

Estimated Impact of COVID-19 on Washington State's Health Coverage

September 9, 2020

(Update for status as of August 29, 2020)

Introduction

The historic COVID-19 pandemic has caused unprecedented lockdowns throughout the world. Washington, the first state in the US to report COVID-19 infection, implemented measures to modulate the pandemic's effect on public health to minimize loss of life. Non-essential businesses statewide were ordered to close temporarily or, condition permitting, allow workers to work from home. Many workers lost their employment as a result. In the first ten weeks starting on March 15, more than one million workers in Washington filed unemployment insurance claims.¹ When workers lose their employment, many also lose their employment-based health insurance (EBI). Family members who have health coverage through the worker's EBI lose their coverage as well. In this analysis, we simulated the changes in employment as of the week ending on August 29, 2020, using the 2018 American Community Survey. The purpose of the analysis is to assess COVID-19's effect on (1) the state's uninsured rate, (2) health coverage changes of the newly unemployed workers, and (3) changes in uninsured rates at the county level. We plan to update the estimates periodically as the pandemic evolves and more data become available.

Main Findings

1. Prior to the COVID-19 outbreak, Washington's uninsured rate is estimated to have increased from 6.2% in 2018 to 6.6% in 2019 and to 6.7% at the beginning of 2020. In the second half of March through May 23, 2020, unemployment claims surged in Washington and the state's uninsured rate increased to 13%, the highest level during the pandemic. The uninsured rate has since declined to 8% in the week ending on August 22. From the beginning of 2020 (prior to COVID-19) to the weeks ending on May 23 and August 29, the state's estimated total uninsured changed from 502,300 to 1,010,700 and then to 621,200. (Figure 1)
2. Similarly, the uninsured rate of adults age 18-64 is estimated to have increased from 8.9% in 2018 to 9.5% in 2019 and 9.7% prior to the COVID-19 outbreak in 2020. By May 23, the uninsured rate for these adults reached the highest level during the pandemic, 19.4%, but it declined to 11.7% in the week ending on August 29. (Figure2)

¹ See Washington State Employment Security Department's Unemployment Insurance Initial Claims Weekly Dashboard at: https://public.tableau.com/profile/jeff.robinson#!/vizhome/InitialClaimsapplicationsforUnemploymentInsurance-WA_ET539-/Story1.

3. The health coverage of the newly unemployed workers was affected disproportionately. Their uninsured rate is estimated to have increased from 10.5% prior to the COVID-19 outbreak in 2020 to 44.4% in the week ending on August 29. At the same time, their employment-based health insurance coverage rate dropped from 61.2% to 12.3%². Their rate of coverage by two or more sources dropped by more than half from 9.3% to 3.5%. However, their shares of coverage by individual health plans (mostly through the Exchange) and by Medicaid (or Apple Health) are higher now than before. The share of individual health plans as the only coverage increased from 6% to 8.9% and the share of Medicaid as the only coverage increased from 10.2% to 25.2%. (Figure 3)
4. There was a lot of variation in the uninsured rates among the counties before COVID-19 broke out in the state. The rates ranged from 3.9% in Wahkiakum County to 16.3% in Yakima County. When the state's uninsured rate reached the highest level during the pandemic in the week ending on May 23, the county-level uninsured rates ranged from 6.2% in Asotin to 20.7% in Yakima. The current range, for the week ending on August 29, is between 4.1% in Lincoln and 17.2% in Yakima. (Figure 4) The shifts in the ranges of county uninsured rates during the pandemic were modest when compared to changes in many counties with uninsured rates falling within the ranges. In the week ending on May 23, eight counties had uninsured rates that were more than double the rates before the pandemic. Pierce County's uninsured rate increased by 141.6%, the largest increase of all counties.

Since May 23, uninsured rates dropped in all counties with a few counties' rates falling to their pre-COVID19 level, although in many counties the rates remained significantly higher than rates before the pandemic. Pierce and King had the largest increases (30.6% and 30.1%, respectively) from pre-COVID19 to the week ending on August 29. (Figure 5)

Several factors at the county level could have contributed to the volatile changes in uninsured rates among the counties. These factors include the number of people becoming unemployed, the occupations the workers were in before becoming unemployed, whether the workers had access to coverage from spouse's employment-based insurance, and variations in enrolling in other eligible coverage sources (e.g., Medicaid and qualified health plan through the Exchange) both before and after the COVID-19 outbreak.

