

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

JULY 2016



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ACKNOWLEDGMENTS

The authors would like to thank Jianying Zhang of the University of Massachusetts Medical School for her important contributions to the analyses conducted in this report.

In addition, the authors would like to thank Steve Dukeman and his colleagues at the Massachusetts Department of Revenue for their work helping the authors to access the data required for the analyses in this report.

Also, the authors would like to thank Nancy Turnbull for her comments on drafts of this report.

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.

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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.^{1,2,3,4} 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.⁵ 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.^{6,7,8} However, this research has 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

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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/>.

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.⁹

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).
- 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.

⁹ 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.

- 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.¹⁰

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.

¹⁰ 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>.

INTRODUCTION

Massachusetts has a tradition of health care reform focused on efforts to improve access to health insurance, and the state has led the nation with the lowest rates of uninsurance for close to a decade.¹¹ However, despite the high rates of insurance coverage in the state, there continue to be individuals without health insurance coverage. Even with implementation of the Affordable Care Act (ACA) and the availability of new subsidies for some individuals and families, there remains a small but persistent population without health insurance.¹²

Previous state and federal survey data has demonstrated that low-income, male, single, Hispanic, and noncitizen individuals are disproportionately represented among the uninsured. There also is regional variation in the rates of uninsurance in Massachusetts, with a subset of communities having higher concentrations of uninsured individuals.¹³ In 2015, among non-elderly Massachusetts adults describing their health insurance coverage over the past 12 months, 88.6 percent were always insured, 9.4 percent had some point of uninsurance, and 1.6 percent were uninsured for the entire past 12 months.¹⁴

The 2006 Massachusetts health care reform law made the state the first to introduce an individual mandate that required most adults to have health insurance coverage and the first to implement a health insurance exchange. As a result of the individual mandate and the process used by the state to administer it, Massachusetts is the only state in the nation to have more than seven years of detailed information regarding the actual health insurance status of a majority of its population collected through annual state tax filings, not just information on a sample of its residents collected through a survey. It should be noted, however, that surveys are generally conducted and analyzed to be representative of the entire population, while tax filer data is actual administrative data on a specific subset of the total state population, does not include those who have not filed taxes, and does not include information about the health insurance of children.

Massachusetts administers the individual mandate by collecting health insurance information using the Schedule HC, a form that individuals complete when filing their state income taxes.¹⁵ Penalties for not having health insurance coverage are assessed at the time individuals file their taxes. This approach was subsequently replicated in the ACA at the federal level. As a result, starting with 2014 federal tax filings, individuals across the nation now report health insurance

11 Massachusetts has been the state with the lowest rate of uninsurance since 2007, according to data from the U.S. Census Bureau, Current Population Survey, Health Insurance Historical Tables (HIB Series). Available online at https://www.census.gov/hhes/www/hlthins/data/historical/HIB_tables.html.

12 Skopec L., Long S., Sherr S., Dutwin D., and Langdale K. "Findings from the 2015 Massachusetts Health Insurance Survey." Boston, MA: Center for Health Information and Analysis (CHIA), 2015. Available online at <http://www.chiamass.gov/massachusetts-health-insurance-survey/>.

13 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>.

14 Long S. and Dimmock D. "Health Insurance Coverage and Health Care Access and Affordability in Massachusetts: 2015 Update." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation and the Urban Institute, 2016. Available online at <http://bluecrossfoundation.org/publication/2015-massachusetts-health-reform-survey>.

15 The Schedule HC for 2012 is available online at <http://www.mass.gov/dor/docs/dor/health-care/2012/hc.pdf>.

information when they file their annual federal income taxes, and face possible federal penalties for being uninsured.¹⁶

The Massachusetts Health Connector has analyzed health insurance information from Massachusetts state tax filings for each year from 2008 to 2012, and it has found that the proportion of tax filers who were uninsured for a full year has consistently been between 3 and 4 percent.¹⁷ In prior years, the tax filer data had only been analyzed for individual years. For example, prior analyses have not determined how many of the tax filers who were uninsured in one year remained uninsured in the following year. It also has not been known how many tax filers who were uninsured for part of a year went on to gain coverage for the subsequent year. The analysis in this report is the first time that tax filer data is being used to investigate these questions.

BACKGROUND AND METHODOLOGY

KEY TERMS

In order to maintain consistency with prior analyses of tax filer data,¹⁸ this report uses the following definitions of health insurance status:

- The term *full-year insured* represents individuals who met the requirement of the state individual mandate to have health insurance for the entire period during the year in which they were residents in Massachusetts. This includes individuals who were insured for all 12 months of a calendar year and also includes individuals who were residents for less than 12 months and were insured for all the months that they lived in Massachusetts.
- The term *part-year uninsured* refers to individuals who had a period of one month or more of being uninsured during the year while a resident in Massachusetts. The part-year uninsured population includes both full-year and part-year residents, all of whom were uninsured for at least one month.
- The term *full-year uninsured* refers to individuals who were uninsured either for the full 12 months of a calendar year or for the entire time during the year they were residents in the state.
- The term *persistently uninsured* refers to individuals who were full-year uninsured in two consecutive years in which they were Massachusetts residents who filed taxes.

