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ObamaCare's 2014 Report Card? Preaching Patience—to Supporters and Opponents

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The first open enrollment period under the Affordable Care Act has come and gone. One might be tempted to ask, "How has the law done so far?"—if only that question hadn't already been asked ad nauseum since the first week of open enrollment in October 2013. As a researcher whose primary interests are insurance coverage and access to care (and as an advisor in the U.S. Department of Health and Human Services), I have frequently been asked this question—by students, by friends and family, and by reporters. Consider this my response.

The early answers offered by pundits and politicians in the fall, when the federal Marketplace (healthcare.gov) wasn't working, were far too damning. Phrases like a "train wreck" and a "disaster" evinced little sense of the difference between the website's function and the law's long-term ability to sign people up for coverage. [1]

But similarly, the more recent media coverage—proclaiming President Obama's "victory lap" at reaching 8 million in Marketplace enrollment [2]—is premature and mistakenly focuses on just one fairly limited metric of the law's performance. Given the tremendously contentious political environment that surrounds the ACA and a round-the-clock controversy-obsessed media, it is not surprising that the dialogue has played out in this polarized fashion. But, nonetheless, it is shallow and ultimately unhelpful in gauging such a far-reaching policy.

So what should we be focusing on in evaluating the early impact of the ACA? The initial coverage numbers in the Marketplace are indeed useful and show that the early website woes did not sabotage the

law's open enrollment period. But this widely discussed "8 million" number is not the most relevant metric to assess even the law's impact on coverage. Why? Because the ACA, like the U.S. healthcare system itself, takes a patchwork approach to expanding health insurance. While the Marketplaces are the most novel portion of the ACA—and the feature most directly associated with "ObamaCare" in the popular conception—it is not the law's only means of expanding coverage. Moreover, if one is particularly interested in the law's potential impact on public health and on health disparities (by race, ethnicity, and income, among other dimensions), then the Marketplaces aren't even the most important part of the coverage expansion.

Over the next several years, 10-20 million individuals are expected to sign up for expanded Medicaid coverage[3, 4] exactly how many will depend heavily on how many of the nearly two dozen states thus far refusing the ACA Medicaid expansion change their minds.[5] Meanwhile, several million low-income adults and children who were already eligible for Medicaid but not enrolled will benefit from the greater public awareness and streamlined application process to obtain coverage.[6] Why have these numbers have been relegated to second billing in the ACA discussion? The answer is a mixture of data availability and politics. On the first point, early estimates on the Medicaid expansion are more difficult to interpret than the Marketplace figures, in part because they do not differentiate new versus previously-eligible enrollees, and some states have not even been able to distinguish between renewals of existing Medicaid coverage versus new applicants. On the second point, opponents of the ACA were eager last fall to discuss the Marketplace enrollment numbers because they seemed so low; by March, the tide had turned but the media's focus was already squarely on the Marketplace figures. Moreover, some supporters of the law may be reluctant to draw attention to public insurance expansion, which is less attractive to moderates than the law's use of private insurance in the Marketplaces.

But we should not underestimate the critical impact of the Medicaid expansion. Individuals living below the poverty level are at the highest risk for lacking health insurance and comprise nearly 40% of the U.S.'s uninsured population.[7] The Medicaid expansion disproportionately affects racial and ethnic minorities,[8] and, given the well-documented connection between socioeconomic status and health,[9] expanded Medicaid likely will reach a greater number of people with unmet health care needs than will the private coverage expansions.

Medicaid is not the only story missing from most of the ACA-related headlines. How the law impacts employer-sponsored health insurance is a key question, since this remains the most common source of coverage in the U.S. for adults under 65.[10] While the existence of the Marketplaces may erode some employers' incentive to offer coverage, the Massachusetts experience—which was the model for

the ACA—demonstrated that employer coverage actually went up, as the individual mandate led many workers to request (and ultimately accept) offers of employer insurance.[11] Early evidence from one survey in 2014 suggests that similar gains in employer coverage under the ACA may already be underway, but corroboration from other sources is still necessary.[12] Finally, some higher-income uninsured people who were not eligible for subsidies may have purchased private coverage directly from insurers, made possible by the ACA's elimination of pre-existing condition exclusions, as well as the added incentive created by the individual mandate.

Putting these different strands together, the question about the ACA that is the most relevant initial benchmark is what has been its impact on the number of people without any health insurance. The most reliable statistics on the number of uninsured Americans come from government surveys, which take 6-18 months to release their results. However, early returns from other sources—rapid turnaround surveys designed to study the ACA in particular—do provide suggestive evidence that the ACA is indeed reducing the ranks of the uninsured. Three different surveys, using different methods and questions, have all reported a dip in the percentage of adults without health insurance through March 2014, with estimates of the total number gaining coverage ranging from 5 to 9 million.[12, 14, 15]

But even with these promising results, there are several reasons that the ongoing rush to judge the ACA should be tempered with patience. First, this is just the initial year of the law's Marketplace and Medicaid expansion, and tens of millions of Americans remain uninsured. Large government programs—especially those that require detailed eligibility determinations and voluntary applications—take several years to reach their full enrollment.[16, 17] In 2020, it is highly unlikely that we will still be discussing the initial 2013-2014 open enrollment period. Second, insurance coverage—while a critical measure of equity and access in any health care system—is itself only a first step to improving the lives of Americans and fostering the law's public health goals.

Numerous challenges stand between getting people to sign up for health insurance and experiencing positive public health outcomes. Such challenges include having adequate provider capacity especially in safety net settings,[18, 19] continuity of coverage over time,[20] and teaching newly-insured individuals how to use their coverage to navigate a complicated system.[21] However, there are reasons to be optimistic. While politicians debate the relative merits of different types of coverage, the research evidence is fairly clear that any health insurance—including Medicaid, Medicare, private insurance through an employer or otherwise—is preferable in terms of financial protection, access to care, and probably health (though this is the most controversial of these findings). Research conducted by several Harvard professors, including me, have reported

a variety of benefits to low-income adults of gaining Medicaid,[22, 23, 24] including better self-reported health, better mental health, fewer cost-related barriers to care, and more preventive care, with one study also showing a significant decline in mortality.[22] More generally, evidence on the Massachusetts health reform of 2006 showed strong positive effects on these same outcomes of access, health, and mortality.[9, 27, 28, 29, 30] Thus, we have much to gain from expanding coverage under the ACA—but we are still far from being able to assess these more important downstream impacts of the law.

Taking all of this into account—the multiple coverage sources, early declines in the uninsured rate, and exciting opportunities but significant challenges ahead in the areas of access to care and public health, what grade do I give the ACA so far? My report card reads, "Incomplete. But off to a promising start."

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