

Minnesota Saw Continued Improvement in Health Insurance Coverage Almost a Year into the Pandemic



Key Findings:

1. The share of Minnesotans without health insurance continued to decline, to 4.1 percent in January 2021.
2. Despite losses in coverage through private employers, Minnesotans continued to maintain access through increased enrollment in public health insurance programs and in the individual market.

The COVID-19 pandemic has caused major economic and social disruptions across the globe. Because of the connection for many in Minnesota and the U.S. between health insurance coverage and employment, there is a particular concern that pandemic-related job losses and declines in income could have affected access to health insurance coverage. We worry about access to health insurance because of its impact of financial health and downstream effects on access to health care *services*.

Previously we reported how coverage changed between 2019 and July 2020. In this brief we describe changes in health insurance coverage between July 2020 and January 2021, from the end of the first surge of COVID-19 cases in Minnesota until the fall surge had started to subside.

This analysis relies on 2019 data from Minnesota Health Access Survey (MNHA), a biennial survey of health insurance coverage and access, and data on enrollment collected from health insurance carriers providing coverage to Minnesotans.¹ This analysis was conducted in partnership between the Minnesota Departments of Health and Commerce and the State Health Access Data Assistance Center (SHADAC).

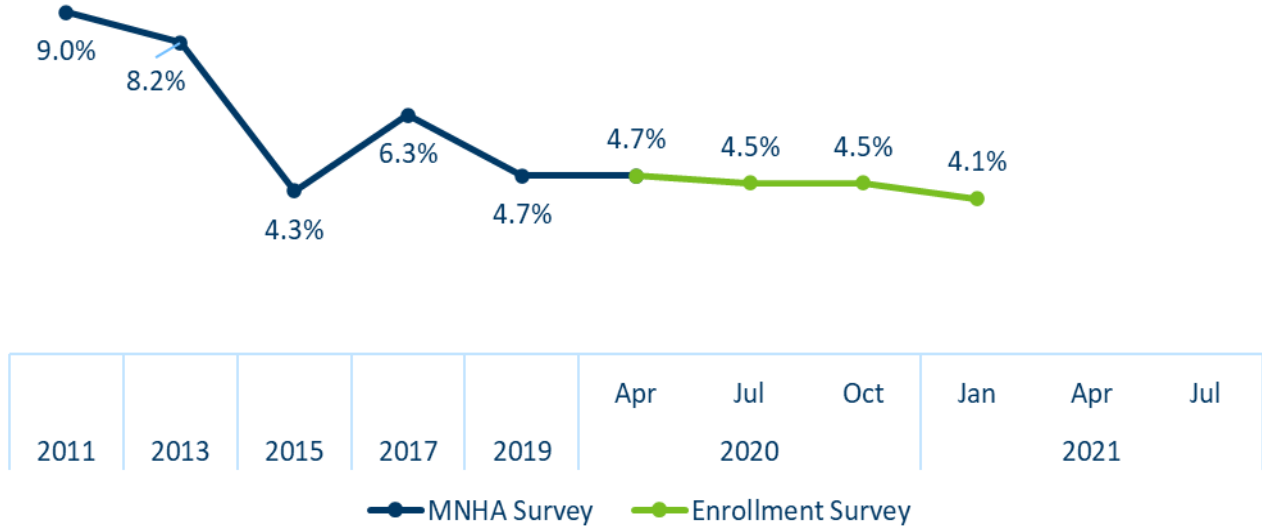
Findings

Our earlier findings indicated that through July 2020 the share of Minnesotans without health insurance fell slightly (from 4.7 percent in 2019 to 4.6 percent in July 2020). Though we identified substantial declines in the number of Minnesotans covered through employer-sponsored group coverage, we observed that more Minnesotans were covered by state public programs due to maintenance of coverage decisions at the state and federal level, and that enrollment in the state's individual market coverage also rose.

Extending our analysis for another six months (into January 2021), we found the number of Minnesotans without health insurance continued to decrease, to a low of 4.1 percent in January 2021 (Figure 1). We estimate around 22,000 Minnesotans gained coverage in this period, with most gains observed between October 2020 and January 2021. In general, coverage tends to decline through the calendar year, as a result of some enrollees ending coverage for the last months of the year. Coverage then increases in

January and February due to open enrollment periods for employer-sponsored group coverage and individual market coverage on MNsure, for individual market and state public programs coverage.

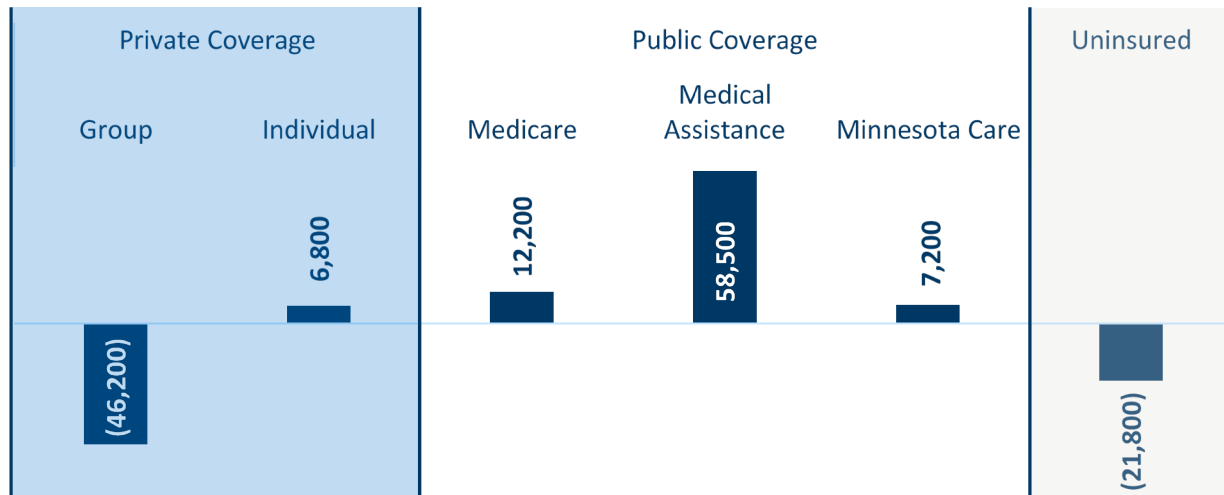
Figure 1: Percent of Minnesotans Without Health Insurance, 2011 to 2021



