



Data on the Massachusetts Individual Mandate

***Health Connector Analysis of Department of Revenue Tax Filers Data
Tax Years 2013-2015***

December 2019

Overview

This chartpack provides analysis of data on the health insurance status of adult tax filers in Massachusetts during tax years 2013, 2014, and 2015. The analysis will cover key information about uninsured residents in the following sections:

1. Key Takeaways
2. Background: The Massachusetts Individual Mandate
3. Methodology: Massachusetts Department of Revenue (DOR) Tax Data
4. Results: Characteristics of Uninsured Tax Filers
5. Discussion: The Remaining Uninsured in Massachusetts and Opportunities for Further Reducing Uninsurance

This analysis was compiled by the Massachusetts Health Connector in its role administering policy aspects of the state's individual mandate pursuant to its authority at MGL 176Q, section 3. The Health Connector used data provided by the Department of Revenue under a Memorandum of Understanding between the agencies. All individual level identifiers were removed prior to sharing data with the Health Connector and conducting this data analysis.

About the Authors

Nikhita Thaper is a Policy Analyst at the Massachusetts Health Connector

Marissa Woltmann is the Director of Policy and Applied Research at the Massachusetts Health Connector

Audrey Gasteier is the Chief of Policy and Strategy at the Massachusetts Health Connector

Key Takeaways

This analysis of tax data from the Massachusetts DOR provides insights on the uninsured in the Commonwealth between 2013 and 2015, as the Affordable Care Act (ACA) was implemented.

Key findings include:

- The uninsured rate declined among both part-year and full-year uninsured residents between 2013 and 2015, underscoring the impact of ACA implementation on coverage across the state. The ACA addressed coverage expansion for additional populations, reducing uninsurance among the lowest-income Massachusetts residents. Future analyses will determine if these impacts are long-lasting and hold steady through a rapidly changing federal policy environment.
- New analyses demonstrate that the full-year uninsured population in Massachusetts in 2015 comprise roughly 41 percent persistently uninsured individuals (full-year uninsured in at least 2014 and 2015). The remaining 59 percent were newly uninsured in 2015. Future outreach strategies and policies to further reduce uninsurance will need to be tailored to reach both groups.
- The proportion of the uninsured population exempt from a penalty for not carrying health insurance based on their income decreased between 2013 and 2015 while the proportion of uninsured individuals exempt from a penalty because they did not have access to affordable coverage increased.
- The 2013-2015 tax data confirms that, in general, the uninsured in Massachusetts are more likely to be young, male, low-income people. Nearly three-quarters of the full-year uninsured fall under 400 percent FPL and may be eligible for subsidized health coverage. Comparisons between the characteristics of those who are full-year and part-year uninsured reveal key differences in age and income. Part-year uninsured individuals tend to be younger and higher-income than those who are full-year uninsured.



Background

The Massachusetts Individual Mandate

For 13 years, Massachusetts's state-level individual mandate has been a key policy mechanism to direct state residents to obtain and maintain adequate health coverage.

- In 2006, the Commonwealth became the first state in the nation to enact a state-level individual health insurance mandate as a part of its landmark health reform law, Chapter 58 of the Acts of 2006.
- The ACA introduced a federal individual mandate requiring most citizens and legal residents of the United States to carry health insurance in 2014. Massachusetts preserved its state individual mandate in an effort to maintain Minimum Creditable Coverage (MCC) benefit standards.
- Since the inception of the mandate, the Health Connector has partnered with the Massachusetts Department of Revenue (DOR) to administer the mandate and design accompanying policies requiring adults over 18 years old to enroll in health insurance if it is affordable to them and meets certain coverage standards.
- The Health Connector sets affordability and coverage standards through the development of an annual affordability schedule and MCC requirements. MCC regulations promulgated by the Health Connector define key minimum benefits and cost sharing standards a plan must provide in order to satisfy the individual mandate requirements.
- The DOR is responsible for overseeing the state tax filing process (Schedule HC) through which state residents indicate whether they carried health insurance each tax year.
- Additional information regarding the state individual mandate is available here:
 - [The Massachusetts Individual Mandate: Design, Administration, and Results](#)
 - [Background of the Individual Mandate](#)



Methodology

Massachusetts DOR Tax Data

The Health Connector analyzes individual mandate compliance data reported on state income tax returns from the DOR.

- This chartpack presents salient data points from analysis of completed tax returns filed and processed by the DOR in tax years 2013, 2014, and 2015.
- The analysis uses individual mandate compliance data as a proxy for post-ACA uninsurance rates across the Commonwealth. Unlike federal and state surveys often used to project state uninsurance rates, this data is not based on sample.
- Each year, Massachusetts residents file a Schedule HC form with their income tax return to specify the months they had health insurance coverage meeting MCC standards, thus indicating individual mandate compliance.
- The uninsurance estimates put forth in this report come from state administrative Schedule HC data comprising health insurance information on tax filer reported compliance with the individual mandate.
- While mandate compliance data differs in scope from survey sample data, the findings are consistent with survey-based estimates of uninsurance, suggesting near-universal coverage across Massachusetts.

The image shows two pages of the Massachusetts Schedule HC form for 2018. The top page is titled "Schedule HC Health Care Information" and the bottom page is titled "Schedule HC Uninsured for All or Part of 2018". Both pages include fields for taxpayer information, income, and health insurance details. The top page includes sections for "1 a. Date of birth", "2 Federal adjusted gross income", "3 Indicate the time period that you were enrolled in a Minimum Creditable Coverage (MCC) health insurance plan(s)", "4 Indicate the health insurance from your insurer or", "4f YOUR HEALTH INSURANCE", "4g SPOUSE'S HEALTH INSURANCE", and "5 Skip the remainder of this section if you are not subject to a penalty". The bottom page includes sections for "6 Was your income in 2018 at or below 150% of the federal poverty level?", "7 Complete this section only if you, and/or your spouse if married filing jointly, were enrolled in a health insurance plan(s) that met the Minimum Creditable Coverage (MCC) requirements for part, but not all, of 2018", "MONTHS COVERED BY HEALTH INSURANCE THAT MET MINIMUM CREDITABLE COVERAGE", and "9 Certificate of exemption".

Massachusetts DOR Tax Data

Estimates of uninsurance presented in this analysis are based on a denominator of adult tax filers who complied with the Schedule HC filing requirement.

- Nearly all (99.9 percent) Massachusetts adults required to file a Schedule HC in Tax Years 2013, 2014, and 2015 complied with the filing requirement to report health insurance information via form Schedule HC.

Form Year	Tax Return Count	Schedule HC Count	Missing Schedule HC	Schedule HC Filing Compliance
2013	3,651,889	3,647,809	4,080	99.9%
2014	3,705,147	3,700,622	4,525	99.9%
2015	3,743,992	3,739,009	4,983	99.9%

- The DOR dataset includes both tax filers and their relatives since there may be one or two tax filers per return. Because Schedule HC data is self-reported, the information presented may include inconsistencies, reporting errors, or missing/unknown data.
- The Massachusetts state mandate applies to all adults; however, individuals falling below 150 percent FPL are not assessed an individual mandate penalty for not carrying coverage because the penalty at that income level based on the statutory formula is \$0. Consequently, the uninsured under 150 percent FPL may not complete a Schedule HC. Though this population is included in the DOR dataset, they may not have demographic information associated with them, resulting in a high volume of “unknowns” for various demographic dimensions including age, gender, and FPL.
- Estimates of chronic uninsurance in this report were determined using a de-identified unique ID assigned to all tax filers and applied year over year.



