



The Affordable Care Act and Workers Compensation

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Outline of Topics

- The Affordable Care Act (ACA) and Medical Insurance Expansion
- The ACA and “Crowding Out”: Access to Primary Care
- Conclusions



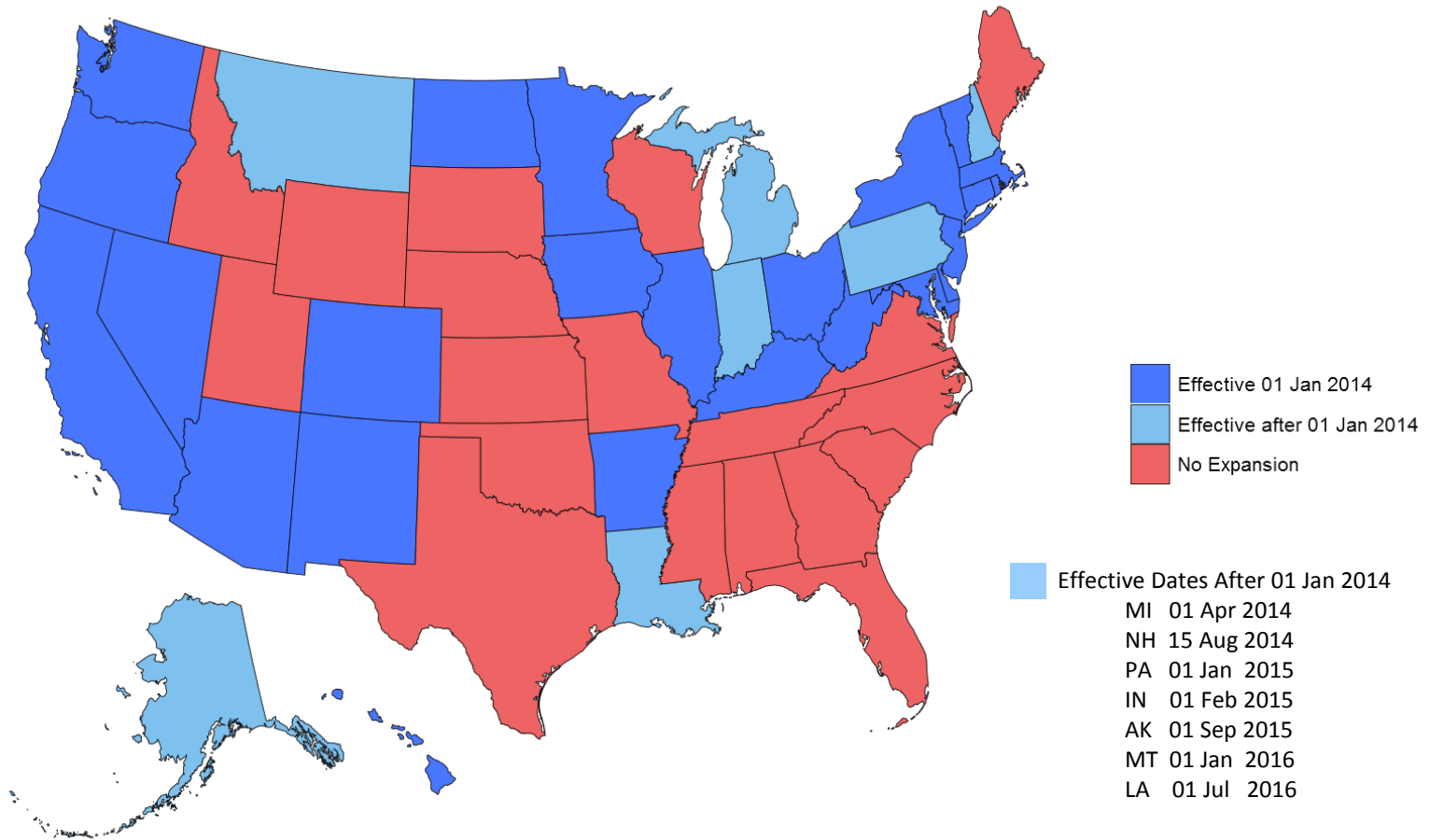
The ACA and Medical Insurance Expansion

New Insureds Under the ACA

- The ACA increased the medically insured population
 - Via the health insurance mandate in all states
 - Via Medicaid expansion in some states
 - Medicaid expansion, where it applies, creates a greater increase in the share of new medical insureds than the health insurance mandate
- ACA insurance exchanges and Medicaid expansion took effect in 2014
 - In 25 states including DC, Medicaid expansion took effect on January 1, 2014
 - Seven other states have expanded Medicaid since then
 - No state has rescinded its decision to expand Medicaid

