Thank you for joining us for today’s webinar:
Health, Health Insurance, and Financial Security

The webinar will begin promptly at Noon CT
Health, Health Insurance, and Financial Security

January 31, 2023
Noon – 1 pm CT
Brought to you by:
Center for Financial Security
at the University of Wisconsin-Madison &
Health, Health Insurance, and Financial Security

• Welcome & Introduction
• Presentations:
  • Research Overview
  • Policy Implications
  • Practice Implications

• Q & A
• Sign off

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Health, Health Insurance, and Financial Security

Katie Fitzpatrick and Keisha Solomon

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.
Motivation: Medical Expenses, Health Insurance & Financial Security

Medical bills are a source of financial hardship

- Two in five nonelderly adults struggle with medical bills or debt (Doty et al., 2008)
- More than half of all bankruptcies are due to medical debt (Himmelstein et al., 2009)

Medical expenses and debt affect healthcare utilization

- Medical debt is associated with reduced healthcare use (Kalousova and Burgard 2013; Kluender et al. 2021)
- In 2021, about nine percent of non-elderly adults delayed or went without health care because of costs (Ortaliza et al. 2022)
Motivation: Medicaid as a Policy Lever to Improve Financial Security of Those Near Retirement

Health insurance improves healthcare access, household finances, and credit worthiness

- Allen and Gross 2016; Brevoort et al. 2017; Caswell and Waidmann 2017; Fitzpatrick & Fitzpatrick 2021; Finkelstein et al., 2012; Hu et al., 2016; Miller et al. 2018

Medicaid provides comprehensive health insurance coverage

- Low or no premiums
- Low or no cost-sharing

For those near retirement, Medicaid is an important policy lever to improve well-being and may be critical

- May have chronic conditions
- May want to retire but need health insurance (i.e., job lock)
BACKGROUND ON MEDICAID
Background: Medicaid & the ACA

Prior to ACA, state Medicaid programs differed
- Federal government set minimum eligibility requirements
  - Pregnant Women
  - Children
- Limited coverage of parents
- SSI recipients
- No requirement to cover childless adults
- Nearly 50 million uninsured (16.3%)

ACA encouraged states to expand Medicaid
- Expansion to everyone at or below 138% of poverty
- Mostly affected childless adults
- ~15 million newly enrolled in Medicaid

Pre-ACA, no federal requirement to cover childless adults, regardless of their income
Variation in Medicaid Expansion 2014-2022

Current Status of State Medicaid Expansion Decisions, 2014

Status of State Medicaid Expansion Decisions

NOTES: Data as of March 26, 2014. "Al and IA have approved waivers for Medicaid expansion. MI has an approved waiver for expansion and plans to implement in May, 2014. WI and VA have pending waivers for alternative Medicaid expansions. WV amended its Medicaid state plan and existing waiver to cover adults up to 138% FPL, but did not adopt the expansion. NH has passed legislation approving the Medicaid expansion in Mar, 2014, but the legislation calls for the expansion to begin July 2014.

SOURCES: States implementing in 2014 and not moving forward at this time are based on data from CMS here. States noted as "Open Debate" are based on KCM analysis of state of the states addresses, recent public statements made by the Governor, issuance of waiver proposals or passage of a Medicaid expansion bill in at least one chamber of the legislature.

NOTES: Current status for each state is based on KFF tracking and analysis of state activity. See link below for additional state-specific notes.

The Medicaid expansion has led to improvements in coverage, access to and affordability of care, and employment.

84% of the public believe expansion states should continue to receive enhanced federal expansion funds.

Research Question

How will the ACA’s Medicaid expansion affect near retirement?

- Medical Bills and Medical Debt
- Emergency Savings
- Financial Hardship
- Benefit Receipt and Application
- Retirement Savings

We examine this over time, as well as specifically during the pandemic
Medicaid expansion *may* improve outcomes for those near retirement through several channels:

- Improve access to health care
  - Improve Health

- Ambiguous effects on out-of-pocket costs
  - Reduce out-of-pocket costs, conditional on using health care
  - Increase out-of-pocket costs for those forgoing health care while uninsured

- Reduce financial hardship
  - Allow individuals to work longer, should they choose, and increase both income and savings
  - Eases budget constraints by reducing spending on medical expenses and debt
    - Improves creditworthiness
    - Allow individuals to better prepare for retirement

Reduces Medical Debt
Motivation: Health Insurance & Financial Security

The COVID-19 pandemic exacerbated financial hardship

Precipitous Decline in Employment

• Concentrated in Service Industry

• Concentrated among historically disadvantaged populations

• Concentrated among those with low SES
Motivation: Health Insurance & Financial Security

The COVID-19 pandemic exacerbated financial hardship.