16 The individual shared responsibility provision (<https://www.irs.gov/uac/Individual-Shared-Responsibility-Provision>) of the Affordable Care Act requires individuals either to have qualifying health care coverage (called minimum essential coverage) (<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/ACA-Individual-Shared-Responsibility-Provision-Minimum-Essential-Coverage>), to qualify for a coverage exemption (<https://www.irs.gov/uac/ACA-Individual-Shared-Responsibility-Provision-Exemptions>), or to make an individual shared responsibility payment when filing a federal income tax return.

17 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>.

18 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>.

- The term *tax filer* is used interchangeably with the term *individual*, and it includes both the primary adult who filed a Massachusetts tax filing and a second adult who is included on a tax filing in the case of a tax return for individuals who are married and filing a joint tax return.

The individual mandate in Massachusetts requires individuals to report whether or not they have health insurance coverage that the state considers to meet minimum standards, which have been defined in state regulations as Minimum Creditable Coverage (MCC). These benefit standards are set by the Health Connector’s board of directors. In this report, similar to the state’s annual analyses of tax filer data, the term “uninsured” indicates that an individual either has no insurance or has insurance that does not meet MCC standards.¹⁹

PEOPLE SUBJECT TO THE STATE INDIVIDUAL MANDATE

Similar to past analyses relying on the Schedule HC data, this report examines the uninsurance rates of adults living in Massachusetts who file taxes, and not the uninsurance rates of children under the age of 19. The analyses do not include children since the state mandate does not require children to have health insurance and since the tax filer data does not collect information on the health insurance status of children.

Not all of the uninsured individuals described in this report faced penalties for being uninsured. Individuals who are low-income (below 150 percent of the federal poverty level [FPL]), do not have access to affordable health insurance based on the state’s affordability schedule, have a religious exemption from the individual mandate, have an appeal which has been granted on hardship grounds, or who have a permissible lapse in coverage of three months or less are not penalized for failing to have health insurance.^{20,21,22}

TAX FILER TURNOVER

Analysis of the 2011 and 2012 tax filer data sets reveals that 11 percent of Massachusetts adults who filed taxes in 2011 were not identified in the 2012 data set (approximately 450,000 individuals). While many of these individuals may have moved out of state in 2012, there are a number of reasons that a person would not be identified in the 2012 data, including death or falling below the income threshold for filing taxes.²³ Among those who filed taxes in 2011 and were not in the next year’s data set, 85 percent were insured for the full year, 5 percent were uninsured for part of the year, and 9 percent were uninsured for the full year (Figure 1a).

19 For more information about Minimum Creditable Coverage (MCC), see the section regarding MCC in past annual “Reports to the Massachusetts Legislature” that the Health Connector has released since it was founded (e.g., Section 6.2 of the 2006–2008 report, Section 5.1 of the FY 2009 report, Section 6.1 of the FY 2010 report). Available online at <https://www.mahealthconnector.org/about/policy-center/reports-publications>.

20 Massachusetts Department of Revenue. “2012 Massachusetts Schedule HC Health Care: Schedule HC Instructions.” Boston, MA: Massachusetts Department of Revenue. Available online at <http://www.mass.gov/dor/docs/dor/health-care/2012/hc-instr.pdf>.

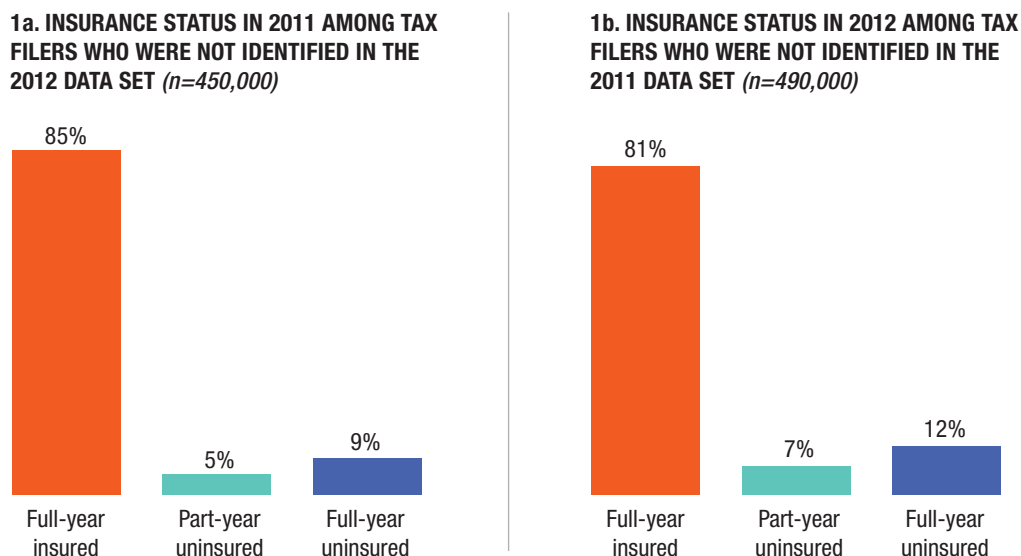
21 Massachusetts Department of Revenue. “TIR 10-25: Individual Mandate Penalties for Tax Year 2011.” Boston, MA: Massachusetts Department of Revenue. Available online at <http://www.mass.gov/dor/businesses/help-and-resources/legal-library/tirs/tirs-by-years/2010-releases/tir-10-25-individual-mandate-penalties-for.html>.

