

ISSUE BRIEF

Impact of the Affordable Care Act on Uninsured Asians in Illinois: Moving From Eligible to Enrolled

Number of Uninsured Asians Before and After Health Reform



The Asian American population is growing at a breathtaking pace and has now become the nation's fastest growing race or ethnic group. There were 595,534 individuals of Asian descent living in Illinois at the end of 2011 representing a 39% increase in the state's Asian American population since the 2000 Census. In addition, Illinois also has the largest Asian American population in the Midwest and the fifth largest in the nation. The Asian Health Coalition, in collaboration with Health & Disability Advocates, has prepared this special brief on how the Patient Protection and Affordable Care Act (ACA) will impact healthcare coverage for Asian Americans in Illinois.

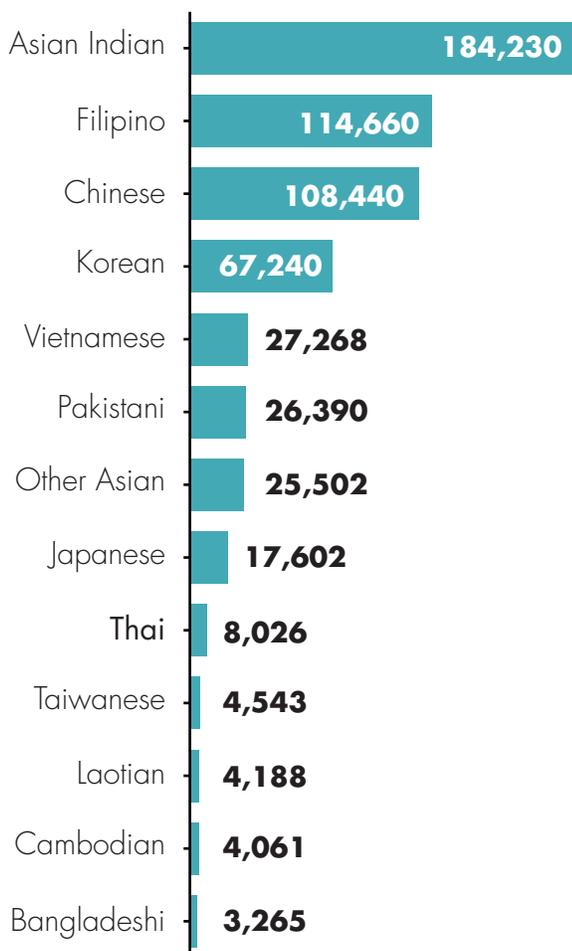
Approximately 75,000 uninsured and underinsured Asian Americans in Illinois are expected to benefit from the ACA and will become eligible for health insurance through either the new Medicaid Adult Group and healthcare marketplace formerly known as the health exchange which will offer financial assistance. With open enrollment set to commence on October 1st, the ACA will fill existing gaps in coverage by expanding the Medicaid program to most individuals with incomes at or below 138% of the federal poverty level, building on employer-based coverage, and providing financial help to those between 139% and 400% of Federal Poverty Level which will make private insurance more affordable.



OVERVIEW

Asian Americans trace their roots to any dozens of countries in the Far East, Southeast Asia, and the Indian subcontinent. Each country of origin subgroup has its own unique history, culture, language, religious beliefs, economic and demographic traits, social and political values, and pathways into the United States. Immigration has fueled the dramatic growth of the nearly 600,000 strong Asian American populations in Illinois and almost 65% are foreign-born. More than 85% of individuals come from 5 subgroups, namely, Asian Indian, Filipino, Chinese, Korean, and Vietnamese (see figure 1).

Figure 1: Asian Subgroup Population¹



DID YOU KNOW?



1 More than four-fifths of the Asian American population (480,000 individuals) in Illinois reside in the four-county northern region comprising of Cook, DuPage, Lake, and Kane. There are also smaller Asian communities spread across the state with concentrations in Champaign, McHenry, Peoria, Will, and Winnebago counties.

