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HEALTH CARE for All
MARYLAND CITIZENS' HEALTH INITIATIVE

Maryland's Down Payment Plan: Helping People Get Health Insurance and Lowering Families' Health Costs

By Stan Dorn, Director of the National Center for Coverage Innovation and Senior Fellow, Families USA

The Down Payment Plan in a Nutshell

In December 2017, federal tax legislation ended federal enforcement of the Affordable Care Act's (ACA's) requirement that consumers who can afford health insurance must obtain it. Lawmakers took that step despite projections from the Congressional Budget Office and other non-partisan experts that, without an individual responsibility requirement, premiums would rise and the number of uninsured consumers would climb.

Last year, New Jersey, Vermont, and other states[1] responded by passing laws that use state tax systems to enforce a requirement for people to obtain coverage if they can afford it. This approach builds on Massachusetts's favorable experience with such a law, in effect since 2006 under both Republican and Democratic governors. By increasing the incentive for young and healthy consumers to enroll, these laws lower average costs and cut premiums in the individual market. Moreover, when fewer uninsured seek hospital care, hospital uncompensated care costs decline, lowering hospital charges to private insurers and saving money on premiums for employers and workers alike.

Maryland's down payment plan seeks to achieve even better results by using a more enrollment-oriented approach than federal lawmakers originally devised for the ACA. Instead of imposing tax penalties on the uninsured, the Maryland proposal helps the uninsured enroll into coverage whenever possible. As uninsured residents file state tax returns, they can avoid an insurance responsibility payment by agreeing to get health insurance and keep it through the end of the year. They can apply for financial assistance and immediately begin the enrollment process by simply checking a box on their tax return. That step sends information to the exchange, which reaches out and helps uninsured consumers sign up for coverage.

Roughly 130,000 uninsured Maryland residents qualify for zero-premium health insurance but are not enrolled. More than 50,000 are eligible for Medicaid or the Children's Health Insurance Program. Nearly 80,000 qualify for private insurance that costs less than their federal premium tax credit plus, in some cases, their insurance responsibility payment. In effect, residents can turn their penalty payments into health insurance down payments, using their own money to help buy coverage for themselves and their families. The number of uninsured would decline by more than one-third, the individual market's risk pool would improve substantially, and premiums would decline below the levels otherwise charged.

The remainder of this document answers frequently asked questions about aspects of the down payment plan, which has been introduced as SB 802 and HB 814.

Frequently Asked Questions About Maryland's Down Payment Plan

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How the Down Payment Plan Changes the ACA's Individual Mandate

Q. How does the down payment plan differ from the ACA's individual mandate, which the Trump administration and Congress repealed through federal tax legislation passed in 2017?

A. Like the ACA, the down payment plan says that people who can afford insurance must obtain it. However, the ACA requires penalty payments whenever people are uninsured and do not qualify for a good cause exemption. By contrast, under the down payment plan, an uninsured family can avoid making an insurance responsibility payment by obtaining insurance. Instead of paying a penalty, people can turn those funds into a down payment on health insurance, using their own money to help buy coverage.

Q. Are you saying that the penalty, by itself, is enough to buy insurance?

A. No. Nearly 80,000 people can pay for insurance by combining the penalty with federal premium tax credits. Others will need to pay additional amounts, along with the down payment and federal tax credits.

Q. Will Maryland waive the insurance responsibility payment if a taxpayer commits, on their tax return, to obtain insurance by a specified date and to remain enrolled through the end of the year?

A. Yes.

Q. How will the state know whether a taxpayer actually followed through on such a commitment to get coverage and keep it through the end of the year?

A. The ACA created a system of health insurance reporting comparable to the reporting of W-2 wages. In January, insurers notify the Internal Revenue Service (IRS) of each individual who obtained coverage during each month of the prior year. Under the down payment plan, Maryland insurers will send that same information to Maryland's Comptroller. This will let the state know whether taxpayers broke their commitment to obtain and keep insurance. If so, they will owe, on their next return, the insurance responsibility payment plus interest.

