

Using the MEPS-IC* to Understand the Impact of the ACA**

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* Medical Expenditure Panel Survey-Insurance Component

** Patient Protection and Affordable Care Act

Motivation

Employers: Purple

Health Plans: Orange

Administrative Records: Green

MEPS-IC

Establishment

Sampled establishment

- Private sector
- State and local governments

- Offers of insurance
 - Eligibility
 - Enrollment
- Establishment
 - Size and Age
 - Industry
 - Location
- Workforce
 - % low/med/hi wage
 - % female, union, 50+ years old

If offer
insurance

Plan

Health plan #1

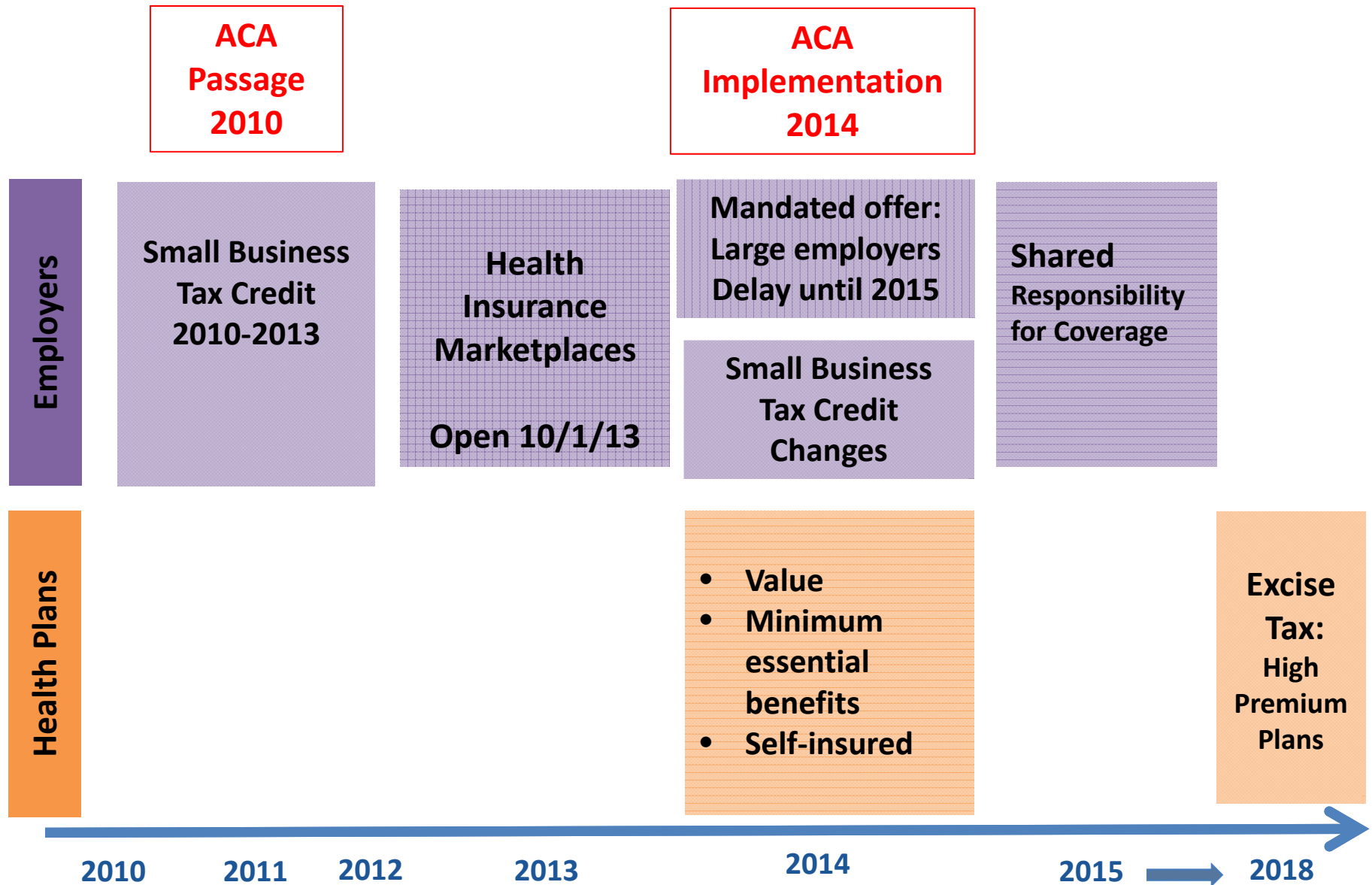
Health plan #2

Health plan #3

Health plan #4

- Premiums
- Contributions
- Deductibles
- Copayments and coinsurance
- Provider arrangement
- Services covered
- Prescription drug benefits
- Self-insured