Even before the pandemic, 4 in 10 adults would have difficulty covering a hypothetical $400 expense.
Motivation: Health Insurance & Financial Security

The COVID-19 pandemic exacerbated financial hardship

Even before the pandemic, many lacked savings for retirement and/or were concerned about their preparation for retirement

Measures the economic well-being and financial lives of U.S. households
• Annual data, 2013-2019

Our sample includes households near retirement, defined as households headed by adults 45 to 64.
• Age composition slightly in the older range of 45-64 year olds
• Nearly 2/3 households are married; few households with children
• Nearly 2/3 of sample has at least some college
• More than 2/3 employed

Used to compare outcomes for individuals based on state Medicaid decisions
Estimates from the SHED

Data 2013-2019
Result 1: Significant Increase in Health Insurance Coverage from Medicaid Expansion

DD Estimate of Main Sample:
- 4 – 8 percentage point increase
- In the range of other estimates in literature

Subsamples:
- Larger increases among those with low educational attainment; those headed by non-whites
- Some crowd out for those in poor health; those receiving SSA-administered programs
Result 2: Some Evidence that Out-of-Pocket Medical Expenses Declining

- Larger point estimates for subsamples with low educational attainment; fair/poor health

- Similar point estimates for subsamples with receipt of any SSA program; insured sample

- Smaller point estimates for subsamples of households headed by non-whites
Result 3: Mixed Evidence on Financial Hardship

Measure financial hardship in several ways:

- Self-reported financial struggles
- Self-reported inability to pay all bills
- Self-reported not using health care due to the cost

Estimates differ in sign; none are statistically significant
Result 4: Little Change in Medical Debt, Credit Card Debt, and Confidence in Securing Credit

Medical bills are a contributor to financial fragility and debt

• Point estimates are insignificant but suggest:
  • Some declines in unpaid medical debt for those with out-of-pocket medical expenses
  • Some reductions in unpaid credit card debt
  • Reductions in the portion of households that report they had more credit card debt than more than 12 months ago.

• No change in confidence of being approved if applied for a credit card today
Result 5: Possibly Small Declines in Emergency Savings and Retirement Savings

Measures of Emergency Savings:
- Ability to pay a $400 unexpected expense with cash or its equivalent.
- Ability to cover expenses for at least three months if household loses their main source of income.
- Setting aside funds to cover three months in case of emergencies.

Measures of Retirement Savings:
- Self-reports of possessing no retirement savings.
- Total Retirement Savings less than $50,000.
- Self-reports of borrowing or cashing out of retirement savings.
Result 6: No Evidence for Changes in Retirement, Disability, and Applying for Benefits

Small negative, but insignificant point estimates on probability of retiring

No effects on reporting a work limiting disability

No effect on plans to apply for any Social Security administered benefits or applications for SSI benefits

• Unlike Hall et al. (2018) and Soni et al. (2017)
Examine Experience of Pandemic on Those Near Retirement

Census Pulse Survey
SHED Supplements in April and July 2020
Pandemic Period Data: SHED Supplements and the Census Household Pulse Survey data

Data from Special SHED Supplements
• From April and July 2020 based on 2019 SHED sample

Census Household Pulse Survey data
• Seeks to measure household experiences during the COVID-19 pandemic
• Data collection began April 23, 2020 and continues today

Same sample selection criteria for both surveys
Merged on Weekly UI Claims and COVID Severity data

Comparing individuals by whether the state expanded Medicaid by 2020
Result 1: Expansion States Had More Insurance Coverage During COVID

Subsamples show higher rates of insurance coverage in states with Medicaid expansion
• Low Educational Attainment
• Poor Health
• Headed by Non-White Recipients of SSA programs no difference

SHED Supplements did not ask about health insurance coverage.

Source: Authors' analysis of data from the Census Household Pulse Survey.
Notes: Sample includes respondents linked between April 23, 2020 and May 9 2022 Census Household Pulse Survey responses. Above are regression-adjusted means with the 95% confidence intervals of the difference between Medicaid expansion states and non-expansion states presented. Regressions include controls for demographics, economic conditions, employment status, access Medicaid & UI, and state-level COVID-19 cases and deaths. Standard errors are clustered at the state level.
Result 2: Expansion States Reported Less Financial Hardship During the First Year of the Pandemic

Regression Adjusted Financial Hardship by Expansion State Status

Source: Authors' analysis of data from the Census Household Pulse Survey
Notes: Sample includes respondents linked between April 23, 2020 and May 3, 2020 Census Household Pulse Survey responses. Above are regression-adjusted means with 95% confidence intervals of the difference between Medicaid expansion states and non-expansion states, presented. Regressions include controls for demographics, economic conditions, employment status, and access Medicaid and unemployment. Standard errors are clustered at the state level.
Result 3: SHED Respondents in Expansion States More Likely to Report the Ability to Cover $400 Emergency Expense with Cash in April and July 2020