² This includes some newly unemployed workers who are estimated to have changed to their spouses' EBI coverage or to parents' EBI coverage if they were less than 26 years old, in addition to those who retained EBI through leave without pay or COBRA.

Figure 1. Uninsured in Washington (Number and Percentage)
 2018, 2019, Pre-COVID19 2020, Weeks Ending 5/23/2020 and 8/29/2020

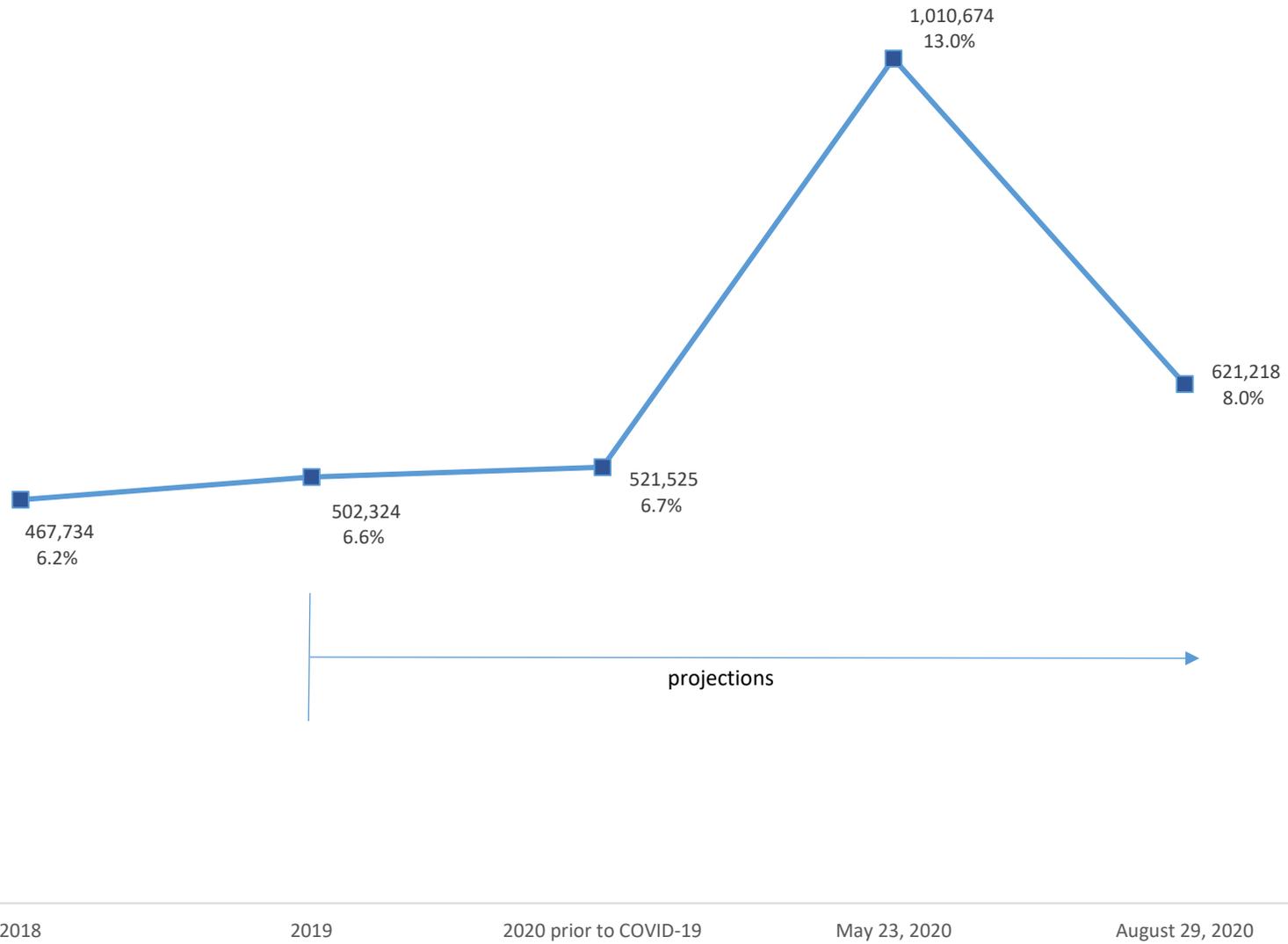


Figure 2. Uninsured Adults 18-64 in Washington (Number and Percentage)
 2018, 2019, 2020 (prior to COVID-19), Weeks Ending 5/23/2020 and 8/29/2020