ACA and Employer-Sponsored Insurance (ESI)



ACA and Medical Expenditure Panel Survey- Insurance Component (MEPS-IC)

How MEPS-IC has already informed policymakers

Only source of State-level employer-sponsored health plan premium data for all states

- Amount of ACA small business tax credit limited by the average premium paid by small employers by state
- Estimates of high premium cost plans

Monitor trends after ACA fully implemented

General trends

- Availability, access, and cost of health insurance
- Benefit and payment provisions of private health insurance plans

Specific ACA provisions

- Planned excise tax on the most expensive employer-sponsored health plans
- Small employers purchasing plans from exchanges/marketplaces

MEPS-IC: Establishment

Hours

2014: How many employees work < 30 hours/week?

Small Business Health Options Program (SHOPs) Suggestions?

2014: Regular Collection

2014: If offer insurance: Through a small business exchange or marketplace-SHOP?

2012: Claiming small business health tax credit? **2014:** Credit only for SHOP plans

How to skip appropriately-sized respondents to small business questions?

- SHOPs: ≤ 50 & Credits: < 25 \longrightarrow Full-time equivalents (FTEs)
- MEPS-IC does not collect data on number of FTEs; Ask number of employees

2014: Proposed Longitudinal Sample – Changes over time

2014: Proposed Follow-Up Collection

Purpose: Test respondents ability to understand and respond to ACA-related items

Reference plan within exchange used to determine the employees' contributions?

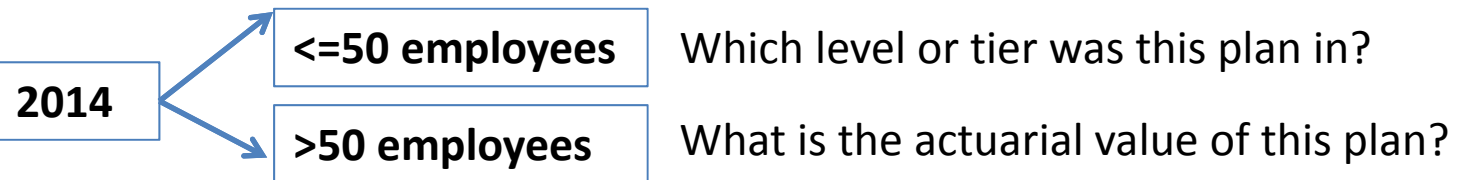
Premiums vary by age for typical employee: who is typical employee in terms of age?

MEPS-IC: Plans

Grandfathered Plans

2013: Was this a grandfathered plan?

Plan Value



Premiums

2014: Did PREMIUMS vary for individual employees depending on their age?

Contributions

2014: Did CONTRIBUTIONS vary by employee age?
2014: How did CONTRIBUTIONS vary by employee age? % or \$?

Administrative Record Data

Small Business (<25) Health Tax Credits

- (1) Small business filed for health care tax credit?
- (2) Amount of credit reported on tax filings?

Large Employer (≥ 50) Shared Responsibility

Employer-level

Offers, premium lowest cost plan, employer share of costs?

Individual-level

Contact information and tax identification number

Self-Insured Plans and Insurer Report

Information returns filed: employers who self-insure, other health insurance providers

Employer-level

EIN, portion of premium paid by employer, exchange plan?

Individuals covered

Exchange plan, premium tax credits, premium?

New Items on W-2 and 1040

W-2

Employer contributions to a health savings account
Cost of employer-sponsored health coverage

1040

Amount of tax penalty, premium tax credit;
lowest cost coverage: source (exchange or employer?) and cost

We welcome your comments and suggestions.

Thank you.

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Appendix

Medical Expenditure Panel Survey- Insurance Component (MEPS-IC)

Collected by the Census Bureau

Sponsored by Agency for Healthcare Research and Quality (AHRQ)

Annual survey of 40,000 establishments on health insurance offerings

Repeated cross-sectional survey with current year design

National and state level estimates of employer sponsored health insurance coverage

Medical Expenditure Panel Survey- Insurance Component (MEPS-IC): Proposed Changes

Draft questions distributed to Federal stakeholders

Need for some basic information recognized

- E.g., purchase from exchange?

