The Impact of Medicaid Program Changes on Low Income Adults

Results from an Ongoing Prospective Cohort Study

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Summary of Changes to OHP

Early 2003

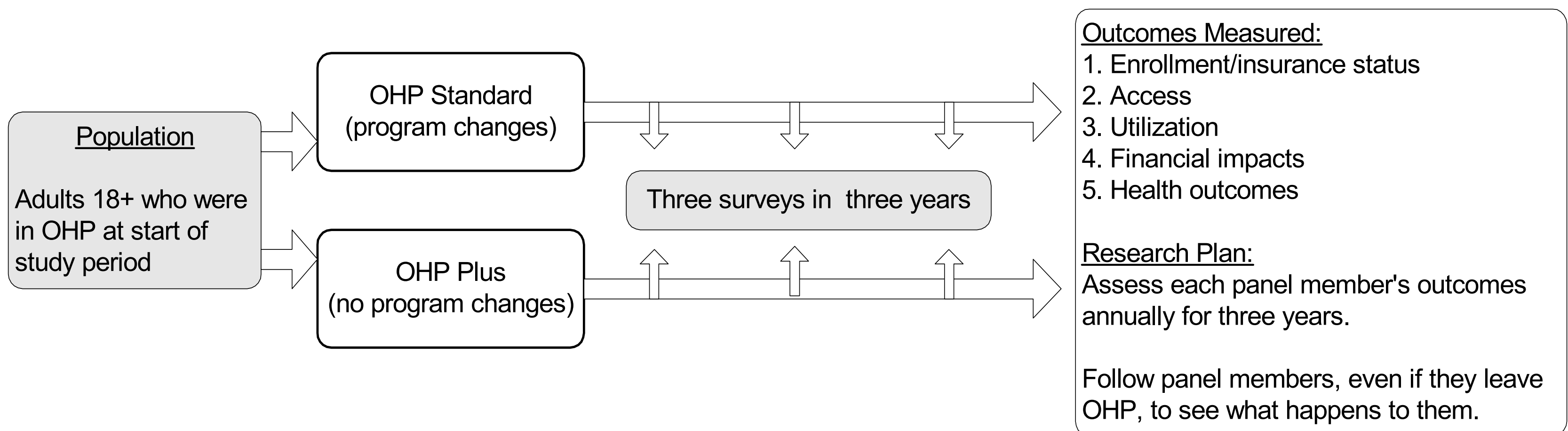
- Premium changes - $6-$20 per month based on income.
- Expansion of co-pays - office visits, labs, ED, prescriptions, hospitalization; ranging from $5 to $250.
- Non-payment of premium results in 6 month “lock-out” from OHP.
- Eliminated coverage for dental, vision, outpatient mental health, substance abuse, durable medical equipment.

Summer 2004

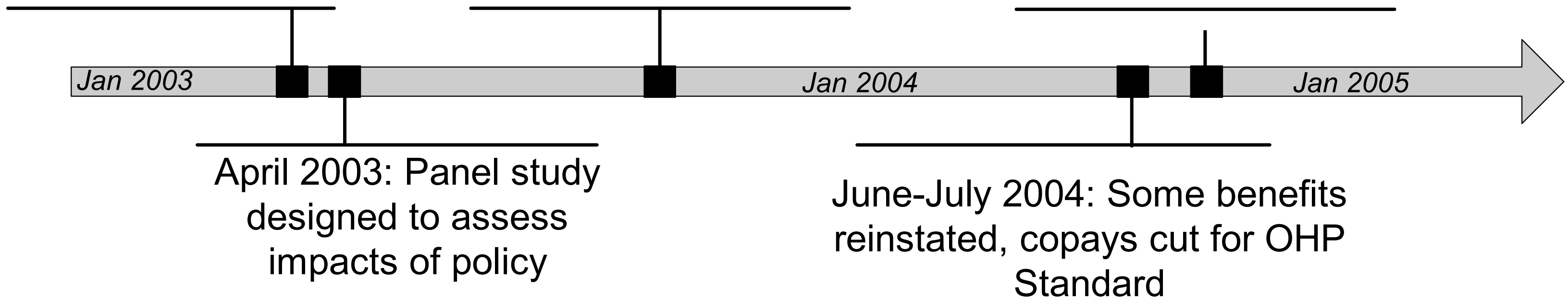
- In response to a legal ruling, copays dropped for Standard members.
- Outpatient Mental health and chemical dependency benefits restored.

