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
Establishment

Sampled establishment
- Private sector
- State and local governments

If offer insurance

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

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)

**Employers**
- **ACA Passage 2010**
- **Small Business Tax Credit 2010-2013**
- **Health Insurance Marketplaces**
  - Open 10/1/13
- **ACA Implementation 2014**
  - Mandated offer: Large employers Delay until 2015
  - Small Business Tax Credit Changes
- **Shared Responsibility for Coverage**

**Health Plans**
- **Value**
- **Minimum essential benefits**
- **Self-insured**

**Excise Tax: High Premium Plans**

2010 2011 2012 2013 2014 2015 2018
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 ➡️ **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?
Grandfathered Plans

**2013:** Was this a grandfathered plan?

Plan Value

- **2014**
  - <=50 employees
  - >50 employees

Which level or tier was this plan in?

What is the actuarial value of this plan?

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 $?
<table>
<thead>
<tr>
<th>Administrative Record Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Small Business (&lt;25) Health Tax Credits</strong></td>
</tr>
<tr>
<td>(1) Small business filed for health care tax credit?</td>
</tr>
<tr>
<td>(2) Amount of credit reported on tax filings?</td>
</tr>
<tr>
<td><strong>Large Employer (&gt;50) Shared Responsibility</strong></td>
</tr>
<tr>
<td>Employer-level</td>
</tr>
<tr>
<td>Individual-level</td>
</tr>
<tr>
<td><strong>Self-Insured Plans and Insurer Report</strong></td>
</tr>
<tr>
<td>Information returns filed: employers who self-insure, other health insurance providers</td>
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<tr>
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<tr>
<td>Individuals covered</td>
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<tr>
<td><strong>New Items on W-2 and 1040</strong></td>
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<tr>
<td><strong>W-2</strong></td>
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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
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)

2010-2013
- Small Business Tax Credit
  - 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)

Small Business Tax Credit: Changes
- 1. SHOP plan
- 2. 35% to 50%
- 3. 25% to 35% (tax exempt)
- 3. 2 consecutive years

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

Mandated offer Delay until 2015
- >50 employees
- ≥30 hours

Shared Responsibility for Coverage
- >=50 Employees
- No offer
- 1 employee receives a premium tax credit or cost sharing subsidy in exchange

Excise Tax: High Premium Plans
- Premiums single
- >$10,200
- and family
- >$27,500
- subject to excise of 40% of premiums above these thresholds

ACA Passage 2010

ACA Implementation 2014

Mandated offer Delay until 2015
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Affordable Care Act and Medical Expenditure Panel Survey-Insurance Component

2010 2011 2012 2013 2014 2015 2018

Small Business Tax Credit

Health Insurance Exchanges

Mandated offer
Delay until 2015
Small Business Tax Credit: Changes

Shared Responsibility

Excise Tax: High Cost Plans

Plan
• Value
• Minimum essential benefits
• Self-insured

Proposed Changes
Offer last year, SHOP, tax credits, hours

Premiums & contributions vary, Value (metal tier, actuarial value)

Exchanges
1. Longitudinal
2. Follow-up

2012 Pretest

Domestic partners; Small: SHOP, small business tax credit, reason for not offering

Self-insured: stop-loss, total annual costs-administrative);
Covered services
Actuarial value
Grandfathered plan

Services covered
Stop loss
Reasons premiums & contributions vary

Offers to domestic partners
Employers
## Employers NOT offering health insurance

<table>
<thead>
<tr>
<th>2014</th>
</tr>
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<tbody>
<tr>
<td><strong>Drop</strong></td>
</tr>
<tr>
<td>Offered insurance in past 5 years?</td>
</tr>
<tr>
<td>Last year insurance offered?</td>
</tr>
<tr>
<td><strong>Add</strong></td>
</tr>
<tr>
<td>Did your organization offer insurance in last year?</td>
</tr>
</tbody>
</table>
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?
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
Copayments & Coinsurance:
1. Generic
2. Preferred brand-name
3. Non-preferred brand name

2014: Add
Self-Insured Plans

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

- **Yes**

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

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Pre-2013

2013: New question
**Premiums**

Did PREMIUMS vary by any of these characteristics?
- Age
- Gender
- Wage or salary levels
- Other
- Premiums did not vary

**Contributions**

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

**Pre-2013**

**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?
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
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

<table>
<thead>
<tr>
<th>W-2</th>
<th>1040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address of employee</td>
<td>Amount of tax penalty for lack of coverage</td>
</tr>
<tr>
<td>Medicare earnings</td>
<td>Whether exemption is based on affordability if penalty=0</td>
</tr>
<tr>
<td>Employer contributions to a health savings account (Box 12, code W)</td>
<td>Lowest cost coverage source (exchange or employer?)</td>
</tr>
<tr>
<td>Cost of employer-sponsored health coverage (Box 12, code DD)</td>
<td>Cost of lowest-cost coverage</td>
</tr>
<tr>
<td></td>
<td>Modified adjusted gross income</td>
</tr>
<tr>
<td></td>
<td>Amount of the premium tax credit</td>
</tr>
</tbody>
</table>