

# MASSACHUSETTS RESIDENTS WITHOUT HEALTH INSURANCE COVERAGE: UNDERSTANDING THOSE AT RISK OF LONG-TERM UNINSURANCE

## Executive Summary

JULY 2016

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## EXECUTIVE SUMMARY

Massachusetts has a history of health care reform efforts focused on improving access to health insurance coverage. These reforms, particularly the Massachusetts 2006 health care reform law, have led to Massachusetts achieving the lowest uninsurance rate in the nation.<sup>1,2,3,4</sup> However, since 2008, the state has analyzed individual years of data from state tax filings, and each analysis has found that there have remained over 140,000 individuals without full-year health insurance, and approximately two-thirds of this population have had income levels low enough that most should have been eligible for free or low-cost health insurance.<sup>5</sup> This finding has raised important questions such as: How many of the uninsured in an individual year remain persistently uninsured over consecutive years? And over several years, how many individuals are experiencing periods of part-year uninsurance? By examining two consecutive years of data from state tax filings, this report begins to address these questions.

Each year since 2008, as part of the administration of the state's individual mandate to carry health insurance coverage, Massachusetts has collected detailed information through the state's tax filing process about the health insurance status of over four million residents. This represents the majority of adults living in the state. No other state has such detailed information on its residents' insurance status.

In addition to data from state tax filings, there are several reports that monitor the impact of the 2006 health reform law on access to health insurance coverage.<sup>6,7,8</sup> However, this research has

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- 1 The Massachusetts 2006 health care reform law is entitled "An Act Providing Access to Affordable, Quality, Accountable Health Care" and is also known as Chapter 58 of the Acts of 2006.
  - 2 Raymond A. "Massachusetts Health Reform: A Five-Year Progress Report." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation, 2011. Available online at <http://bluecrossfoundation.org/publication/massachusetts-health-reform-five-year-progress-report>.
  - 3 Blue Cross Blue Shield of Massachusetts Foundation. "Health Reform in Massachusetts: Assessing the Results." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation, 2014. Available online at <http://bluecrossfoundation.org/publication/updated-health-reform-massachusetts-assessing-results>.
  - 4 Smith J. and Medalia C. "Health Insurance Coverage in the United States: 2014." Washington, DC: United States Census Bureau, 2015. Available online at <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-253.pdf>.
  - 5 The yearly reports for tax years 2008 through 2012 have been published by the Massachusetts Health Connector and Department of Revenue and are titled, "Data on the Individual Mandate." These reports are available online at <https://www.mahealthconnector.org/about/policy-center/reports-publications>.
  - 6 The June 2014 and July 2015 editions of "Enrollment Trends" from the Center for Health Information and Analysis (CHIA) are available online at <http://www.chiamass.gov/enrollment-in-health-insurance/>.
  - 7 Reports from the 2006, 2007, 2008, 2012, 2013, and 2015 Massachusetts Health Reform Survey are available online at <http://bluecrossmafoundation.org/tag/publication-collection/massachusetts-health-reform-survey>.
  - 8 Reports from the Massachusetts Health Insurance Survey from 2015 and earlier are available online at <http://www.chiamass.gov/massachusetts-health-insurance-survey/>.

*The findings and views expressed in this report are the authors' own and do not reflect the official positions of the University of Massachusetts Medical School or the Commonwealth Health Insurance Connector Authority.*

largely focused on health insurance coverage at a point in time or in a given 12-month period. There has been very limited research focused on quantifying and understanding individuals who may be chronically uninsured for more than 12 months.

By utilizing health insurance coverage data from state tax filings during the years of 2011 and 2012, this report intends to address that research gap and provide a better understanding of the population in Massachusetts that is prone to remain uninsured over consecutive years. In this report, adult tax filers were considered to be persistently uninsured if they reported not having health insurance that met the state's coverage standards, known as Minimum Creditable Coverage, for the full length of time during these two calendar years that they were residents of Massachusetts.<sup>9</sup>

Previous analyses of the tax filer data for the individual years of 2011 and 2012 found that over 99 percent of tax filers who were required to provide health insurance information complied with this reporting requirement. During each of these individual years, 92 percent of adult tax filers were insured for the full year that they were residents, 4 percent were uninsured for part of the year, and 4 percent were uninsured for the full year. The focus of this report is to better understand the uninsured population *over time*, and the key findings highlight new information about the tax filers who filed taxes in both 2011 and 2012.

*Key findings include:*

- The large majority of adults (97 percent) who were full-year insured in 2011 continued to have full-year coverage in 2012.
- Despite the high rate of health insurance coverage, there remained approximately 180,000 adults who were uninsured for all of 2011 (4 percent of adult Massachusetts tax filers). Among these individuals, 120,000 were identified in the data from 2012 tax filings, and approximately 60,000 (49 percent) were persistently uninsured for the full years of 2011 and 2012. This 60,000 represents 1 percent of adult tax filers.
- Tax filers who experienced uninsurance in 2011 (either full-year or part-year) were more likely than full-year insured individuals to experience uninsurance in the subsequent year.
  - While only 3 percent of those with full-year insurance in 2011 experienced uninsurance in the subsequent year, 30 percent of those with part-year insurance in 2011 experienced either full-year or part-year uninsurance in the subsequent year, and 60 percent of those with full-year uninsurance in 2011 experienced either full-year or part-year uninsurance in the subsequent year.
  - Full-year uninsured individuals were five times more likely than part-year uninsured individuals to be uninsured full-year for the subsequent year (49 percent versus 9 percent).

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<sup>9</sup> Minimum Creditable Coverage regulations specify particular standards or a coverage level that a health insurance plan must provide to satisfy the state's individual mandate requirement.

- Part-year uninsured tax filers were significantly more likely than full-year uninsured tax filers to acquire full-year insurance (70 percent versus 40 percent) or have part-year insurance (21 percent versus 11 percent) in the subsequent year.
- Among those who were uninsured for the full year of 2011, individuals who were male, single, under the age of 40, or lower-income were more likely to remain uninsured during the subsequent year. Individuals with these characteristics represent a disproportionate share of the uninsured, as well as a disproportionate share of the *persistently* uninsured.
- There was geographic variation in uninsurance rates, with the rate of full-year uninsurance in 2011 ranging from 4 to 13 percent among different counties in the state. The same counties that had the highest rates of full-year uninsurance also had the highest rates of persistent uninsurance, which ranged from 1 to 5 percent.

The key findings of this report add to the growing understanding of the uninsured population in Massachusetts. Although young adult, male, Hispanic, noncitizen, and low-income populations are disproportionately represented among the state's uninsured population, it is also true that there are uninsured of all ages, genders, family sizes, and ethnicities.<sup>10</sup>

This report highlights that the uninsured population is dynamic, with varying lengths of being uninsured, and demographically heterogeneous. This variability among the uninsured supports the need for a wide range of approaches to help facilitate new enrollment and consistent health insurance coverage for the uninsured population.

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<sup>10</sup> Long S., Goin D., and Lynch V. "Reaching the Remaining Uninsured in Massachusetts: Challenges and Opportunities." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation and the Urban Institute, 2013. Available online at <http://bluecrossfoundation.org/publication/reaching-remaining-uninsured-massachusetts-challenges-and-opportunities>.

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*years*



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