22 Massachusetts Health Connector. “Report to the Massachusetts Legislature: Fiscal Year 2012.” Boston, MA: Massachusetts Health Connector, 2012. Available online at <https://www.mahealthconnector.org/wp-content/uploads/annual-reports/ConnectorAnnualReport2012.pdf>.

23 A Massachusetts full-year or part-year resident is generally required to file a tax return with the state of Massachusetts if her or his Massachusetts gross income is in excess of \$8,000. Available online at <http://www.mass.gov/dor/individuals/filing-and-payment-information/personal-income-tax-faqs/nonresidents-and-part-year-residents-faqs.html>.

Among the Massachusetts adults who filed taxes in 2012, 12 percent (approximately 490,000 individuals) were not identified in the 2011 data set. Of these individuals who were not identified, 81 percent were insured for the full year, 7 percent were uninsured for part of the year, and 12 percent were uninsured for the full year (Figure 1b).

FIGURE 1. TAX FILER TURNOVER IN 2011 AND 2012



Notably, while the full-year insured rate among “new” filers in 2012 (i.e., those tax filers not previously identified in 2011) was 81 percent, the full-year insured rate among filers who were in both data sets was 94 percent. This suggests that individuals who are new filers may be more likely to be uninsured than the population that is filing for consecutive years—a finding that would benefit from further study and incorporation into health insurance coverage enrollment outreach strategies.

In order to focus on the insurance status of individuals who live in the state for consecutive years, the findings described in the remainder of this report concentrate on the population of tax filers who are identified in both 2011 and 2012 tax filer data sets.

FINDINGS

QUANTIFYING THE PERSISTENTLY UNINSURED IN MASSACHUSETTS

Previous analysis of the 2011 tax filer data reported on 4.2 million residents and found that 92 percent of filers were full-year insured, 4 percent were part-year uninsured, and 4 percent were full-year uninsured.²⁴ Examining those who were present in both 2011 and 2012 included 3.7 million residents and returned slightly different results: 94 percent, 3 percent, and 3 percent, respectively (Figure 2a).

The Full-Year Insured Population

In analyzing tax filer data across 2011 and 2012, the large majority of adults (97 percent) who were full-year insured in 2011 continued to have full-year coverage in 2012 (Figure 2b, 2e, 2f). This is consistent with other research and analyses that indicate that the majority of the state's residents consistently have health insurance coverage without gaps in coverage.^{25,26}

The Part-Year Uninsured Population

Among the part-year uninsured in 2011, 70 percent gained full-year coverage in the next year, 21 percent continued to be part-year uninsured, and 9 percent became uninsured for the full year (Figure 2c).

The Full-Year Uninsured Population

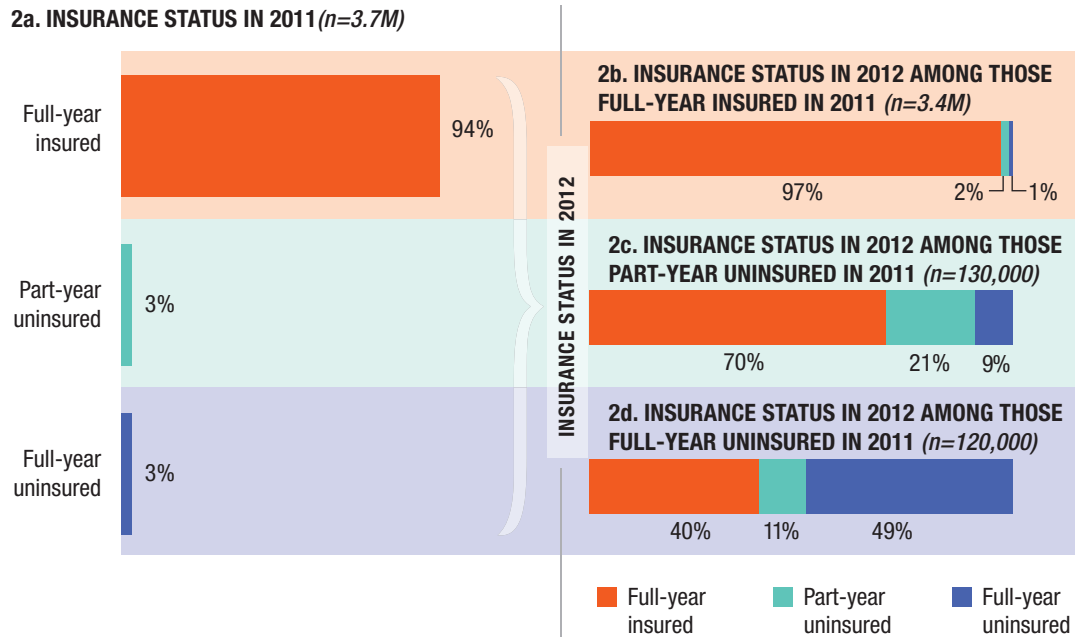
Among the full-year uninsured in 2011, in the subsequent year 40 percent were insured for the full year, 11 percent were uninsured for part of the year, and 49 percent were uninsured for the full year (Figure 2d, 2e). This 49 percent represents approximately 60,000 individuals who were persistently uninsured for the full years of 2011 and 2012 (1 percent of adult tax filers).