Contrast this with findings from the longitudinal findings:

- Showed negative (but statistically insignificant) point estimates on emergency savings
Result 4: Pulse Respondents in Expansion States Just as Likely to Apply for or Receive Social Security Administered Benefits during the Pandemic

- Pulse Question does not distinguish between various programs (and includes Medicare)

- Individuals in expansion states better able to manage COVID without SSI?
## Summarizing Our Findings

- Health insurance particularly important for households near retirement (individuals aged 45 through 64)
- Large increases in Medicaid coverage for over time
- Higher rates of insurance during the pandemic

**During the 2012-2019 period, suggestive but inclusive evidence**

<table>
<thead>
<tr>
<th>Reduced out-of-pocket spending</th>
<th>Reductions in savings</th>
<th>Little change in debt</th>
<th>Possible increases in financial hardship</th>
<th>No change in labor supply</th>
</tr>
</thead>
</table>

**During the pandemic:**

- Less financial hardship
- More emergency savings
- No difference in claiming Social Security
Health, Health Insurance, and Financial Security

Katie Fitzpatrick and Keisha Solomon

Policy Discussion: Kabir Dasgupta
Center for Financial Security, University of Wisconsin-Madison

January 31, 2022

The views expressed in this discussion are entirely mine and do not indicate concurrence by other members of the Board of Governors or the Federal Reserve System.
Research summary

1. Research objective: Does access to Medicaid improve financial well-being of near-retirement households?

   - Pandemic evidence: Descriptive analysis comparing financial hardships experienced in expansion versus non-expansion states using the Household Pulse Survey and the SHED’s pandemic supplements.

3. Key findings: ACA’s Medicaid expansion led to an increase in Medicaid coverage among households headed by near-retirement adults.
   - But no significant differences in out-of-pocket expenses and indicators of financial hardships in pre-pandemic years.
   - Lower share of households in expansion states experienced financial difficulties.
Motivation and Policy Implications

• Highly relevant topic: Near-retirement individuals are an understudied population.
  - Lack of insurance can increase health risk for older population.
  - Medicaid coverage can alleviate cost of health care and decrease financial burden.
    • Suggestions - Explore further research-backed evidence and tie own findings with existing literature.
    • For instance, incorporate more discussions on health care cost implications (e.g., see Khatana et al., 2019) and additional evidence on coverage (e.g., see McInerney et al., 2020).
    • Implications for opportunity cost of retirement and retirement plans (e.g., see Wood, 2019; Levy et al., 2018; Ayyagari 2019).
    • Changes in labor market behavior, possible responses from employers, and alternative credit access.

• Are the studied samples representative of the state-level populations of interest?
  • Suggestions - Population-based weighting or comparison with other administrative or survey data like the CPS/ACS

• Underlying mechanisms to explain why do they find what they find.
Key Results and Policy Implications

- Increase in coverage but no effect on out-of-pocket expenditures, financial debt or hardships.
  - Additional check: Comparing SHED-based evidence on insurance coverage with CPS/ACS data.
- Who’s benefiting more from the expansion? Consider looking at households with no children.
- Households’ response to lack of Medicaid support: Alternative financing options like gig work, payday loans, additional jobs? - Explore additional SHED variables.
- Does Medicaid availability also affect lifestyle choices (risky behavior and unhealthy practices)?
  - Explore BRFSS.
- May also consider exploring time of retirement and retirement decisions motivated by health reasons from the SHED?

- Sub-sample analysis - Findings for SSA recipients and people with poorer health conditions
  - Unexpected?
    - Are those groups more likely to be already relying on means-tested benefits?
    - Changes in private insurance coverage. Robustness check with CPS?
Minor points

- Non-expansion states have higher proportions of socio-economically disadvantaged groups.
  - Summary statistics for pre-policy period - Possible correlation between state characteristics and likelihood of Medicaid expansion?
  - Consider adding summary statistics on health outcomes between expansion and non-expansion states.

- Further context to the discussion of empirical findings.
  - Supplemented by exploring underlying mechanisms, anecdotal evidence and literature-backed findings.
  - Any idea why is there no significant effects for states that provide categorical eligibility for SSI recipients?
  - More discussion on underlying changes that could have taken place during the pandemic in expansion versus non-expansion states.
  - Consider not highlighting the nature of estimated effects if the coefficients are statistically insignificant anyway.
Thank you and best of luck!
Covering Wisconsin and Health Insurance Access

Center for Financial Security

January 31, 2023

This presentation is supported by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling $2,887,156 with 51% funded by CMS/HHS and 0.6% ($36,000) funded by non-government source(s). The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.
Introductions

Caroline Gómez-Tom
Enrollment Network and Accessibility Manager
Covering Wisconsin
Agenda

- Who We Are and What We Do
- Covering Wisconsin Navigators
- Why is Health Insurance Important
- Basic Health Insurance Options
Who We Are and What We Do

Covering Wisconsin:
Covering Wisconsin (CWI) is a nonprofit that helps people in Wisconsin find and use health insurance.

