837,387	90.7%*	84,103	54.9%*	264,274	47.7%*
Fair/Poor	2,347,965	16.5%	815,716	19.9%	854,960	13.7%*	291,585	9.3%*	69,113	45.1%*	290,270	52.3%*
Mental Health												
Excellent/Very Good/Good	12,825,873	90.1%	3,658,090	89.3%	5,726,522	91.5%	2,955,824	94.5%*	106,104	69.3%*	360,616	65.0%*
Fair/Poor	1,411,307	9.9%	439,671	10.7%	532,416	8.5%	173,148	5.5%*	47,112	30.7%*	193,928	35.0%*
At Least One Chronic Condition	6,123,552	43.0%	1,987,906	48.5%	2,075,135	33.2%*	1,499,937	47.9%	102,511	66.9%*	429,540	77.5%*
Physical Chronic Condition Only	3,616,716	25.4%	1,149,170	28.0%	1,299,798	20.8%*	944,387	30.2%	48,337	31.5%	146,501	26.4%
Mental Chronic Condition Only	901,302	6.3%	313,206	7.6%	344,473	5.5%	182,703	5.8%	5,577	3.6%	55,342	10.0%
Both Mental and Physical Chronic Conditions	1,537,437	10.8%	501,348	12.2%	411,881	6.6%*	351,422	11.2%	45,089	29.4%*	227,697	41.1%*
Two or More Chronic Conditions	2,857,686	20.1%	995,304	24.3%	799,760	12.8%*	679,315	21.7%	70,301	45.9%*	311,716	56.2%*
Limited or Unable to Work	1,546,291	10.9%	474,225	11.6%	464,465	7.4%*	178,339	5.7%*	64,168	41.9%*	337,860	60.9%*
Substance Abuse	273,650	1.9%	133,716	3.3%	76,096	1.2%*	33,136	1.1%*	12,898	8.6%	17,803	3.2%
Health Behaviors/Beliefs												
Current Smoker	4,029,212	30.9%	1,405,290	36.9%	1,741,200	30.5%*	576,580	20.4%*	48,287	37.0%	229,491	44.1%
More Likely to Take Risks	2,970,825	22.9%	763,069	20.3%	1,562,148	27.5%*	492,873	17.5%	25,367	20.4%	113,558	22.0%
Does Not Believe Needs Health Insurance	1,733,629	13.3%	305,540	8.1%	1,010,933	17.7%*	362,629	12.8%*	12,004	9.3%	39,191	7.4%
Believes Health Insurance Not Worth Cost	3,727,729	28.8%	747,917	20.0%	2,019,683	35.6%*	826,543	29.2%*	21,867	16.9%	111,718	21.4%
Can Overcome Illness without Medical Help	3,246,095	25.0%	775,351	20.7%	1,590,751	27.7%*	785,330	27.9%*	21,502	16.6%	69,829	13.3%*
Physical Chronic Conditions												
Asthma	678,832	4.8%	260,867	6.4%	203,753	3.3%*	114,191	3.7%*	11,701	7.8%	88,320	15.9%*
Diabetes	665,958	4.7%	233,989	5.7%	197,186	3.2%*	142,316	4.6%	23,860	15.9%	67,316	12.1%*
Endocrine Disorders	937,921	6.6%	308,261	7.6%	241,612	3.9%*	290,423	9.3%	33,607	22.4%*	64,019	11.5%
Hypertension	1,288,598	9.1%	408,940	10.0%	420,314	6.7%*	320,167	10.3%	48,562	32.4%*	89,324	16.1%*
Musculoskeletal	579,575	4.1%	159,853	3.9%	158,221	2.5%	123,825	4.0%	17,877	11.9%	118,509	21.4%*
Nervous System	911,462	6.4%	316,641	7.8%	312,444	5.0%*	197,677	6.4%	13,631	9.1%	71,069	12.8%
Respiratory (non-Asthma)	795,456	5.6%	255,796	6.3%	188,081	3.0%*	257,905	8.3%	8,726	5.8%	59,916	10.8%
Pregnancy												
Normal Pregnancy/Delivery	2,030,512	14.3%	1,019,330	25.0%	632,987	10.1%*	288,532	9.3%*	18,524	12.4%*	71,140	12.8%*
Pregnancy-related Disorders	361,943	2.6%	182,930	4.5%	116,585	1.9%*	52,789	1.7%*	4,995	3.3%	4,645	0.8%*