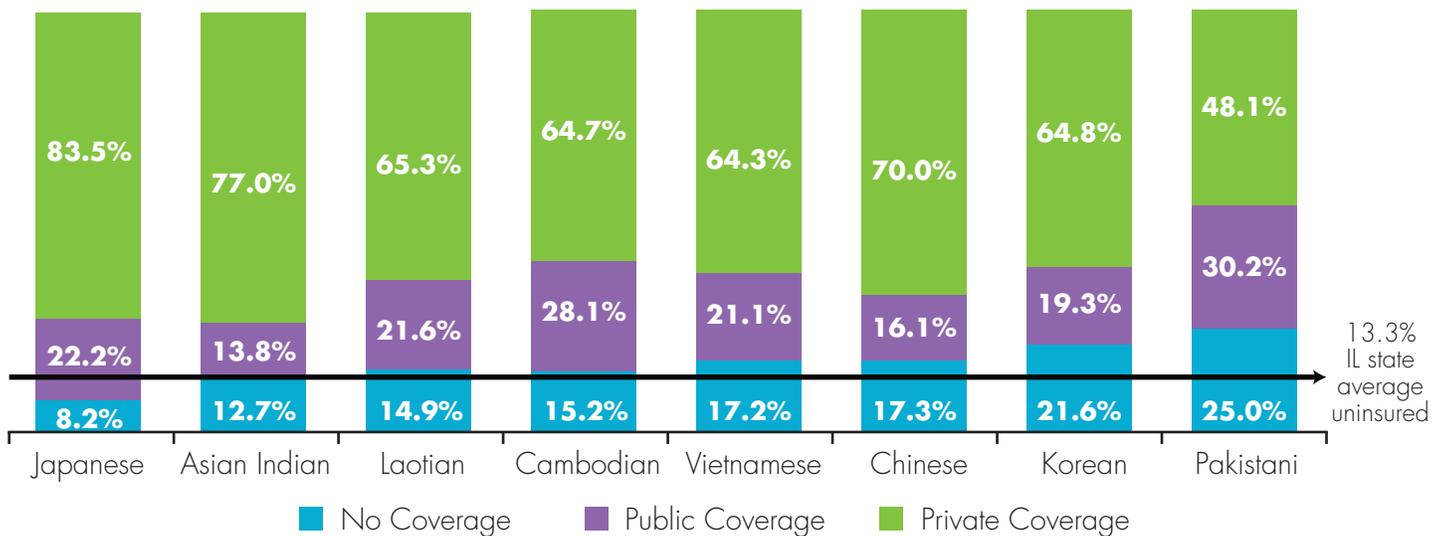
2 45% of all Asian Americans in Illinois reside in just 12 cities and townships.

City of Chicago	148,711
Naperville	22,669
Skokie	15,632
Schaumburg	13,299
Aurora	13,133
Hoffman Estates	12,134
Glendale Heights	7,852
Bolingbrook	7,740
Palatine	7,541
Des Plaines	7,103
Morton Grove	6,847
Elgin	6,771
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	269,432

