

INTRODUCTION

The “Woodwork Effect”/“Welcome Mat Effect” occurs when an expansion of Medicaid eligibility also increases enrollment among individuals who meet the prior (“oldly”) eligibility criteria (increases enrollment among the oldly eligible). These individuals are most likely to be uninsured prior to Medicaid enrollment, but our approach also includes individuals who previously had private insurance. In the context of the Affordable Care Act (ACA), the federal government is paying 100% of the costs for new beneficiaries enrolling in the expansion until 2017, when the federal match phases down to resets to 95% and 90% in 2020. However, states receive the standard match (currently 62% in Ohio) for new enrollees who meet the older eligibility criteria. Therefore, new enrollees after the Medicaid expansion fall into two groups: 1) the newly eligible (Group VIII CMS classification) where the federal government is covering 100% of their expenses; and 2) the oldly eligible (pre-ACA eligibility) where the federal share is 62%. These oldly eligible are said to have emerged from the “Woodwork”, usually in response to media coverage or streamlined enrollment procedures implemented during the expansion. Specifically, Woodwork enrollees must meet both of the following criteria:

1. Enrolled after January 1, 2014 (be a 2014/15 enrollee) by meeting the old eligibility criteria,

and

2. Medicaid eligible in 2013 before the Medicaid expansion.

The second item is the key of the Woodwork effect. To classify as Woodwork, the 2014/15 enrollee must have met the old eligibility guidelines in both (1) 2013 before enrollment and (2) 2014 when they did enroll. For example, a family with an income at 100% FPL in 2013 would not have been Medicaid eligible in 2013. If their income fell to 80% FPL in 2014 they would meet the old eligibility threshold, but they would not count as Woodwork since their income were not Medicaid eligible in 2013.

This brief uses the following criteria for defining the oldly eligible:

1. Parents with family income \leq 95% FPL;
2. Ribicoff eligible ages 19-20 years and income \leq 44% FPL; and
3. Pregnant women with family income \leq 200% FPL.

No standard, published consensus exists for estimating the Woodwork effect. Furthermore, no data source provides 2013 income data for the 2014/15 Medicaid enrollees. However, with the 2015 Ohio Medicaid Assessment Survey (OMAS), a representative survey on the status of health and healthcare in Ohio that emphasizes the Medicaid population, we can use previous survey years to estimate the historic rate of new enrollees per year using the number of Medicaid enrollees enrolled less than 12 months divided by the total Medicaid population. The share of new enrollees per year indicates how many Medicaid enrollees gain eligibility in a given year, absent a Medicaid expansion.

FINDINGS:

Table 1 provides the calculation for the Woodwork estimate. In 2015, 28.9% of Medicaid enrollees who enrolled in Medicaid in the last 12 months and met the old eligibility criteria (oldly eligible). However, not all of these oldly eligible 2014/15 enrollees should be considered Woodwork. As described previously, we do not know the respondents’ family income in 2013, before the Medicaid expansion. Some of these adults had 2013 incomes above the old eligibility criteria but faced a drop in income in 2014. To remove these individuals with fluctuations in family income from the Woodwork estimate, we use the average new

enrollee rate from the 2008 through 2012 OMAS surveys. Prior to the Medicaid expansion, 20.1% of Medicaid adults each year had been enrolled in Medicaid for less than 12 months (the new enrollee rate). Therefore, our best estimate of the Woodwork Effect is that 8.8% of individuals who previously qualified for Medicaid, but had not enrolled, are now currently enrolled. As shown in the table, this estimate takes the 28.9% of oldly eligible 2014/15 Medicaid enrollees and removes the average new enrollee rate of 20.1%, leaving the Woodwork estimate of 8.8%.

Table 1: Estimate of Newly and Oldly Medicaid Eligibles: 2015 OMAS		
Currently on Medicaid, less than 15 months - Adults ages 19-64		
	Percent	S.E.
2015 - Oldly Eligible	28.9%	1.1%
2015 - Newly Eligible	71.1%	1.2%
New Enrollee Rate by year, 2008-2012 OMAS		
Currently on Medicaid, less than 12 months - Adults ages 19-64		
	Percent	S.E.
Percent of new enrollees in 2008	24.1%	1.1%
Percent of new enrollees in 2010	17.6%	1.8%
Percent of new enrollees in 2012	18.5%	1.2%
3-year average new enrollee rate	20.1%	
2015 Woodwork Effect Estimate for Adults 19-64 years Old, 2015 OMAS		
	Percent	
Oldly Eligible 2014/15 Enrollees	28.9%	
2008-2012 new enrollee rate <i>(subtract from Oldly Eligible)</i>	-20.1%	
Woodwork Estimate	8.8%	

FOR MORE INFORMATION

To view more information about OMAS and the findings in this policy brief, please visit the OMAS website at the Ohio Colleges of Medicine Government Resource Center www.grc.osu.edu/OMAS.