Design of the OHP Cohort Study

Longitudinal cohort study designed to assess impacts of program redesign by following a group of people for three years after the initial changes.

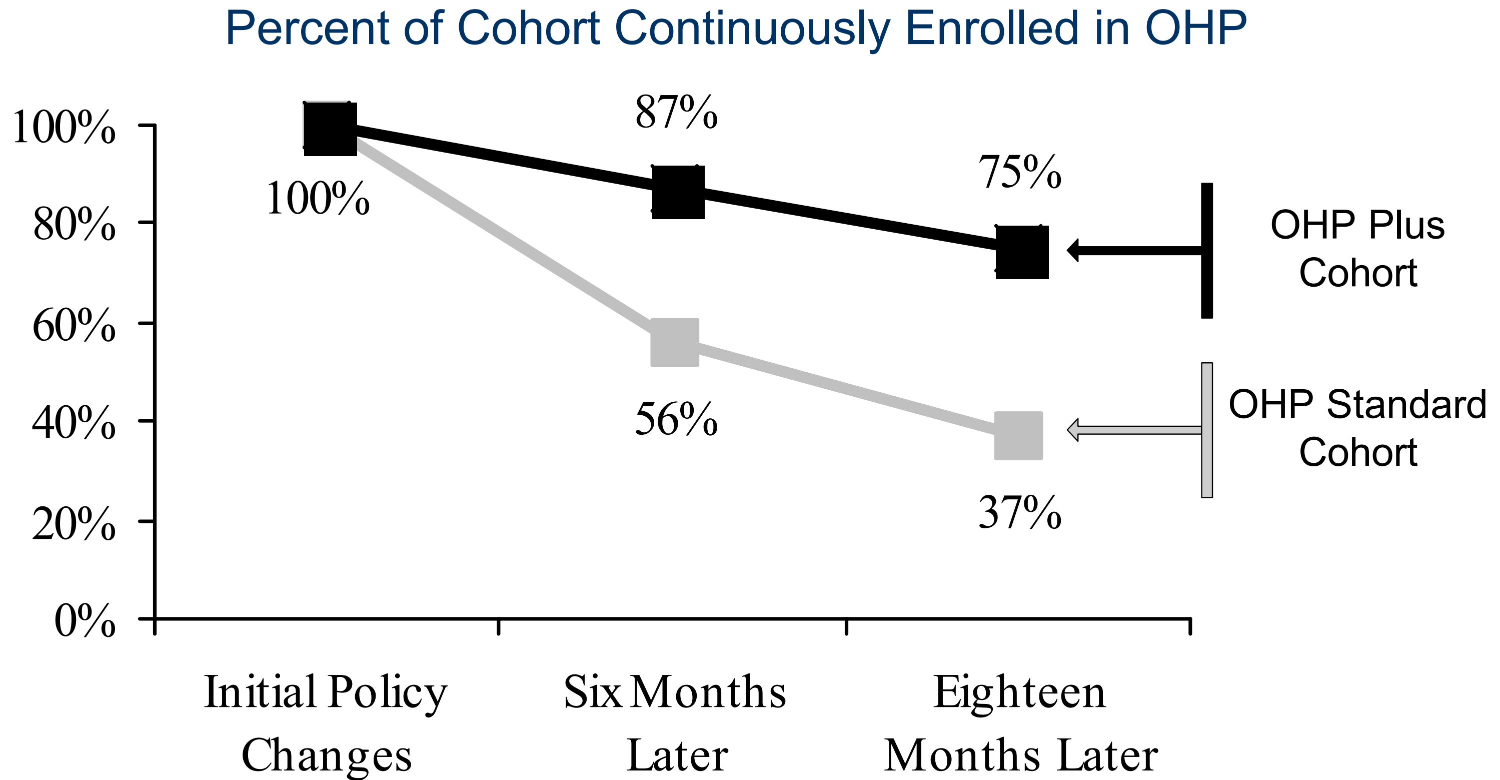


OHP Program Redesign and Cohort Study Milestones



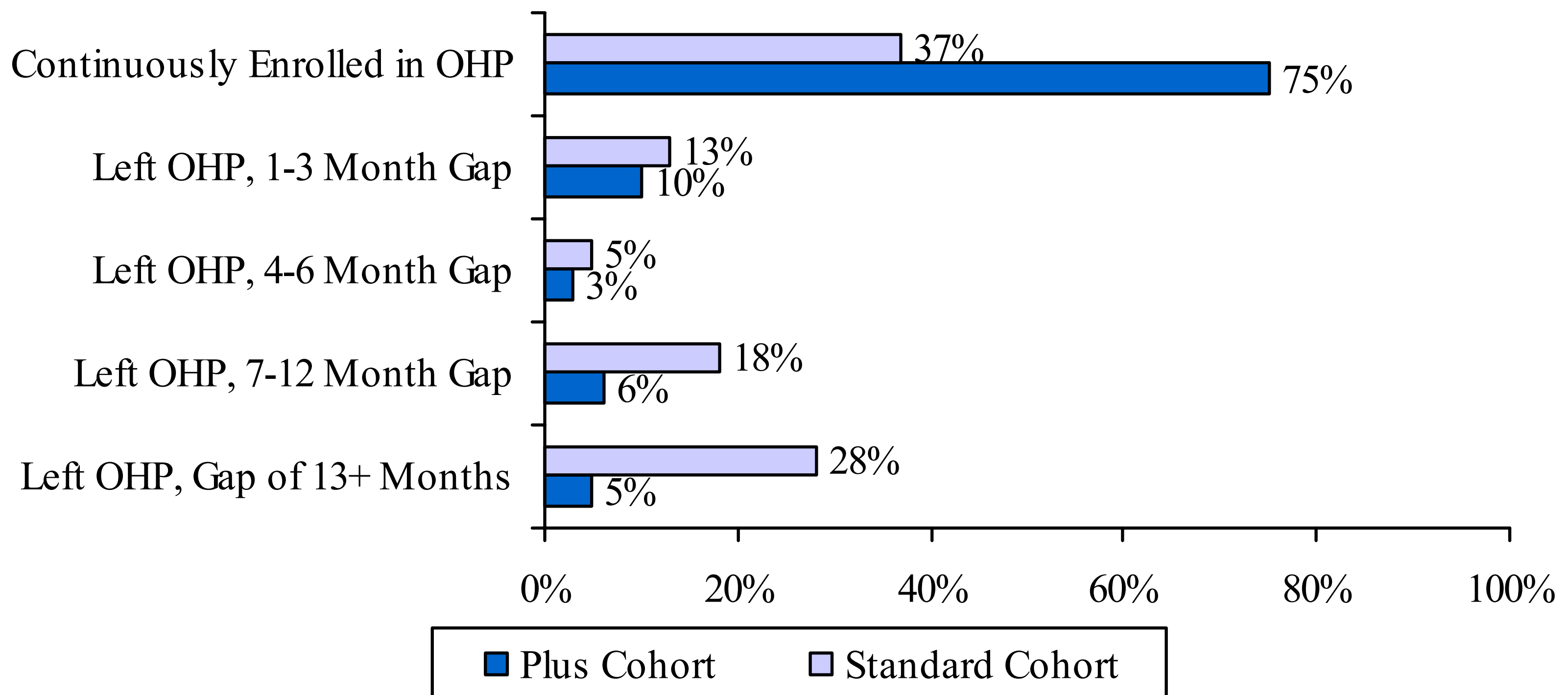
Insurance Status

Nearly 2/3 of the Standard cohort have left OHP since the initial program redesign.



Insurance Coverage

Most Standard cohort members who left experienced gaps in coverage of more than six months.



31% of Standard were uninsured at second survey, compared to 9% of Plus.