CURRENT COVERAGE FOR ASIAN AMERICANS IN ILLINOIS

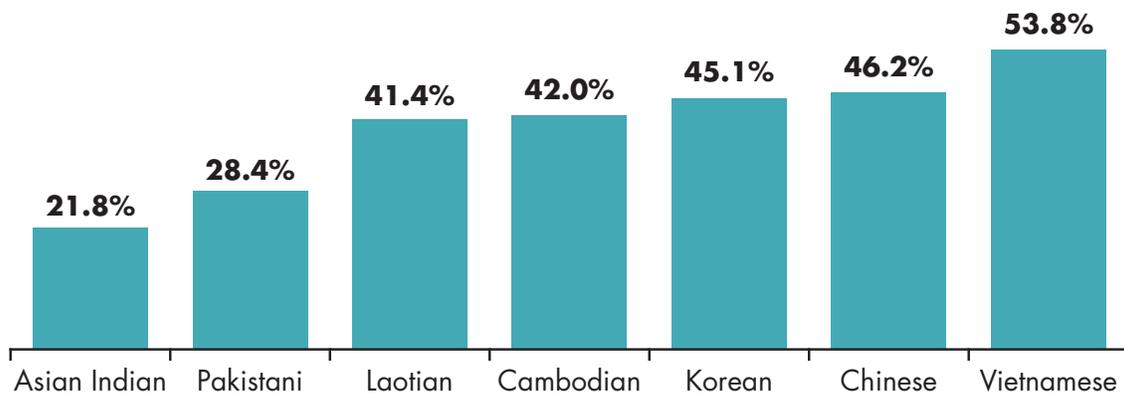
Most Americans are enrolled in private insurance. While Asian Americans have comparable rates of private insurance compared to Whites, they are more likely to be uninsured. 15.6% of Asian Americans in Illinois do not have health insurance compared to only 13.3% of the White population. As shown in figure 2, a closer analysis also reveals a wide variation in health coverage among Asian American ethnic subgroups. The Pakistani, Korean, Chinese, and Vietnamese have the highest uninsured rates ranging from 17% to 25%, while the Japanese are least likely to be uninsured at 8%. Reliance on public coverage ranges from 13% among the Asian Indians to as high as 30% among Cambodians and Pakistanis.

Figure 2: Insurance Coverage by Asian Subgroup (%)^{1,2}



Recent studies have found that adults with Limited English Proficiency (LEP) are significantly more likely to be uninsured than those who are English proficient. The high uninsured rates among the Asian subgroups such as the Chinese, Koreans, and Vietnamese highlighted in figure 2 correspond with the high levels of LEP in these groups in figure 3.

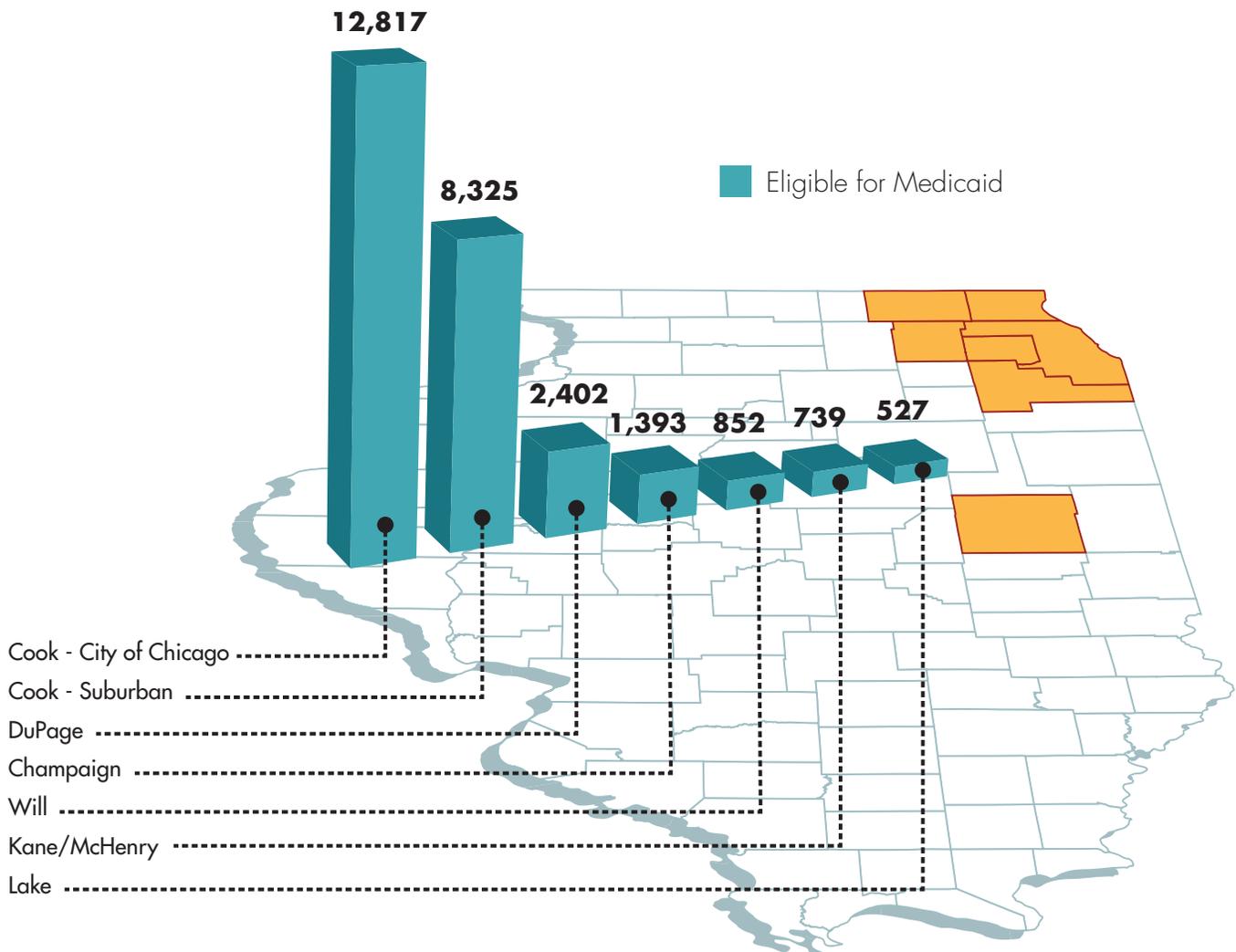
Figure 3: English Proficiency (Ability to Speak English Less Than "Very Well")¹