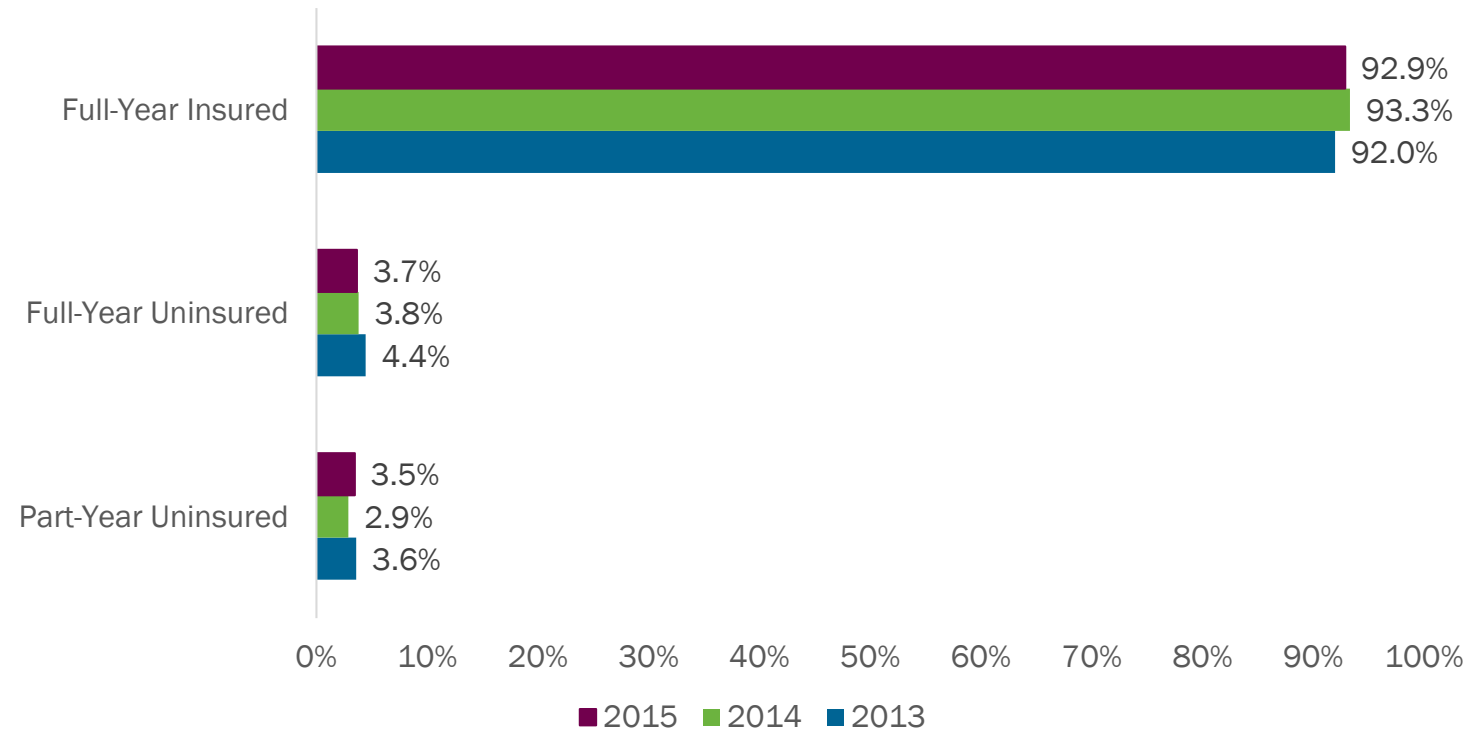
Results

Schedule HC Filers by Insurance Status

Between 2013 and 2015, approximately 93 percent of Massachusetts tax filers complied with the state individual mandate, reporting full-year coverage in an MCC-compliant plan.

- The rate of tax filers who reported being uninsured during the full tax year decreased from 4.4 percent (193,000 individuals) in 2013 to 3.7 percent (161,000 individuals) in 2015, representing a statistically significant decrease.
- The rate of tax filers who reported being uninsured for part of the tax year also decreased from 3.6 percent (156,000 individuals) in 2013 to 3.5 percent (153,000 individuals) in 2015, representing a statistically significant decrease.

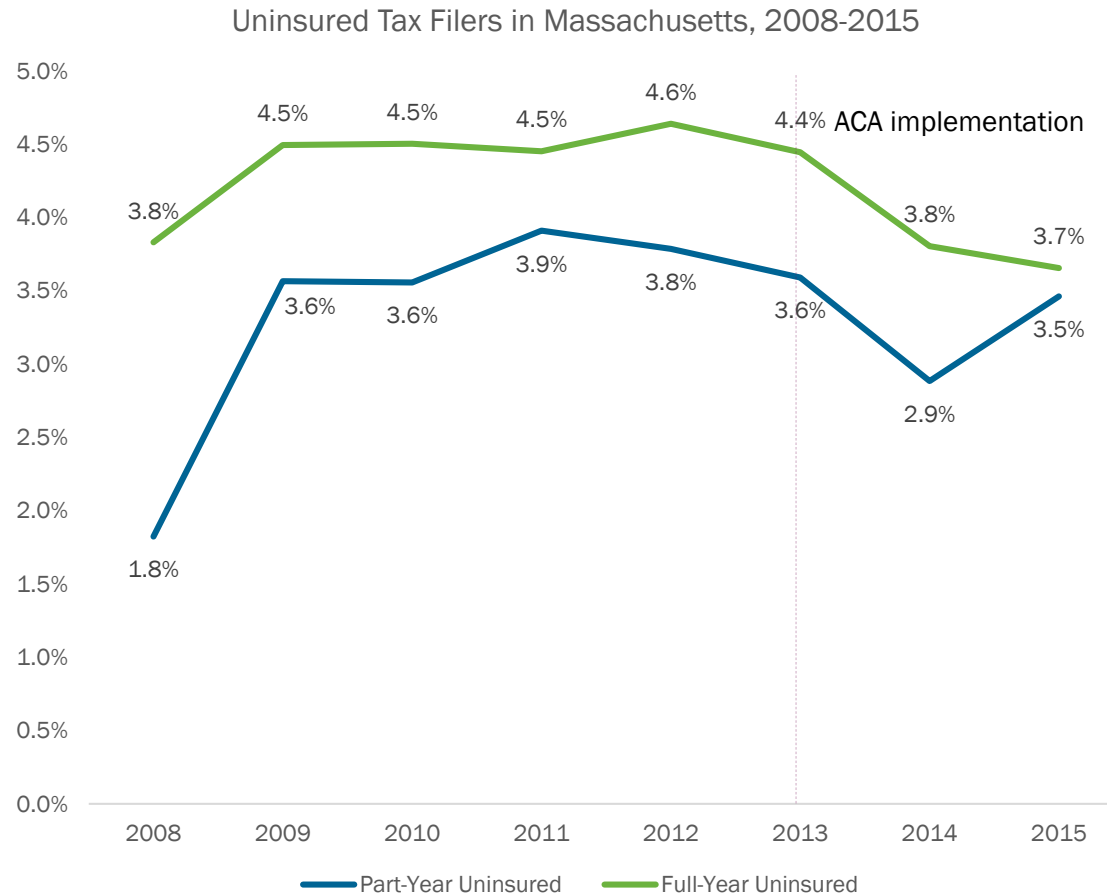
Schedule HC Filers in Massachusetts by Insurance Status, 2013-2015



Uninsured Tax Filers Over Time

Between 2008 and 2015, the Commonwealth experienced slight decreases in the full-year uninsured rate and a slight increase in the part-year uninsured rate.

- The Massachusetts individual mandate allows for some gaps in coverage. Taxpayers who lose coverage but resume it within three or fewer consecutive calendar months are not subject to penalty for lack of health insurance coverage. Residents who fall into this “permissible gap” are captured in the part-year uninsured rates presented on this slide.
- The largest decline in uninsurance was seen between tax years 2013 and 2014, following the implementation of the ACA, when the full-year uninsured rate dropped 0.6 percentage points (a decrease of approximately 27,000 people) and the part-year uninsured rate dropped 0.7 percentage points (a decrease of approximately 30,000 people).
- The rate of full-year uninsured tax filers reached a high of 4.6 percent in 2012, and decreased to 3.7 percent in 2015. The proportion of part-year uninsured tax filers increased by 1.7 percentage points from 1.8 percent to 3.5 percent.