24 Massachusetts Health Connector and Department of Revenue. "Data on the Individual Mandate: Tax Year 2011." Boston, MA: Massachusetts Health Connector, 2014, p. 10. Available online at <https://betterhealthconnector.com/wp-content/uploads/reports-and-publications/TaxYear2011FinalReport.pdf>.

25 Long S. and Fogel A. "Health Insurance Coverage and Health Care Access, Use, and Affordability in Massachusetts: An Update as of Fall 2012." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation, 2014, pp. 3, 20. Available online at <http://bluecrossfoundation.org/publication/2012-massachusetts-health-reform-survey>.

26 Skopec L., Long S., Sherr S., Dutwin D., and Langdale K. "Findings from the 2015 Massachusetts Health Insurance Survey." Boston, MA: Center for Health Information and Analysis (CHIA), 2015, p. 12. Available online at <http://www.chiamass.gov/massachusetts-health-insurance-survey/>.

FIGURE 2. INSURANCE STATUS OF ADULT MASSACHUSETTS RESIDENTS IN 2011 AND 2012



Note: The total number of individuals in Figure 2 is less than the total number of individuals reported in the single-year analysis of the 2011 data that was previously published by the Health Connector, since Figure 2 includes only individuals who were identified in both the 2011 and the 2012 tax filer data sets.

2e. FULL-YEAR INSURED AND FULL-YEAR UNINSURED IN 2012

Selected percentages from Figures 2b and 2d are summarized in the table below.

		INSURANCE STATUS IN 2011	
		Full-year insured **	Full-year uninsured ***
INSURANCE STATUS IN 2012	Full-year insured	97% *	40%
	Full-year uninsured	1%	49%

* How to interpret this table: Among those who were full-year insured in 2011, 97 percent were full-year insured in 2012.
 ** The percentages in this column also appear in Figure 2b.
 *** The percentages in this column also appear in Figure 2d.

2f. FULL-YEAR INSURED AND EXPERIENCED UNINSURANCE IN 2012

Selected percentages from Figures 2b and 2d are summarized in the table below.

		INSURANCE STATUS IN 2011	
		Full-year insured **	Full-year uninsured ***
INSURANCE STATUS IN 2012	Full-year insured	97%	40%
	Experienced uninsurance (part-year uninsured or full-year uninsured)	3%*	60%

* How to interpret this table: Among those who were full-year insured in 2011, 3 percent experienced uninsurance (either part-year or full-year) in 2012.
 ** The percentages in this column also appear in Figure 2b. The 3 percent in this column represents the sum of the 1 percent and 2 percent that appear in Figure 2b.
 *** The percentages in this column also appear in Figure 2d. The 60 percent in this column represents the sum of the 11 percent and 49 percent that appear in Figure 2d.

Key Takeaways:

- Comparing consecutive years of tax filer data validates that the vast majority of Massachusetts residents are consistently insured without gaps in coverage. Among those who were full-year insured in 2011, 97 percent continued to have full-year insurance in 2012 (Figure 2b).
- Tax filers who experienced uninsurance in 2011 (for either the full year or part of the year) were more likely than full-year insured individuals to experience uninsurance in the subsequent year. This risk is significantly more pronounced for the full-year uninsured population than for the part-year uninsured population.
 - While only 3 percent of those with full-year insurance in 2011 experienced uninsurance in the subsequent year (Figure 2f), 30 percent of the part-year uninsured in 2011 experienced uninsurance in the subsequent year, and 60 percent of the full-year uninsured in 2011 experienced uninsurance in the subsequent year (Figure 2f).
 - Comparing the populations in 2011 that were full-year uninsured versus part-year uninsured reveals that those who were full-year uninsured were five times more likely to be full-year uninsured for the subsequent year (49 percent versus 9 percent) (Figures 2c, 2d).
- Though part-year uninsured and full-year uninsured tax filers in a given year had a greater risk of lacking insurance in the subsequent year than full-year insured tax filers, 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 (Figures 2c, 2d).