PROJECTED GAINS FROM MEDICAID EXPANSION

Beginning in 2014, Medicaid will be expanded to cover a new Adult Group of eligible individuals with incomes at or below 138% of the Federal Poverty Level, including childless adults. In the United States, nearly half of the current uninsured population, or 21 million people, would be eligible for coverage under this expansion. In Illinois, the Medicaid expansion is expected to result in nearly 27,000 uninsured Asian Americans (or 30% of currently uninsured Asian Americans) gaining access to coverage. Communities which will see the largest benefits from these new options for health insurance coverage will primarily be in Cook County including the city of Chicago and DuPage (see figure 4).

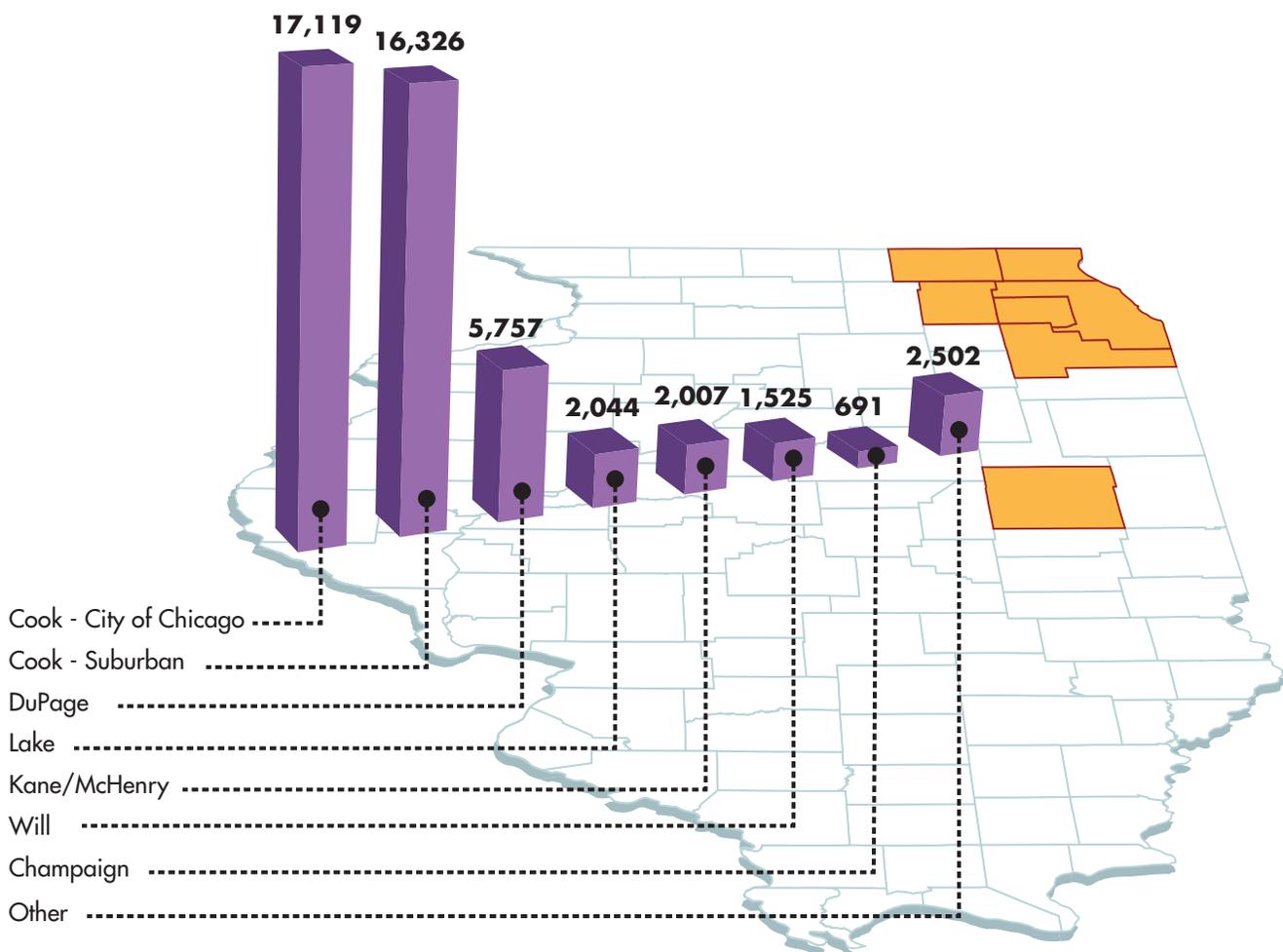
Figure 4: Projected Gains in Medicaid Coverage in Major Counties with Asian Americans³



PROJECTED GAINS FROM HEALTH INSURANCE MARKETPLACE

Through the ACA, Health Insurance Marketplaces (formerly known as the Health Insurance Exchanges) will be established across the country. Each state has the option to set up a state-based marketplace, participate in a Partnership with the Federal Government, or have the federal government completely run its marketplace. The State of Illinois has chosen to participate in Partnership with the Federal Government for at least the first year, and will run the plan management and in-person consumer assistance functions of the Marketplace. Starting in 2014, individuals and families with incomes between 139% to 400% (or approximately \$94,000 for a family of four) of the Federal Poverty Level will be eligible for financial help in the form of premium tax credits and cost-sharing subsidies to buy health insurance in the Marketplace. An estimated 48,000 Asian Americans are anticipated to be able to participate in the Marketplace.