Q. How else is the down payment plan different from the ACA's individual mandate?

A. The down payment plan exempts four groups of people who were covered by the ACA mandate:

1. People with incomes high enough to require them to file a federal income tax return but low enough to qualify for Medicaid.
2. Those who enroll in Medicaid by the time they file their tax return.
3. Christian Scientists and other people with religious objections to medical care.[2]
4. People with incomes between Medicaid levels and 250 percent of poverty—$30,350 for an individual and $62,750 for a family of four—for whom insurance cost more than 3 percent to 6.3 percent of income.[3] The ACA penalized them if they could have bought insurance for 8 percent of household income, an unrealistically high expense for many low-wage working families.

Q. How much do people pay under the down payment plan if they did not fulfill their individual responsibility to obtain coverage?

A. They pay the same amount as under the ACA's individual responsibility requirements: roughly $700 per person or 2.5 percent of household income above the federal income-tax filing threshold, whichever is greater.

The Rationale for an Individual Responsibility to Buy Health Insurance

Q. Why require people to get insurance? Is it anyone else's business if a person chooses to be uninsured?

A. When someone who can afford coverage instead remains uninsured, the rest of us pay for it. On the front end, if fewer young and healthy people enroll, average costs in the individual market rise, and premiums increase. Many observers cite the absence of young and healthy adults, and resulting high average costs, as the most important reason premiums are so high in the individual market.[4] On the back end, if an

uninsured person experiences a serious injury or illness and goes to a hospital, the hospital funds a portion of the patient's unpaid medical bills by raising its charges to private insurers. The rest of us ultimately pick up the tab in the form of higher insurance premiums.

Q. Are people required to buy other forms of insurance?

A. Yes. For example, drivers are legally required to carry auto insurance so, if they get into an accident, they don't pass their costs on to the rest of us. Health insurance is similar in important ways.

Q. Does it really make a difference whether the individual responsibility requirement is enforced?

A. Most people obtain insurance, with or without the requirement. However, enough people change their behavior to affect insurance premiums. A 2017 survey of the individually insured in California found that 18 percent would drop coverage without a mandate, and those dropping coverage cost 36 percent less per person than consumers who planned to retain insurance.[5] The Congressional Budget Office found that enough healthy people would stop buying insurance that premiums would rise by 10 percent nationally.[6] The Urban Institute estimates that enforcing this requirement in Maryland would cut premiums by 13.5 percent compared to what would be charged without enforcement.[7]

Q. Is there any evidence that young adults are actually dropping coverage, following Congress's repeal of the ACA's individual mandate in December 2017?

A. In January 2019, Gallup reported that, by the final quarter of 2018, the percentage of uninsured Americans rose to its highest level since the ACA went into effect.[8] Young adults under age 35 were the group most likely to drop coverage; the proportion without insurance rose by 4.8 percentage points since 2016, compared to 2.8 percentage points for the country as a whole. Individual mandate repeal is not the only factor driving coverage losses, but these findings confirm that young and healthy adults are the group most at risk of dropping insurance.

The Down Payment Plan Will Significantly Lower the Number of Maryland Uninsured and Reduce Health Insurance Premiums

Q. Why would someone sign up for insurance at tax time, under the down payment plan, if they didn't sign up during open enrollment in November and December?

A. Despite considerable public education efforts and major public debates about the ACA, the majority of uninsured do not know about either health insurance exchanges or the financial assistance that is available to help them pay for coverage.[9] The vast majority of those already in the exchange do not know when open enrollment begins or ends.[10] The down payment plan ensures that each uninsured person can learn about available help simply by checking a box on their tax return. The box says that the uninsured tax filer wants the exchange to use information from the return and other sources to determine whether they qualify for free or low-cost insurance. This makes it easy for people to learn about their options. Consumers

also receive a powerful incentive to enroll, since by committing to sign up for coverage they immediately save money on state income taxes.

Q. How much of a difference would the down payment plan really make?

A. If they check the box on their state income tax return, 130,000 uninsured Marylanders will learn that they can obtain insurance essentially at no cost. They include:

- 15,300 uninsured children and 36,100 uninsured adults who are included on income tax returns, qualify for Medicaid, but have not signed up for coverage.[11]
- 68,500 uninsured adults whose incomes are too high for Medicaid and who can buy an exchange plan for the cost of their federal premium tax credit (PTC).[12]
- 10,100 uninsured adults whose incomes are too high for Medicaid and who can buy an exchange plan for their PTC plus their insurance responsibility payment.

