HEALTH

Mark Duggan and Jackie Li

KEY FINDINGS

- **Millennials benefited from the expansion of health insurance coverage under the Affordable Care Act. The share of adults in their 20s without health insurance fell by more than half from 2009 to 2017.**
- **This expansion led to a reduction in racial and ethnic inequalities in health insurance coverage.**
- **Due primarily to increasing suicides and drug overdoses, mortality rates increased dramatically among young adults from 2008 to 2016. Because the increase was more rapid among non-Hispanic whites than non-Hispanic blacks, racial inequality in mortality rates declined.**

There is much worrying about how millennials are faring in the labor market, in the housing market, and on other economic indicators. But it might be thought that, whatever their labor market and other economic problems are, these are unlikely to spill over and affect their health in the near term.

The purpose of this chapter is to examine whether that presumption is on the mark. Is the health of millennials indeed just fine? Or are they facing health problems that are distinctive to their generation?

In addressing this question, it is useful to distinguish between the health *insurance* provided to millennials and the health *outcomes* of millennials. The bottom line: The news on the former is good, whereas the news on the latter is, at least by one key metric, much less encouraging.

We will show that the Affordable Care Act (ACA) led to expanded health insurance coverage and a reduction in racial and ethnic inequalities in coverage. The developments on insurance coverage are in this sense very favorable. On the matter of mortality rates, the story is very different: We again find a decline in racial inequalities, but that decline is achieved because mortality rates for non-Hispanic whites are *increasing* much faster than the rates for non-Hispanic blacks. This is a case, then, in which a decline in inequality arises because of an especially sharp deterioration in conditions for the more advantaged group.

Insurance coverage

It is useful to begin our account by considering trends in health insurance coverage. We care about health insurance coverage because it speaks to the extent to which uncertainties and precarities in health and economic well-being are reduced.

The insurance story is clear. More than any other generation, millennials (those born from 1981 through 1996) have benefited substantially from expanded health insurance coverage through the Affordable Care Act.

This conclusion can be very clearly seen if we first consider how health care looked before the ACA was introduced. At the time the ACA was passed in late March 2010, millennials were between the ages of 13 and 29, meaning they were among those least likely to have health coverage. The share of adults ages 18–29 without health insurance in 2009 was 31 percent, while the corresponding shares for adults in the 30–39, 40–49, and 50–64 age ranges were much smaller, registering at 25 percent, 19 percent, and 15 percent, respectively.[1]

There were also substantial differences at this time in coverage by race and ethnicity. Among adults in the 18–29 age range, 24 percent of non-Hispanic whites were uninsured, as against 37 percent of blacks and 49 percent of Hispanics in the same age range.

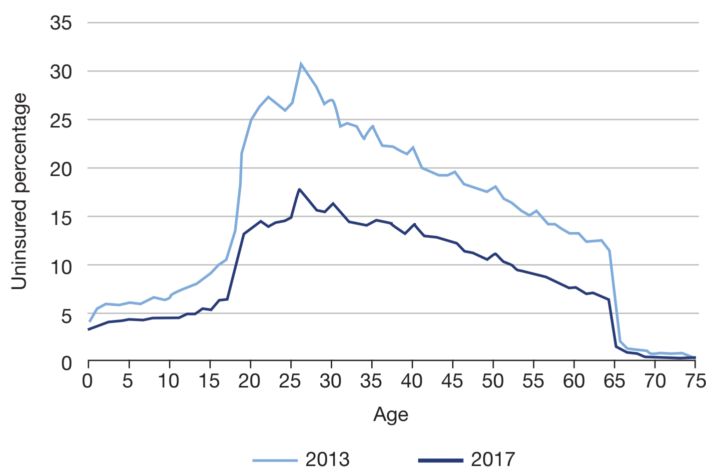
What happened when the ACA was passed? Starting in 2011, one key provision of the ACA

required private health insurance plans to provide coverage for adult children on their parents' plan (through age 26) if they did not have another source of health insurance coverage. This change directly affected millennials: It led to an increase of more than 3 percentage points in young adults' health insurance coverage.[2]

Even with this change, millennials were still much more likely to be without health insurance than were older age groups, as shown in Figure 1. Before other key provisions of the Affordable Care Act took effect on January 1, 2014, millennials (who ranged in age from 17 to 32 at that time) remained the group most likely to be without health insurance. In 2013, the share of millennials without health insurance coverage was 26 percent, compared with 21 percent for Generation X (ages 33 to 48) and 8 percent for Generation Z (ages 1 to 16).