Figure 5: Projected Health Insurance Exchange Gains in Coverage in Major Cities with Asian Americans³



PRE-EXISTING CONDITIONS

Prior to the Affordable Care Act, insurance companies could deny health coverage to individuals with pre-existing conditions. Beginning in 2014, insurance companies will be prohibited from this type of discrimination, allowing individuals living with chronic conditions to access the life-saving testing and treatment services that have been inaccessible to them in the past. Children already have benefited from this change in policy; adults will begin to benefit in January 2014.

In the United States, nearly one in five adults with a chronic condition lacks health insurance coverage. Among Asian Americans, three in ten are living with asthma, diabetes, or hypertension. Asian Americans are also disproportionately affected by certain chronic diseases. About 1.3 to 1.5 million people in the United States are chronically infected with Hepatitis B, the leading cause of liver cancer, with Asian Americans accounting for over 50% of the chronic hepatitis B infections. Furthermore, an estimated 891,000 Asian Americans have diabetes, with Chinese, Filipinos, and Koreans exhibiting higher prevalence rates than the non-Hispanic White population. While Asian Americans have lower cancer mortality rates than non-Hispanic Whites, they experience higher rates of certain kinds of cancer including lung, breast, cervical, liver, and stomach. The end of pre-existing condition exclusions in insurance will help people get coverage.