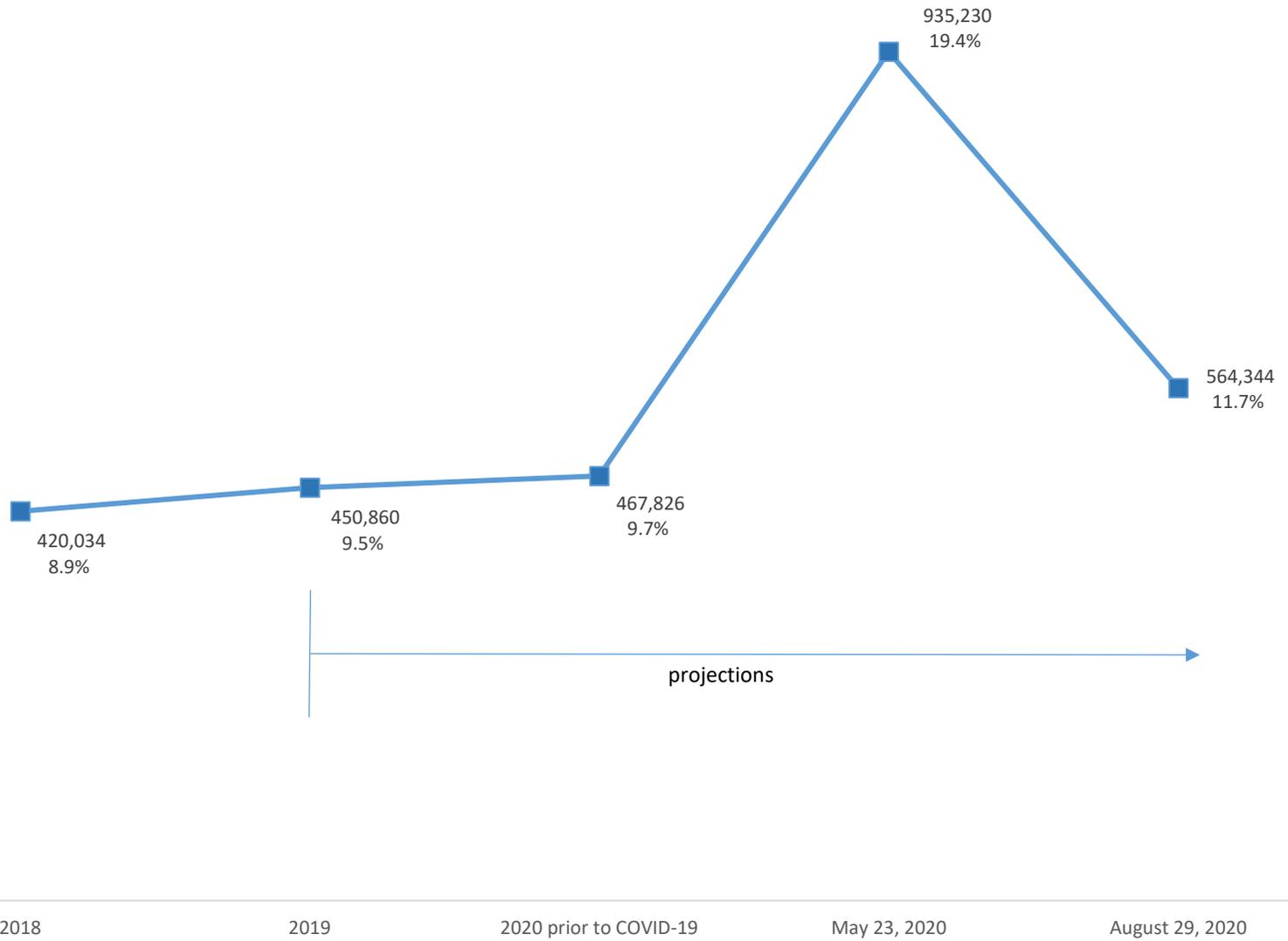


Figure 3. Source of Coverage (%) Before and After COVID-19 Outbreak (as of week ending 8/29/2020)