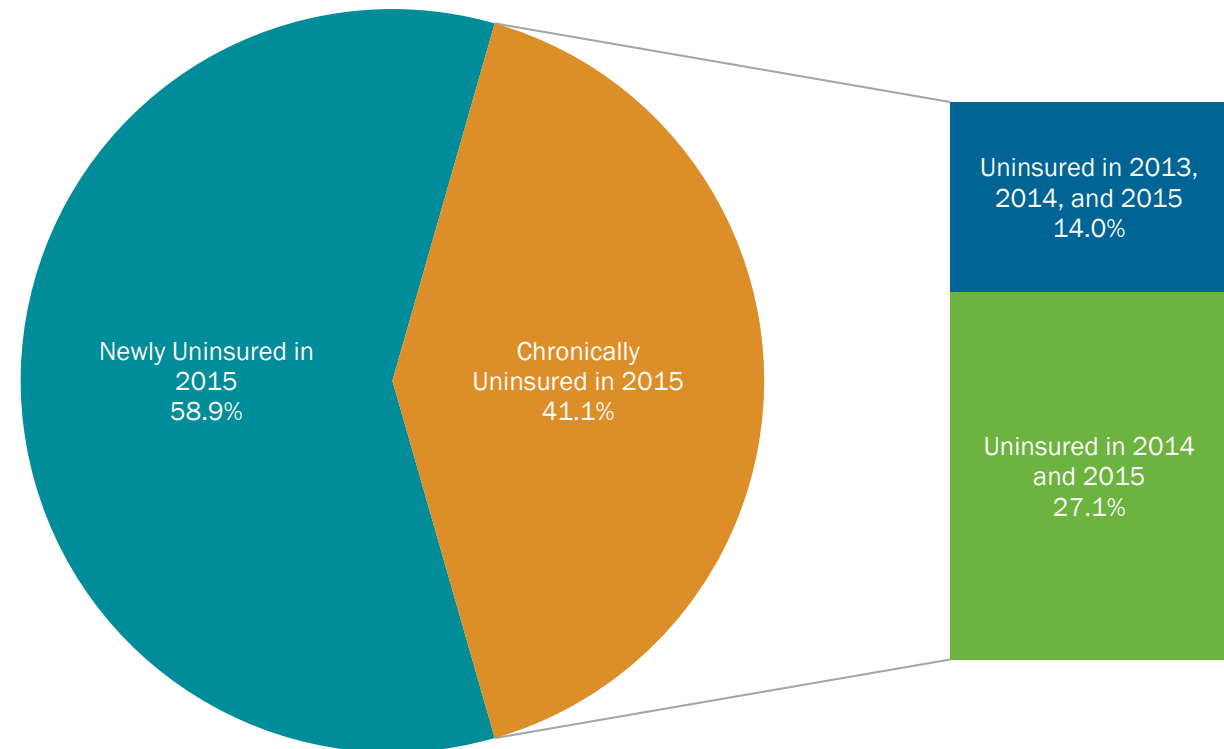


Chronic Uninsurance Among Full-Year Uninsured

Roughly 41 percent of the full-year uninsured in 2015 were also uninsured in prior years.

- The full-year uninsured population (approximately 161,000 people) in 2015 was comprised of:
 - 59 percent newly uninsured individuals in 2015;
 - 14 percent individuals who were uninsured in 2013, 2014, and 2015; and
 - 27 percent individuals who were uninsured in 2014 and 2015.
- This data indicates that each year there is a large portion of the full-year uninsured population who have gone without coverage for multiple years in a row.
- 46 percent (or approximately 10,000 people) of those who were uninsured in 2013, 2014, and 2015 were between the ages of 18 and 34.

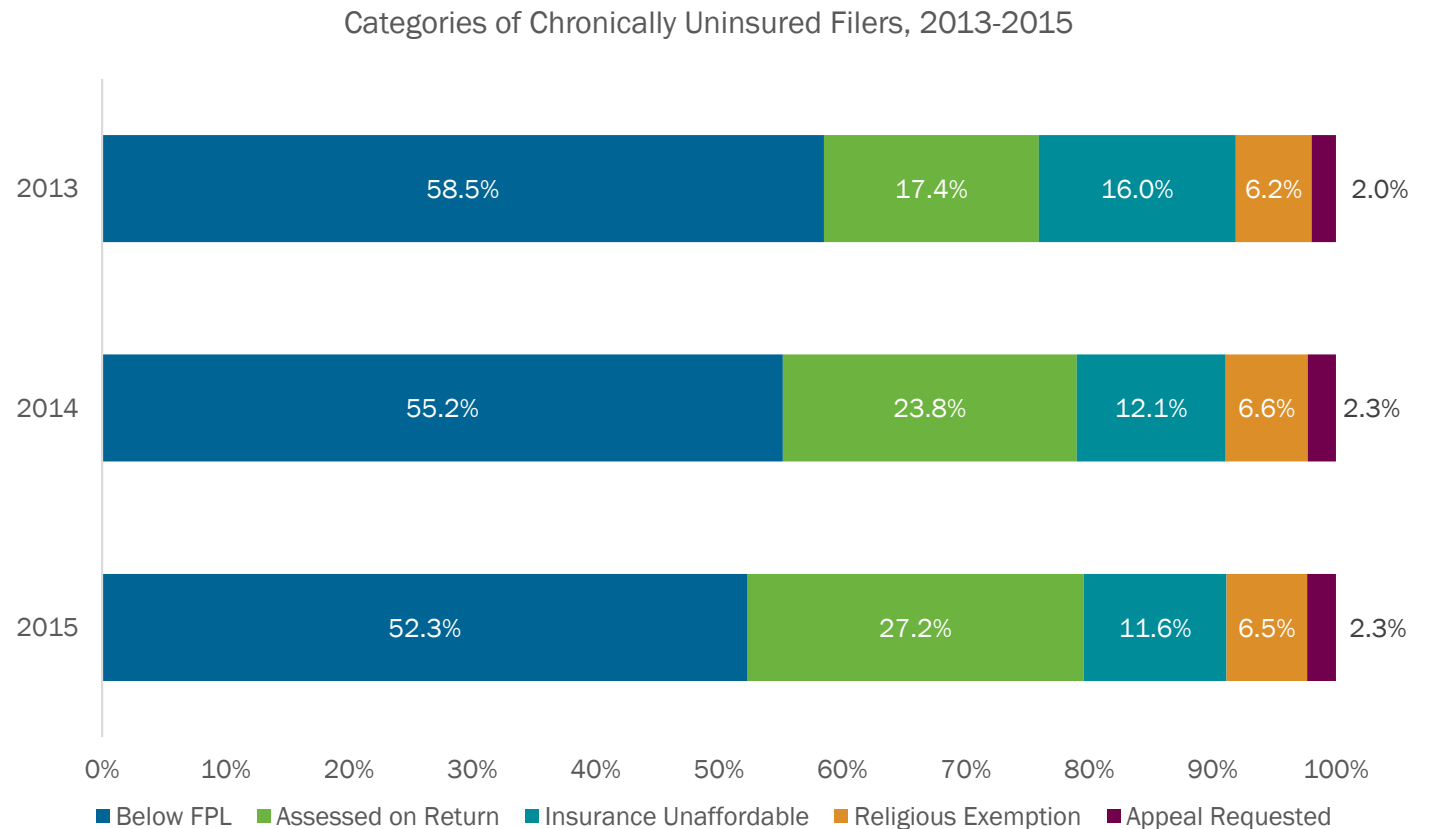
Chronically Uninsured Among the Full-Year Uninsured in 2015



Categories of Chronically Uninsured Filers

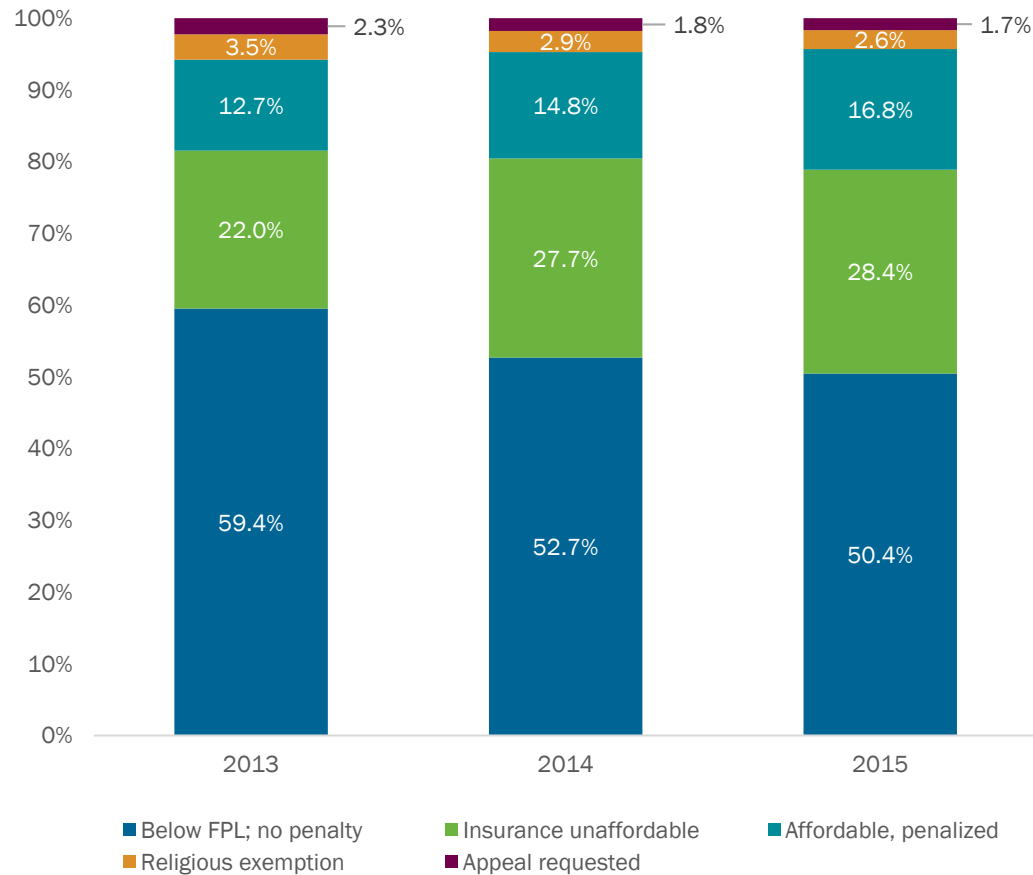
Among those who were uninsured in 2013, 2014, and 2015, over half reported being below 150 percent FPL and thus were not subject to a penalty for individual mandate non-compliance.