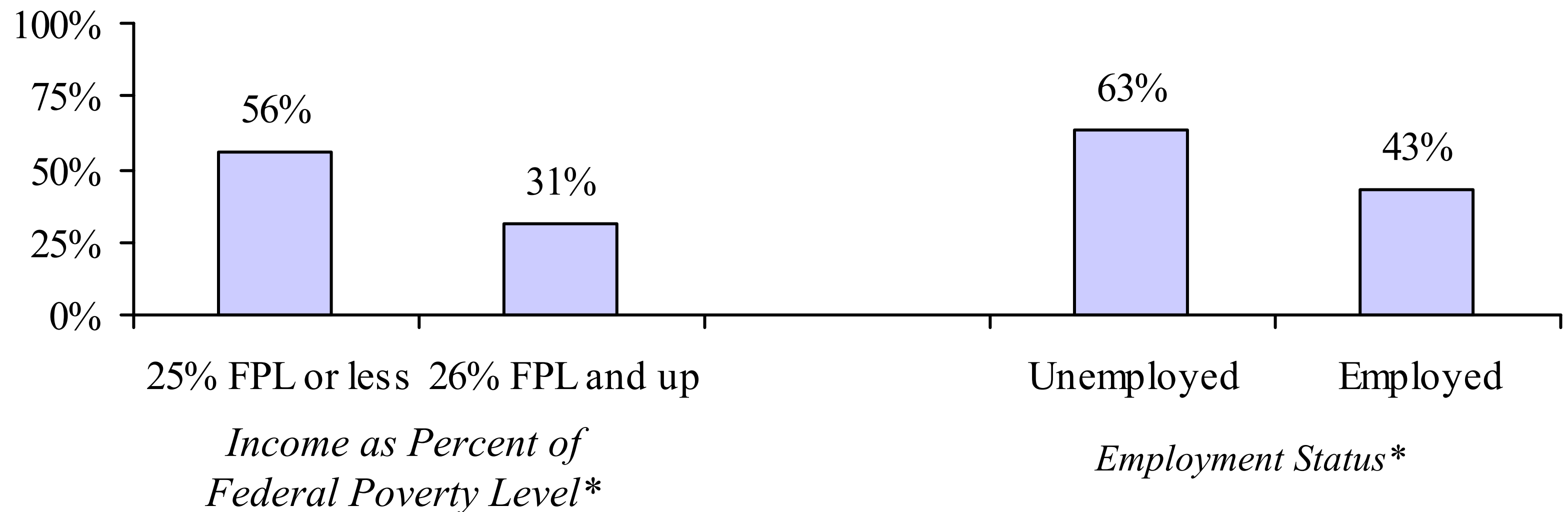
Insurance Status

The program redesign was an important reason why many Standard members left OHP during the study.

Policy-Related Reasons for Leaving OHP	Percent Choosing Reason (Multiple Responses Allowed)
Could Not Afford the Premiums *New Policy: Increased Premiums, No Premium Exemptions*	23%
Owed Back Premiums *New Policy: Six Month Lockout for Non-Payment of Premiums*	22%
Could Not Afford the Copays *New Policy: Co-pays Introduced For Most Services*	20%
Loss of a Benefit *New Policy: Mental Health, Chemical Dependency, DME, Vision, Dental Cut*	7%
Percent Who Chose At Least One of the Above	53%

