"Policy Uptake as Political Behavior"*

Kelsey Pukelis

February 21, 2024

Economics of Health Equity

(Slides available on kelseypukelis.com)

*Lerman, Amy E. Meredith L. Sadin, Samuel Trachtman. "Policy Uptake as Political Behavior: Evidence from the Affordable Care Act." American Political Science Review. 2017;111(4):755-770. doi:10.1017/S0003055417000272

Faith activists, critical of proposed cuts to the Supplemental Nutrition Assistance Program, or SNAP, hold signs during a news conference. | Bill Clark/CQ Roll Call/Getty Images

Opposition to Obamacare has been strong from the beginning. Demonstrators made their dissatisfaction clear in front of the Supreme Court in 2015.
Mandel Ngan/AFP/Getty Images

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Research questions

- Prior work:
  - Partisanship → ***attitudes*** about policies
    - E.g. preferences for redistribution literature
  - Partisanship → ***political* behavior**
    - e.g., voting, protest, donating to campaigns

- *New lens*: Partisanship → *behaviors* surrounding policies?
  - Do individuals' **political affiliation, beliefs, or values** affect **<u>take-up</u>** in public benefit programs?
  - Any downstream effects on:
    - **<u>Social outcomes</u>**, given externalities? (i.e. policy efficacy)
    - **<u>Political success</u>** of the policy? (policy feedbacks)

Papers & key findings

- Lerman et al. 2017 "**Policy Uptake As Political Behavior**"
  - *Observational*: political affiliation ↔ take-up of ACA marketplace insurance
  - *Experimental*: framing ACA as private (vs. public) insurance website →
  ↑ **Republicans**' take-up

- Bursztyn et al. 2022: "**Political Adverse Selection**"
  - Political affiliation ↔ take-up of ACA marketplace insurance
  - → Selection out of ACA marketplace differentially among *healthy* **Republicans** generated adverse selection
  - → Localized cost increases in **red** areas may have *exacerbated* political polarization
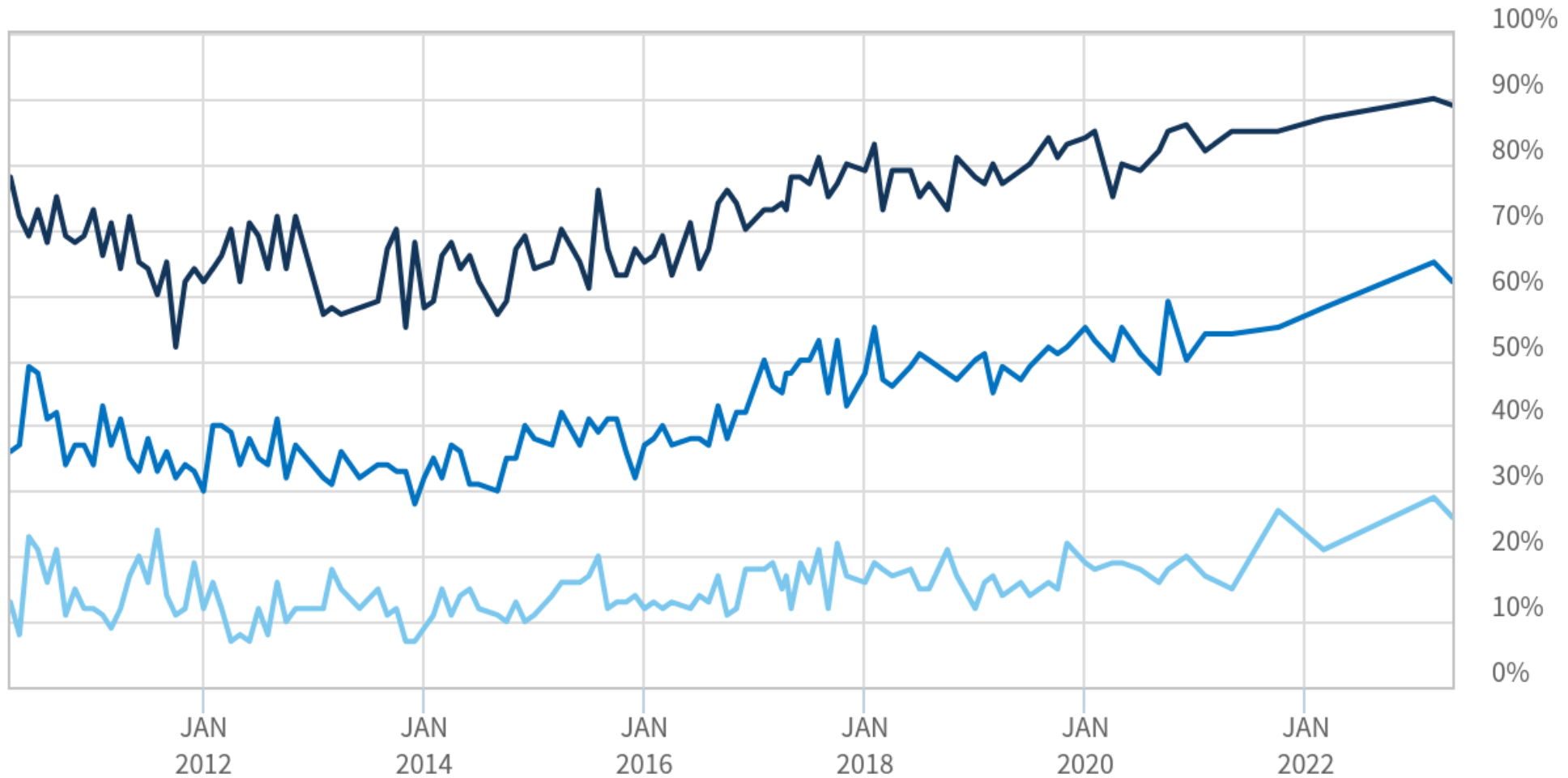
Outline