- In 2015, nearly 80 percent of the roughly 22,600 individuals who were chronically uninsured in 2013, 2014, and 2015 reported being below 150 percent FPL and not subject to a penalty or were assessed a penalty on their tax return for being uninsured.
- The proportion of chronically uninsured individuals below 150 percent FPL decreased by 6.2 percentage points between 2013 and 2015 while those who were assessed a penalty on their returns increased by 9.8 percentage points.
- The proportion of chronically uninsured individuals who claimed a religious exemption or requested an appeal remained flat across all three years, at approximately 6.5 percent and 2.3 percent in 2015, respectively.

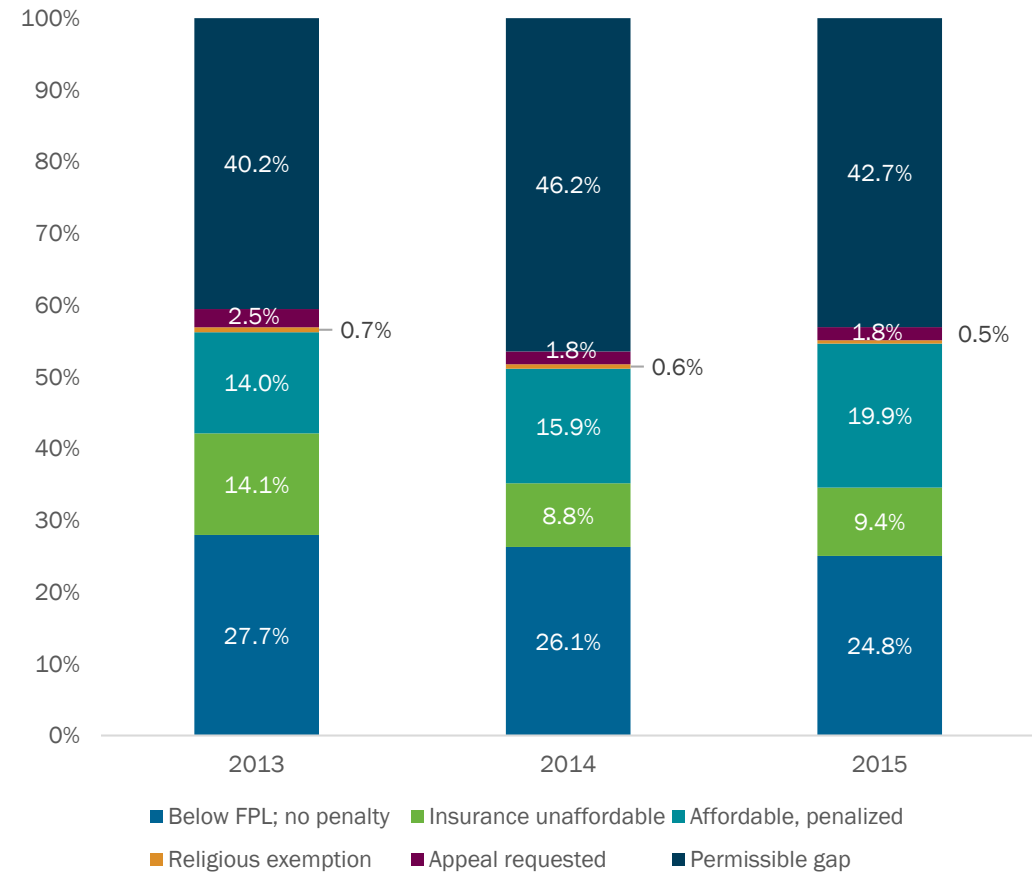


Categories of Full- and Part-Year Uninsured

Categories of Full-Year Uninsured, 2013-2015



Part-Year Uninsured by Uninsured Reason, 2013-2015



Categories of Full- and Part-Year Uninsured

Over half of full-year uninsured individuals report having income below 150 percent FPL and are not subject to a penalty.

- The proportion of full-year uninsured individuals below 150 percent FPL decreased by 9 percentage points between 2013 and 2015, from 59 percent to 50 percent, a reduction of over 30,000 residents to roughly 81,000 in 2015. The portion of state residents overall in this income range decreased 1.2 percentage points between 2013 and 2015 to 20 percent, but was volatile, with an increase in 2014.
- During this time period, the proportion of full-year uninsured individuals reporting they did not have an affordable offer of MCC-compliant coverage increased by 6.4 percentage points, from 22 percent to 28.4 percent, an increase of around 3,000 residents to roughly 46,000 in 2015.
- Similarly, the proportion of full-year uninsured individuals who could have enrolled in affordable coverage but did not (and were, therefore, assessed a penalty) also increased by nearly 4 percentage points, or 2,600 residents, to roughly 27,000 individuals in 2015.

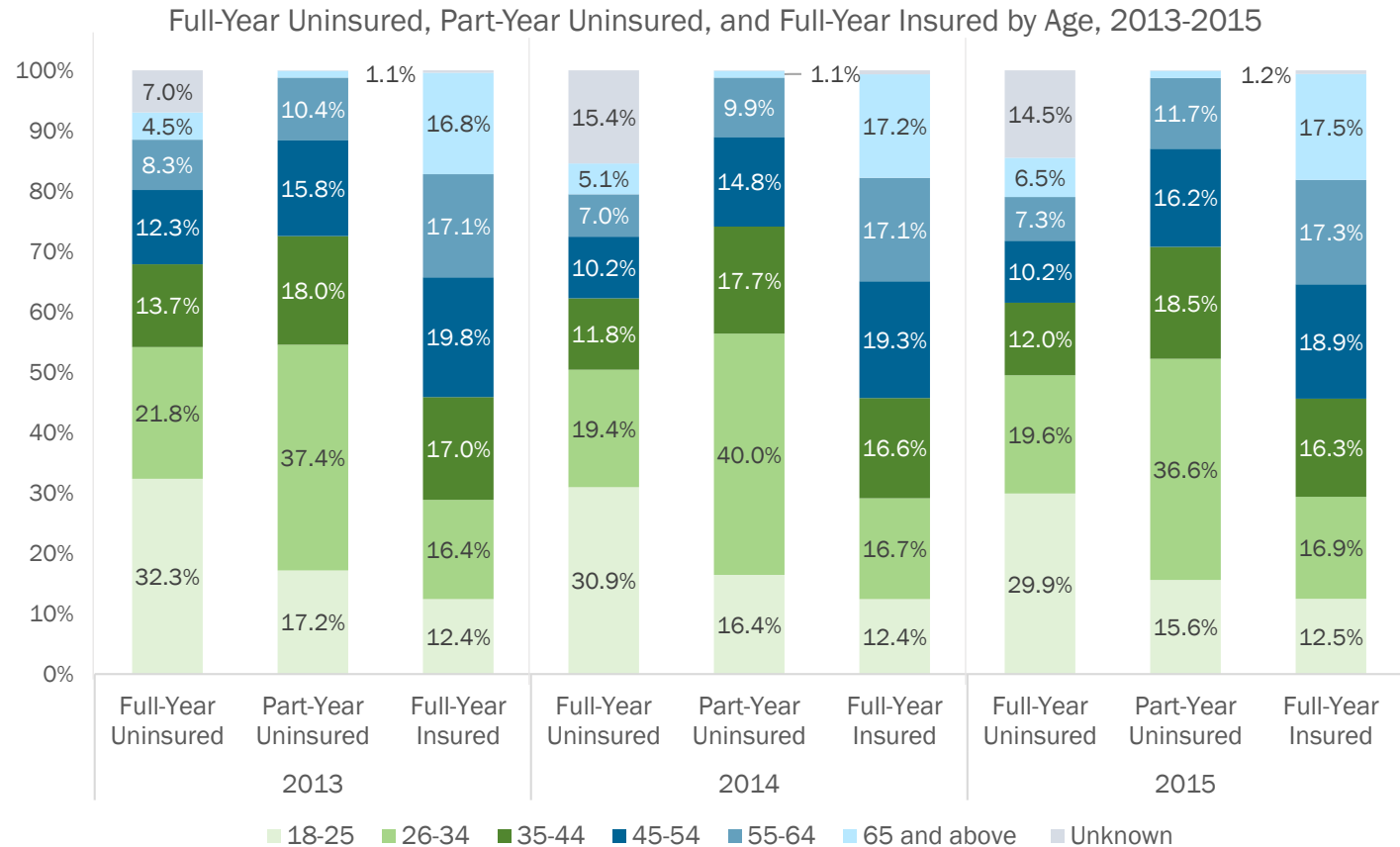
Those who are part-year uninsured most often report having a gap in coverage of three months or less as their reason for being uninsured.