Limit on number of questions that can be added

- Concerns about burden increase and effect on response rates
- Avoid complicated skip patterns

Resource limitations on making changes to forms and processing

- No separate forms for firms using exchanges

Large employer shared responsibility: “penalty”

- Employer may not be happy to report on a government survey whether they paid a penalty and adding this question may hurt response rates

Affordable Care Act (ACA) and Employer-Sponsored Insurance (ESI)

**ACA
Passage
2010**

**ACA
Implementation
2014**

Small Business Tax Credit

2010-2013

Maximum credit is percent of premiums paid for small business employers (<25 employees)

Tax exempt?

No

Yes

35%

25%

Health Insurance Exchanges

Open 10/1/13

2 Types

1. Individual
2. Small Business Health Options Program (SHOP)

**Mandated offer
Delay until 2015**

≥ 50 employees
 ≥ 30 hours

Small Business Tax Credit: Changes

1. SHOP plan
2. 35% to 50%
25% to 35% (tax exempt)
3. 2 consecutive years

Plan

- Value
- Minimum essential benefits
- Self-insured: exempt

Shared Responsibility for Coverage

≥ 50 Employees

No offer
 ≥ 1 employee receives a premium tax credit or cost sharing subsidy in exchange

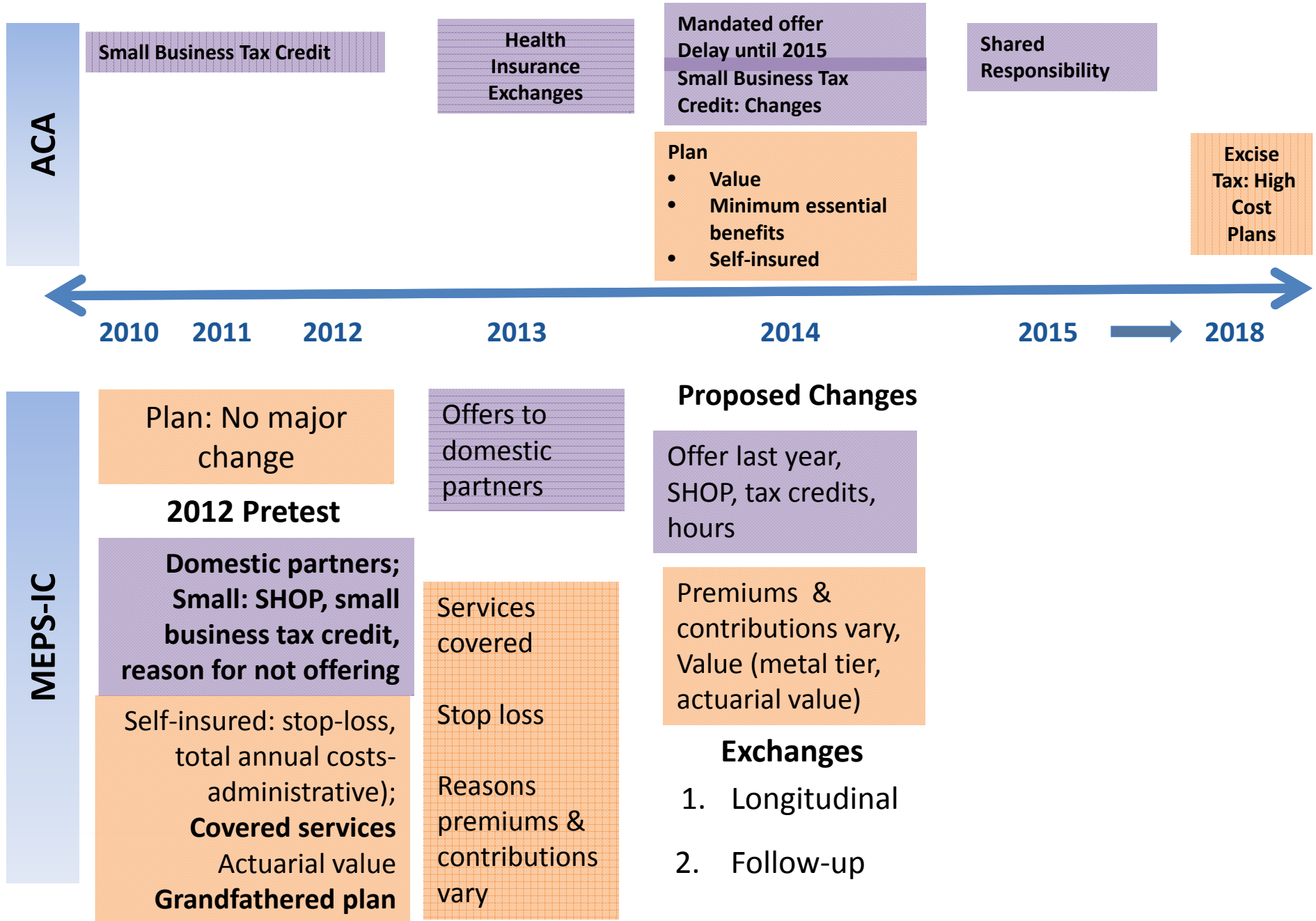
- No affordable offer**
- Value $\geq 60\%$ & pay $> 9.5\%$ of family income for employer coverage
 - Value $< 60\%$ & employees choose exchange plan & receive premium tax credit