Medicaid Expansion Decisions

ACA-Blue and ACA-Red States



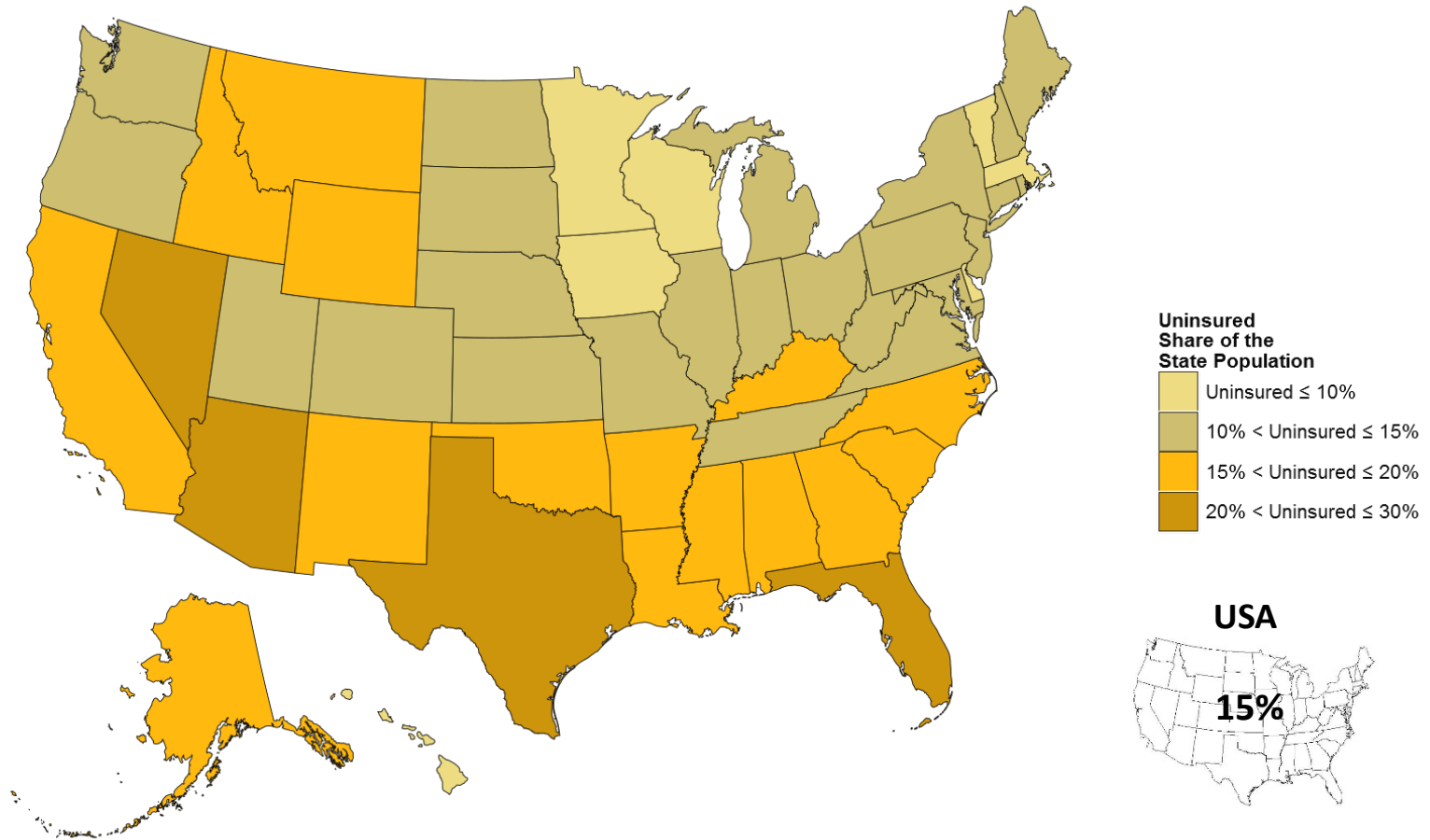
ACA-Blue: AK AR AZ CA CO CT DC DE HI IA IL IN KY LA MA MD MI MN MT ND NH NJ NM NV NY OH OR PA RI VT WA WV

ACA-Red: AL FL GA ID KS ME MO MS NC NE OK SC SD TN TX UT VA WI WY

Source: Status of State Action on the Medicaid Expansion Decision, The Henry J. Kaiser Family Foundation, March 14, 2016

