There was near-universal compliance with the requirement to report health insurance information: The percent of tax filers who complied with the requirement to report health insurance information on their state tax filing increased from 97% in 2008 (the first year of data collection), up to 99% in 2009, 2010, and 2011.

There have been sustained high rates of health insurance coverage: Of those adult tax filers who complied with the filing requirement to report health insurance on their state tax filing, 92% reported being insured for all of tax year 2011, 4% reported being uninsured for the entire year, and 4% were uninsured for part of the year (Figure A). These findings remained consistent over the three-year period from 2009 to 2011.

In 2008 to 2011, 36% of adult tax filers had health insurance coverage at some point during the year, which was much higher than the coverage rate in any other state in the U.S. (Figure B). This sustained high rate of health insurance coverage in Massachusetts occurred despite the effects of a national and state-wide economic recession. These findings from the tax filers data was consistent with other state data and research initiatives that have suggested very high rates of health insurance in the state.

Uninsured individuals are more likely to be male, young, low-income: In 2011, among full-year uninsured filers for whom gender information is known, 68% were male and 32% were female (Figure C). 33% of the full-year uninsured filers were young (i.e., 19 to 26 years old) even though this age group represented only 15% of the adult population. 64% reported that their income was at or below 150% of the Federal Poverty Level (FPL) and were therefore exempt from the individual mandate penalty (Figure D).

The number of individuals penalized for not having health insurance coverage was small: The percent of tax filers who complied with the filing requirement and were assessed a penalty for not having health insurance was 1.1% in 2008, 1.0% in 2009, and 0.9% in 2010 and 2011. The 0.9% in 2011 represents 45,000 individuals (Figure E).

The analyses in this study provide a potential model for states (and the federal government) as they consider collecting information about health insurance status on state tax forms or other data collection tools. A combination of data collection methods may together help researchers obtain high-quality data for monitoring health care reform generally, the introduction of a federal individual mandate, and health insurance coverage rates.

Massachusetts has been fortunate to be able to leverage both survey-based estimators of health insurance coverage, as well as tax data that represents the administrative impact and success of a specific policy mechanism (i.e., the individual mandate) in order to better understand health insurance coverage in the state.

A key policy benefit of the type of administrative data analysis done using Massachusetts tax filings is the ability to see with some granularity which segments of the population continue to lag behind others with respect to health insurance coverage. In Massachusetts, those more likely to be uninsured are male, young, unmarried, and low-income. This information is then able to be incorporated into outreach and enrollment strategies employed by the state and health care professionals.

Tracking rates of health insurance coverage using data from state tax filings in Massachusetts, 2008-2011

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Background
Upon passage of its 2006 health care reform law, Massachusetts became the first state in the U.S. to have a health insurance exchange and an individual mandate requiring health insurance coverage, both of which became key components of the Affordable Care Act that became law in 2010. The state’s individual mandate requires that adults carry health insurance that meets a specified coverage standard if it is affordable to them (according to a state-developed affordability schedule), or potentially be subject to a penalty.

Currently, there are efforts across the nation to monitor the results of health reform through government and private surveys, and through other data sources. Unlike most of these sources, however, tax filers data has the unique advantage of providing data reflective of health coverage status from all individuals who file taxes, instead of just a sample of individuals.

Research Objective
The research objective was to use data from state tax filings to track rates of health insurance coverage and to measure the effects of the state’s individual mandate that requires individuals to have health insurance.

Study Design
Data from all the state tax filings made by adults in Massachusetts was analyzed on a yearly basis in 2008 to 2011 using SAS® 9.1 statistical software. This data included over 4 million individuals each year.

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The state’s Department of Revenue was a partner in collecting the data and reviewing the analysis.

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Implications for Policy
• The analyses in this study provide a potential model for states (and the federal government) as they consider collecting information about health insurance status on state tax forms or other data collection tools. A combination of data collection methods may together help researchers obtain high-quality data for monitoring health care reform generally, the introduction of a federal individual mandate, and health insurance coverage rates.

• Massachusetts has been fortunate to be able to leverage both survey-based estimators of health insurance coverage, as well as tax data that represents the administrative impact and success of a specific policy mechanism (i.e., the individual mandate) in order to better understand health insurance coverage in the state.

• A key policy benefit of the type of administrative data analysis done using Massachusetts tax filings is the ability to see with some granularity which segments of the population continue to lag behind others with respect to health insurance coverage. In Massachusetts, those more likely to be uninsured are male, young, unmarried, and low-income. This information is then able to be incorporated into outreach and enrollment strategies employed by the state and health care professionals.

Principal Findings and Conclusions
• There was near-universal compliance with the requirement to report health insurance information: The percent of tax filers who complied with the requirement to report health insurance information on their state tax filing increased from 97% in 2008 (the first year of data collection), up to 99% in 2009, 2010, and 2011.

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