



## **Covering the Uninsured Through DC Health Link: Report on the First Year**

*Uninsured rate drops by as much as 43 percent in the District*

By Leighton Ku, PhD, MPH\*

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*\*This analysis was conducted and written by Leighton Ku, Chair of the Research Committee of the Executive Board of the Health Benefit Exchange Authority (HBX) and professor of health policy at the Milken Institute School of Public Health at the George Washington University. Substantial contributions were made by fellow HBX Research Committee members Henry Aaron (Brookings Institution) and Kevin Lucia (Georgetown University) and by HBX staff.*



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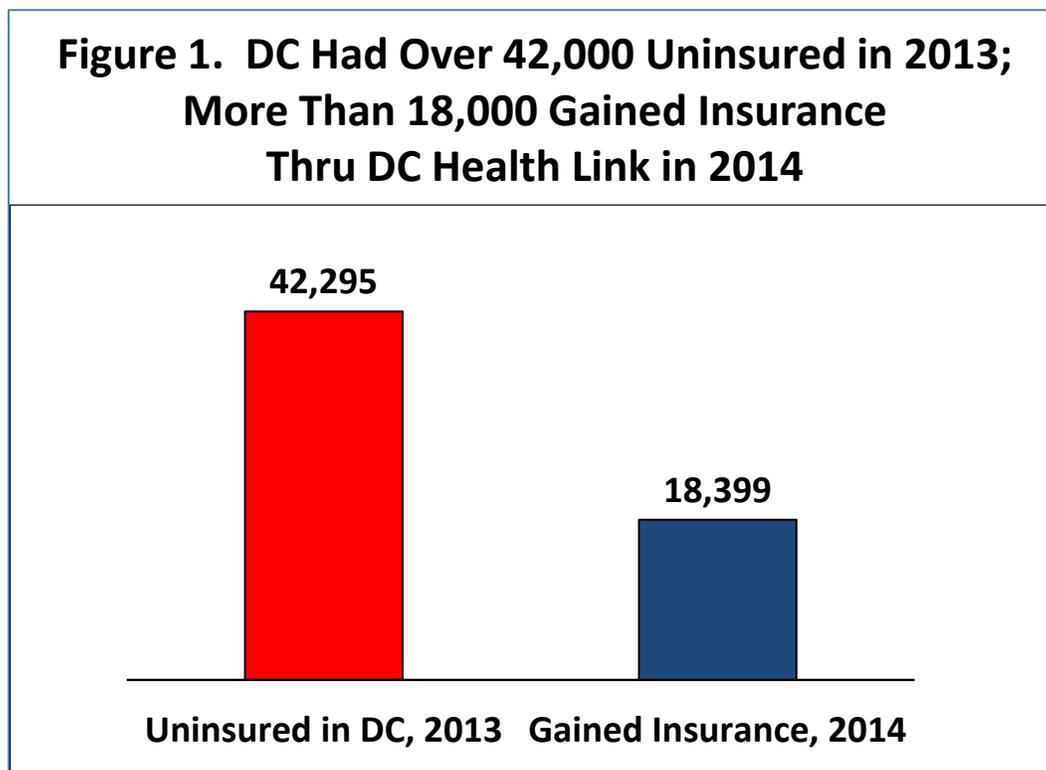
# Covering the Uninsured Through DC Health Link: Report on the First Year

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## Executive Summary

More than 18,000 previously uninsured District of Columbia residents gained health insurance coverage after using DC Health Link in 2014, according to internal analyses completed by the DC Health Benefit Exchange Authority. Census data indicate that more than 42,000 District residents were uninsured in 2013 (6.7% uninsured). If there were no other changes in insurance status, this suggests that DC Health Link contributed to as much as a 43 percent reduction in the rate of uninsurance in the District of Columbia (**Figure 1**). More authoritative estimates of changes in insurance coverage in the District of Columbia must await the availability of broader survey data.



## Introduction

DC Health Link is the District of Columbia's on-line health insurance marketplace. Residents can shop and enroll in private health insurance plans (Qualified Health Plans or QHPs) or apply for public coverage (Medicaid). The District's Health Benefit Exchange Authority (HBX) is responsible for DC Health Link, established under the Affordable Care Act. The first year of enrollment began October 1, 2013 and the second year began in November 2014. This report provides data about how DC Health Link expanded insurance coverage in its first year of operation.