- Between 2013 and 2014, the proportion of individuals reporting having a permissible gap in coverage increased by 6 percentage points. The proportion dropped to 42.7 percent in 2015, or 65,000 individuals.
- Individuals below 150 percent FPL represent roughly a quarter of the part-year uninsured population in any given year. Similar to trends seen in full-year uninsured individuals, this proportion decreased by 2.9 percentage points, or 5,000 individuals, between 2013 and 2015 to 38,000 individuals.
- Contrary to trends seen amongst full-year uninsured individuals, the proportion of part-year uninsured individuals reporting they did not have an affordable offer of MCC-compliant coverage decreased by 4.7 percentage points (7,500 individuals) from 14.1 percent to 9.4 percent, landing around 14,000 people in 2015.
- The proportion of part-year uninsured people who could have enrolled in affordable coverage but didn't increased to nearly 20 percent, or 30,000 people, in 2015 from 14 percent in 2013.

Full- and Part-Year Uninsured by Age

In general, the uninsured population in Massachusetts is comprised of young people under the age of 40. Part-year uninsured individuals tend to be younger than those who are full-year uninsured.

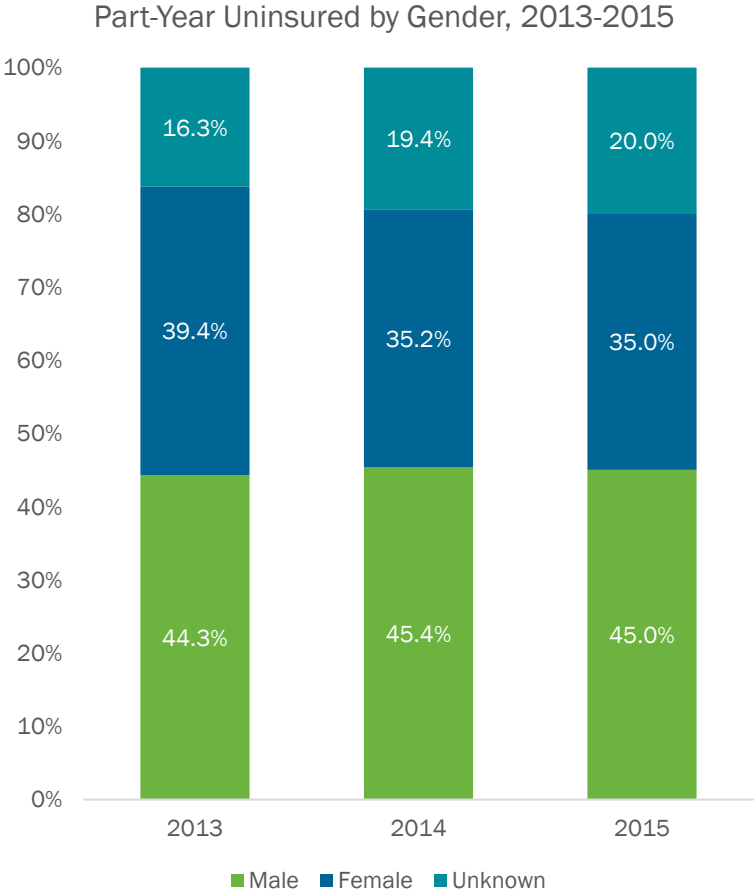
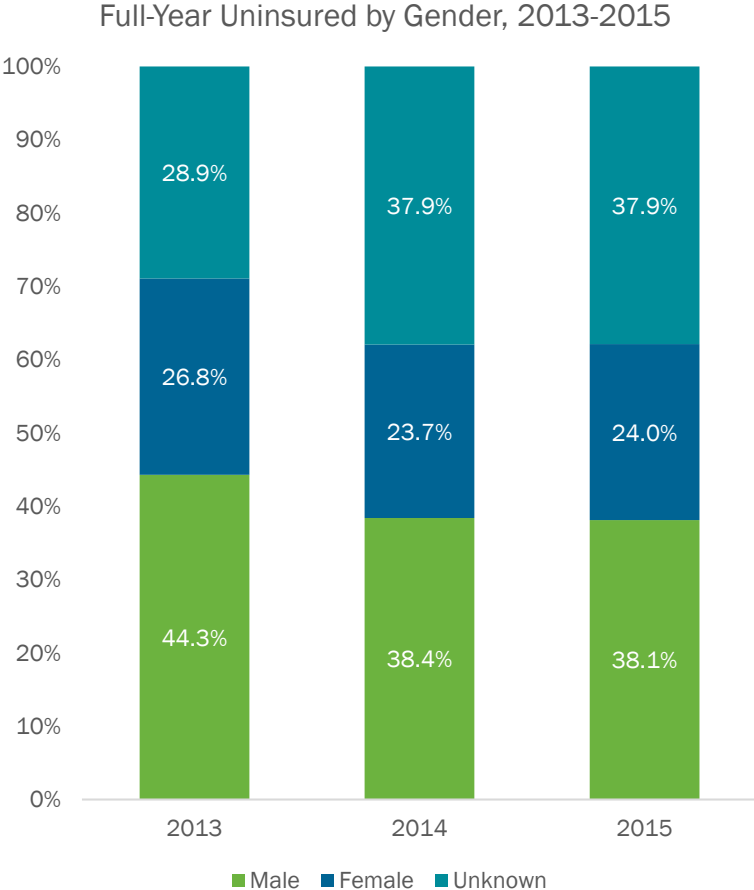
- Nearly half of all full-year uninsured individuals fall between the ages of 18-34 years old, though this proportion decreased by 4.6 percentage points from 2013-2015.
- Nearly 40 percent of part-year uninsured individuals fall into the 26-34 age band, compared to 20 percent of full-year uninsured and 17 percent of full-year insured individuals.
- In 2015, close to 28 percent of the part-year uninsured were between ages 45-64 compared to 17.5 percent of the full-year uninsured. In the same year, full-year uninsured individuals were more likely to be 65 and over than part-year uninsured people (6.5 percent vs. 1.2 percent)



Full- and Part-Year Uninsured by Gender

Most of the uninsured in Massachusetts are men.

- In 2015, approximately 38 percent of full-year uninsured tax filers were men, a decrease of 6.2 percentage points from 2013.
- Approximately 45 percent of part-year uninsured resident were men, representing a 0.7 percentage point increase.
- Tax data limitations related to gender resulted in a high proportion of “unknown” values