- **Background**:
  - Political polarization of ACA ("Obamacare"), SNAP
  - Simple model of take-up

- **Observational analyses**: Is political affiliation associated with take-up?
  - ACA – Lerman et al. 2017

- **Experimental analyses :** Can framing interventions increase take-up?
  - ACA – Lerman et al. 2017

- **Social & political consequences** of differential take-up by political affiliation
  - ACA – Bursztyn et al. 2022

Background:
Partisanship in policy attitudes

KFF Health Tracking Poll: The Public's Views on the ACA

We asked: "Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?"

—— **Democrat – Favorable** —— **Independent – Favorable** —— **Republican – Favorable**

KFF | kff.org/polling

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Share who say they support requiring Medicaid or SNAP benefit recipients to show proof of work to receive benefits

Survey of 1,095 adults conducted May 12-15, 2023, grouped by self-identified political affiliation

Republican 80%
Independent 66
Democrat 49

Data: Axios-Ipsos poll; Chart: Jared Whalen/Axios

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Background:
Simple model of take-up w/ political preferences

Simple model of take-up

$$\tilde{a}_i = E_i[B_i] - C_{is} - \alpha \cdot S_{ij} - \gamma \cdot E_i[C_j] + \varepsilon_i$$

Apply or not: $a_i = 1(\tilde{a}_i > 0)$

- Social reference group j (Bursztyn & Jensen 2017); state s
- C_{is} : transaction costs, which likely differ across red v. purple v. blue states
- S_{ij} : self or social image cost
- $E_i[C_j]$: perceived cost to society of participating
- (Not taking a stand on whether these costs are "mistakes" in a behavioral sense)
- (Bursztyn et al. simply assume that Republicans have a lower WTP for insurance)

What is the **<u>nature</u>** of political costs of take-up? (Lerman et al. 2017)

- **Political <u>beliefs</u>**
  - E.g. **Republicans** may be less likely to take-up benefits because they...
    - oppose growth in public spending
  - → affects perceived long-run **net benefits** of participation $E_i[C_j]$

- **Political <u>identity</u>**
  - Political affiliation is an important social identity (Iyengar & Krupenkin 2018)
  - Individual has a utility cost if her action (e.g. taking-up) contradicts her social identity (e.g. Republican)
  - → affects **image costs** S_{ij}

Is political affiliation associated with take-up?

Empirics & data

Empirical estimations

Is political affiliation associated with take-up in government benefits programs?

$$Y_i = \alpha + \beta \cdot PoliticalAffiliation_i + X_i\boldsymbol{\gamma} + Z_s\boldsymbol{\delta} + \varepsilon_i$$

- $Y_i \in \{0,1\}$ participation in a government program – "Obamacare", SNAP, etc.
- X_i individual characteristics, e.g. income, health status
- Z_s local characteristics or fixed effects, e.g. red or blue state
  - E.g. Red states generally have more restrictive safety net policies than blue states
    - Medicaid expansions:
    - SNAP work requirement waivers:

Data requirements

- **(1) Political affiliation**

- **(2) Take-up**
  - **Self-reported vs. administrative**

- (3) Individual-level characteristics

- (4) Local characteristics

Surprisingly difficult to find individual-level **political affiliation & take-up** in the same dataset.