Newly Unemployed Workers in Washington

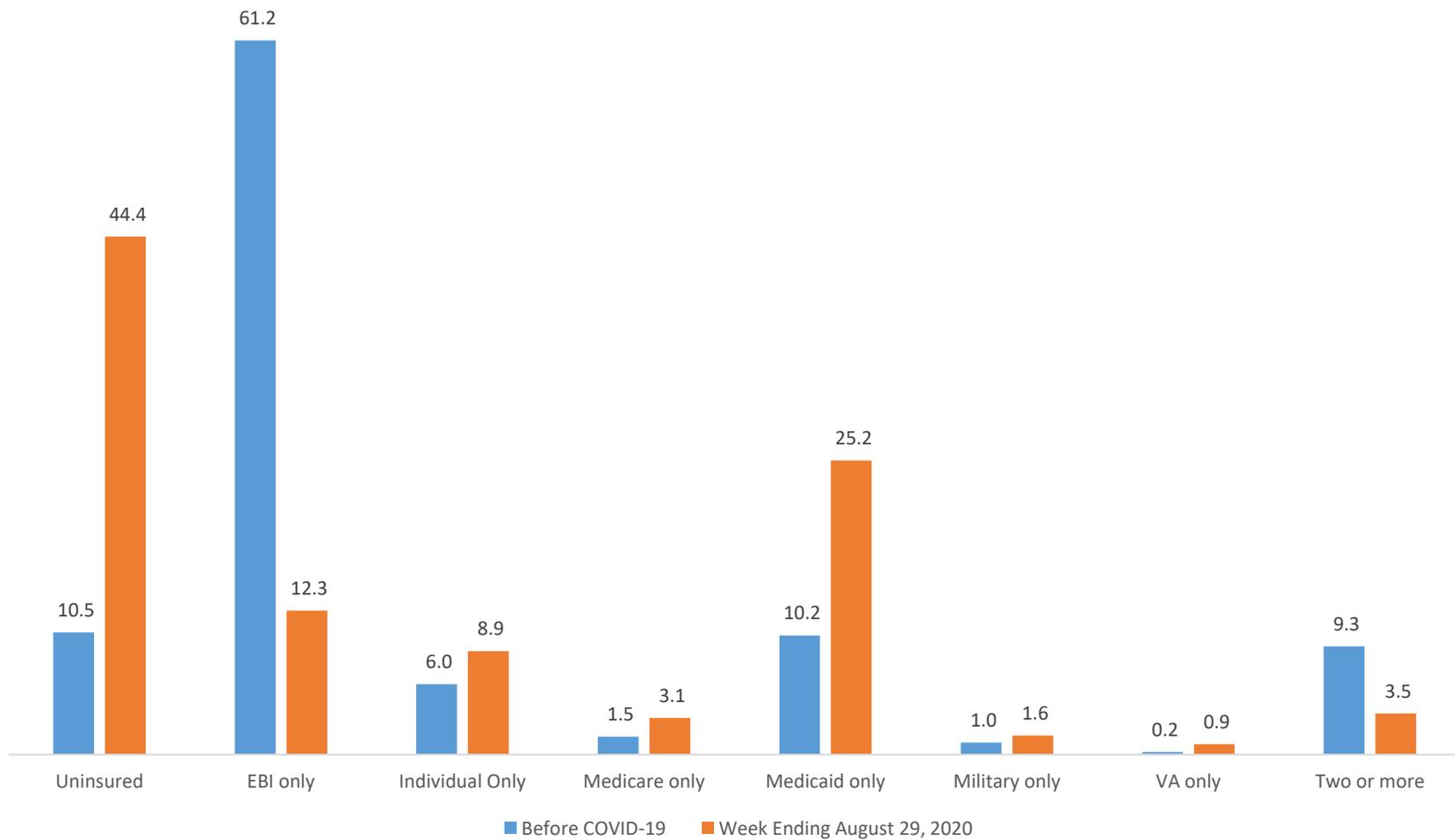


Figure 4. County Uninsured Rates (%) in 2020, Washington: Pre-COVID19 and Week Ending on 8/29/2020