Source: Source: Minnesota Department of Health, Health Economics Program 2019 Minnesota Health Access Survey (MNHA) and 2020 Health Insurance Enrollment Survey. Estimates of coverage between the MNHA Survey and Enrollment Survey are not directly comparable due to their reliance on different methods to estimate the number of uninsured; periods displayed are not symmetric.

The trends in insurance coverage that we observed through the summer of 2020 continued into the beginning of 2021, as shown in Figure 2. An estimated *additional* 46,000 individuals lost employer-sponsored group coverage, which was more than offset by growth in the individual market (nearly 7,000 additional enrollees) and in public programs (with about 59,000 and 7,000 additional enrollees in Medicaid and MinnesotaCare, respectively).

Figure 2: Change in Coverage Between July 2020 and January 2021



Source: Minnesota Department of Health, Health Economics Program 2019 Minnesota Health Access Survey and 2020 Health Insurance Enrollment Survey. Fully-insured group coverage and self-insured group coverage are combined. Not shown: short-term health insurance plans (which represents 0.1% of people covered) and other public programs (which represents 1.1% of people covered). They are included in Table 1 in the Supplement: Data and Methods Update.

The ability for individuals already enrolled in public coverage to maintain their coverage without needing to re-certify their eligibility during the pandemic, as allowed by the federal Families First Coronavirus Response Act, has led to longer periods of enrollment, with fewer people losing state public program coverage each month.² In addition, MNsure's extra open enrollment period in April of 2020 and a current open enrollment period through July 16, 2021 contributed to these trends.³ Importantly, the American Rescue Plan, which expanded eligibility for Advanced Premium Tax Credits as of April 2021 to all income groups and increased the amount of these credits, resulted in decreasing monthly costs for individual market coverage, for some by several thousands of dollars. This change in affordability will likely continue to drive enrollment in the individual market for those who lose, or do not currently have, other forms of health insurance coverage.

Conclusions

Despite the decrease in employer sponsored coverage, uninsurance rates in Minnesota have continued to fall during the pandemic. Having a single, more visible, place to apply for both individual coverage and state public programs – something that was not available during the previous recession – provided infrastructure to help Minnesotans find affordable coverage options after becoming unemployed. In addition, the following pandemic policy changes have the potential to create a foundation for Minnesota to emerge from the pandemic and the economic downturn with reasonably solid access to health insurance coverage and health care services:

- Flexibility for many to maintain coverage in state public programs;
- Additional open enrollment periods; and
- Expanded financial supports offered by the American Rescue Plan.

Nevertheless, as pandemic policy changes end, helping individuals maintain coverage on public programs, or transition to the individual market will remain important policy goals. The high cost of health care, even with insurance, remains a concern for all Minnesotans. There are health care needs that may have been unaddressed during the early part of the pandemic, and new health care needs as a result of COVID-19 infections that many Minnesotans will be looking to address now. Changes to the health care infrastructure, with more opportunities for telehealth visits, may expand access for some, but may be limiting for others who might experience barriers to accessing telehealth or lose opportunities for in-person visits.

To help policymakers and the public understand how the coverage environment in Minnesota continues to evolve, MDH will conduct additional enrollment surveys in 2021 and, in the second half of the year, carry out the next wave of the Minnesota Health Access Survey. These efforts will provide a substantially deeper understanding of how Minnesotans experience access to health insurance and health care at what we hope is the near conclusion of the COVID-19 pandemic in Minnesota.

For more information on the data and methods, as well as a full table, see [Supplement: Data and Methods Update \(https://www.health.state.mn.us/data/economics/docs/inscoverage2021methods.pdf\)](https://www.health.state.mn.us/data/economics/docs/inscoverage2021methods.pdf)

For the brief from February 2021, see [Pandemic's Impact on Health Insurance Coverage in Minnesota was Modest by Summer 2020 \(https://www.health.state.mn.us/data/economics/docs/inscoverage2020.pdf\)](https://www.health.state.mn.us/data/economics/docs/inscoverage2020.pdf)

Endnotes

¹ This brief focuses on health insurance coverage, but there are other direct and indirect impacts of the pandemic on economic and personal wellbeing, which may vary by demographic or economic characteristics, that need to be better understood.

² Minnesota Department of Human Services has identified an 80 percent decrease in disenrollment in April through December 2020 as compared with calendar year 2019; even with lower average monthly new enrollment the net effect was an average increase of around 15,000 total enrollees per month.

³ Minnesota's individual market decreased by an average of 9.5 percent between the first and four quarters of 2016 through 2019; in 2020, enrollment only decreased 6.2 percent, with increased in Quarters two and three (2016 to 2020 National Association of Insurance Commissioners, Quarterly Report of Enrollment, Premiums and Claims for MN Carriers).



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