

Adjusting for the Medicaid Undercount with the TRIM3 Microsimulation Model

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This Talk...

- The TRIM3 model
- Medicaid/SCHIP under-reporting in the CPS
- Adding more Medicaid/SCHIP enrollees in the TRIM3 model
- Effect of TRM3 adjustments on the estimated number and characteristics of people with no health insurance

TRIM3 Model: Key Points

- A comprehensive microsimulation model of tax, transfer, and health policy
- Input to the model: each year's March CPS
- For SSI, TANF, FSP, Medicaid, SCHIP
 - identify who is eligible
 - identify a caseload that comes close to the actual caseload in size and key characteristics
- Change in the uninsured “falls out” of correction for Medicaid/SCHIP under-reporting

Medicaid Under-reporting in the CPS (CY 2001)

- Non-institutionalized people enrolled any time during the CY according to administrative data
 - Medicaid (fully covered): 40.5 million
 - SCHIP: 4.6 million
- March 2002 CPS reports of Medicaid or SCHIP enrollment any time during CY 2001
 - actual reports only: 23.3 million
 - including Census Bureau “allocations” for missing responses: 30.3 million

Some Possible Reasons Contributing to Under-reporting

- Confusion
 - reported wrong type of coverage
 - forgot about a few months of coverage
 - didn't realize still covered
 - didn't realize another h'hold member covered
- Stigma
- Under-weighting of low-income people
- Over-counting in the administrative data

Assumptions for TRIM3's Medicaid/SCHIP Adjustments

- Administrative data are used to develop targets
 - both average monthly and annual targets
 - targets by state and user group
- Census Bureau weights are unchanged
- Additional enrollees are selected from among people who appear *eligible*—both with and without other reported insurance

Simulating Eligibility

- Eligibility is assessed for each person, each month
- State-specific rules are applied
- Immigrant eligibility rules are simulated
- Each avenue to eligibility is tested sequentially (mandatory, Sect. 1931, state options, % of poverty, SCHIP, medically needy, etc.)

Will an Eligible Person Enroll?

- Eligible people with simulated SSI/TANF: *YES*
- Eligible people with CPS-reported Medicaid (only actual reports): *YES*
- Eligible people without CPS-reported Medicaid or simulated SSI/TANF: *MAYBE*
 - within each state and user group (children, adults, disabled, elderly), people are selected at random to hit targets

Implicit Assumptions

- The unidentified enrollees look like the pool of eligible people who did not report enrollment and who don't have SSI/TANF

Among eligible non-reporters with no SSI/TANF, by state and user group

- People with and without other insurance coverage have the same chance of being enrolled in Medicaid/SCHIP

2001 Medicaid and SCHIP Eligibility Results

Simulated as ever eligible for Medicaid or SCHIP

- 58.4 million total
(Compare to admin. data, 44-45 million)
- 20.8 million with CPS-reported enrollment (actual reports)
- 24.6 million non-reporters with other health insurance
- 13.0 million non-reporters without other health insurance

Impact on the Estimated Number Uninsured (2001)

Estimated numbers...	Enrolled in Medicaid/SCHIP >=1 month	Uninsured all year
March 2002 CPS public-use data	30.3 million	41.2 million (14% of pop.)
Changed from enrolled to <i>not</i> enrolled	-6.9 million	+3.0 million
Changed from <i>not</i> enrolled to enrolled	+17.8 million	-6.6 million
TRIM-adjusted CPS data	41.2 million	37.6 million (13% of pop.)

Annual vs. Monthly Simulation Results (2001)

	Simulated enrolled in Medicaid/SCHIP	Simulated uninsured
Annual	41.2 million enrolled ≥ 1 month	37.6 million, uninsured all year
Average Month of the Year	34.5 million	39.9 million

Distribution of Full-Year Uninsured by Age

	Public-Use CPS	After TRIM Adjustments
Children	22%	17%
Age 19-44	56%	59%
Age 45-64	21%	23%
Age 65+	<1%	<1%

Distribution of Full-Year Uninsured by Family Income

Annual Income as % of poverty	Public-Use CPS	After TRIM Adjustments
<100%	27%	22%
100<200%	29%	29%
200<300%	18%	19%
>=300%	27%	30%

Areas for Further Work in TRIM

- Match administrative caseload by additional characteristics beyond state and user group
- Explicit consideration of the role of other insurance coverage

Areas for Further Work, General

- Considering possible impact of weighting
- Research on who doesn't report Medicaid (new and ongoing research)

Conclusions

- Different methods for adjusting for Medicaid/SCHIP under-reporting will lead to different impacts on the estimated count of uninsured
- Need better understanding of who is not reporting Medicaid or SCHIP in the CPS