CHARACTERISTICS OF THE PERSISTENTLY UNINSURED IN MASSACHUSETTS

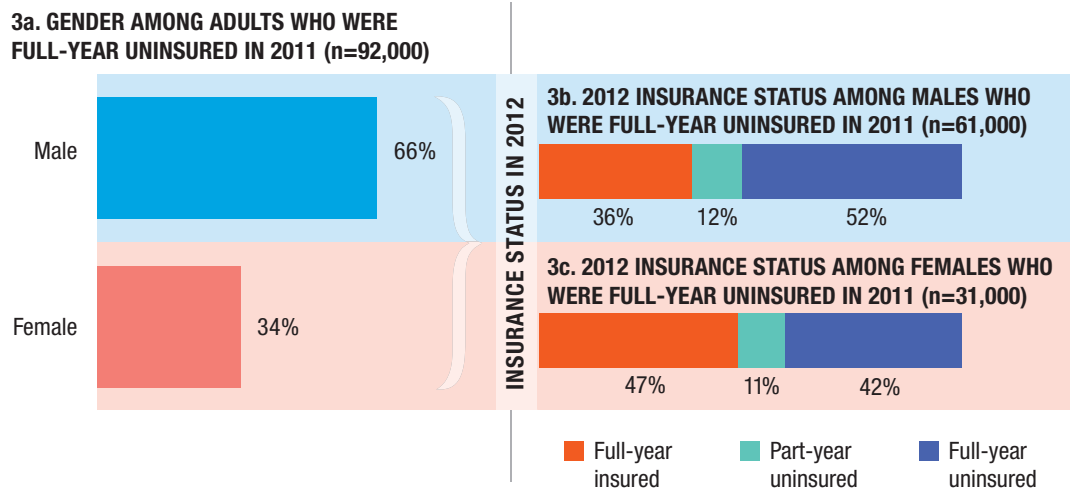
From previous analyses of tax filer data and other sources, it is known that the uninsured in Massachusetts are disproportionately male, single, young, and low-income.^{27,28} This analysis investigates to what extent this also holds true for the persistently uninsured.

Gender

As found in other analyses, the full-year uninsured in our analysis were more likely to be male than female (Figure 3a). Furthermore, those males were more likely to be uninsured in the subsequent year, with 52 percent of the males remaining persistently uninsured in 2012 (Figure 3b), compared with 42 percent of the females (Figure 3c). In other words, males are disproportionately represented in the full-year uninsured population and also are more likely than females to be persistently uninsured.

Consistent with that finding, fewer uninsured males obtained insurance in the subsequent year. Among those who were full-year uninsured in 2011, only 36 percent of males gained full-year insurance in the subsequent year, compared with 47 percent of females (Figures 3b, 3c).

FIGURE 3. GENDER AMONG FULL-YEAR UNINSURED MASSACHUSETTS ADULTS



Note: The number of uninsured individuals in Figure 3 includes only tax filers whose gender is known, since not all individuals report their gender on tax filings. The total number of individuals is less than that reported in prior analyses published by the Health Connector, since Figure 3 includes only individuals who were identified in both the 2011 and the 2012 tax filer data sets.

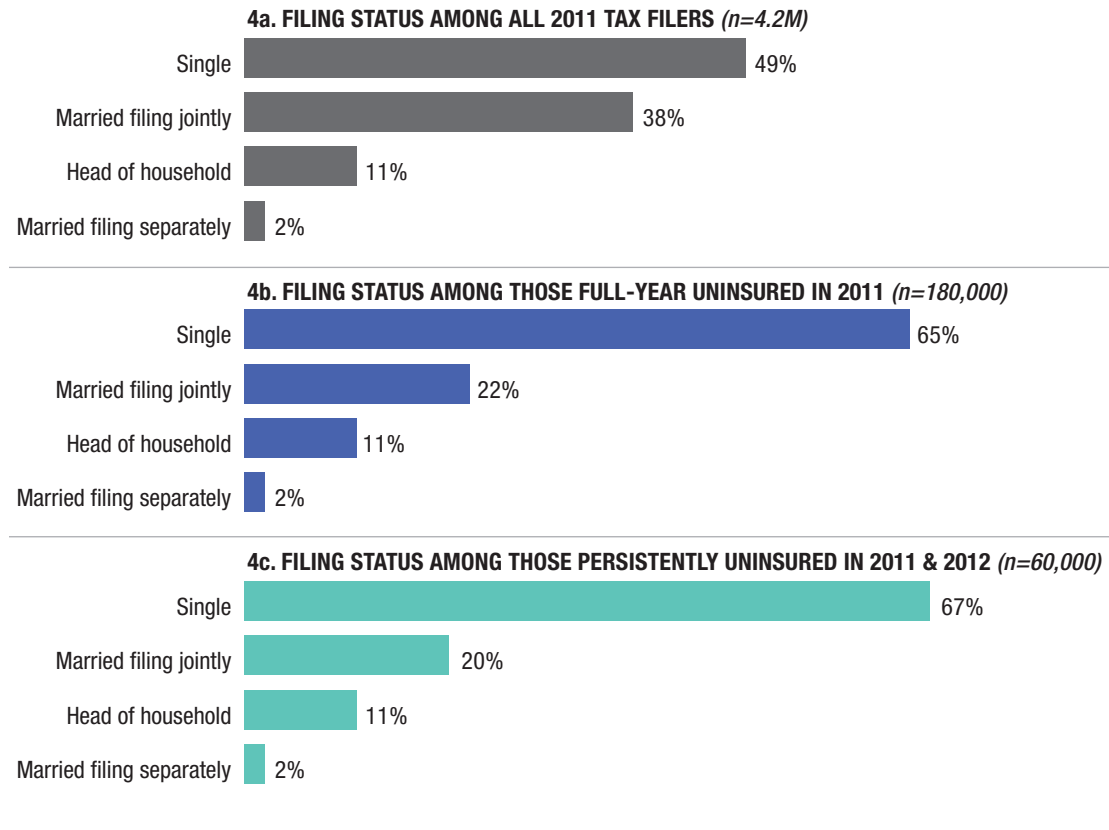
27 Massachusetts Health Connector and Department of Revenue. "Data on the Individual Mandate: Tax Year 2012." Boston, MA: Massachusetts Health Connector, 2014, p. 24. Available online at <https://betterhealthconnector.com/wp-content/uploads/reports-and-publications/TaxYear2012FinalReport.pdf>.