Insurance Status

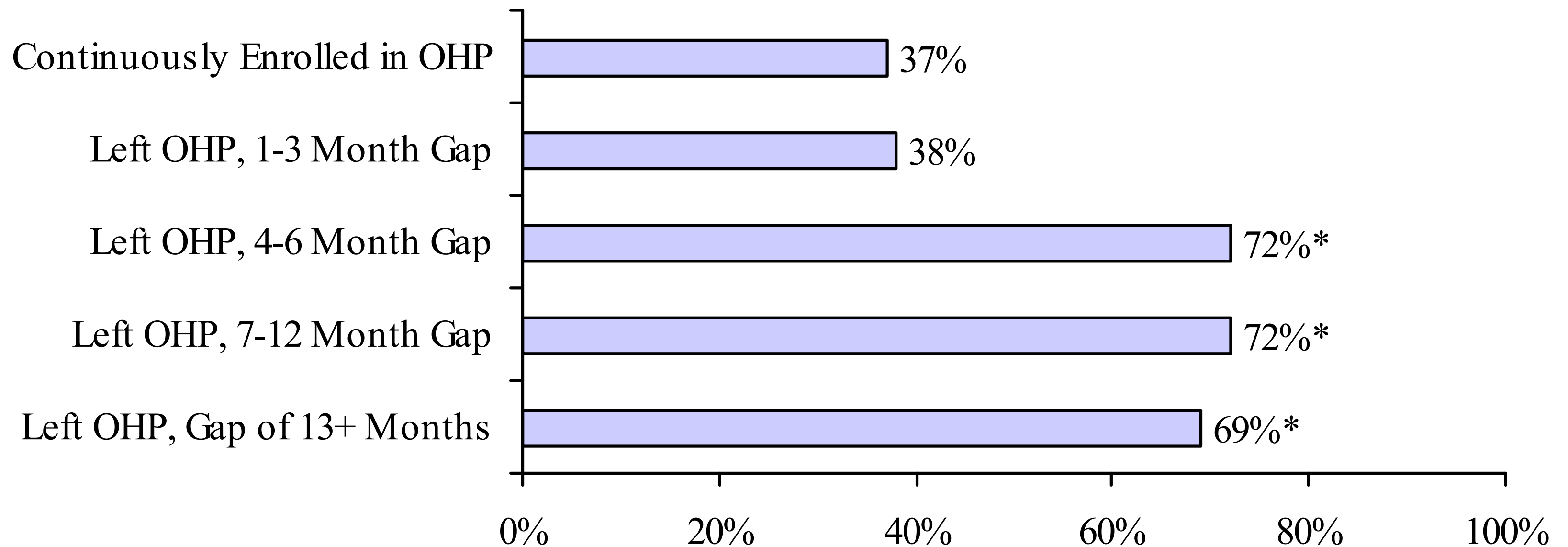
Coverage impacts were especially strong among the most economically vulnerable members.



*Statistically significant difference, p<.01, two-tailed chi-square test.

Access to Care

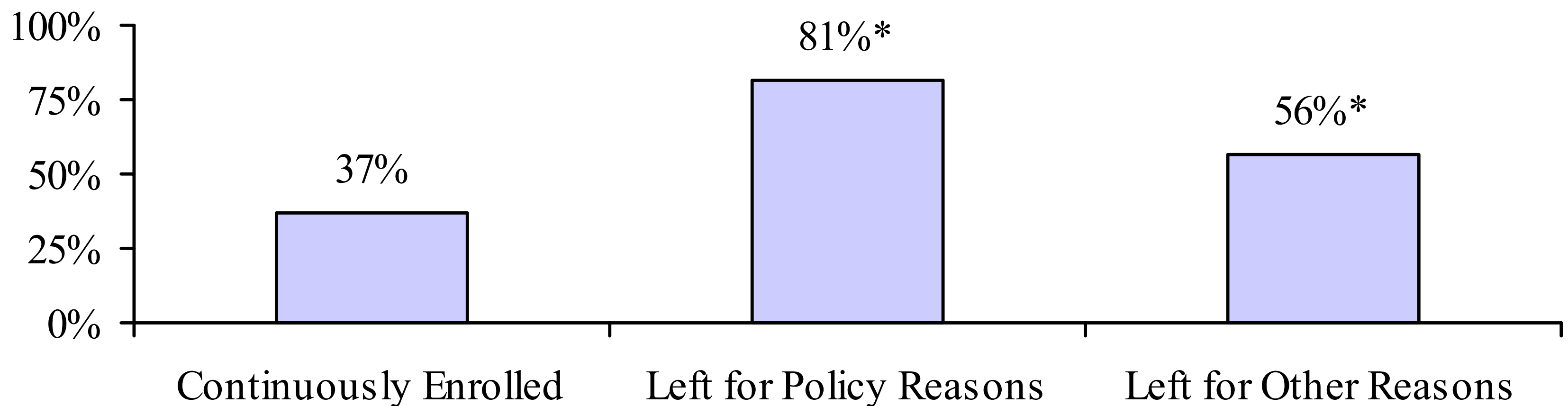
Those who left OHP During the study had higher unmet need for care, when coverage gaps were over 3 months.