Q. What happens if all these people enroll?

A. The number of uninsured Marylanders would decline by 35 percent, the exchange would increase in size from 128,000 to 207,000, and the risk pool would have more relatively young and healthy adults, leading to lower premiums. The proportion of exchange adults under the age of 45, for example, would climb from 35 percent to 52 percent.[13]

Q. How many other people might enroll?

A. 86,400 uninsured residents would need to combine PTCs with household contributions that exceed their insurance responsibility payments. Some may choose to pay something for insurance, rather than make an income tax payment and receive nothing in return.

Q. Where do these numbers come from?

A. Stan Dorn, Director of the Center for Coverage Innovation at Families USA and formerly a Senior Fellow at the Urban Institute's Health Policy Center, developed these estimates. They are based on American Community Survey data showing the characteristics of Maryland's uninsured residents in 2016,[14] as well as information from the Maryland exchange about premiums charged in each county and the characteristics of current exchange enrollment. Additional details, including key methodological limitations, are in the notes at the end of this document.

Public Opinion Favors the Down Payment Plan

Q. Isn't the public opposed to the ACA's individual mandate?

A. Most voters support the ACA mandate when they learn that it lowers health care costs. Kaiser Family Foundation polls found that, in November 2017, 55 percent of the public supported repealing the ACA's mandate. However, when survey respondents were told that such a repeal would raise premiums, 60 percent supported the mandate.[15] Explaining that people who receive health insurance coverage from an employer are not penalized further raised support to 62 percent of the public.

Q. How do Maryland residents feel about the down payment plan?

A. The down payment plan earns significantly more public support than the ACA individual mandate. Respected pollster Patrick Gonzales found that 57 percent of Maryland voters favored the down payment plan, which the poll described as "helping people get insurance by replacing the federal tax penalty with a state penalty that people could actually use as a down payment to buy their own insurance." Net positive margins of support were:

- 52 percentage points among Democrats (66 percent in favor vs. 14 percent opposed).
- 24 percentage points among Independents (53 percent vs. 29 percent).
- 1 percentage point among Republicans (39 percent vs. 38 percent)—well within the poll's margin of error.

How the Down Payment Plan Helps Uninsured Tax Filers Enroll Into Health Coverage

Q. What happens when an uninsured person files a tax return? How do they get enrolled into coverage?

A. Suppose someone who files a Maryland state income tax return was uninsured for at least three months during the previous year (sometimes termed "the tax year"). They must state on their return whether they are still uninsured. If so, they must make a choice: Do they want the exchange to determine whether they qualify for free or low-cost health insurance, using information from their tax return? If they check that box, relevant information from the return is conveyed electronically to the exchange, which determines their eligibility for coverage. The exchange quickly notifies the individual of their coverage options and helps them enroll.

Q. How does the individual coverage requirement fit into this system?

A. A person who commits on their tax return to signing up for coverage within a brief period and keeping it through the end of the year can avoid an insurance responsibility payment.

Q. When an uninsured person files their tax return, how will they know whether they can afford to buy insurance?

A. The exchange will make online calculators available so people can enter information from their tax return and learn the likely cost of available coverage. The exchange will also work with the Comptroller and, potentially, private tax preparation firms to develop automated interfaces through which people filing electronic returns can establish eligibility and enroll in free or low-cost coverage as they complete their tax return.

Q. What about taxpayer privacy and data security?

A. Before any information from the taxpayer's return is shared with the exchange, the tax filer must affirmatively consent by checking a box on the return. All data transfers among the Comptroller, the exchange, and private tax preparers will be governed by the same strict standards that already protect privacy and data security for the rest of the income tax system.

Q. How many uninsured will be exempt from the insurance responsibility requirement because they cannot afford insurance?

A. An estimated 9,400 uninsured Marylanders have incomes too high for PTCs and are offered only exchange plans that cost more than 8.05 percent of their income, the definition of affordable coverage for this group under both the ACA and the down payment plan.[16] Roughly 110,000 uninsured have incomes at Medicaid levels and so are exempt. All Marylanders who qualify for PTCs are offered insurance that the down payment plan classifies as affordable.[17]

Q. Why should people enroll through the tax system? Wouldn't it be simpler just to provide more public education and sign up the uninsured through hospitals and clinics?