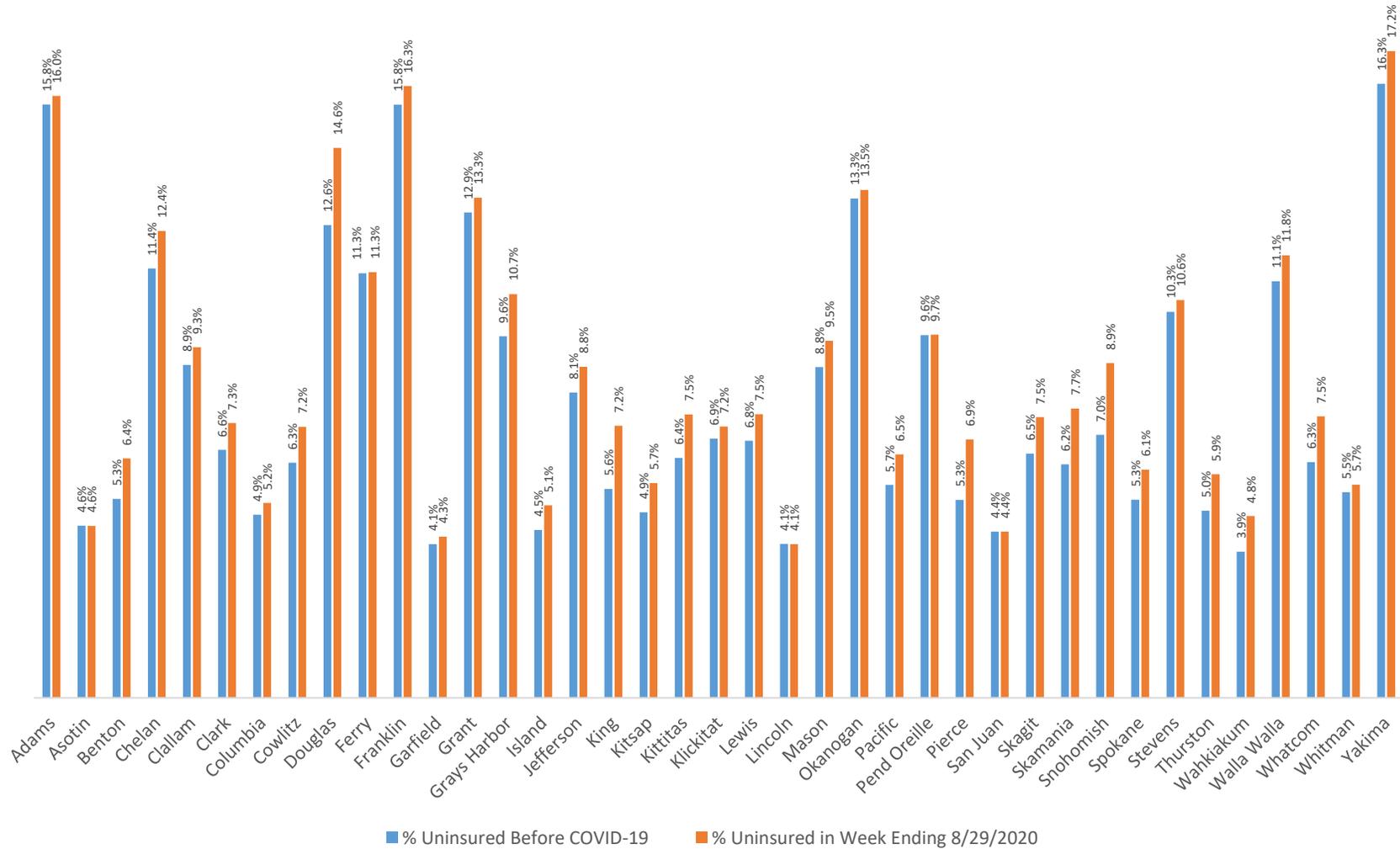