*Statistically different than the score for the continuously enrolled, $p<.001$, two-tailed z-test.

Access to Care

Those who left OHP for policy reasons had the highest levels of unmet need throughout the study.



*Statistically significant than the score for the continuously enrolled, p<.001, two-tailed z-test.

Access to Care

For those who stayed in OHP, cutting copays & restoring benefits does seem to have helped access.

Changes in Unmet Need Among the Continuously Enrolled

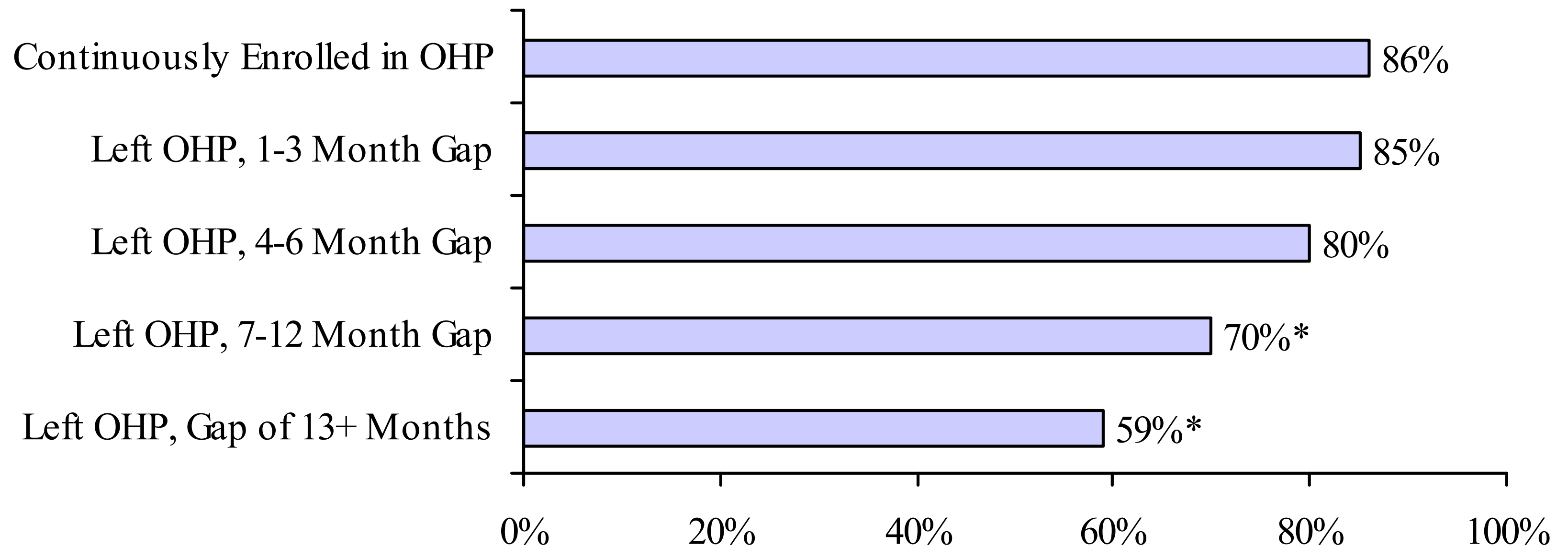
	First Survey (Before Copays Eliminated)	Second Survey (After Copays Eliminated)
Percent Who Experienced Unmet Need	28%	19%*
Of Those with Unmet Need, Percent Identifying Cost as the Reason	55%	32%*

*Statistically significant than the score from the first survey, p<.001, two-tailed z-test.

Utilization

Those who left OHP used primary care less, if coverage gaps were more than six months.

