Discussant Comments on Duggan, Goda and Jackson

“The Effects of the Affordable Care Act on Older Workers’ Labor Market Outcomes”

Kosali Simon
Indiana University and NBER
Health Care Cost Index by Age 0-64

Source: Healthcare Cost Institute report, commercial claims data from 2010
Green line is ACA-stipulated Marketplace Premium age band (Source: ValuePenguin)
Summary of Paper

• Outlines the many ways that ACA can affect insurance and labor market behavior
  • Uses ACS data 2010-2014, 26-44yr olds, 45-64 yr olds, non-military
  • States with and without Medicaid expansion
  • PUMA-level baseline (2013) % uninsured age 26-64, <139% FPL and 139-399 % FPL
  • Compare insured (and type), and labor market outcomes in DDD

• Employed last week, out of labor force last week, self-employed, part time (<30), wages and hours

• Establishes that coverage changes where we expect
  • Effects somewhat smaller for older cohort
  • Magnitudes relatively small, especially when including non-targeted, and because of “welcome-mat effect”
    • E.g. Table 2: coverage gains of 4 ppt in non-expansion vs 6.13 ppt in expansion.

• Finds no statistically significant effects on labor market outcomes
  • But some point estimates are substantial: what size effects can be ruled out? & some other suggestions later

• Adds to growing # papers showing no detectable labor supply responses
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State With and Without Medicaid Expansion
(31 states and DC by Dec 2015)

NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. **MT has passed legislation adopting the expansion; it requires federal waiver approval. *AR, IA, IN, MI, PA and NH have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it is transitioning coverage to a state plan amendment. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

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Uninsured in 2013: County-level Estimates

Source: Map comes from EnrollAmerica; they produce it using proprietary data and methods (more details at https://www.enrollamerica.org/research-maps/maps/changes-in-uninsured-rates-by-county/)

Non-elderly adults
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Variation for Studying ACA Effects Among Older Workers

• Young adult mandate
  • Are parents working longer til all kids age 26?

• Medicaid expansion
  • Use individual characteristics too
    • Income, education, baseline income, parent vs. childless adults
    • State baseline Medicaid eligibility (Figure)

• Marketplace subsidies
  • Income (PTC, cost sharing subsidy, mandate penalty), benchmark premiums in region (Frean et al)

• Type of marketplace & implementation details
  • Whether state or FFM, back-log of Medicaid applications, navigator availability (not likely good variation)

• Change in insurance rules by health status
  • Rules differed by states pre ACA
  • Affects those with pre-existing health conditions (most likely to find affects among older workers)

• Employer mandate
  • exempts small firms, part time workers (figure)
Increase in Medicaid Eligibility Threshold 2013-2014 Varies by State

Parents Threshold Percentage Point FPL Change from 2013-2014
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Small-firm health insurance availability in decline

Exhibit ES.1
Percentage of private-sector employees in establishments that offer health insurance, by firm size, 2003-2015

- United States
- Small (<50 Employees)
- Medium (50-99 Employees)
- Large (100+ Employees)


Taken from MEPSIC Chartbook 2015, AHRQ Publication No. 16-0045-EF, August 2016, p.5
Next Specifications You’re Probably Already Running

- Examine targeted group
  - (income etc. females with Medicare-eligible spouses, those without large-firm ft worker in family)
  - Add PUMA prevalence of large firms from CBP

- Flow vs stock NILF measure in ACS
  - See Heim and Lin (2016 MA paper)
    - Of those working last year, now not working

- How stable is 2013 PUMA target measures?
  - Give some sense of measurement error introduced by 2010 PUMA simulation

- Event study (pre-policy trends tests)
  - Consider synthetic control selection of PUMAs

- Alternative hypothesis:
  - Increase labor supply at bottom, in non-expansion states
  - Less reliance on disability programs
  - Other forms of “lock” (e.g. marriage)

- MAGI in ACS

- Clustering standard errors in DDD—PUMA / state
Big Picture—is the ACA changing labor market behavior (& do we know yet)?

- Several (published & unpublished) studies, finding similar answers
  - Reconcile with pre ACA evidence?
  - Extend to datasets with health status & firm size measures
- ACS 2015 will help
  - Will know more 2 weeks from today, but CPS studies already extended to 2015