ENSURING ACCESS THROUGH COMMUNITY ENGAGEMENT

As we draw closer to the full implementation of the ACA, outreach and enrollment efforts targeted to diverse communities in Illinois are more important than ever if we are to maximize enrollment into new health coverage options. To this end, the Illinois Department of Public Health (IDPH), in coordination with the Illinois Health Insurance Marketplace, is investing in culturally and linguistically appropriate marketing and outreach with more than \$28 million in grant funding allocated to organizations across the state to assist eligible Illinois residents in enrolling in new coverage options and affordability programs. The focus will be on closing the gaps for individuals who may have difficulty enrolling in coverage (e.g. low literacy, limited English proficiency, low-income individuals, etc.) with the assistance of navigators and in-person counselors.

As Illinois continues the path forward in health reform implementation, outreach and enrollment strategies that maximize participation by the diverse Asian American communities and other communities of color will contribute to the State's success in reducing the number of uninsured, and ensure that all residents have access to the care they need.

METHODOLOGY

Data around the projected coverage gains from Medicaid and the healthcare marketplace are derived from the American Community Survey based on estimates by Rob Paral & Associates. The share of the uninsured population has been estimated in three different income brackets: less than or equal to 138% of the Federal Poverty Level (FPL), between 139% - 400% FPL, and above 400% FPL using the 2013 Federal Poverty guidelines. These income categories have been applied because, in general, the ACA will expand healthcare coverage to people in three major ways beginning in 2014:

1. The ACA fills gaps in Medicaid coverage by extending eligibility to adults (age 19-64) with income at or below 138%* FPL (about \$27,000 for a family of 3 in 2013). For our analysis, we assume that Illinois will take advantage of the opportunity to expand Medicaid. Under the ACA, individuals who are eligible for Medicaid will not be eligible for premium tax credits.
2. Those who buy insurance on their own and have income between 139% and 400% FPL (\$27,000-\$78,000 for a family of 3 in 2013) will be eligible for federal tax credits to subsidize their health insurance premiums through a new competitive healthcare marketplace and they can purchase insurance regardless of health status or pre-existing conditions. Please note that individuals between 100-138% FPL are also eligible for tax credits if they do not have access to public health coverage or affordable coverage through an employer-sponsored health plan; however, our data does not allow for that level of analysis.
3. Finally, those who have an income above 400% FPL will be eligible to purchase insurance regardless of health status or pre-existing conditions within the competitive healthcare marketplace.

* The 138% FPL is used to calculate income eligibility for the Medicaid expansion. According to the State Health Access Data Assistance Center, states must expand Medicaid eligibility under the ACA to include non-disabled childless adults. (Prior to the passage of ACA, states could only cover this population through a Medicaid waiver or through a solely state-funded program.) There is, however, confusion about the income threshold at which this new population is Medicaid-eligible, with some sources citing 133 percent of the federal poverty level (FPL) and others citing 138 percent. The language of ACA specifies that childless adults are Medicaid-eligible with "modified adjusted gross income" (MAGI) at or below 133 percent FPL. ACA's MAGI calculation is based on adjusted gross income (AGI) as defined in the Internal Revenue Code, §36B(d)(2). However, §2002(a)(14)(i) of ACA adds a five percentage point deduction from the FPL – one of several ways in which the AGI is "modified." With this five percent disregard, the Medicaid eligibility threshold is effectively 138% FPL.

REFERENCES

¹ US Census, 2009-2011 American Community Survey

² Public Use Microdata Sample (PUMS), US Census

³ Rob Paral & Associates estimates derived from the 2010-2011 American Community Survey;
<http://visualizingreform.illinoishealthmatters.org>

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