A. The exchange has already invested significant resources in public education and navigator programs, but numerous uninsured Marylanders still do not take advantage of essentially free coverage. The tax system offers several unique advantages in finding and enrolling the eligible uninsured:

- More uninsured file income tax returns than can be identified through any other means, such as when they seek hospital care. According to a 2015 Urban Institute study, 73 percent of Maryland's uninsured who qualified for financial assistance under the ACA filed income tax returns.[18] By contrast, only 52 percent of the uninsured used health care in 2016, including fewer than 20 percent who received any hospital-based services.[19]
- The down payment plan essentially lets the uninsured apply for health insurance by clicking one box on their tax return. Most information needed to determine eligibility for health coverage is already present on the tax return, which greatly simplifies enrollment. Every other strategy for reaching the uninsured requires them to fill out additional paperwork, and considerable research shows that even minimal paperwork requirements prevent many people from signing up. With 401(k) retirement savings accounts, for example, only one-third of new employees participate if they must compete a form, but 90 percent participate if they are enrolled unless they opt out.[20]

The Down Payment Plan Funds Its Own Administrative Costs While Bringing Significant New Federal Dollars Into Maryland, Supporting the Economy and Growing Jobs

Q. Didn't the fiscal note for last year's down payment bill anticipate high administrative costs?

A. Last year's bill was far more complex than the current bill. Considerable consultation with stakeholders and state officials led to a much simpler, more easily administered plan.

Q. Even though it's simpler, the bill will still create some administrative costs for the Comptroller and the exchange. How are those costs financed?

A. Some people who were uninsured during the tax year will pay their insurance responsibility amount on their tax return. That money goes to the exchange, which will use it to pay the administrative costs incurred by the Comptroller and the exchange. If money is left over, the exchange will use it for measures to lower premiums and increase stability in the individual market.

Q. Didn't you just say that the down payment plan tries to get insurance for everyone? Who will wind up making a payment on their tax return?

A. Three groups of people will make insurance responsibility payments:

- People who were uninsured during the tax year but obtain private insurance by the time they file their return.
- People who decide against having their tax return information shared with the exchange.
- People who ask the exchange to determine their eligibility for insurance but ultimately decide to make an insurance responsibility payment rather than purchase coverage.

Q. What other costs are associated with the bill?

A. Under the bill, Medicaid will enroll more eligible people. The federal government will pay most of the resulting costs, but Maryland must pay its share. With exchange coverage, by contrast, all financial assistance comes from the federal government. The number of Marylanders claiming federal PTCs will rise by 71 percent if those with access to free insurance enroll. Maryland would receive approximately $1.2 billion per year in federal health insurance tax credits, up from $726 million today, strengthening the state's economy and creating jobs.[21]

The Down Payment Plan Protects Immigrants From Public Charge Risks

Q. How does the down payment plan protect immigrants from the Trump administration's approach to so-called "public charge" issues? If the administration's proposed regulation becomes law, applying for Medicaid could prevent immigrants from improving their immigration status and safeguarding their ability to remain in the U.S.

A. The down payment plan ensures that no application for Medicaid or other benefits goes forward in an immigrant family unless that family provides clear affirmative consent. The plan takes three steps to keep control firmly in immigrants' hands:

1. The exchange does not initiate an application for coverage unless the income tax filer affirmatively authorizes the exchange to determine whether the uninsured family member qualifies for free or low-cost health coverage, using information from the tax return. This lets immigrant families (as well as other Maryland residents) opt out of the application process before it starts.
2. Before determining eligibility for Medicaid or PTCs, the exchange uses data matches with citizenship databases, such as the one maintained by the Social Security Administration, to verify that all household members are known to be U.S. citizens. If the exchange cannot verify that everyone in the household is a citizen, the exchange reaches out to the family to make sure they want health coverage. Application processing stops unless and until the family is reached and provides affirmative, informed consent.
3. Even after a family completes steps 1 and 2 above, if the uninsured family member qualifies for Medicaid, the family has a final chance to opt out of enrollment before Medicaid coverage begins. The same option extends to others who enroll in a Medicaid managed care plan selected by default.