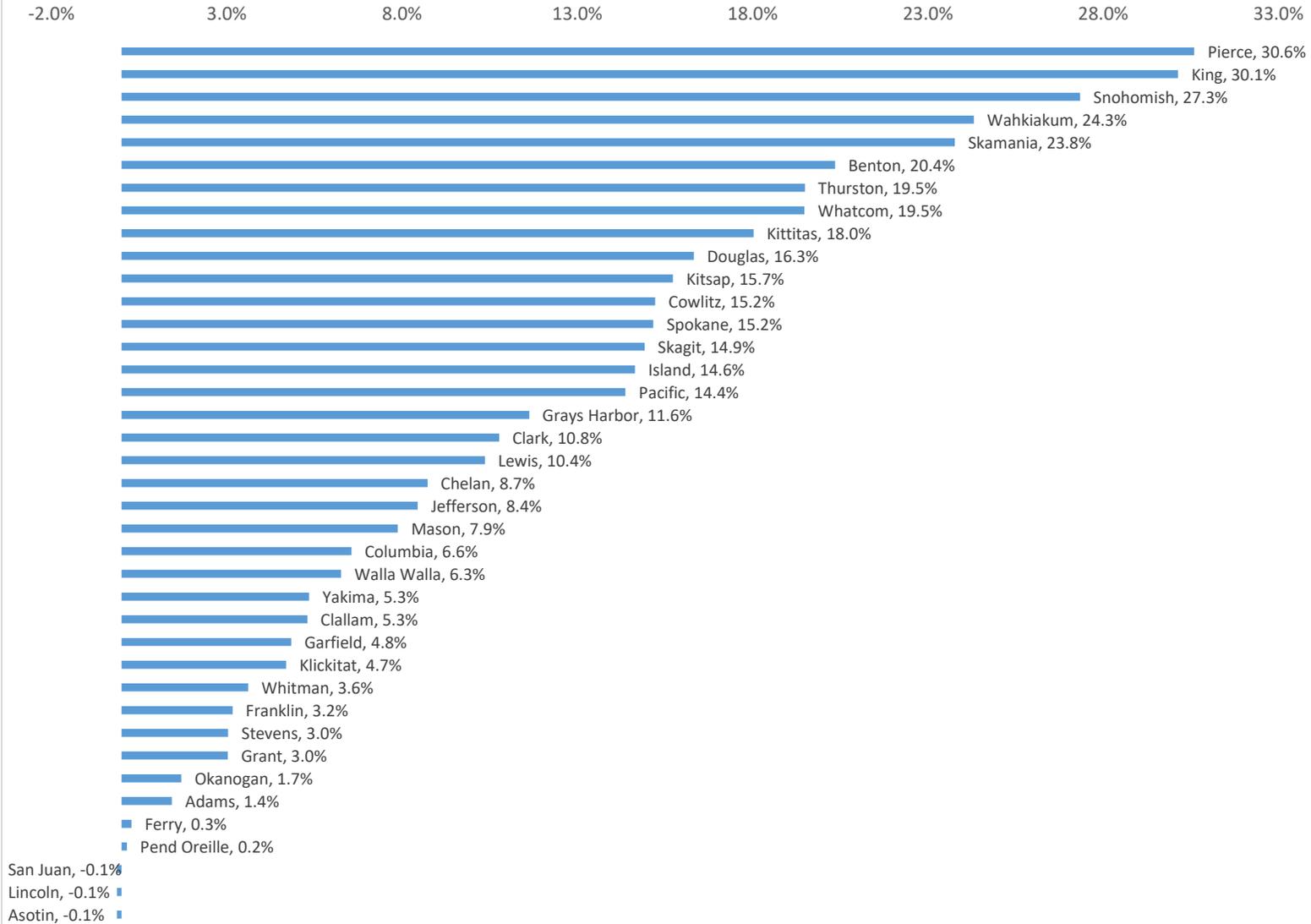