Over the next few years, health insurance coverage among the millennial generation rose substantially, as shown in this same figure. These changes resulted both from an expansion in the means-tested Medicaid program and from the creation of state-based health insurance exchanges through which those with higher incomes could obtain subsidized coverage.[3]

Figure 1. Health insurance coverage among the millennial generation rose substantially following the implementation of the ACA.



Note: Limited to civilian non-institutionalized population.
Source: U.S. Census Bureau, American Community Surveys, one-year estimate.

The quite precipitous decline in noncoverage is best quantified by comparing the noncoverage rate before and after the passage of the ACA. The share of adults in their 20s without health insurance fell by more than half from 2009 to 2017 (from 32.4% to 15.5%). For adults in the 30–35 age range, the share fell by 40 percent (from 26.3% to 14.5%).

These changes also worked to reduce racial and ethnic inequalities in noncoverage. The mechanism behind this reduction is simple: Namely, because minority groups had higher baseline rates of noncoverage, there was more "room" for the ACA to decrease rates. For example, the share of Hispanics ages 20–35 without health insurance fell from 50 percent in 2009 to 24 percent by 2017, and the share of black Americans in the same age range fell from 36 percent to 18 percent during this same period. While still substantial, the 23 percent to 11 percent drop among non-Hispanic whites was much smaller (at least when measured as the *difference* in percentage points).

To date, no other generation has been as directly affected by the expansion of health insurance coverage caused by the ACA. This is noteworthy since the ACA and other policy-induced increases in coverage have been linked to improvements in economic well-being.[4] We also know that health insurance improves health outcomes.[5]

Mortality rates

But of course many factors—beyond health insurance coverage—influence health outcomes, including lifestyle, nutrition, environment, risky behaviors, and financial stressors. It is thus important to consider health outcomes explicitly.

Why might we be worried about the health outcomes of millennials? A large recent literature has documented an alarming increase in mortality rates among prime-aged adults. The increase in "deaths of despair" documented by Anne Case and Angus Deaton[6] reveal that suicide rates and deaths from drug and alcohol overdoses have risen substantially over the past 15 to 20 years. These increases were already underway before the Affordable Care Act and have continued in the years since. As a result, life expectancy in the United States has not risen for several years after increasing steadily in previous decades.[7]

Table 1 shows how mortality rates have changed

between 2000 and 2016 for adults in different five-year age groups. In 2016, millennials ranged in age from 20 to 35, so they are almost entirely captured by the 20–24, 25–29, and 30–34 age groups in that year. We see from Table 1 that the millennials in these age groups have substantially higher mortality rates than those in the same age groups in 2008. Although there was a decline for these age groups between 2000 and 2008, over the next eight years there was a precipitous increase, with the 2016 rates for young adults ending up higher than even the 2000 rates.

That is, mortality rates among millennials ages 20–34 were substantially higher in 2016 than among their counterparts from Generation X when they were ages 20–34 exactly 16 years earlier. The main contributors to these recent increases in mortality among young adults have been increases in suicides and in drug overdoses.[8]

These recent changes in mortality have differed substantially by race and ethnicity. As shown in Table 2, which weights each of the five-year age groups equally, the mortality rate for non-Hispanic whites in the 20–34 age range rose by substantially more (27%) from 2008 to 2016 than the rates for non-Hispanic blacks (9% increase) or for Hispanics (6% increase).[9]

Table 1. Mortality rates among millennials were substantially higher than among Generation X at the same age.

Age group	2000	2008	2016	% Δ 2000–08	% Δ 2008–16
20–24	96	94	97	–2%	+3%
25–29	99	97	118	–2%	+21%
30–34	116	110	140	–6%	+28%
35–39	162	142	170	–12%	+19%
40–44	237	216	216	–9%	0%
45–49	356	338	313	–5%	–7%
50–54	519	508	494	–2%	–3%
55–59	802	725	738	–10%	+2%
60–64	1,258	1,069	1,049	–15%	–2%

Table 2. The rise in mortality rates (among 20–34-year-olds) hit non-Hispanic whites especially hard.