Medically Uninsured Nonelderly Pre-ACA

2013

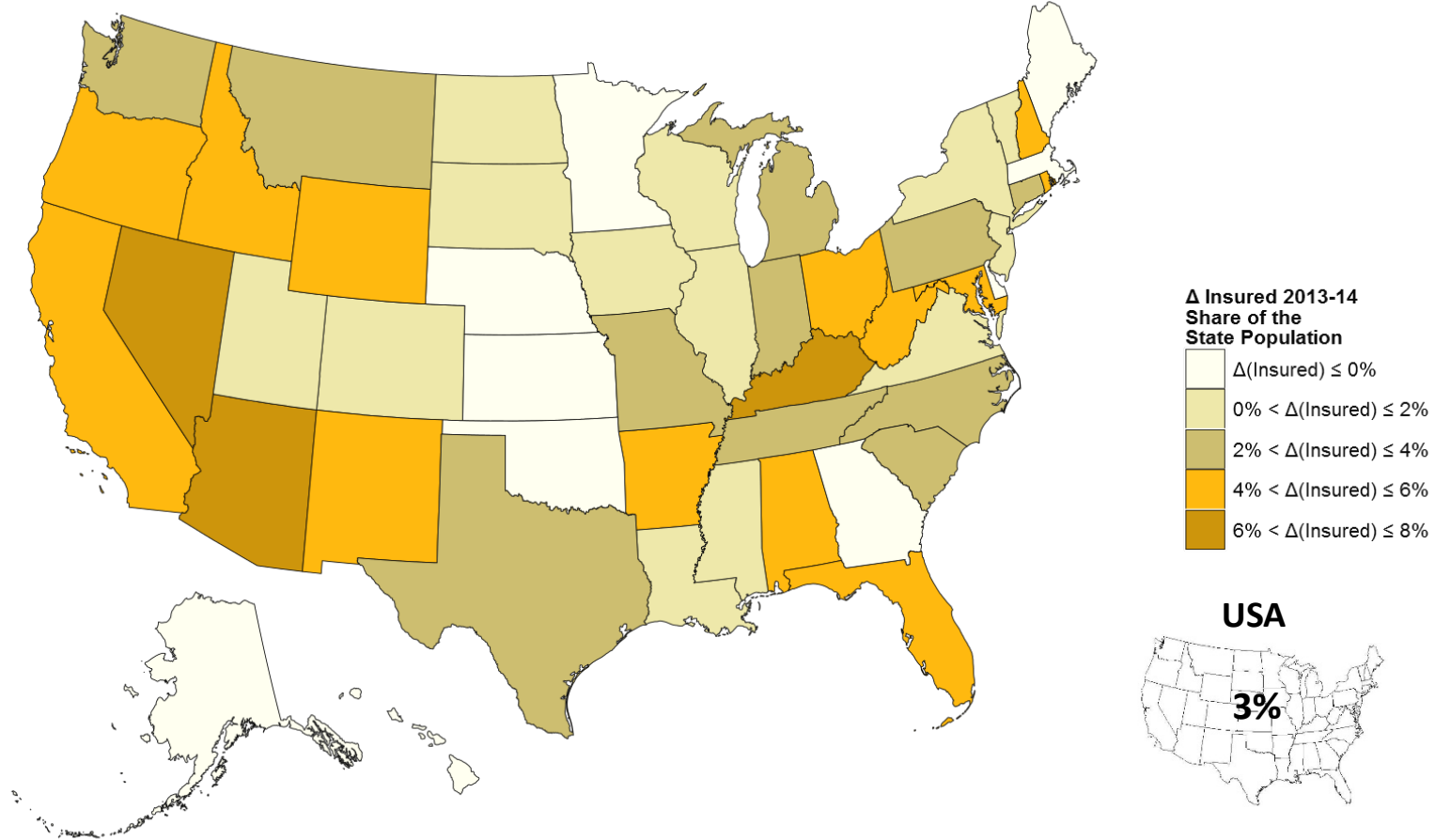


- Medically uninsured nonelderly as a percentage of state nonelderly population
- Nonelderly includes persons 0–64 years of age

Source: The Kaiser Family Foundation's State Health Facts. Data Source: U.S. Census Bureau, Current Population Survey (CPS: Annual Social and Economic Supplements), March 2014

Increase in Medically Insured Nonelderly

from 2013 to 2014



■ Change in the medically insured nonelderly as a share of state nonelderly population

Source: The Kaiser Family Foundation’s State Health Facts. Data from the U.S. Census Bureau, Current Population Survey (CPS: Annual Social and Economic Supplements), March 2014 and March 2015





The ACA and “Crowding Out”: Access to Primary Care

Access to Medical Service

Medicaid Expansion and “Crowding Out”

- ACA increases the medically insured population
 - Particularly via Medicaid expansion
- Does medical service demand from new insureds under the ACA “crowd out” WC?
 - Access to primary care, in particular
- Some states expanded Medicaid, others did not
- A natural experiment:
 - 16 NCCI states expanded Medicaid as of January 1, 2014
 - 19 NCCI states did not expand Medicaid during 2014
 - Compare the experience of both groups for 2012–2014

Note: New Hampshire expanded Medicaid effective August 15, 2014, and is excluded from the natural experiment