28 Skopec L., Long S., Sherr S., Dutwin D., and Langdale K. "Findings from the 2014 Massachusetts Health Insurance Survey." Boston, MA: Center for Health Information and Analysis (CHIA), 2015, p. 7. Available online at <http://www.chiamass.gov/massachusetts-health-insurance-survey/>.

Filing Status

As reported in prior analyses, the full-year uninsured population is disproportionately single (not married). In 2011, single individuals made up 49 percent of all tax filers (Figure 4a) but represented 65 percent of those who were full-year uninsured (Figure 4b). Based on this analysis, single tax filers also represent a disproportionate share (67 percent) of those who are persistently uninsured (Figure 4c).

FIGURE 4. FILING STATUS AMONG MASSACHUSETTS ADULTS



Income

Previous research and analysis has shown that low-income individuals make up the majority of the uninsured, and tax filer data supports this finding.^{29,30,31,32} The 2011 full-year uninsured rate decreased as income increased, ranging from a 13 percent full-year uninsurance rate among the lowest income levels (0 to 100 percent FPL) down to 1 percent for incomes above 300 percent FPL (Figure 5).

Low-income individuals also are more likely to be persistently uninsured, but the range in the rate of persistent uninsurance by income is diminished. The persistent uninsurance rates range from 4 percent among the lowest-income group (0 to 100 percent FPL) to 1 percent for those with incomes above 300 percent FPL (Figure 5).

FIGURE 5. UNINSURANCE RATE IN 2011 AND 2012 BY INCOME

Income level by percent of the federal poverty level (FPL)	Full-year uninsured rate in 2011	Persistently uninsured rate (full-year uninsured in 2011 & 2012)
0 – 100%	13%	4%
100.1 – 133%	11%	4%
133.1 – 200%	7%	3%
200.1 – 300%	4%	2%
> 300%	1%	1%
All incomes	4%	1%

29 Massachusetts Health Connector and Department of Revenue. "Data on the Individual Mandate: Tax Year 2011." Boston, MA: Massachusetts Health Connector, 2014, p.14. Available online at <https://betterhealthconnector.com/wp-content/uploads/reports-and-publications/TaxYear2011FinalReport.pdf>.

30 Massachusetts Health Connector and Department of Revenue. "Data on the Individual Mandate: Tax Year 2012." Boston, MA: Massachusetts Health Connector, 2015, p.14. Available online at <https://betterhealthconnector.com/wp-content/uploads/reports-and-publications/TaxYear2012FinalReport.pdf>.

31 Skopec L., Long S., Sherr S., Dutwin D., and Langdale K. "Findings from the 2015 Massachusetts Health Insurance Survey." Boston, MA: Center for Health Information and Analysis (CHIA), 2015, p. 8. Available online at <http://www.chiamass.gov/massachusetts-health-insurance-survey/>.

32 Long S., Stockley K., and Dahlen H. "Health Reform in Massachusetts as of Fall 2010: Getting Ready for the Affordable Care Act & Addressing Affordability." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation, 2012, p. 36. Available online at <http://bluecrossfoundation.org/publication/health-reform-massachusetts-update-fall-2010>.

Age

Young adults are known to be disproportionately represented among the uninsured, and in 2011, 19- to 26-year-olds made up 13 percent of tax filers but represented 35 percent of the full-year uninsured (Figure 6). Analysis of the 2011 and 2012 tax filer data found that adults below the age of 40 were disproportionately represented among the persistently uninsured population. This age group represented 36 percent of all adult tax filers in 2011 but made up 58 percent of the population that was persistently uninsured. The youngest group, ages 19 to 26, represented 13 percent of all adult tax filers in 2011 but made up 28 percent of the population that was persistently uninsured (Figure 6).

FIGURE 6. AGE AMONG ADULT MASSACHUSETTS TAX FILERS IN 2011 AND 2012

Age range	All adult filers in 2011	Full-year uninsured filers in 2011	Persistently uninsured filers (full-year uninsured in 2011 & 2012)
19-26	13%	35%	28%
27-39	23%	29%	30%
40-49	20%	16%	18%
50-64	28%	16%	20%
65+	16%	5%	5%

Note: Numbers in each column do not add up to 100 percent, due to rounding. The percentages for the full-year uninsured filers in 2011 vary by 0 percent to 2 percent from those reported in the prior analysis published by the Massachusetts Health Connector, since Figure 6 does not include individuals whose age was not known according to the tax filer data.