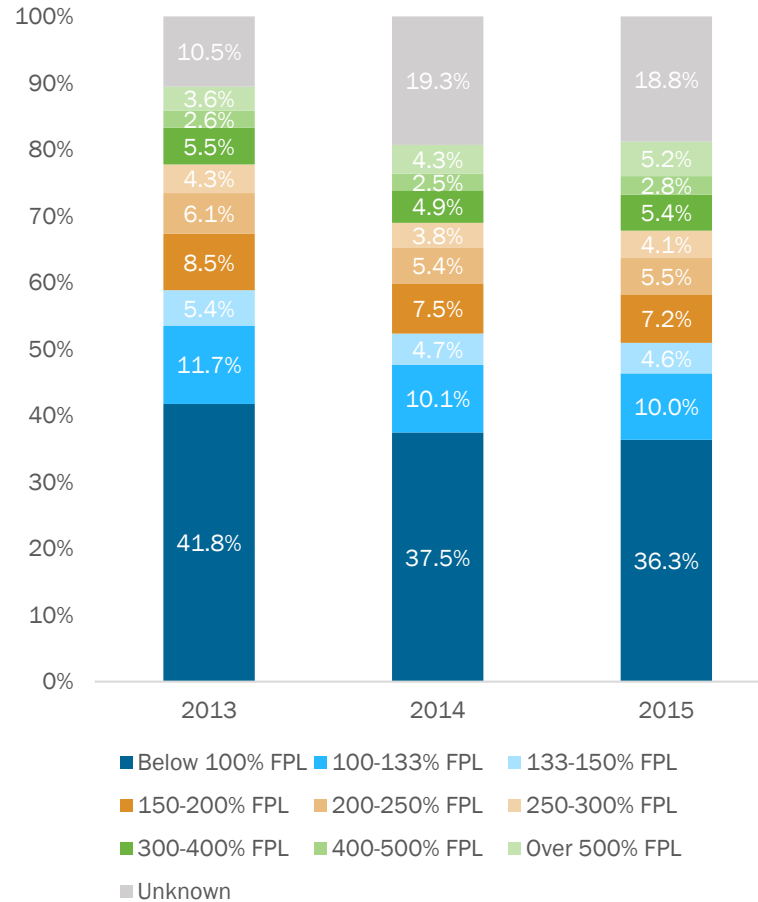


Full- and Part-Year Uninsured by FPL

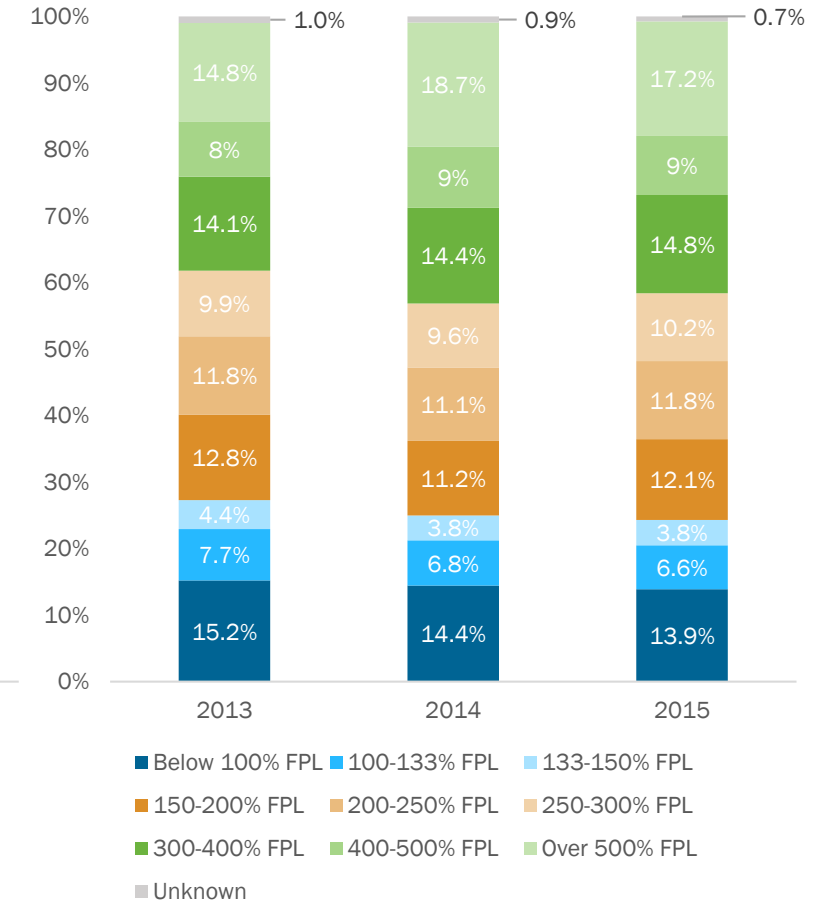
The full-year uninsured population is primarily comprised of low income people, while the part-year uninsured population is more evenly spread across income levels. Nearly three-quarters of the full-year uninsured fall under 400 percent FPL and may be eligible for subsidized health coverage.

- Approximately half of the full-year uninsured are under 133 percent FPL, compared to 22 percent of the part-year uninsured. This proportion has decreased since 2013.
- In 2015, 26 percent of part-year uninsured tax filers fall above 400 percent FPL, compared to 8 percent of full-year uninsured tax filers.
- Among both full-year and part-year uninsured people, the proportion of those who fall above 500 percent FPL is growing. Between 2013 and 2015, full-year uninsured people above 500 percent FPL grew by 1.6 percentage points, or 1,400 people, and part-year uninsured grew by 2.4 percentage points, or 3,000 people.

Full-Year Uninsured by FPL, 2013-2015



Part-Year Uninsured by FPL, 2013-2015

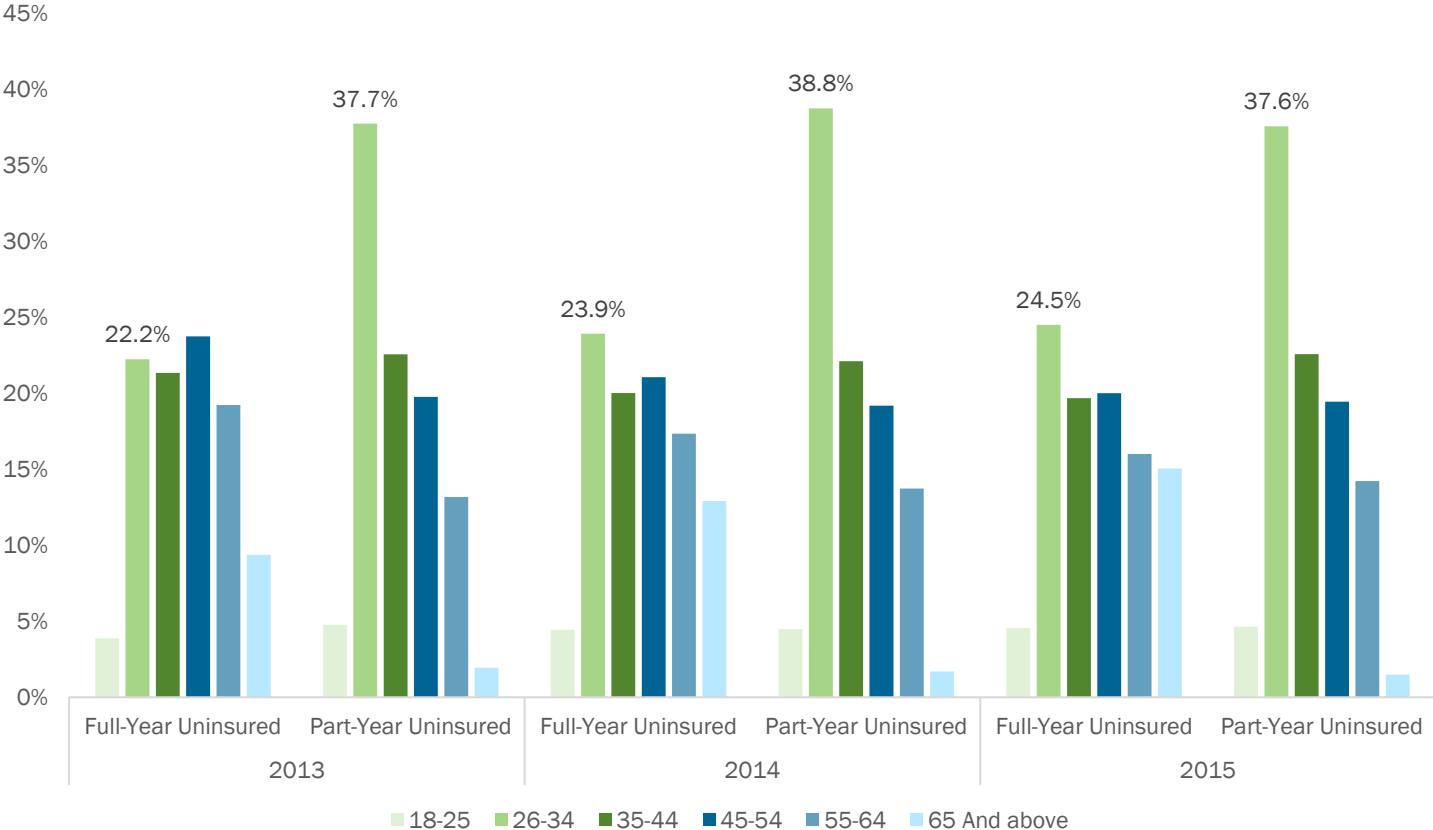


Full- and Part-Year Uninsured Over 400 Percent FPL

Individuals with annual income above 400 percent of the FPL represent approximately 8 percent of the full-year uninsured compared to 26 percent of the part-year uninsured.

- These percentages represent about 13,000 people without coverage for all of 2015 and 40,000 people with part-year coverage
- Part-year uninsured individuals over 400 percent FPL are more likely to be younger adults between the ages of 26 and 34 years old compared to full-year uninsured individuals (38 percent vs. 25 percent in 2015, respectively).