Data used

Take-up & political affiliation are *self-reported*, unless otherwise indicated

- Lerman et al. 2017
  - *Observational*: Kaiser Family Foundation Tracking Surveys
    - nationally representative cross-section conducted monthly 2014-2023
  - *Experimental*:
    - **Political affiliation** from partner organization's database, sourced from publicly available data
    - **Take-up** from online & phone surveys

Take-up of **marketplace insurance** by political affiliation

Lerman et al results

Political affiliation & ACA take-up

- **Republicans** are **-12 pp** *less* likely to purchase **marketplace** insurance, compared to **Democrats**
  - (My best guess for the control mean is ≈25-40% → implies -30-48%)

- → *Some substitution*: **Republicans** are **+7 pp** more likely than **Democrats** to purchase **private** health insurance

- → *Incomplete substitution*: **Republicans** are **+6 pp** more likely than **Democrats** to remain **uninsured**

County-level analysis:

FIGURE 2.   Impact of Partisanship on ACA Insurance Enrollment
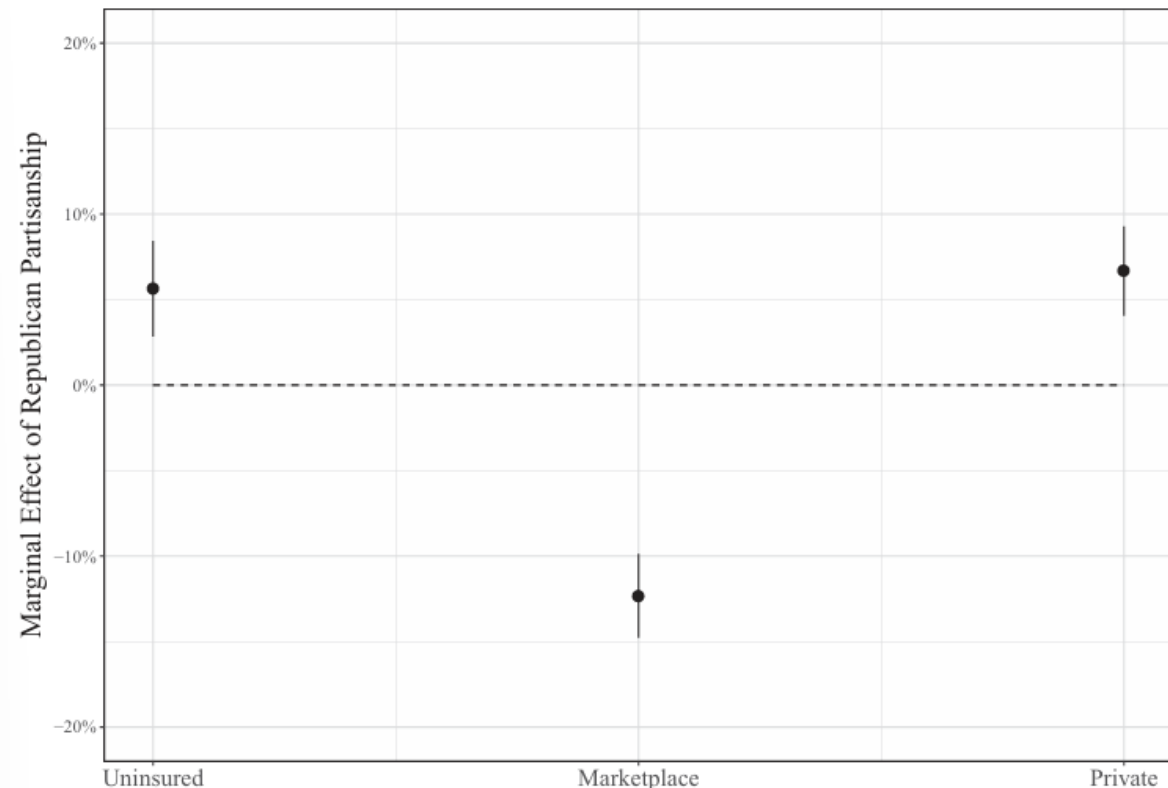
Point estimates are marginal effects of Republican partisanship on uptake behavior for individuals without group coverage derived from a multinomial logistic regression ($N = 3,728$), controlling for age, race and ethnicity, gender, state of residence, employment, education, income, as well as the date of the poll. Education is coded as high school or less (1), some college (2), or college + (3); income is coded as an eight-level categorical variable ranging from less than $20k to $100k+. Data are compiled Kaiser Family Foundation Health Tracking Surveys starting in 2014.

Lerman et al. 2017

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Party or ideology?