Race/ethnicity	2008	2016	% Δ 2008–16
Total	100	119	+18%
Non-Hispanic white	97	124	+27%
Non-Hispanic black	158	172	+9%
Hispanic	81	86	+6%

Conclusions

We find, then, a decline in racial inequality in health insurance coverage and in mortality rates. However, whereas the first change occurred due to a differential improvement for minority groups, which allowed them to draw closer to non-Hispanic whites, the latter change occurred due to a smaller deterioration for minority groups.

It is possible that mortality rates among non-Hispanic blacks weren't pulled up to the same extent because the ACA provided a protective shield. As described above, Hispanics and non-Hispanic blacks experienced much larger increases in health insurance coverage following the passage of the Affordable Care Act. Whether the differential benefits to these groups from the ACA partially explains their relatively better changes in health outcomes (as measured by mortality rates) since the start of the Great Recession a decade ago is an important issue for future research.

One obvious direction to explore on this front is whether health and economic well-being among minority groups in those states that expanded Medicaid—such as California and New York—improved more (or declined less) than in states that did not expand Medicaid—such as Texas and Florida.[10] It is noteworthy that of the 26 states that initially opted out of the ACA's Medicaid expansion, 12 have since decided to opt in and expand their programs. This likely reflects a growing recognition in these states of the benefits of health insurance, which may ultimately lead many of the remaining 14 states to expand their Medicaid programs as well.

Mark Duggan is Trione Director of the Stanford Institute for Economic Policy Research (SIEPR) and Wayne and Jodi Cooperman Professor of Economics at Stanford University. Jackie Li is an undergraduate economics major at Stanford and a research assistant at SIEPR.

Notes

1. Younger teenagers were less likely to be uninsured, with only 12 percent of individuals ages 13–17 without health insurance in the same year. Data on health insurance coverage are obtained from the March supplement to the Current Population Survey. Summaries of this data are available annually. For 2017 data, see Berchick, Edward R., Emily Hood, and Jessica C. Barnett. 2018. "Health Insurance Coverage in the United States: 2017." Current Population Reports, U.S. Census Bureau.

2. Antwi, Yaa Akosa, Asako S. Moriya, and Kosali Simon. 2013. "Effects of Federal Policy to Insure Young Adults: Evidence from the 2010 Affordable Care Act's Dependent-Coverage Mandate." *American Economic Journal: Economic Policy* 5(4), 1–28.

3. Duggan, Mark. 2017. "How to Heal Obamacare." Stanford Institute for Economic Policy Research: Policy Brief.

4. Gallagher, Emily, Stephen Roll, Rourke O'Brien, and Michal Grinstein-Weiss. 2017. "Health Insurance and the Earnings Stability of Low-Income Households." Available at SSRN: https://ssrn.com/abstract=3098430; Mazumder, Bhashkar, and Sarah Miller. 2016. "The Effects of the Massachusetts Health Reform on Household Financial Distress." *American Economic Journal: Economic Policy* 8(3), 284–313.

5. Card, David, Carlos Dobkin, and Nicole Maestas. 2008. "The Impact of Nearly Universal Insurance Coverage on Health Care Utilization: Evidence from Medicare." *American Economic Review* 98(5), 2242–58.

6. Case, Anne, and Angus Deaton. 2017. "Mortality and Morbidity in the 21st Century." *Brookings Papers on Economic Activity,* Spring 2017, 397–476.

7. Life expectancy at birth in the United States fell from 78.7 in 2010 to 78.6 in 2016. See Xu, Jiaquan, Sherry L. Murphy, Kenneth D. Kochanek, Brigham Bastian, and Elizabeth Arias. 2018. "Deaths: Final Data for 2016." *National Vital Statistics Reports* 67(5).

8. Coile, Courtney, and Mark Duggan. 2019. "When Labor's Lost: Health, Family Life, Incarceration, and Education in a Time of Declining Economic Opportunity for Men." Forthcoming in *Journal of Economic Perspectives*.

9. Other races are not included in this table due to inconsistent reporting between 2008 and 2016. In 2008 the CDC provided the data for Asians, but in 2016 it provided the data for non-Hispanic Asians. The data were obtained in Tables 2, 3, or 4 at www.cdc.gov/nchs/data/nvsr/nvsr67/nvsr67_05.pdf; www.cdc.gov/nchs/data/nvsr/nvsr59/nvsr59_10.pdf; www.cdc.gov/nchs/data/nvsr/nvsr50/nvsr50_15.pdf.

10. A June 2012 Supreme Court decision allowed states to "opt out" of the Medicaid expansion, which 26 out of 50 states initially did.