Timing

Q. How is it possible for someone to sign up for health coverage during tax season? Isn't open enrollment limited to November and December?

A. Medicaid-eligible people can enroll at any time. And for those with incomes too high for Medicaid, the exchange creates a brief special enrollment period, letting the uninsured sign up for exchange plans soon after filing their tax returns.

Q. When does the down payment plan go into effect?

A. The individual responsibility to obtain insurance becomes effective during tax year 2021. It will be enforced in the tax season that starts in January 2022.

Q. What happens before then?

A. Through an early warning system, uninsured tax filers will be told what penalty they must pay in the future if they do not obtain health insurance. They will be encouraged to avoid that penalty by signing up for coverage, beginning by checking a box on their tax return, as explained earlier.

Q. When will this transitional early warning system go into effect?

A. It will start during the tax season that begins in January 2020, if the Comptroller finds that timeline feasible. Otherwise, it will start in January 2021.

Other Tax Questions

Q. Is this a completely novel idea? Is tax return data used to apply for any other public benefit programs?

A. The IRS operates a Data Retrieval Tool that lets families transfer information from their federal income tax return into the Free Application for Federal Student Aid (FAFSA). Among tax filers in 2016, 58 percent of independent students and 46 percent of parents of dependent students who completed FAFSA did so by automatically transferring information from their tax returns. More than 6 million people used this tax-based system to apply for federally funded student aid in 2016.[22]

Q. If we use our state income tax system to collect insurance responsibility payments, some people will lose the refunds they're counting on. Won't that make them angry?

A. The down payment proposal helps people plan to prevent that result. As explained earlier, before the individual responsibility requirement goes into effect, taxpayers have one or two years to file returns and learn what they may need to pay if they do not get insurance. Moreover, Massachusetts has been using its state income tax system for mandate enforcement since 2006. The majority of that state's residents support the individual mandate law.[23]

Q. Will the Comptroller's outdated IT system make it hard to implement the down payment plan?

A. The Comptroller's office is modernizing its IT systems. The down payment plan was revised so the insurance responsibility requirement is not implemented until the individual income tax system is modernized. As a result, the procedures for the down payment plan can be incorporated into the Comptroller's new IT system, which will lower administrative costs.

Q. Why does the down payment plan ask the Comptroller to collect insurance responsibility payments? Couldn't a different agency handle the collection? What about the Central Collections Unit in the Department of Management and Budget, for example?

A. Involving a separate agency in collecting a payment due on the state income tax return would introduce a needless additional layer of complexity. Since 2006, the Massachusetts Department of Revenue has used its standard tax collection tools to enforce that state's individual mandate. We can do something similar in Maryland.

Q. Under the down payment plan, are there any differences between the Comptroller's standard procedures and the collection of insurance responsibility payments?

A. There are two relatively minor differences. First, the exchange, rather than the Comptroller, handles appeals involving insurance responsibility payments. Whenever possible, the exchange will use those appeals to encourage people to get insurance. Massachusetts takes a similar approach to state mandate enforcement. Second, unlike other tax obligations, insurance responsibility payments will not take priority over child support enforcement.

Q. The down payment plan requires people who are uninsured when they file their tax return to decide whether they want the exchange to determine whether they qualify for free or low-cost insurance, using information from the tax return. What is the justification for forcing people to make that choice?

A. This applies the active decision model developed by behavioral economists. When people are required to decide whether to apply a particular benefit, many more apply. For example, one company required new employees to choose whether to open a 401(k) account by checking one of two boxes on a form. The company later eliminated this active decision requirement as an accidental byproduct of switching from a paper-based form to a telephonic form. Once employees no longer had to make a choice, enrollment fell precipitously, from 70 percent to 40 percent.[24]

Q. Can people get an extension on their tax return due date and apply for health insurance any time until the August 15 due date for extended returns?

A. No. The down payment plan lets people enroll into coverage, based on their tax return, only if they file their returns by the standard April 15 due date.

Endnotes

[1] The District of Columbia passed a state-level mandate law. Washington State enacted a mandate bill, but since that state has no income tax, the legislation called for further study to determine an appropriate mechanism to collect penalty payments.