Measuring Medical Service Utilization

- The amount of medical services provided is measured at the transaction or hospital inpatient episode level
 - Each service is assigned a value based on the 2013 Medicare fee schedule amount, not adjusted for payment locality
 - The 2013 Medicare fee schedule is a constant yardstick for valuing different types of medical services: it is the same in every year and in all states
- Transactions for the first 90 days from the accident date for each claim are counted
 - Average medical service intensity per claim is:
$$\frac{\text{(Total 90-day medical services at Medicare values)}}{\text{(Total Claims)}}$$
- We use accident years beginning October 3
 - As an example, 2014 AY includes claims with accident dates from October 3, 2013 through October 2, 2014
 - 2012 and 2013 AYs are defined similarly

Measuring Medical Service Utilization

Primary Care Services

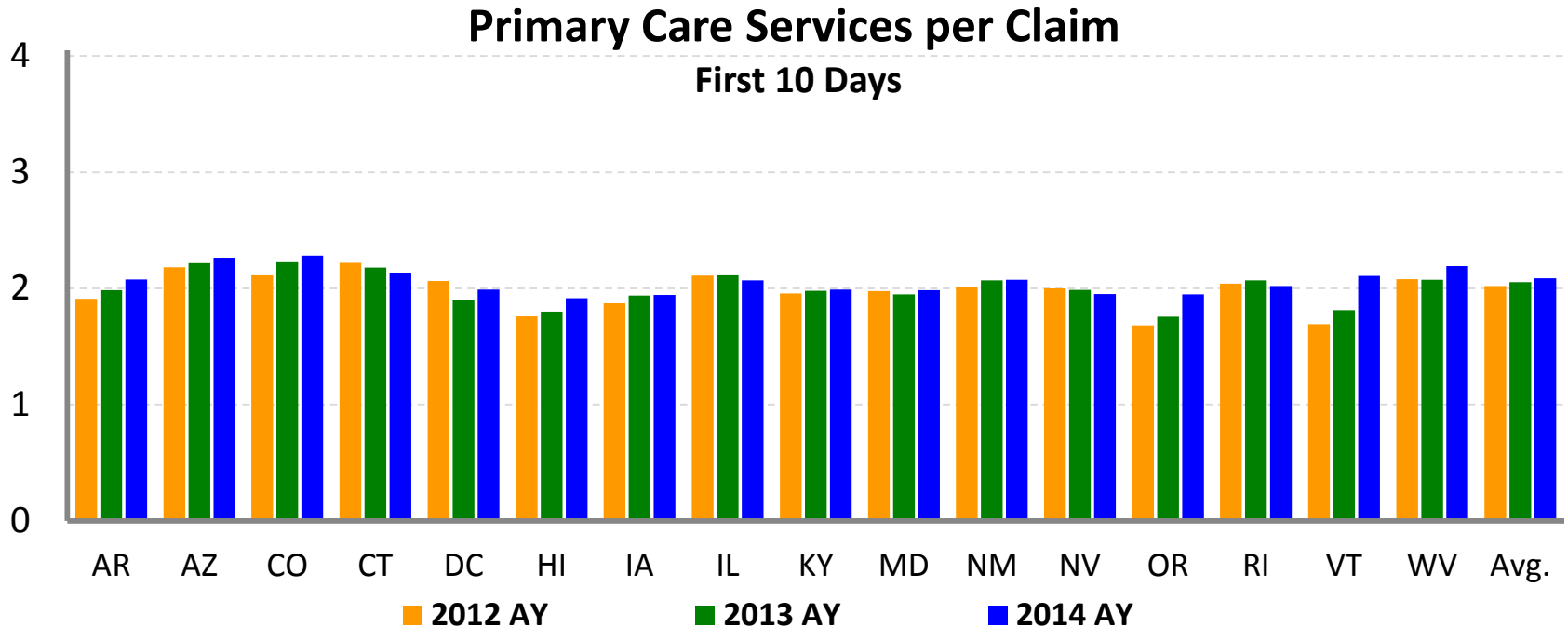
- Primary Care services
 - Includes office visits, ER visits, x-rays, MRI's, testing
 - Excludes surgery, physical medicine, drugs, supplies
- In any state, Primary Care intensity may vary from year to year for several reasons including:
 - Adoption of new treatment protocols
 - Revised fee schedules
 - Network penetration
 - Injury mix

Variation in Primary Care Service Intensity

- The analysis here separates states into two groups:
 - Medicaid expanders effective as of January 1, 2014
 - Medicaid non-expanders during all of 2014
- We assume that 2014 Medicaid expansion is independent of other factors affecting Primary Care intensity
 - Variation in Primary Care intensity exists within each group, but is assumed to be independent between groups