DC Health Link opened for business October 1, 2013. Individuals and families, as well as small businesses and their employees, can shop on-line for health coverage. DC Health Link is also the source of coverage for much of the U.S. Congress. People can also qualify for Medicaid coverage on-line through DC Health Link. Those determined eligible for Medicaid through DC Health Link are enrolled in the program by the Economic Security Administration.

## Data and Methods

Data for this report come from three sources: Census data on insurance coverage as reported by the American Community Survey (ACS) and from two e-mail surveys conducted by HBX. The ACS is a large household survey, which provides detailed social and demographic data about the District and all U.S. states. At the District level, population and insurance data are based on the 2013 ACS. However, to get similar information at neighborhood levels required using zip code level data pooled from 2009 to 2013. Because the population grew between 2009 and 2013, we adjusted these data to match 2013 levels.

HBX staff surveyed people who provided e-mail addresses on their applications. Most QHP enrollees and those determined eligible for Medicaid provided e-mail addresses, but we cannot be certain that the survey findings represent those for whom e-mail addresses were not available. The QHP survey was conducted in August 2014 and the Medicaid survey was conducted in October. The QHP survey was for those enrolled in the individual and family component of the marketplace, not the Small Business Health Options Program (SHOP) enrollees, including Congress. The response rate for the QHP survey was 17.8% and for the Medicaid survey was 6.7%. These modest response rates indicate the need for additional work to determine whether those responding are representative of the whole survey population. Results were weighted to adjust for survey non-response based on the address and age of the survey respondents.

The Census and survey data are based on zip codes where people resided. We grouped data to correspond to the District's eight wards. However, not all zip code boundaries coincide with ward boundaries; some zip codes are in two or even three wards. We allocated each zip code's data to the wards that had the largest portion of the zip code's area.<sup>1</sup> Thus, ward-level distributions are approximate.

Note: The data in this report about the number of QHP enrollees and those determined Medicaid eligible may differ from other statistics reported by HBX because of the timing of the surveys and because zip code discrepancies made it difficult to allocate everyone to District locations.

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<sup>1</sup> For example, zip code 20020 is in both Wards 7 and 8. Data from that zip code was allocated to Ward 8 since the majority of that zip code is in Ward 8. Similarly, data from zip code 20011 was allocated to Ward 4, zip code 20001 was allocated to Ward 6, zip code 20007 was allocated to Ward 2 and zip code 20009 was allocated to Ward 1.

## Results

**2013 Insurance Status.** Even before DC Health Link opened for business, the percent of District residents who are uninsured was relatively low. Data from the Census Bureau’s ACS indicate that 6.7% of residents were uninsured in 2013. This ranged from 3.2% in Ward 3 to 9.6% in Ward 4 (**Table 1**). All these levels are low compared to the national rate of 14.5% uninsured. The District had the second lowest percent uninsured residents in the nation, second only to Massachusetts and tied with Hawaii.

	Census Data, 2013 Estimates			Number of Residents Enrolled through DC Health Link, 2014	
	Total Popn	# Uninsured	% Uninsured	QHP Enrollees	Medicaid-Eligible
<b>Total, DC</b>	<b>635,833</b>	<b>42,295</b>	<b>6.7%</b>	<b>12,875</b>	<b>29,645</b>
<b>Ward 1</b>	85,675	5,746	6.7%	2,521	3,272
<b>Ward 2</b>	66,926	2,945	4.4%	1,847	1,278
<b>Ward 3</b>	62,398	2,014	3.2%	1,821	1,075
<b>Ward 4</b>	96,784	9,261	9.6%	1,913	5,079
<b>Ward 5</b>	99,287	7,421	7.5%	1,711	4,865
<b>Ward 6</b>	79,804	5,223	6.5%	2,181	3,163
<b>Ward 7</b>	55,022	3,624	6.6%	354	3,967
<b>Ward 8</b>	89,937	6,060	6.7%	527	6,946

**DC Health Link Enrollment.** In the first year, about 13,000 people enrolled in QHPs through DC Health Link and 30,000 were determined eligible for Medicaid. About 7% of all District residents obtained coverage through DC Health Link. These statistics do not include SHOP enrollees – employees and families covered by small business customers and Members and staff of the U.S. Congress. Some employees covered through SHOP live in the District; others do not.