Geography

Previous research demonstrates that there is wide geographic variation in uninsurance rates and that specific communities in Massachusetts have an uninsurance rate three to five times higher than the state average.³³ Similar geographic trends appear in the tax filer data, which reveal that the rate of full-year uninsurance in 2011 ranged from 4 to 13 percent in different counties. In particular, tax filer data shows that Nantucket, Dukes, Barnstable, and Suffolk counties had the highest rates of full-year uninsurance, while Hampshire and Norfolk counties had the lowest rates (Figure 7a). When ranked by the number of individuals, Middlesex, Suffolk, Essex, Worcester, and Bristol counties had the largest number of individuals who were uninsured for the full year (Figure 7b).

The counties that had the highest rates of full-year uninsurance in 2011 also had the highest rates of persistent uninsurance. While the statewide persistently uninsured rate was 1 percent, by county this rate ranged from 1 percent to 5 percent (Figure 7a).

FIGURE 7. RATES OF PERSISTENT UNINSURANCE BY COUNTY

7a. RATES OF PERSISTENT UNINSURANCE BY COUNTY (IN ORDER OF UNINSURANCE RATE)

County	Full-year uninsured in 2011		Full-year uninsured in 2011 & 2012	
	#	%	#	%
Nantucket	1,000	13%	420	5%
Dukes	1,100	9%	390	3%
Barnstable	8,900	6%	3,500	2%
Suffolk	22,000	5%	6,300	2%
Bristol	17,000	5%	6,300	2%
Hampden	13,000	5%	4,500	2%
Berkshire	3,800	5%	1,300	2%
Franklin	2,100	5%	770	2%
Essex	21,000	4%	7,400	2%
Worcester	20,000	4%	7,100	1%
Middlesex	40,000	4%	14,000	1%
Plymouth	13,000	4%	4,500	1%
Hampshire	3,500	4%	1,300	1%
Norfolk	16,000	4%	5,500	1%
Statewide	180,000	4%	60,000	1%

7b. RATES OF PERSISTENT UNINSURANCE BY COUNTY (IN ORDER OF NUMBER UNINSURED)

County	Full-year uninsured in 2011		Full-year uninsured in 2011 & 2012	
	#	%	#	%
Middlesex	40,000	4%	14,000	1%
Suffolk	22,000	5%	6,300	2%
Essex	21,000	4%	7,400	2%
Worcester	20,000	4%	7,100	1%
Bristol	17,000	5%	6,300	2%
Norfolk	16,000	4%	5,500	1%
Hampden	13,000	5%	4,500	2%
Plymouth	13,000	4%	4,500	1%
Barnstable	8,900	6%	3,500	2%
Berkshire	3,800	5%	1,300	2%
Hampshire	3,500	4%	1,300	1%
Franklin	2,100	5%	770	2%
Nantucket	1,000	13%	420	5%
Dukes	1,100	9%	390	3%
Statewide	180,000	4%	60,000	1%

³³ Long S. and Dimmock T. "The Geography of Uninsurance in Massachusetts, 2009–2013." Boston, MA: Blue Cross Blue Shield of Massachusetts Foundation, 2015. Available online at <http://bluecrossfoundation.org/publication/geography-uninsurance-massachusetts-2009-2013>.

DISCUSSION

IMPLICATIONS

The findings in this report add new information to the understanding of health insurance in Massachusetts, and they can help inform stakeholders including health care providers, community organizations, advocates, and policymakers who want to maintain the state's low uninsurance rate and who strive to lower the number of individuals without health insurance coverage.

The analyses described in this report support the growing understanding that the uninsured population in the state is dynamic, experiencing varying lengths of time without health insurance. This suggests that a range of programs and outreach strategies are necessary to reach the uninsured. At the same time, however, this analysis suggests that any period of uninsurance in a given year increases the likelihood that the person may be full-year or part-year uninsured during the following year, emphasizing the need for continued and consistent outreach efforts targeted at those who are uninsured or at risk of becoming uninsured.

The findings of this report also demonstrate how rich a resource the Commonwealth's tax filing information can be. Although the analysis in this report has begun to answer some fundamental questions such as how many individuals are persistently uninsured, this data source also has the potential to answer additional questions to inform policies and programs in the state. How common is it for individuals to be persistently uninsured not for just two consecutive years but for three or more years? To help policymakers, legislators, and advocacy organizations know where to best spend their resources and efforts to educate and serve uninsured individuals: Are there certain towns, communities, or neighborhoods that have high rates of persistent uninsurance? How many people experience multiple stretches of part-year uninsurance?