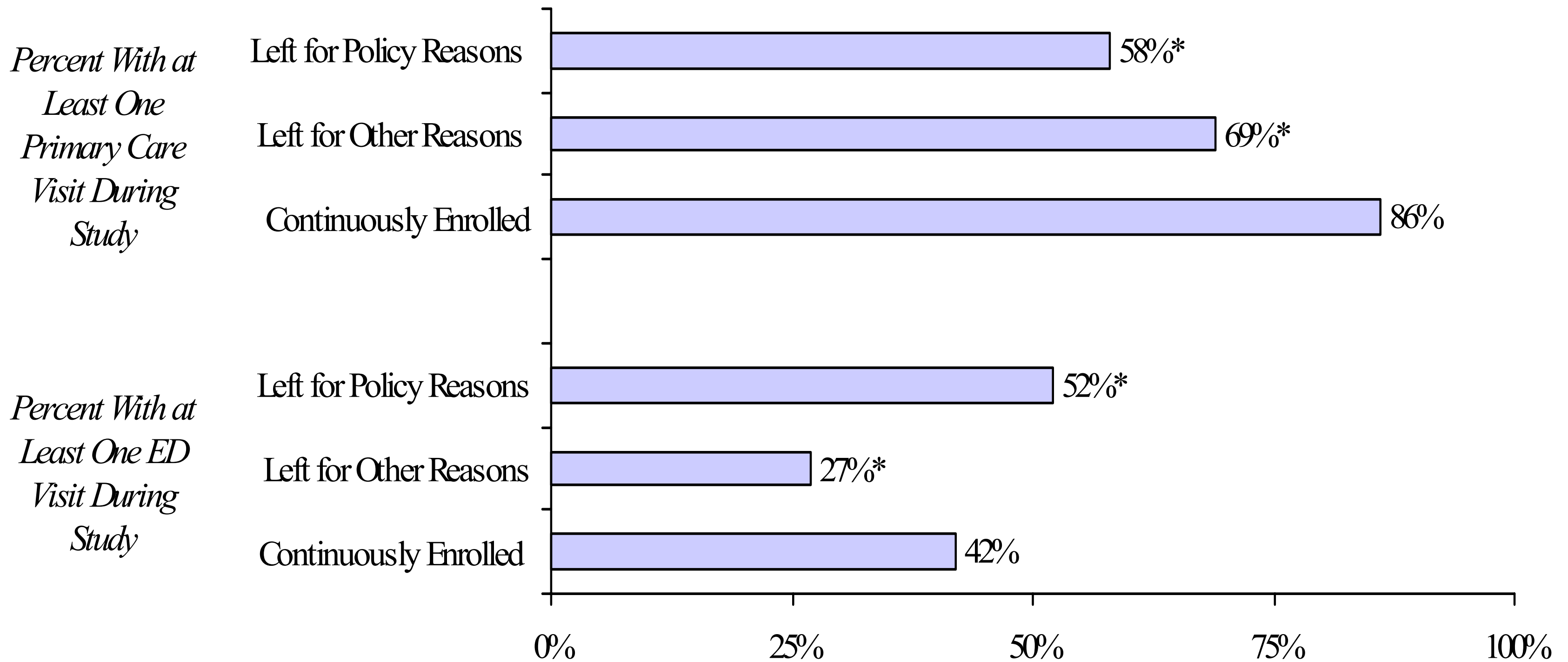
Percent with at least one primary care visit during study



*Statistically different than the score for the continuously enrolled, $p<.001$, two-tailed z-test.