**Effect on Insurance Coverage.** Both the QHP and Medicaid e-mail surveys asked respondents (generally the person who applied for insurance coverage) whether they had health coverage before they applied through DC Health Link. About 23% of the QHP enrollees and 55% of the Medicaid eligible people reported they were uninsured before they applied (**Table 2**).

We estimate that 2,357 QHP enrollees and 16,042 Medicaid-eligibles were previously uninsured. (This estimate is based on the assumption that the respondents’ prior insurance status applies to dependents on their policies.)

**Table 2. Effect of DC Health Link on Uninsurance in the District of Columbia**

	% of Respondents Who Were Previously Uninsured, Based on HBX Surveys, 2014		Number of Residents Who Gained Insurance (Were Previously Uninsured)		Percent of Residents (Who Were Previously Uninsured) Gaining Insurance Through DC Health Link		
	QHP Enrollees	Medicaid-Eligible	QHP Enrollees	Medicaid-Eligible	QHP Enrollees	Medicaid-Eligible	Total, QHP &
<b>Total, DC</b>	<b>22.8%</b>	<b>55.0%</b>	<b>2,357</b>	<b>16,042</b>	<b>0.4%</b>	<b>2.5%</b>	<b>2.9%</b>
<b>Ward 1</b>	22.7%	47.5%	467	1,411	0.5%	1.6%	2.2%
<b>Ward 2</b>	23.6%	35.1%	346	529	0.5%	0.8%	1.3%
<b>Ward 3</b>	19.5%	43.9%	274	543	0.4%	0.9%	1.3%
<b>Ward 4</b>	27.3%	60.7%	436	2,938	0.5%	3.0%	3.5%
<b>Ward 5</b>	21.8%	60.4%	311	2,925	0.3%	2.9%	3.3%
<b>Ward 6</b>	23.4%	40.6%	418	1,180	0.5%	1.5%	2.0%
<b>Ward 7</b>	15.5%	63.9%	32	2,554	0.1%	4.6%	4.7%
<b>Ward 8</b>	23.2%	60.1%	73	3,962	0.1%	4.4%	4.5%

- A total of 18,399 previously uninsured residents, 2.9 percent of District residents, gained health insurance coverage through DC Health Link.
- The percentage gain in health coverage was greater in lower-income Wards 7 and 8 and lower in higher-income Wards 2 and 3. Nonetheless, DC Health Link helped previously uninsured people in all Wards in the District get coverage.

**Conclusions.** Close to 43,000 people enrolled in private coverage or were found eligible for Medicaid through DC Health Link. (These estimates do not include people renewing Medicaid coverage or those covered by the SHOP marketplace through their employers.) Survey data indicate that more than 18,000 people were previously uninsured, consequently gaining health insurance or access to Medicaid through DC Health Link. Census data found that there were over 42,000 uninsured District residents in 2013, a level much lower than most parts of the United States.

If there were no other changes in insurance status in the District of Columbia in 2014, these changes would indicate that DC Health Link lowered the number of uninsured District residents by over 18,000, or as much as 43%. These findings are preliminary. Many other factors may have affected insurance coverage for District residents.

Four early national surveys have already demonstrated the number of uninsured people fell significantly nationally between 2013 and 2014, after the implementation of Affordable Care Act insurance expansions.<sup>2</sup> These surveys have not provided detail specific for the District of Columbia, however. More authoritative estimates of changes in the number of uninsured people in the District will not be known until broader survey data are available for all of 2014. ACS

<sup>2</sup> See, for example, Jason Furman and Matt Fiedler, “2014 Has Seen Largest Coverage Gains in Four Decades, Putting the Uninsured Rate at or Near Historic Lows”, U.S. Council of Economic Advisors, Dec. 18, 2014. <http://www.whitehouse.gov/blog/2014/12/18/2014-has-seen-largest-coverage-gains-four-decades-putting-uninsured-rate-or-near-his>

data for 2014 should become available in September 2015, although other survey data may become available sooner.

These results are also useful in local efforts to gauge the effectiveness of enrollment and outreach activities and to target ongoing efforts for DC Health Link.

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