A Natural Experiment

NCCI States With Medicaid Expansion Effective January 1, 2014

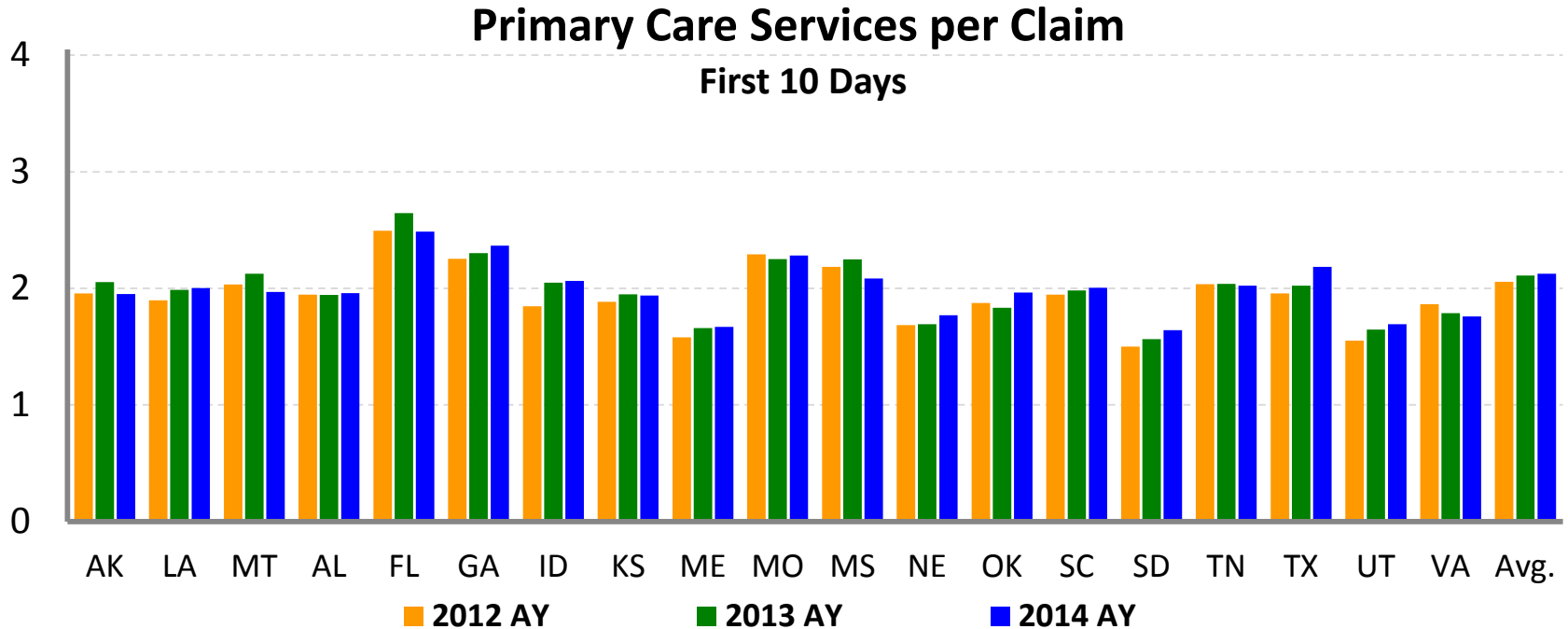


- Distribution of Primary Care intensity for states that expanded Medicaid is similar in all years
 - Group mean is static: **2.0** PC Svc/Clm in 2012, **2.1** PC Svc/Clm in 2013–2014
 - Group standard deviation is static: **0.2** PC Svc/Clm in 2012, **0.1** PC Svc/Clm in 2013–2014