- If *party* matters more, suggests mechanism is **social identity or image cost**

- If *ideology* matters more, suggest mechanism is **long-run net costs/benefits**

- Lerman et al. find party matters more than ideology, suggesting identity mechanism
  - (magnitudes look quite similar)

Table A3. Models with Ideology Only, Party Only, and Both Party and Ideology Predicting Insurance Enrollment

		Uninsured		Marketplace		Private	
		Estimate	SE	Estimate	SE	Estimate	SE
Model 1	**Ideology (vs. liberal)**						
	Moderate	-0.002	0.014	-0.041	0.013	0.043	0.013
	Conservative	0.060	0.014	-0.102	0.013	0.043	0.013
Model 2	**Party (vs. Democrat)**						
	Republican	0.056	0.014	-0.123	0.012	0.067	0.013
Model 3	**Ideology (vs. liberal)**						
	Moderate	-0.016	0.018	-0.023	0.016	0.038	0.016
	Conservative	0.042	0.019	-0.070	0.018	0.028	0.018
	Party (vs. Democrat)						
	Republican	0.041	0.016	-0.097	0.015	0.056	0.015

Note: Table presents marginal effects and standard errors from multinomial regression model (N = 3519) that relates insurance status to a number of individual-level covariates. The model controls for age, race and ethnicity, gender, state of residence, employment, education, income, as well as the date of the poll. Education is coded as high school or less (1), some college (2) or college + (3); income is coded as an eight-level categorical variable ranging from less than $20k to $100k+. Data are compiled Kaiser Family Foundation Health Tracking Surveys after 2014.
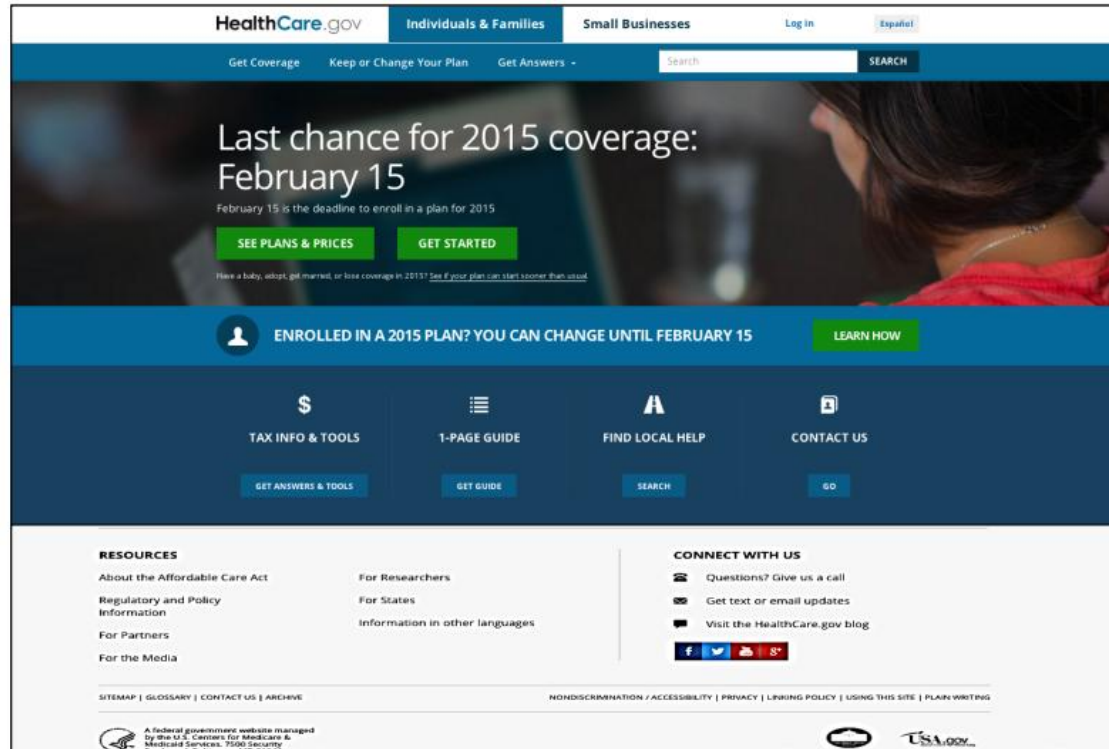
Can partisanship in **ACA** take-up be reduced?

Experimental evidence from Lerman et al

Online field experiment – Lerman et al.