Source: 2005–2006 Medical Expenditure Panel Survey. Population estimates reflect the U.S. noninstitutionalized population in 2006.
† Includes non-elderly Medicare beneficiaries who are not enrolled in Medicaid and a small number of individuals with other state-funded public coverage.
‡ Includes individuals receiving Supplemental Security Income and/or dually-eligible for Medicare.
* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 5. Health Characteristics of Adults (19-64) by Income and Current Insurance Status, 2005-2006

All Adults								
	<50% FPL		50-99% FPL		100-138 FPL		All <138% FPL	
Childless Adults	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**
General Health % Fair/Poor	34.0	18.4*	29.2	17.1*	36.7	17.2*	32.9	17.7*
Mental Health % Fair/Poor	26.5	15.8*	19.3	10.9*	16.0	9.3	22.4	12.6*
Two or More Chronic Conditions	41.1	17.9*	45.6	19.3*	47.5	17.8*	43.6	18.2*
Limited or Unable to Work	38.6	18.7*	33.8	13.0*	35.6	10.2*	36.5	14.8*
Parents	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**	**Medicaid (Nondisabled)**	**Uninsured**
General Health % Fair/Poor	20.8	15.7	18.5	14.2	20.9	11.5*	19.9	13.7*
Mental Health % Fair/Poor	13.0	11.6	8.6	7.3	10.6	7.6	10.7	8.5
Two or More Chronic Conditions	25.3	12.5*	20.2	13.9*	30.3	11.7*	24.3	12.8*
Limited or Unable to Work	15.3	12.7	9.4	6.5	8.7	4.7	11.6	7.4*

Source: 2005-2006 Medical Expenditure Panel Survey.
* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 6. Health Characteristics of Adults (19–64) with Gross Household Income Less than 138% FPL by Current Insurance Status, 2005–2006

	All Adults		Medicaid (Nondisabled)		Uninsured		Private		Medicare†		Medicaid (Disabled)‡	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
Total (19-64)	36,255,565	100.0%	5,940,124	100.0%	16,885,708	100.0%	8,874,871	100.0%	1,233,417	100.0%	3,172,152	100.0%
Summary Health Status												
General Health												
Excellent/Very Good/Good	28,643,083	79.0%	4,518,958	76.1%	14,149,501	83.8%*	7,878,420	88.8%*	612,847	49.7%*	1,424,169	44.9%*
Fair/Poor	7,612,482	21.0%	1,421,166	23.9%	2,736,207	16.2%*	996,451	11.2%*	620,570	50.3%*	1,747,983	55.1%*
Mental Health												
Excellent/Very Good/Good	31,042,955	85.6%	5,087,053	85.6%	15,010,885	88.9%*	8,232,003	92.8%*	810,724	65.7%*	1,805,864	57.0%*
Fair/Poor	5,210,191	14.4%	853,072	14.4%	1,874,822	11.1%*	642,868	7.2%*	422,692	34.3%*	1,363,868	43.0%*
At Least One Chronic Condition	18,013,989	49.7%	3,152,605	53.1%	6,455,436	38.2%*	4,504,831	50.8%	960,421	77.9%*	2,828,769	89.2%*
Physical Chronic Condition Only	10,090,132	27.8%	1,730,941	29.1%	3,757,132	22.3%*	2,822,443	31.8%	470,359	38.1%*	1,215,610	38.3%*
Mental Chronic Condition Only	2,641,366	7.3%	460,248	7.7%	1,296,848	7.7%	579,090	6.5%	55,058	4.5%*	242,881	7.7%
Both Mental and Physical Chronic Conditions	5,108,925	14.1%	932,033	15.7%	1,324,810	7.8%*	1,041,999	11.7%*	431,497	35.0%*	1,367,547	43.1%*
Two or More Chronic Conditions	9,718,015	26.8%	1,799,134	30.3%	2,737,944	16.2%*	2,265,184	25.5%*	705,123	57.2%*	2,178,457	68.7%*
Limited or Unable to Work	7,582,730	20.9%	1,147,124	19.3%	2,032,089	12.0%*	906,645	10.2%*	824,581	66.9%*	2,585,347	81.5%*
Substance Abuse	665,161	1.8%	182,397	3.1%	232,977	1.4%*	84,654	1.0%*	19,961	1.6%	145,172	4.6%
Health Behaviors/Beliefs												
Current Smoker	11,181,551	34.0%	2,047,170	37.4%	5,601,067	36.9%	1,804,665	22.5%*	390,886	34.3%	1,254,045	42.3%
More Likely to Take Risks	8,553,909	26.2%	1,111,754	20.4%	4,656,428	30.8%*	1,892,490	23.7%	258,091	23.6%	591,902	20.4%
Does Not Believe Needs Health Insurance	4,591,935	14.0%	454,522	8.4%	2,808,187	18.5%*	1,056,890	13.2%*	68,312	6.2%	198,196	6.7%
Believes Health Insurance Not Worth Cost	8,813,667	27.0%	1,048,915	19.4%	4,948,613	32.7%*	1,991,624	24.8%*	250,613	23.2%	557,531	19.2%
Can Overcome Illness without Medical Help	7,887,621	24.1%	1,072,410	19.8%	4,148,763	27.3%*	2,134,986	26.7%*	151,490	13.7%	366,963	12.5%*
Physical Chronic Conditions												
Asthma	1,948,787	5.4%	431,370	7.3%	556,086	3.3%*	398,246	4.5%*	88,299	7.2%	474,786	15.0%*
Diabetes	2,564,058	7.1%	479,342	8.1%	664,223	4.0%*	495,036	5.6%*	232,061	18.9%*	675,669	21.3%*
Endocrine Disorders	3,759,300	10.4%	620,066	10.5%	908,036	5.4%*	1,007,060	11.4%	367,686	29.9%*	846,932	26.7%*
Hypertension	4,825,619	13.4%	827,426	14.0%	1,381,124	8.2%*	1,059,138	12.0%	454,249	36.9%*	1,079,203	34.1%*
Musculoskeletal	2,581,090	7.2%	338,212	5.7%	778,593	4.6%	527,020	6.0%	221,077	18.0%*	713,134	22.5%*
Nervous System	2,669,222	7.4%	500,900	8.5%	746,577	4.4%*	575,697	6.5%	149,450	12.2%	665,288	21.0%*
Respiratory (non-Asthma)	2,768,716	7.7%	409,848	6.9%	703,335	4.2%*	893,110	10.1%*	157,144	12.8%*	578,484	18.3%*
Pregnancy												
Normal Pregnancy/Delivery	2,420,688	6.7%	1,178,823	19.9%	747,655	4.4%*	366,389	4.2%*	28,927	2.4%*	98,894	3.1%*
Pregnancy-related Disorders	430,685	1.2%	217,241	3.7%	132,649	0.8%*	61,771	0.7%*	4,995	0.4%*	14,030	0.4%*