Full-Year and Part-Year Uninsured over 400% FPL by Age, 2013-2015

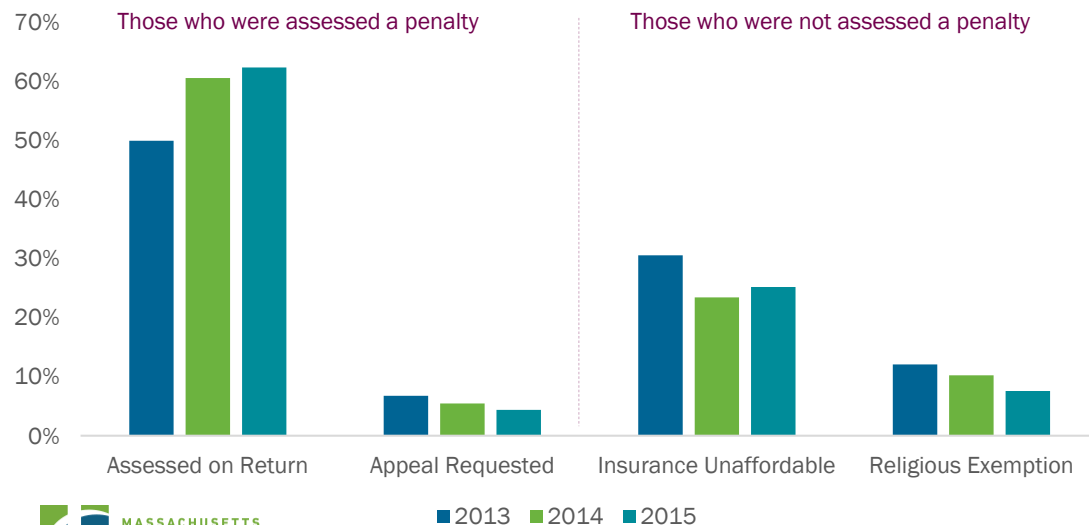


Full- and Part-Year Uninsured Over 400 Percent FPL

Over 62 percent of full-year uninsured individuals over 400 percent FPL were assessed a penalty for not carrying insurance compared to 1 in 5 part-year uninsured individuals.

- Approximately 65 percent of part-year uninsured individuals over 400 percent FPL experienced a permissible gap in coverage (less than three consecutive months without coverage) at some point during the tax year, representing over 26,000 people in 2015. These individuals were not assessed a penalty because the mandate allows for some gaps in coverage.
- There was a 5.4 percentage point decrease in the proportion of full-year uninsured individuals over 400 percent who did not have access to coverage that met the Massachusetts affordability schedule between 2013 and 2015.
- The proportion of part-year uninsured individuals over 400 percent FPL without access to affordable coverage also decreased by 6.4 percentage points, representing approximately 1,900 individuals.

Categories of Full-Year Uninsured Over 400% FPL, 2013-2015



Categories of Part-Year Uninsured Over 400% FPL, 2013-2015

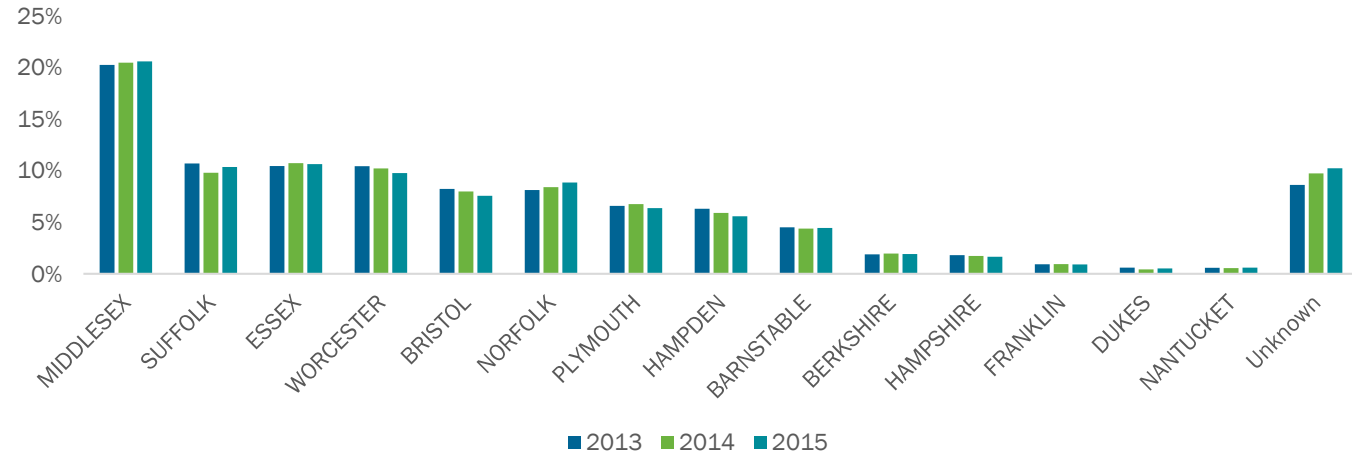


Uninsured by County

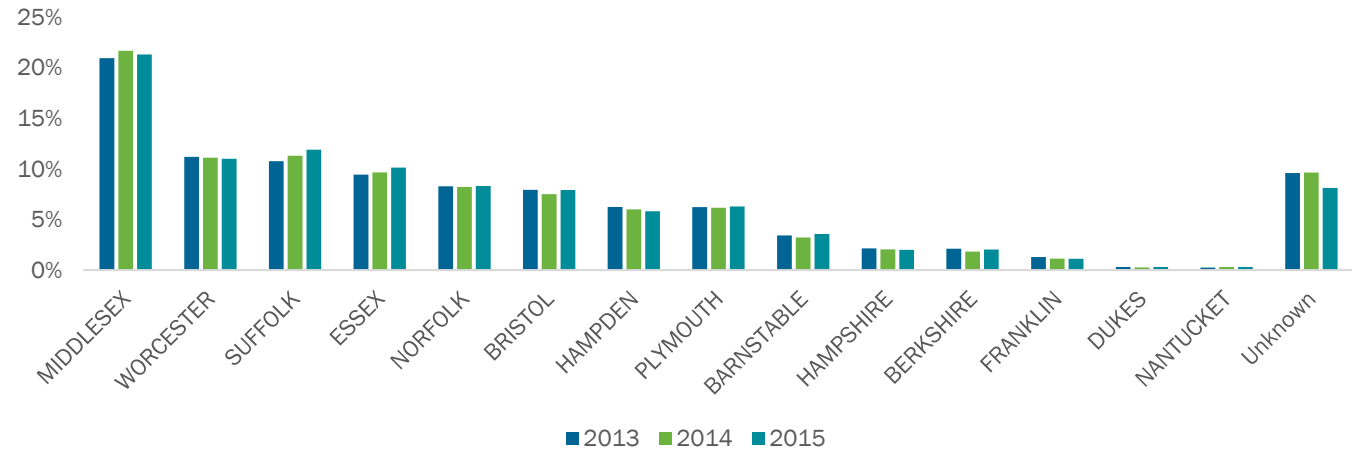
Geographic analysis by county indicates that the uninsured are more likely to live in the most populated counties in the state including Middlesex, Suffolk, Essex and Worcester counties.

- Each year, over 20 percent of both the full-year and the part-year uninsured live in Middlesex county. Middlesex county is the largest county in Massachusetts, representing 23.2 percent of the state population (1.5 million people).
- Geographic trends in uninsurance held steady between 2013 and 2015, with counties experiencing minor increases and decrease in their respective uninsured rates.