[2] The ACA provided an exemption for people with religious objections to health insurance, not those who object to health care. This has left Christian Scientists subject to the ACA mandate—a problem solved by the down payment plan. https://www.tennessean.com/story/news/religion/2017/09/15/whats-like-christian-scientist-when-country-laser-focused-health-insurance/658794001/. Accessed February 6, 2019.

[3] The ACA provides that anyone with income above the federal income tax filing threshold is offered affordable coverage and is potentially subject to the mandate if insurance costs them no more than 8.05 percent of household income. The down payment plan modifies that rule for Maryland residents with incomes below 250 percent of poverty. For these low-wage working families, affordable coverage is defined as 3 percent of income for people below 150 percent of the federal poverty line ($18,210 for an individual and $37,650 for a family of four); 4 percent of income for those between 150 and 200 percent of poverty ($24,280 and $50,200 for an individual and family of four, respectively); and 6.3 percent of income for those between 200 and 250 percent of poverty.

[4] Bob Herman. "Slow Uptake by 'Young Invincibles' Is Driving the ACA's Exchange Rates Higher," *Modern Healthcare*, May 18, 2016. Accessed February 6, 2019. https://www.modernhealthcare.com/article/20160514/MAGAZINE/305149980; "Newly Enrolled Members in the Individual Health Insurance Market after Health Care Reform: The Experience from 2014 and 2015," Blue Cross Blue Shield. Accessed February 6, 2019. https://www.bcbs.com/the-health-of-america/reports/newly-enrolled-members-the-individual-health-insurance-market-after. Stan Dorn. "Identifying and Fixing the Individual Market's Central Flaw," Health Affairs Blog, July 30, 2018. Accessed February 6, 2019. https://www.healthaffairs.org/do/10.1377/hblog20180727.541089/full/.

[5] John Hsu, Vicki Fung, Michael E. Chernew, Alan M. Zaslavsky, William Dow and Joseph P. Newhouse. "Eliminating the Individual Mandate Penalty in California: Harmful But Non-Fatal Changes in Enrollment and Premiums." Health Affairs Blog, March 1, 2018. https://www.healthaffairs.org/do/10.1377/hblog20180223.551552/full/. Accessed February 6, 2019.

[6] "Repealing the Individual Health Insurance Mandate: An Updated Estimate." Washington, D.C.: Congressional Budget Office, 2018. https://www.cbo.gov/system/files?file=115th-congress-2017-2018/reports/53300-individualmandate.pdf. Accessed February 6, 2019.

[7] Linda J. Blumberg, Matthew Buettgens, and John Holahan. "How Would State-Based Individual Mandates Affect Health Insurance Coverage and Premium Costs?" New York, N.Y.: The Commonwealth Fund, 2018.

[8] Dan Witters. "U.S. Uninsured Rate Rises to Four-Year High." Gallup.com, Last modified January 23, 2019. https://news.gallup.com/poll/246134/uninsured-rate-rises-four-year-high.aspx. Accessed February 6, 2019.

[9] "Affordable Care Act Tracking Survey." The Commonwealth Fund, Last modified 2017. https://acatracking.commonwealthfund.org/?_ga=2.82949845.2113503935.1548566480-1639501261.1514923967. Accessed February 6, 2019.

[10] "As Senate Weighs Bipartisan Stabilization Bill with Cost-Sharing Reduction Funding, Current Marketplace Enrollees Face Challenges with Affordability." The Henry J. Kaiser Family Foundation. Last modified October 18, 2017. https://www.kff.org/health-reform/press-release/as-senate-weighs-bipartisan-stabilization-bill-with-cost-sharing-reduction-funding-current-marketplace-enrollees-face-challenges-with-affordability/. Accessed February 6, 2019.

[11] American Community Survey (ACS) data for 2016 showed 21,506 uninsured children and 59,198 uninsured adults who were Maryland residents, U.S. citizens, and had incomes that qualified them for Medicaid. The Urban Institute found that, among uninsured Marylanders who would qualify for Medicaid under the ACA, 71 percent of children and 61 percent of adults filed federal income tax returns. Stan Dorn, Matthew Buettgens, and Jay Dev. "Tax Preparation Services and ACA Enrollment: Potential Contributions and Challenges." Rep. Washington, D.C.: The Urban Institute, 2015. The numbers in the table apply those tax-filing percentages to the numbers of uninsured children and adults who are U.S. citizens. This estimate has limitations. It understates the number of Medicaid-eligible, uninsured tax filers, since ACS data do not show which non-citizens have immigration status that qualifies them for Medicaid. Also, the Urban Institute based its tax-filing estimates on tax filing rates before the ACA became fully effective in 2014; different filing rates may apply to today's uninsured. Moreover, the Urban Institute estimates involved federal income tax returns. A different percentage of uninsured may file state income tax returns.