Excise Tax: High Premium Plans

Premiums single $> \$10,200$ and family $> \$27,500$ subject to excise of 40% of premiums above these thresholds



Affordable Care Act and Medical Expenditure Panel Survey-Insurance Component



Employers

Employers NOT offering health insurance

2014

Drop

Offered insurance in past 5 years?

Last year insurance offered?

Add

Did your organization offer insurance in last year?

Wages

Existing questions:

Percent of workers earning low/medium/high wage

Added in 2012:

- Number of employees that earned >\$40/hour (\$83,000/year)
- 2013: raised to >\$42/hour (>\$87,000/year)

Adjust thresholds each year for inflation

Partners of Employees

2013

Drop:

Did your organization place any limits or restrictions on health insurance coverage for the spouse of an employee if the spouse had access to coverage through another employer?

Add:

Did your organization offer health insurance coverage to unmarried domestic partners

1. Same sex
2. Opposite sex

2014 New question

Are employees' spouses eligible for health insurance coverage through your organization – if available through own employer?

2014 Longitudinal Survey

Sample

3,000 cases from 2013 private-sector respondents with

≤50 re-contacted as part of 2014 collection and

Use normal collection process and establishment and plan forms for re-contact

Track changes in health insurance coverage in those firms eligible for exchanges in 2014

1. No insurance -> Insurance-through-exchange
2. Market-based insurance -> Insurance-through-exchange
3. No insurance -> No insurance

Small Business Health Options Program: Follow-Up Survey

Process:

Census headquarters staff telephone in early 2015

Small sample:

Private-sector establishments reporting exchange-based coverage in 2014 survey

Questions:

Vary based on type of exchange (state- or Federally-run), firm size, other characteristics

Results:

Help develop future changes to regular collection (beginning 2016)

Continued on next slide

Small Business Health Options Program: Follow-Up Survey

All Exchange Establishments

“Did your organization use a third party, such as an insurance broker or agent, to help you select which health insurance plan to offer your employees on the exchange?” Responses: Yes/No/Don’t know

“Are you familiar with the term ‘reference’, ‘benchmark’ or ‘anchor’ plan within the exchange?” Responses: Yes/No/Don’t know

If YES above,

“How would you define ‘reference’, ‘benchmark’ or ‘anchor’ plan?” Response: Open-ended text field

“In the original survey, you reported that single premiums for individual employees varied by age. Was the premium you reported for an employee of a specific age?” Yes/No/Don’t know

If YES above,

“What was that age?” Open-ended text field

If NO above,

“Was the premium you reported an average for more than one employee?”

Yes/No/Don’t know

Small Business Health Options Program: Follow-Up Survey

State-Based Exchange Establishments Offering Multiple Plans Only

“Did your company offer employees a choice of any plan in the exchange, or did it offer a selected number of plans?”

Choice of any plan

Selected number of plans

Don't know

If SELECTED PLANS above,

“Which of these choices best describes the selection of plans available to employees?”

One metal level (such as bronze, silver, gold, platinum)

One health insurance carrier

Other

Don't know

MEPS-IC Establishment Form: Additional questions dropped

2013:

TYPICAL waiting period organization imposes before new employees could be covered by insurance

2014:

Offer to temporary/seasonal employees?

Health Insurance Plans

Services Covered by Plan

Pre-2013

Which services covered?