Source: NCCI Medical Data Call

A Natural Experiment

NCCI States With No Medicaid Expansion Effective 2014



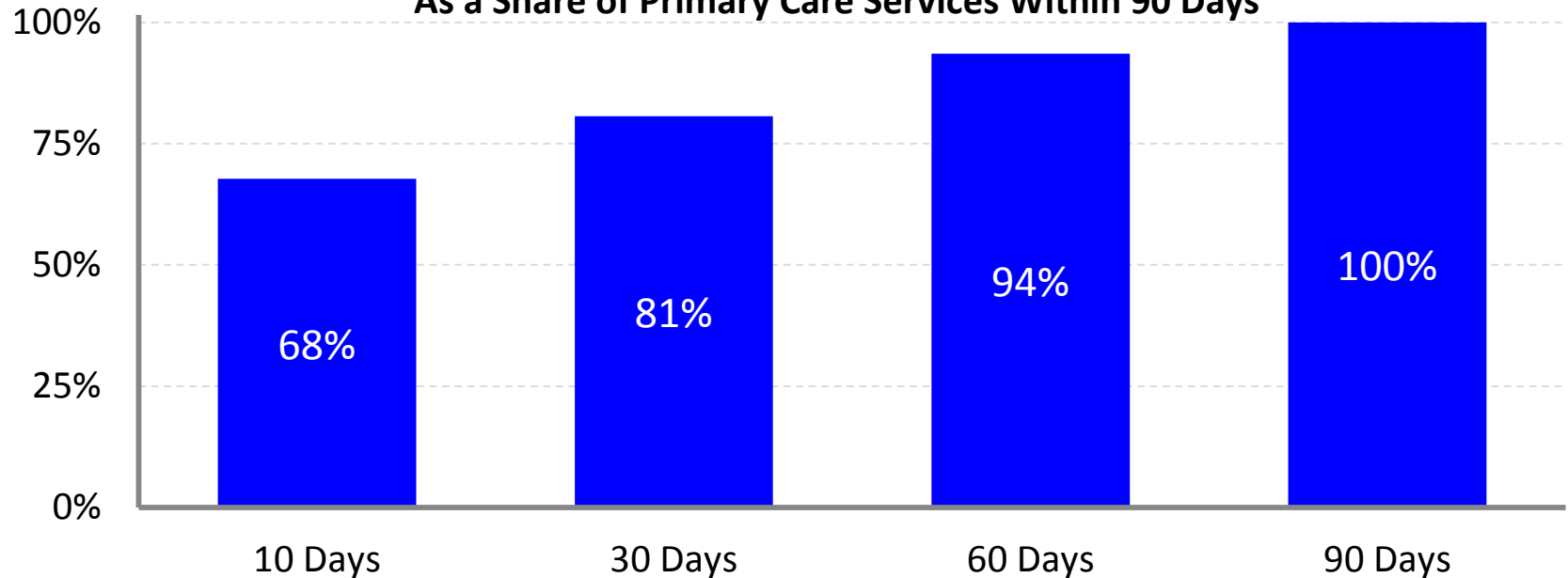
- Distribution of Primary Care intensity for states that did not expand Medicaid is similar in all years
 - Group mean is static: **2.1** PC Svc/Clm in 2012–2014
 - Group standard deviation is static: **0.3** PC Svc/Clm in 2012–2014

Source: NCCI Medical Data Call

Primary Care Services per Claim at 10/30/60/90 Days

Primary Care Intensity Within 10/30/60/90 Days

As a Share of Primary Care Services Within 90 Days



- Of Primary Care services that occur in the first 90 days, 68% occur in the first 10 days
- Average Primary Care intensity at 10, 30, 60, and 90 days is virtually identical across the groups of Medicaid expander and Medicaid non-expander states, and static for all AYs 2012–14

Source: NCCI Medical Data Call

A Natural Experiment

Some Observations

- Primary Care intensity during the first 10, 30, 60, and 90 days of a claim looks the same in 2012, 2013, 2014 for Medicaid expanders and Medicaid non-expanders
- Neither group showed a change in Primary Care intensity from 2013 to 2014, the effective year of the private insurance mandate and Medicaid expansion under the ACA
- The ACA does not have a visible state-level impact on Primary Care intensity in workers compensation
 - But does our state-level analysis mask differential regional impacts?

Case Study: Kentucky and Florida

■ Kentucky

- WC evaluation and management fees low relative to Medicare (WCRI 2012)
- Large medically uninsured population pre-2014
- Early Medicaid expander in 2014
- State-run insurance marketplace
- State average Primary Care services per claim static over time:
First 90 days: 2.8 (2012) 2.9 (2013) 2.8 (2014)

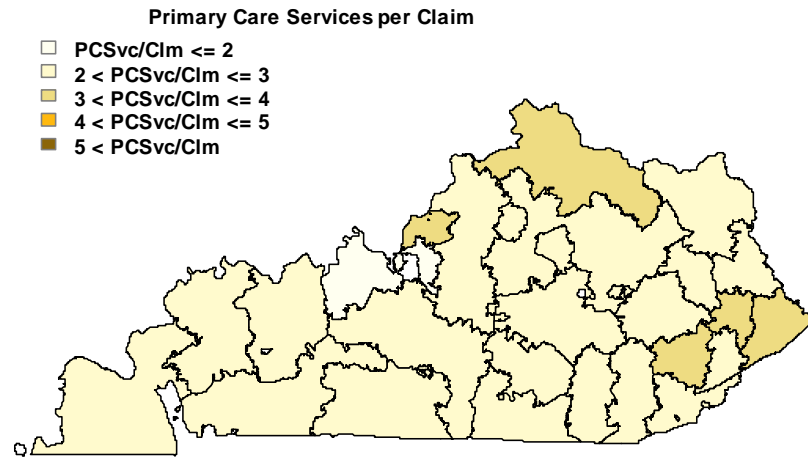
■ Florida

- WC evaluation and management fees low relative to Medicare (WCRI 2012)
- Large medically uninsured population pre-2014
- No Medicaid expansion to date
- Federally mediated insurance marketplace
- State average Primary Care services per claim static over time:
First 90 days: 3.9 (2012) 3.9 (2013) 3.8 (2014)