The rate of being insured was lower among individuals who filed taxes in 2012 but who did not file in the previous year. Since it is likely that many of these individuals were new to the state, education and outreach to individuals who are new residents may help to increase the number of individuals with health insurance. It is possible that new residents may not be aware of the state's individual mandate (though beginning in 2014, most people across the country have been subject to a federal health insurance mandate). These new residents may not have awareness of, or ready access to, the mechanisms and programs available to help individuals acquire health insurance coverage in the Commonwealth. This also points to another area that could benefit from further study: What are the characteristics of the population that files taxes in the state for the first time? Such an exploration may provide policymakers and outreach professionals with an understanding of why adults filing for the first time have higher rates of uninsurance than other filers. A more complete understanding may help policymakers and professionals to better tailor their assistance to this population.

An exciting aspect of the tax filer data is its potential to guide and more precisely target outreach and enrollment efforts. In the fall of 2015, the Massachusetts Health Connector created a new tool in its health insurance coverage outreach effort, which was the result of a direct-mailing partnership with the Department of Revenue to identify 180,000 individuals who previously had reported being uninsured. Educational information about how to find help understanding health

insurance options and how to apply for coverage was mailed to these individuals.³⁴ The state was the first in the nation to use this direct-to-resident approach, based on tax data, to try to help its residents and improve access to health insurance.

Analysis of the tax filer data also has the potential to demonstrate the effect of innovative outreach efforts like the targeted mailings mentioned above, and other types of outreach and enrollment efforts. For example, if grants or initiatives are undertaken to try to improve health insurance access in specific communities, the tax filer data can be used to determine if these efforts have been successful in decreasing the rates of uninsurance in those locations.

Although the ACA has succeeded in significantly decreasing nationwide uninsurance rates, Massachusetts has not been able to achieve a significant decrease in the last eight years. Therefore, it's clear that to help the approximately 200,000 Massachusetts residents each year who are uninsured, more research needs to be done not only to better understand this heterogeneous population but also to investigate what methods are the most effective in helping them to gain coverage. The tax filer data can certainly serve as one of the tools in this important effort.

LIMITATIONS AND OPPORTUNITIES

Although the data used for this report has some powerful advantages because of the data set's large size (more than four million individuals for each year), its longitudinal nature, and its ability to capture unique information (e.g., health insurance status for each month of the year and penalties for not being insured), it also bears some limitations. The data set does not capture information about people who don't file taxes, which includes some of the lowest-income individuals. The data set also does not capture information about children. Since individuals file taxes after a calendar year has ended, the data is not available in real time. There also is important information such as ethnicity, language, and health status that is not captured by the tax filer data.

In light of these limitations, it will be important for additional research on health insurance coverage to complement the tax filer data in order to answer important questions such as: What percent of the persistently uninsured do not speak English as their primary language? What are the best ways to get more young adults insured? How can the gender gap evident in health insurance coverage be best addressed? What can be done to improve the affordability and accessibility of health insurance coverage? How effective are statewide and local efforts in increasing the number of individuals who have insurance coverage?

NATIONAL CONTEXT

This report and data set may help illustrate for other states and for national leaders what level of information and analysis is possible with the data being collected by the Internal Revenue Service since implementation of the ACA. After the nationwide individual mandate went into effect in 2014, health insurance information was collected for the first time on federal tax filings that residents completed in 2015. Data from federal tax filings certainly could be used to do analyses similar to the ones made in this report, not only on a national level but for every state, county, and even community in the United States.

³⁴ Young C. "DOR to send insurance enrollment details to taxpayers." Boston, MA: State House News Service, 2015. Available online at <http://www.metrowestdailynews.com/article/20150813/NEWS/150817901>.

TECHNICAL APPENDIX

Data for this analysis was provided through a Memorandum of Understanding between the Department of Revenue (DOR) and the Massachusetts Health Connector. Prior to sharing data with the Health Connector and conducting this data analysis, all individual-level identifiers were removed, and then a random-generated identifier was created in order for researchers to be able to track insurance status of individuals over consecutive years.

This report presents analyses of returns for the 2011 tax year that were filed and processed by DOR as of March 2013, and returns for the 2012 tax year that were filed and processed as of April 2014. This includes approximately 3.7 million returns in each of the two years, representing approximately 4.8 million tax filers each year since some tax returns contain information for more than one individual (e.g., married individuals filing a joint return). The returns analyzed represent approximately 99 percent of all expected returns for the tax years 2011 and 2012.

This analysis relies primarily on information as self-reported by tax filers. This information is subject to tax filer reporting errors and inconsistencies, as well as post-filing verification, enforcement, and audit efforts by DOR. The analysis in this report focuses on adult tax filers aged 19 and over, and thus does not reflect the health insurance status of children, individuals who are not required to file a tax return, or individuals who did not file a return despite being required to do so. While the mandate applies to adult tax filers (age 18 and over), for purposes of simplicity this report excludes individuals who turned 18 during the tax year.³⁵

Consistent with prior reports from the state that have analyzed the tax filer data, numbers in this report are rounded. Percentages, where provided, may not add to 100 percent due to rounding.

³⁵ Individuals who turned 18 during the tax year became subject to the mandate on the first day of the month following their birthday.

15
years



FOUNDATION
MASSACHUSETTS