Utilization

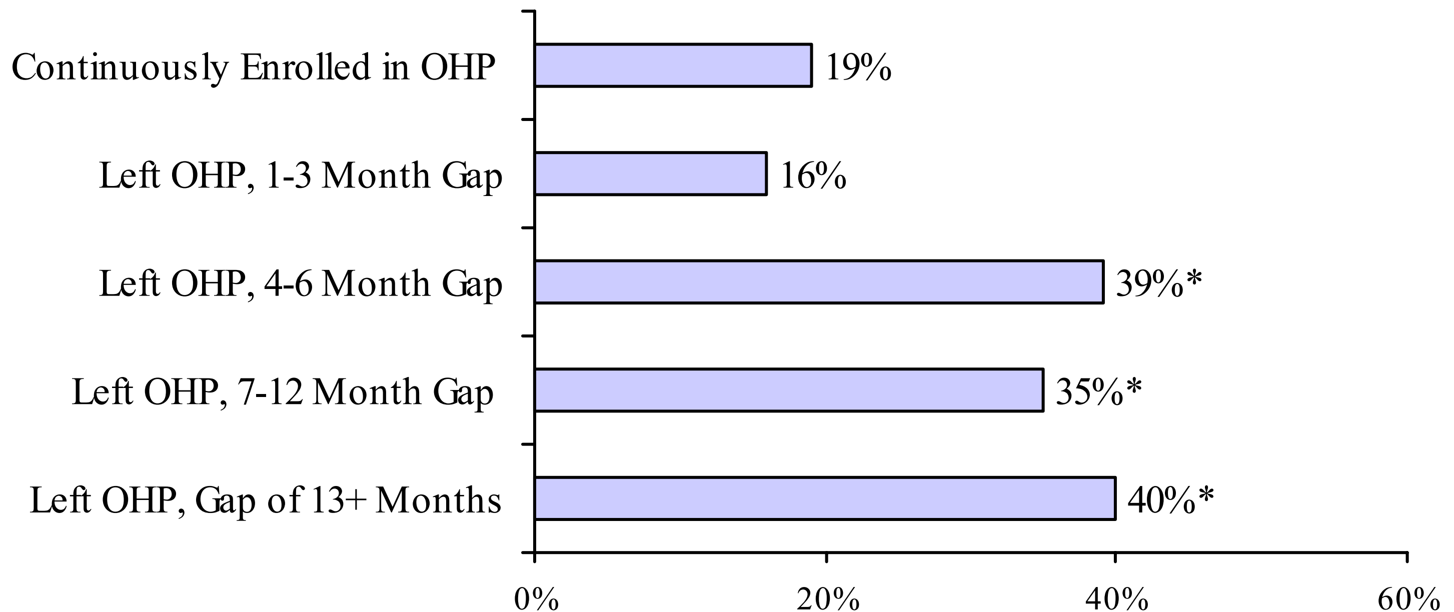
Those who left OHP for policy reasons were less likely to use primary care and more likely to use hospital EDs.



*Statistically different than the score for the continuously enrolled, $p<.001$, two-tailed z-test.

Financial Impacts

Those who left OHP were much more likely to owe $500 or more in medical debt, even if they later returned.



*Statistically different than the score for the continuously enrolled, $p<.001$, two-tailed z-test.

Financial Impacts

For those who stayed in OHP, cutting copays & restoring benefits helped alleviate financial strains.

	First Survey Period	Second Survey Period
Had to borrow money from family or friends to pay medical costs in last 6 months	30%	23%*
Had to cut back on food to pay for medical costs in last 6 months	35%	26%*
Had to underpay or miss payments on other bills due to medical costs in last 6 months	34%	27%*
Had to pay more than $100 in out-of-pocket medical expenses in past six months	43%	34%*

*Statistically significant than the score from the first survey, $p<.001$, two-tailed z-test.

Conclusions

Reducing benefits and increasing copays dramatically impacted the health care of OHP Standard members.

- The initial 2003 program redesign contributed to widespread loss of coverage among OHP Standard members over the next 18 months.
- Most of those who lost coverage did not find other insurance.
- The most vulnerable were also most impacted by the program redesign.
- Loss of coverage was associated with reduced access to care, less use of primary care, greater strain on personal finances.
- *Policy-related* loss of coverage was also associated with higher ED use.
- Impacts of coverage loss were mostly mitigated for those who had coverage gaps of 3-6 months or less.
- Eliminating copays and restoring certain benefits improved access to care and reduced financial strains, but only for those who were still in OHP when those changes took place.

Policy Implications

Data suggest re-examination of premium exemptions and the length of the lockout period.

- Even small cost sharing increases may create loss of coverage among the most vulnerable members. Allowing exemptions for very low income might help ensure the most needy are not the ones who leave the system.

- Those who leave because of cost sharing are highly vulnerable; they will have high levels of unmet need, will use primary care less and acute care more, and will accumulate significant medical debt after leaving.

- The impacts of coverage loss begin to occur after gaps of just 3-6 months. Eliminating or reducing the current six month lockout period for non-payment of premiums could alleviate the worst impacts of coverage loss on access, utilization, and finances.

Acknowledgements

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