Note: Workers Compensation Premium over Medicare as of July 2011 for Evaluation and Management is from Table 3 in Fomenko and Liu, *Designing Workers' Compensation Medical Fee Schedules*. WCRI (June 2012)

WC Primary Care Intensity, First 90 Days

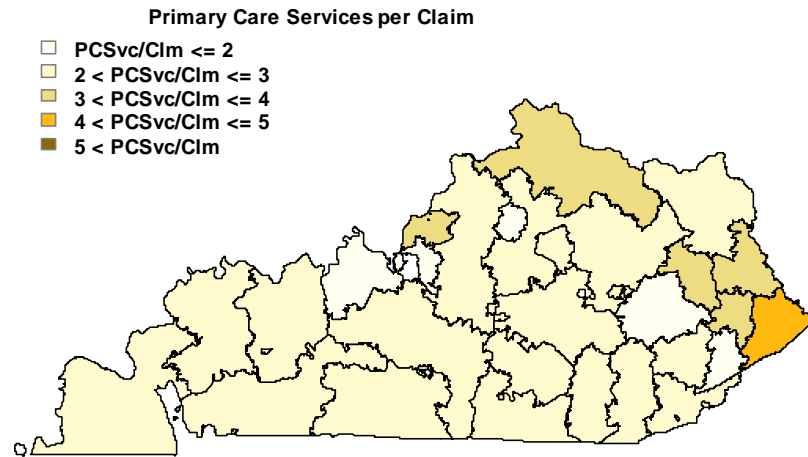
Kentucky (2012)



Source: NCCI Medical Data Call

WC Primary Care Intensity, First 90 Days

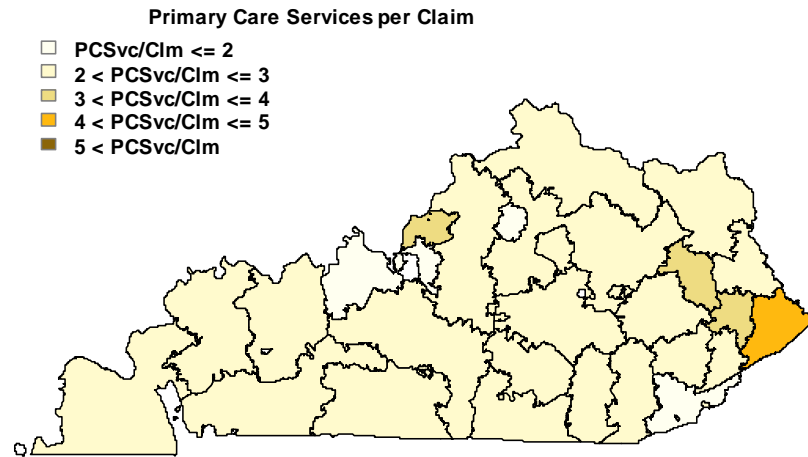
Kentucky (2013)



Source: NCCI Medical Data Call

WC Primary Care Intensity, First 90 Days

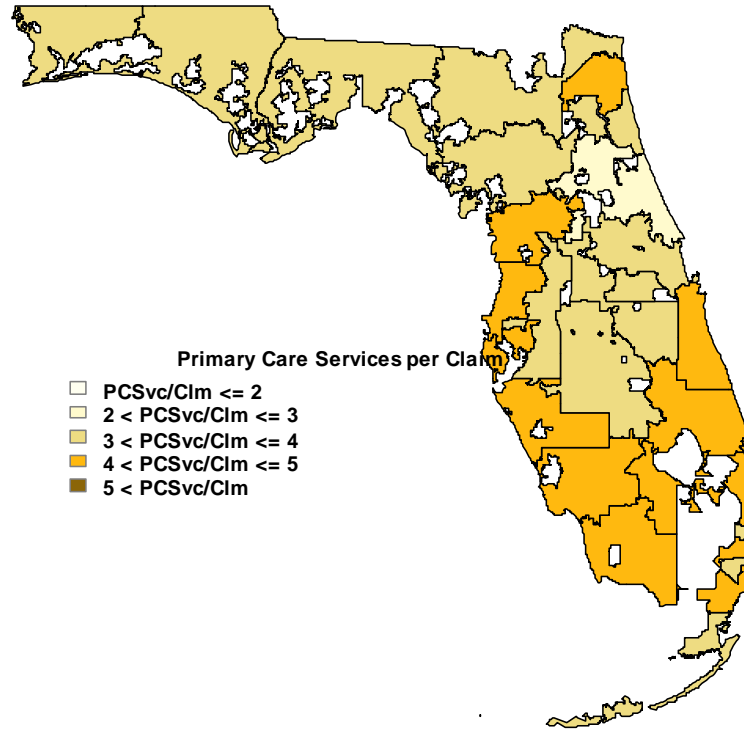
Kentucky (2014)