Figure 5. Percent Change of County Uninsured Rates in 2020, Washington:
From Pre-COVID19 to Week Ending 8/29/2020



Method and Data

Estimates reported above were generated using an OFM simulation file based on the 2018 American Community Survey 1-Year Public Use Microdata Sample file (ACS). Key data sources contributing to the simulation file include, in addition to ACS, detailed OFM population projections for 2019 and 2020, weekly unemployment insurance (UI) claims in 2020³, qualified health plans (i.e., the Exchange) and Medicaid enrollment in 2019 and 2020. The simulation also involves several assumptions, such as proportions of new enrollees in Exchange and Medicaid who were previously uninsured and proportions of UI claimants whose EBI continued through leave without pay (LWOP) and COBRA (a coverage program for former and retired employees). Changes in the assumptions can affect the resultant estimates of coverage changes related to the COVID-19 pandemic.

³ Starting the week ending on May 23, the UI claims data used in the simulation included the current week's continued (paid) claims in addition to past month's initial claims assumed being processed for payment. Previously, the UI claims data used in the simulation included only initial claims.

Appendix

County Uninsured Rates (%) and Percent Change, Pre-COVID-19, and Weeks Ending on May 23 and August 29, 2020: Washington State

County	% Uninsured Pre-COVID	% Uninsured		Percent Change		County	% Uninsured Pre-COVID	% Uninsured		Percent Change	
		Week Ending 5/23/20	Week Ending 8/29/20	Pre-COVID to 5/23/20	Pre-COVID to 8/29/20			Week Ending 5/23/20	Week Ending 8/29/20	Pre-COVID to 5/23/20	Pre-COVID to 8/29/20
Adams	15.8%	19.6%	16.0%	24.1%	1.4%	Lewis	6.8%	12.1%	7.5%	76.7%	10.4%
Asotin	4.6%	6.2%	4.6%	34.9%	-0.1%	Lincoln	4.1%	7.1%	4.1%	73.9%	-0.1%
Benton	5.3%	10.6%	6.4%	100.3%	20.4%	Mason	8.8%	12.8%	9.5%	46.0%	7.9%
Chelan	11.4%	17.0%	12.4%	48.8%	8.7%	Okanogan	13.3%	16.4%	13.5%	23.8%	1.7%
Clallam	8.9%	12.7%	9.3%	43.1%	5.3%	Pacific	5.7%	10.2%	6.5%	79.7%	14.4%
Clark	6.6%	11.2%	7.3%	69.3%	10.8%	Pend Oreille	9.6%	12.2%	9.7%	26.2%	0.2%
Columbia	4.9%	8.2%	5.2%	69.2%	6.6%	Pierce	5.3%	12.7%	6.9%	141.6%	30.6%
Cowlitz	6.3%	11.0%	7.2%	76.1%	15.2%	San Juan	4.4%	9.9%	4.4%	123.8%	-0.1%
Douglas	12.6%	18.4%	14.6%	46.6%	16.3%	Skagit	6.5%	12.0%	7.5%	84.4%	14.9%
Ferry	11.3%	13.7%	11.3%	21.0%	0.3%	Skamania	6.2%	10.7%	7.7%	73.0%	23.8%
Franklin	15.8%	18.1%	16.3%	15.0%	3.2%	Snohomish	7.0%	14.8%	8.9%	112.1%	27.3%
Garfield	4.1%	6.4%	4.3%	57.4%	4.8%	Spokane	5.3%	10.9%	6.1%	106.2%	15.2%
Grant	12.9%	15.8%	13.3%	22.2%	3.0%	Stevens	10.3%	13.4%	10.6%	30.4%	3.0%
Grays Harbor	9.6%	14.9%	10.7%	54.7%	11.6%	Thurston	5.0%	11.2%	5.9%	124.2%	19.5%
Island	4.5%	8.7%	5.1%	94.0%	14.6%	Wahkiakum	3.9%	6.7%	4.8%	71.7%	24.3%
Jefferson	8.1%	12.3%	8.8%	51.3%	8.4%	Walla Walla	11.1%	16.7%	11.8%	51.2%	6.3%
King	5.6%	13.1%	7.2%	136.0%	30.1%	Whatcom	6.3%	12.6%	7.5%	100.6%	19.5%
Kitsap	4.9%	9.8%	5.7%	98.9%	15.7%	Whitman	5.5%	8.1%	5.7%	48.3%	3.6%
Kittitas	6.4%	11.8%	7.5%	85.5%	18.0%	Yakima	16.3%	20.7%	17.2%	26.8%	5.3%
Klickitat	6.9%	10.1%	7.2%	46.5%	4.7%	State	6.7%	13.0%	8.0%	93.7%	19.1%