Health Insurance Navigators:
Wisconsin’s federally-certified Navigator agency. Our expert health insurance Navigators are licensed to provide free help statewide.

Education, Outreach and Promotions
Our team creates consumer-tested materials and offers training for professionals and partners on health insurance topics.
Covering Wisconsin Educational Resources

How-to Sheets: coveringwi.org/learn (English and Spanish)
Covering Wisconsin Health Insurance Navigators

Health Insurance Navigators provide free help so you can:

• Know your options for plans and financial help.
• Sign up for HealthCare.gov, BadgerCare Plus or Medicaid.
• Use your plan to get the health care you need.
• Get help with billing or coverage problems.
• Find community programs to help pay for insurance or medical care.
Covering Wisconsin Navigator Service Area 2022-2023

Navigators located at agencies across the state.
- ABC for Rural Health
- Centro Hispano of Dane County
- Family Health Center of Marshfield
- Gerald L Ignace Indian Health Center
- Hmong and Hispanic Communication Network a program of the WI Institute for Public Policy and Service (WIPPS)
- Northern Wisconsin Concentrated Employment Program
- Partnership Community Health Center
- Progressive Community Health Center
- Workforce Connections, Inc

Covering Wisconsin provides phone assistance statewide.

View most up to date map online here: www.coveringwi.org/what-we-do
Why is health insurance important?

Helps you stay healthy and save money.

How?
• Preventive care is free
• Be protected from unexpected medical costs

Includes:
• **Free** regular check-ups, birth control, STI testing & treatment, help to quit smoking, and more
• Coverage for mental health and substance use services
• Prescription drug coverage

What’s Free?

Look on the back to see what’s FREE in all health plans. Your health plan might have more FREE services.

1. Call your Insurance Company
   A. Ask what health services are free for you and your family
   B. Ask where to go for the services so they’re in-network

2. Schedule your yearly FREE check-up
   A. Call your provider and ask to schedule your yearly check-up
   B. Go to your check-up and ask what tests are needed for your age.
   C. Ask your provider if everything in the visit is covered under a free check-up. Always ask if a test is free!

What’s NOT Free?

Prescriptions
If the provider diagnoses, or finds a medical problem
Some tests are not free (Call your insurance company to check)

If you get additional care during your yearly check-up, they may pay a fee

CWI What’s Free How-to Sheet: **English/Spanish**
Basic Health Insurance Options
What do I qualify for?

- Options for health insurance depend on many things: age, income, and if you can get health insurance from your job
- Each person in a family may qualify for a different health insurance option

CWI Options How-to Sheet: **English/Spanish**
BadgerCare Plus and Marketplace Brief Overview

BadgerCare Plus
(State of Wisconsin Medicaid)

Healthcare.gov
(Federal Health Insurance Marketplace)
BadgerCare Plus (Medicaid)

• Low-cost or free comprehensive health insurance, provided by the State of Wisconsin
• Sign up at any time
BadgerCare and Medicaid During COVID-19

- During the COVID-19 public health emergency, all BadgerCare Plus and Medicaid renewals and terminations were paused.

- These special rules are scheduled to end on March 31, 2023.

- People with Medicaid benefits with need to renew sometime between May 2023 and May 2024.
Remember: We’re Here to Help

Find & Schedule Online:
www.CoveringWI.org/enroll (Spanish: www.CoveringWI.org/enrollspanish)

Call
• Covering Wisconsin (608-261-1455 or 414-400-9489)
• 211 Helpline or 877-947-2211 to find a local enrollment assister

NEW! Chat
• Online at www.CoveringWI.org (Spanish: www.CoveringWI.org/enrollspanish)
• Text COVER to 920-507-5295 (Spanish: Text “SEGURO”)
Get Connected – Enrollment Networks

Enrollment Networks support information sharing, outreach coordination, and regional—and culturally—relevant messaging.

Members include enrollment assisters and state and local community partners.

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Final Thoughts

• More people are likely to access care when they know they can afford it.
• Picking the right coverage for your budget and health is key – Navigators can help!
• After continued eligibility during the brunt of the pandemic, this next year is crucial for people maintaining access to health insurance coverage and access to care through the Medicaid renewal process from May 2023 – May 2024.
Questions?

Contact Covering WI:
(608) 261-1455; info@coveringwi.org
Q & A

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Thank you for joining the Center for Financial Security for today’s webinar:

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Please remember that today’s webinar was recorded and will be posted on our website: cfs.wisc.edu within two business days.

Please contact Jonathon Ferguson with questions:
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