[12] Based on 2019 exchange premiums charged by the second-lowest-cost silver plans, Families USA's National Center for Coverage Innovation (NCCI) identified each combination of

age, income, and county of residence where PTC amounts, either alone or in combination with insurance responsibility payments, would fully cover the premium charged by an available exchange plan. NCCI then used ACS data to determine the number of uninsured residents who fit within each such combination.

Note that these and the following estimates for the number of PTC-eligible uninsured consumers have important limitations. In particular, ACS data do not show which financially eligible uninsured have an immigration status or an offer of employer-based coverage that disqualifies them from PTCs.

[13] This estimate compares the numbers derived as explained above with the number of uninsured shown in ACS data and the ages of exchange enrollees, as reported by the exchange.

[14] MPC UX/UI. "U.S. Census Data for Social, Economic, and Health Research." IPUMS USA | *History of Enumeration Procedures*, 1790–1940. https://usa.ipums.org/usa/. Accessed February 6, 2019.

[15] "Kaiser Health Tracking Poll—November 2017." Menlo Park, Calif.: Kaiser Family Foundation, 2017.

[16] This estimate comes from ACS data showing the number of uninsured residents with incomes above 400 percent of the federal poverty level, classified based on total dollar income, age, and county of residence. By comparing each combination of dollar income, age, and county to the lowest premium charged by an exchange bronze plan, NCCI researchers identified the number of uninsured for whom that plan's cost would exceed 8.05 percent of income.

[18] Dorn, Buettgens, and Dev, op cit.

[19] Agency for Healthcare Research and Quality. Percent of population with an expense by event type and insurance coverage, United States, 2016. Medical Expenditure Panel Survey. Generated interactively, February 6, 2019.

[20] David Laibson (2005) Impatience and Savings. NBER Reporter: Research Summary. Fall. https://www.nber.org/reporter/fall05/laibson.html. Accessed February 6, 2019.

[21] "Estimated Total Premium Tax Credits Received by Marketplace Enrollees." The Henry J. Kaiser Family Foundation. Last modified January 15, 2019. https://www.kff.org/health-reform/state-indicator/average-monthly-advance-premium-tax-credit-aptc/?currentTimeframe=0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D. Accessed February 6, 2019.

[22] U.S. Department of Education. FY 2016 Agency Financial Report (2016). https://www2.ed.gov/about/reports/annual/2016report/agency-financial-report.pdf. Accessed February 6, 2019.

[23] Sarah Kliff. "Health Reform with a Mandate: The Massachusetts Story." *Washington Post*, June 19, 2012. https://www.washingtonpost.com/blogs/ezra-klein/post/health-reform-with-a-mandate-the-massachusetts-story/2012/06/18/gIQAfohImV_blog.html?noredirect=on&utm_term=.ed656d924c11. Accessed February 6, 2019.

[24] Brigitte C. Madrian (2010). The Determinants of Individual Saving and Investment Outcomes. *NBER Reporter: Research Summary.* No 3l. https://www.nber.org/reporter/2010number3/madrian.html. Accessed February 6, 2019.

This publication was written by:

Stan Dorn, Director of the National Center for Coverage Innovation and Senior Fellow, Families USA

The following Families USA staff contributed to the preparation of this material (listed alphabetically):

Kimberly Alleyne, Senior Director of Communications

Nichole Edralin, Senior Designer

Eliot Fishman, Senior Director of Health Policy

Claire McAndrew, Director of Campaigns and Partnerships

FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

1225 New York Avenue NW, Suite 800
Washington, DC 20005
202-628-3030
info@familiesusa.org
FamiliesUSA.org
facebook / FamiliesUSA
twitter / @FamiliesUSA

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