- Chiropractic care
- Routine vision care
- Routine dental care



2013: Revised Question

Which services covered?

- Chiropractic care
- **Routine vision care for children**
- **Routine vision care for adults**
- **Routine dental care for children**
- **Routine dental care for adults**
- **Mental Health Care (new)**
- **Substance abuse treatment (re-added)**

Prescription Drug Coverage

2013: Dropped

How many **different pricing categories or tiers** of prescription drug coverage were there for this plan?



2014: Drop

Report enrollee's copayment or coinsurance for **lowest tier** of prescription drug coverage

2014: Add

Copayments & Coinsurance:

1. Generic
2. Preferred brand-name
3. Non-preferred brand name

Self-Insured Plans

Pre-2013

Did your organization purchase **stop-loss coverage** for this self-insured plan?

Yes



2013: New question

What was the specific stop-loss **amount** per employee?

Premiums

Contributions

Pre-2013

Did PREMIUMS vary by any of these characteristics?

- Age
- Gender
- Wage or salary levels
- Other
- Premiums did not vary

Did EMPLOYEE CONTRIBUTIONS vary by any of these employee characteristics?

- Hours worked
- Union status
- Wage or salary levels
- Occupation
- Length of employment
- Other
- Employee contribution did not vary

2013: Questions Revised

Add: Vary by Smoker/Non-smoker status?

Drop: Premiums did not vary

Add: Fitness/weight loss program?

Add: Smoking cessation program?

Drop: Employee contribution did not vary

2014: Proposed Changes

Drop: Premium question above

Add: Separate question, premium vary by age?

Drop: Hours worked, union, occupation?

Add: Wellness/health monitoring?

Add: Employee age -> % or \$ contributed?

MEPS-IC Plan Form: Questions Dropped

2013

- What was the MAXIMUM amount this plan would have paid for an enrollee in ONE YEAR?
- Omit checkbox for 'No ANNUAL maximum'
- Did your organization offer an HRA associated with this plan this year?

2014

- Cover persons with pre-existing conditions?
- Waiting period for pre-existing conditions' coverage?

Administrative Record Data

Large Employer (≥ 50) Shared Responsibility

Voluntary reporting in 2014
Mandatory reporting in 2015

Employer-level information

Employer name, EIN, date
Number of full-time employees

Whether employer offers full-time employees (and dependents) an opportunity to enroll in minimum essential coverage

Months that coverage was offered
Length of waiting period

Monthly premium for lowest cost plan in each enrollment category under plan
Employer share of total allowed costs of benefits provided under the plan

Individual-level information

Name, address, phone number of person required to make return
Name, address, TIN, months covered (for employee and any dependents)

Small Business Health Tax Credit

2010+ Administrative Records

Form 8941

Employer with <25 employees use to calculate amount of credit
Credit equals a percent of the premium contributed by the employer
Worksheet attached to tax filing

Credit available to small employers

1. <25 full time equivalents
2. Pay at least one half of cost of single coverage for their employees
3. Beginning in 2014: must be a plan purchased in the small business health exchange

(1) Small business filed for health care tax credit?

(2) Amount of credit reported on tax filings?

EIN, number of employees, number of full-time equivalents (FTEs), average annual wages, premiums paid by employer, share of premiums paid by employer, number of employees with employer-provided coverage, number of FTEs with employer provided coverage

Insurer Report

Internal Revenue Code 6055

Information returns filed by insurance providers including employers who self-insure, insurers, government agencies, other health insurance providers

2014: Voluntary

2015: Mandatory

Employer-provided group coverage:

Employer name, address, EIN

Portion of premium paid by employer

If coverage is through qualified health plan in small group market (SHOP)

Name, TIN, dates of coverage for each individual covered

Address of primary insured (state of residence: identifies marketplace/exchange)

Whether coverage is under a qualified health plan offered through an exchange; yes: level

Advance premium tax credit, cost-sharing reduction, and/or premium tax credit

Premium

Administrative Records: New Items on W-2 and 1040

W-2

Address of employee

Medicare earnings

Employer contributions to a health savings account (Box 12, code W)

Cost of employer-sponsored health coverage (Box 12, code DD).

1040

Amount of tax penalty for lack of coverage

Whether exemption is based on affordability if penalty=0

Lowest cost coverage source (exchange or employer?)

Cost of lowest-cost coverage

Modified adjusted gross income

Amount of the premium tax credit