Full-Year Uninsured by County, 2013-2015



Part-Year Uninsured by County, 2013-2015

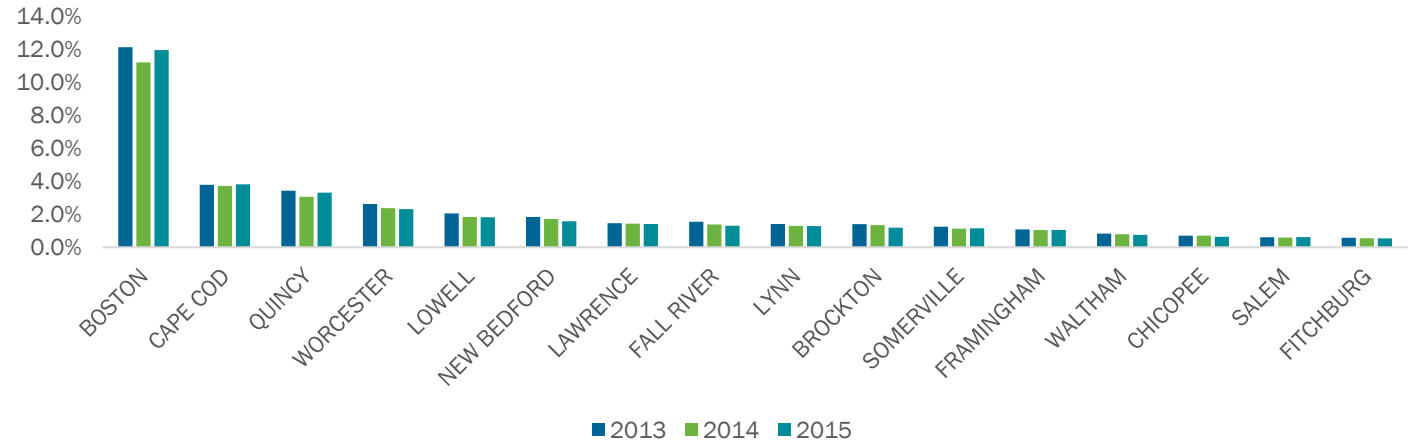


Uninsured by Target Community

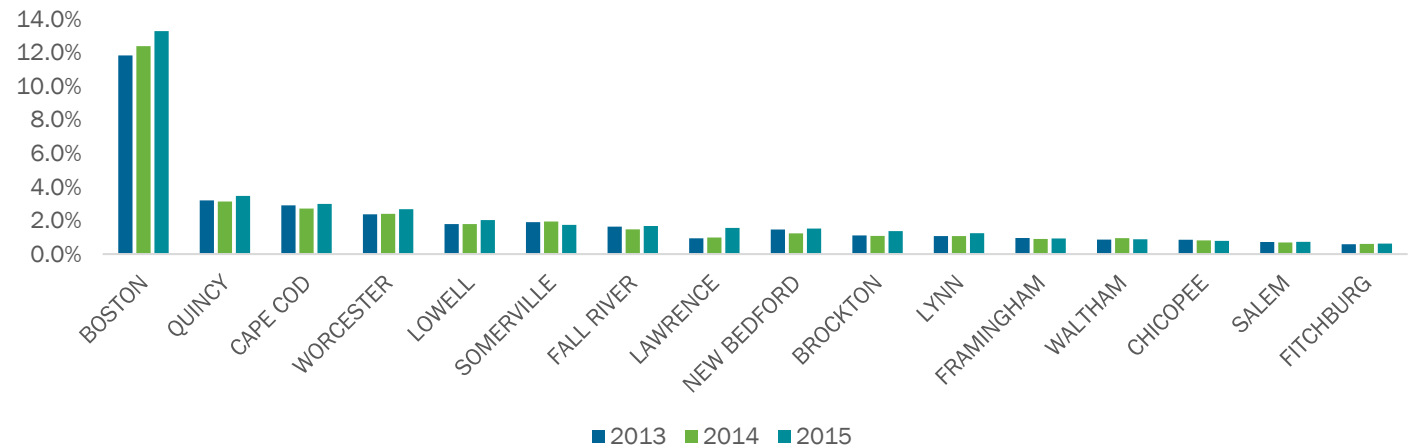
On average, 36 percent of both the full-year and part-year uninsured live in a community targeted for enhanced outreach by the Health Connector because they are at higher risk for uninsurance.

- The city of Boston has the highest part-year and full-year uninsured rate of any target community at roughly 12 percent. The part-year uninsured rate in Boston grew by 1.4 percentage points between 2013 and 2015. Boston is also the most populous city in Massachusetts with nearly 700,000 residents.
- While the full-year uninsured rate slightly decreased or remained flat in the majority of target communities, the part-year uninsured rate seemed to slightly increase.

Full-Year Uninsured by Target Community, 2013-2015



Part-Year Uninsured by Target Community, 2013-2015





Discussion

The Remaining Uninsured in Massachusetts

Though Massachusetts remains a national leader in health insurance gains, having achieved near-universal coverage, a small but persistent number of individuals remain uninsured.

- Analysis of 2013-2015 uninsured tax filers data confirm long-understood characteristics of the uninsured. Uninsured Massachusetts residents include:
 - Chronically uninsured individuals who have been uninsured for multiple years;
 - Newly uninsured individuals who may be experiencing a short term gap in coverage;
 - Young people between the ages of 19 and 34 years old;
 - Low income people with incomes below 400 percent FPL who may be eligible for free or subsidized coverage; and
 - Men
- Additionally, the data underscore new trends differentiating those who are uninsured for the full year and those who are uninsured for only part of the year. Part-year uninsured individuals are more likely than full-year uninsured people to:
 - Be under the age of 40;
 - Have income above 400 percent FPL;
 - Be assessed a penalty for not carrying health insurance

Opportunities for Further Reducing Uninsurance

In addition to serving as a key policy tool, the state individual mandate provides Massachusetts with unique insight into the uninsured population in the state, allowing for person-level targeted outreach and educational materials to those without coverage.

- The Health Connector partners with DOR to directly mail information to tax filers who reported they did not have health insurance during the most recent tax year. The letter, sent every year since 2016, provides high level information about the availability of affordable and high-quality health and dental plans through the Health Connector.
- The mailer is created by the Health Connector but mailed by the DOR using the information collected from tax filers on insurance status as part of the state's individual mandate. Because recipient data may not be shared with the Health Connector due to a state-level statutory prohibition, it is difficult for the Health Connector to evaluate the efficacy of the letter in prompting specific uninsured individuals to enroll in coverage. The Health Connector's monthly new member survey indicates that 1-2 percent of new members each month sought coverage through the Health Connector prompted by the letter.
- The Health Connector seeks to continue to closely collaborate with the DOR to identify innovative opportunities to enhance administration of the individual mandate and come closer to reaching 100 percent health coverage in the

Did you know that you can get **affordable, high-quality health insurance** through Massachusetts Health Connector? The Health Connector is a state agency and health insurance marketplace. **Most people can get a plan for a low monthly cost, and some people even qualify for a \$0 monthly payment.** To check out your options, visit www.MAhealthconnector.org/apply or call 1-877-MA-ENROLL (877-623-6765).

Why do I need health insurance?

- It protects you and your family.
- It's the law. Massachusetts requires health insurance.
- It's affordable. Health insurance is affordable, so you can afford it.

How much do health insurance plans cost?

- Most people can get a low cost plan.
- \$0 or low monthly cost.
- No deductible (the amount you pay out of pocket before insurance starts paying).
- Low out-of-pocket costs.

Even if your income is too high to qualify for health insurance, there are still options for you.

What do Health Connector plans cover?

All Health Connector plans cover medical services, prescription drugs, and dental services. To see which plans include dental services, visit www.MAhealthconnector.org.

You can also buy dental plans (pulling teeth).

How do I learn more?

- Learn more and sign up today at www.MAhealthconnector.org.
- Call 1-877-MA-ENROLL.
- Get in-person help. Help is available at www.MAhealthconnector.org.

How much will I pay for a ConnectorCare plan?





Use the charts on this page to see how much you would pay each month for a ConnectorCare plan. All ConnectorCare plans have **no deductible and low out-of-pocket costs.**

What is my household size?

Your household typically includes the people who are on your tax return. This might be different than the number of people you live with.

What if my household size or income isn't in these charts?

We can help you apply and see what you qualify for. Even if your income is too high for ConnectorCare, you may still be able to get help paying for health insurance.

Household size: 1	If your yearly household income is...	Lowest monthly cost
	Less than \$18,735	\$0
	\$18,736 to \$24,980	\$45
	\$24,981 to \$31,225	\$87
	\$31,226 to \$37,470	\$130
Household size: 2	If your yearly household income is...	Lowest monthly cost
	Less than \$25,365	\$0 a person
	\$25,366 to \$33,820	\$45 a person
	\$33,821 to \$42,275	\$87 a person
	\$42,276 to \$50,730	\$130 a person
Household size: 3	If your yearly household income is...	Lowest monthly cost
	Less than \$31,995	\$0 a person
	\$31,996 to \$42,660	\$45 a person
	\$42,661 to \$53,325	\$87 a person
	\$53,326 to \$63,990	\$130 a person
Household size: 4	If your yearly household income is...	Lowest monthly cost
	Less than \$38,625	\$0 a person
	\$38,626 to \$51,500	\$45 a person
	\$51,501 to \$64,375	\$87 a person
	\$64,376 to \$77,250	\$130 a person

Need help?

You can get free, in-person help applying and enrolling at these places:

Boston	Brockton	Springfield	Worcester
133 Portland St.	63 Main St.	88 Industry Ave.	146 Main St.

Help is available in all languages. For a full list of places where you can get free help:

- Visit www.MAhealthconnector.org/here-to-help
- Call 1-877-MA-ENROLL (877-623-6765) or TTY: 1-877-623-7773