Source: NCCI Medical Data Call

WC Primary Care Intensity, First 90 Days

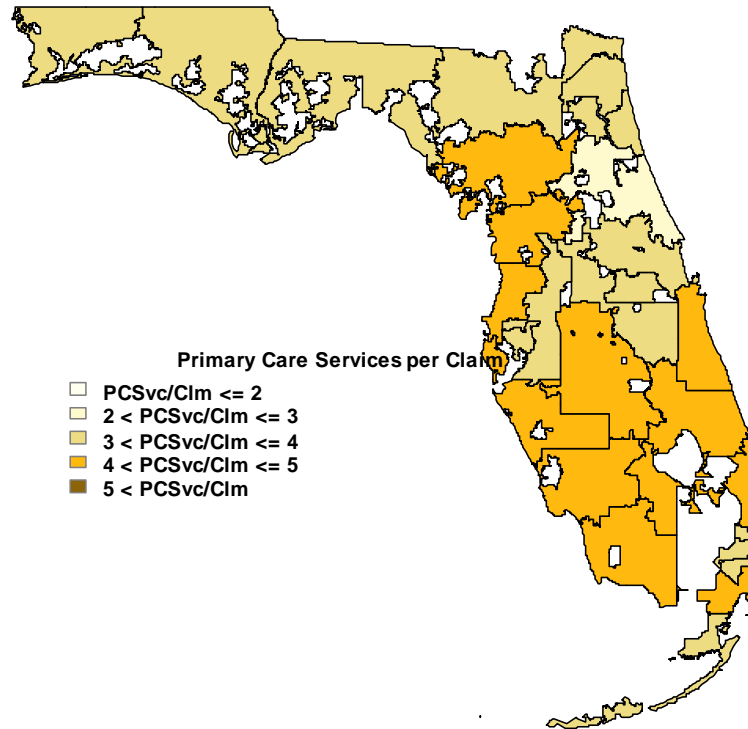
Florida (2012)



Source: NCCI Medical Data Call

WC Primary Care Intensity, First 90 Days

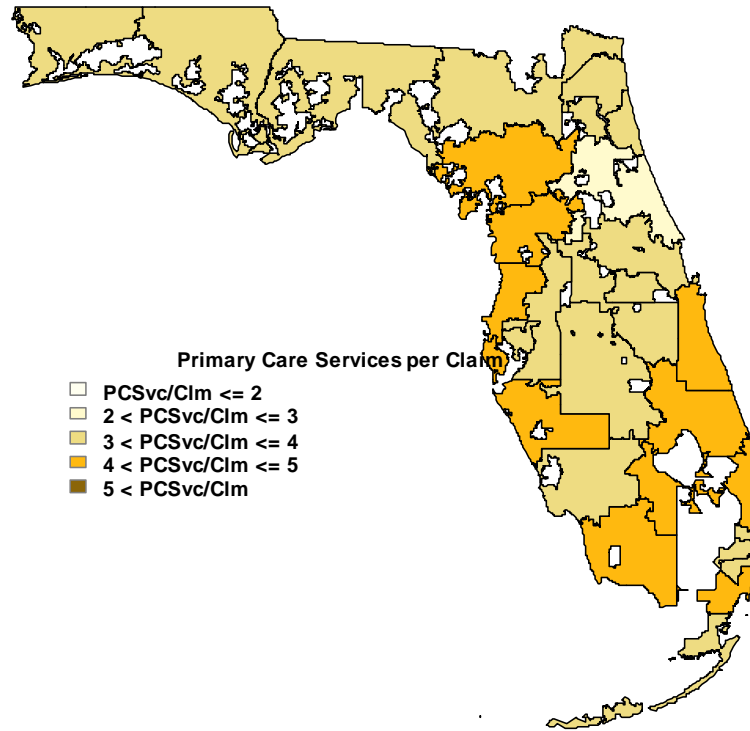
Florida (2013)



Source: NCCI Medical Data Call

WC Primary Care Intensity, First 90 Days

Florida (2014)



Source: NCCI Medical Data Call



Conclusions

The Affordable Care Act and Workers Compensation

- Primary Care intensity during the first 90 days of a WC claim is static at the state level during 2012–2014
 - Medicaid expanders and non-expanders look the same at both state and regional levels
- We see no evidence that the ACA has “crowded out” WC access to Primary Care

The Affordable Care Act and Workers Compensation

Thank You

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- See NCCI's research report, *Impacts of the Affordable Care Act on Workers Compensation*, available for download at ncci.com