Source: 2005–2006 Medical Expenditure Panel Survey. Population estimates reflect the U.S. noninstitutionalized population in 2006.

† Includes non-elderly Medicare beneficiaries who are not enrolled in Medicaid and a small number of individuals with other state-funded public coverage.

‡ Includes individuals receiving Supplemental Security Income and/or dually-eligible for Medicare.

* Indicates difference from nondisabled Medicaid is statistically significant at the p<.05 level.

Table 7. Projected Age and Health Status of Medicaid Eligible Adults Under Reform According to Whether They Enroll in Medicaid or Remain Uninsured

New Medicaid Eligibles		
	Medicaid (%)	Uninsured (%)
Health Status		
% Good Health	81.6	89.5
% Poor Health	18.4	10.5
Total	100%	100%
Age		
18-24	30.4	33.7
24-45	22.6	29.2
35-45	15	14.7
45-55	18.6	13.3
55-64	13.4	9.2
Total	100%	100%

Source: Results from simulation of the Affordable Care Act using the Health Insurance Policy Simulation Model (HIPSM).

Table 8. Full-Year Equivalent (FYE) Medicaid Enrollment and Acute Care Costs Per Enrollee by Disability Group and Maintenance Assistance Status Group for Beneficiaries without Institutionalized Long-Term Care Spending nor any Restricted Benefits

		Maintenance Assistance Status				
Group	Category	Cash Assistance/ Section 1931 (Includes SSI Individuals)	Medically Needy	Poverty-Related Eligibles	Other Eligibles	Section 1115
Nondisabled, Age 19-64	FYE Medicaid Enrollment (in thousands)	3,014	734	788	1,454	809
	FYE Acute Care Spending Per Enrollee†	$4,247	$4,222	$5,977	$4,154	$5,256
Disabled, Age 19-64	FYE Medicaid Enrollment (in thousands)	4,118	182	487	n/a	n/a
	FYE Acute Care Spending Per Enrollee	$9,761	$14,532	$6,929	n/a	n/a

Source: Urban Institute estimates based on data from MSIS 2007 and CMS64.
† Acute care expenditures include prescription drug spending.

About the Authors and Acknowledgements

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