



Insurance Churning Rates for Low-Income Adults Under Health Reform: Lower Than Expected But Still Harmful for Many

Synopsis

Researchers surveyed low-income adults in Arkansas, Kentucky, and Texas in 2015 to determine how frequent changes in health insurance coverage, or “churning,” affects their care. Churning rates were found to be similar across the three states, despite their different approaches to Medicaid expansion under the Affordable Care Act (ACA). Respondents who changed health insurance coverage reported that they were more likely than those remaining in the same plan to receive low-quality medical care or to have to switch doctors. Coverage disruptions also were linked to people stopping their prescription medicines or skipping doses, and they had a negative impact on self-reported health.

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Authors Benjamin D. Sommers, Rebecca Gourevitch, Bethany Maylone, Robert J. Blendon, and Arnold Epstein

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Contact Benjamin D. Sommers, M.D., Ph.D., Harvard T. H. Chan School of Public Health, bsommers@hsph.harvard.edu
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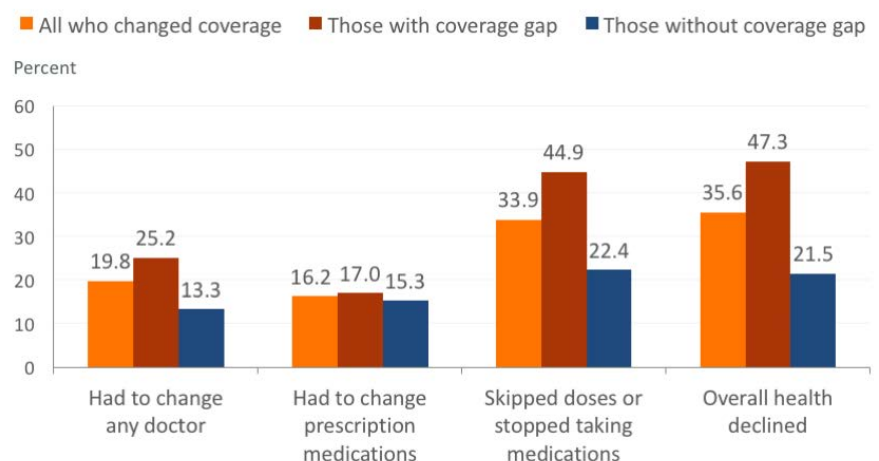
The Issue

According to some predictions prior to its enactment, the health reform law was likely to increase churning in health coverage. One study estimated that up to 50 percent of Medicaid and ACA marketplace enrollees would switch plans within one year. Recognizing the potential disruptions in patient care that can occur after a change in health plan, Commonwealth Fund–supported researchers looked at churning among low-income adults in three states: Kentucky, which used traditional Medicaid expansion under the ACA; Arkansas, which chose the “private option,” enrolling beneficiaries in private marketplace plans; and Texas, which opted not to expand Medicaid at all.

Key Findings

- About one of four respondents changed health coverage at least once in 2015—a rate lower than previous predictions. Nearly 20 percent of those had been uninsured and gained new coverage; these newly insured respondents were excluded from the rest of the analysis.
- The alternative approaches to expansion did not produce significantly different churning rates in the three states.

Health Care Disruptions Experienced by Low-Income Adults in Arkansas, Kentucky, and Texas Who Changed Health Coverage, 2015



Data: Authors' analysis of data from a telephone survey in 2015 of adults ages 19–64 with family incomes below 138 percent of the federal poverty level.
Source: Adapted from B. D. Sommers, R. Gourevitch, B. Maylone et al., “Insurance Churning Rates for Low-Income Adults Under Health Reform: Lower Than Expected But Still Harmful for Many,” *Health Affairs*, Oct. 2016 35(10):1816–24.

- After omitting the newly insured, the three most common reasons for churning were job-related insurance changes, loss of eligibility for Medicaid or ACA marketplace subsidies, and inability to afford a previous plan.
- Nearly 56 percent of respondents who changed insurance plans experienced a gap in coverage, with nearly 29 percent losing insurance for more than four months. Of respondents who experienced a coverage gap, 25 percent had to switch one or more physicians and 45 percent stopped taking or skipped doses of prescription medications. Nearly half (47 percent) also reported a decline in their overall health.
- Respondents who changed health plans but did not experience a coverage gap were less likely than those with coverage gaps to report a health decline or problems with medication adherence. But these respondents still reported difficulties, including a need to change physicians and trouble getting physician appointments, which led to more emergency department use. Respondents who switched insurance also were more likely to say they received poor or fair quality care than those who stayed in the same health plan.

“[I]n addition to reducing gaps in coverage, policymakers must also improve transitions in coverage to address the potential harms caused by churning.”

The Big Picture

The post-ACA churn rate was lower than some predictions but still high enough to raise access concerns. Arkansas’s private-option Medicaid model has been held up as a possible way to reduce Medicaid-related churning: by enrolling most low-income adults in subsidized private plans instead of Medicaid, Arkansas hoped to reduce the number of people switching in and out of Medicaid as their income-related eligibility changed. However, this study did not find a significant difference in the amount of churning that occurred in Arkansas compared to Kentucky or Texas.

Other options being studied to minimize the negative impacts of churning include guaranteeing 12 months of continuous coverage to adults who enroll in Medicaid, as well as overlapping Medicaid with marketplace coverage. In 2016, 40 percent of insurers with marketplace plans offered a Medicaid managed care plan in the same state. Individuals who enroll with these insurers are more likely to keep the same provider network and benefits if they switch between the insurer’s marketplace and Medicaid plans.

About the Study

The study involved a telephone survey of 3,011 low-income adults ages 19 to 64 in Kentucky, Arkansas, and Texas in late 2015. Researchers asked respondents how many times they had lost, gained, or switched insurance plans during the past year. Respondents also answered questions related to access and quality of care. All respondents were U.S. citizens with family incomes below 138 percent of the federal poverty level.

The Bottom Line

Switching health plans can reduce access to care. It can force patients to change physicians and skip or stop treatment, particularly when there is a gap in insurance coverage.

B. D. Sommers, R. Gourevitch, B. Maylone et al., “Insurance Churning Rates for Low-Income Adults Under Health Reform: Lower Than Expected But Still Harmful for Many,” *Health Affairs*, Oct. 2016 35(10):1816–24.

This summary was prepared by Maggie Van Dyke.