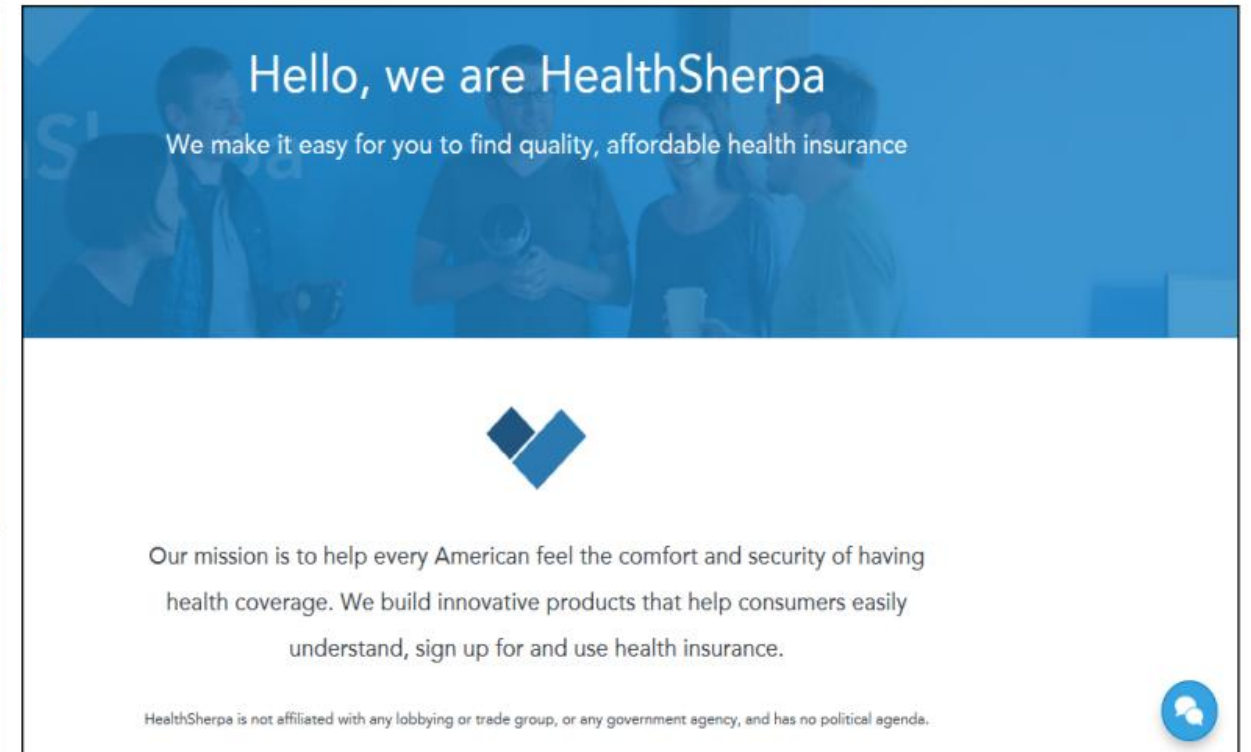## Frame sign-up for marketplace insurance as **public vs. private**

Public page

Figure A3. Page from Healthcare.gov

Private page

Figure A4. Page from Healthsherpa.com

What is **similar** about the private and public conditions?

Processes to register through the two sites

• Enter zip code & demographic information

• Assortment of plans presented

"First impressions"

• In an mTurk study (n=200), **private** site rated as:
  • *No better* of a **first impression**
    • (p = 0.26 overall, p=0.22 for Republicans)

What is **different** about the private and public conditions?

In an mTurk study (n=200), **<u>private</u>** site rated as:

- **reflecting more conservative** (vs liberal) **values**
  - ($p < 0.05$ for Democrats, $p < 0.01$ for Republicans)

- representing more **free-market values** vs. government regulation
  - ($p < 0.1$ for Republicans)

- More likely **funded by a private source**
  - ($p < 0.001$ for Democrats, $p < 0.01$ for Republicans)
  - → Do people even realize this is a gov program?

- **quality of health plans** are better
  - ($p < 0.05$ for Republicans)

- In line with **identity** – "for people like you"
  - ($p < .05$ for Republicans)

- Say they would be more likely to **purchase** a health plan
  - ($p < .01$ for Republicans, public site $p < .05$ for Democrats)

Implementation partner

- *Partner*: Enroll America, a national, non-partisan health outreach organization

- *Setting*: **12 states** where the organization maintained a field program during the 2014–2015 open enrollment period
  - Federal exchange: AL, AZ, FL, GA, NC, NJ, OH, PA, TN, TX
  - State marketplace: IL, MI

Implementation: recruitment

1) Field recruitment

- Organization targets field outreach to individuals they predicted to be uninsured.
- Individuals fill out a card *committing to enroll in health insurance*.
- Recontacted & directed to website
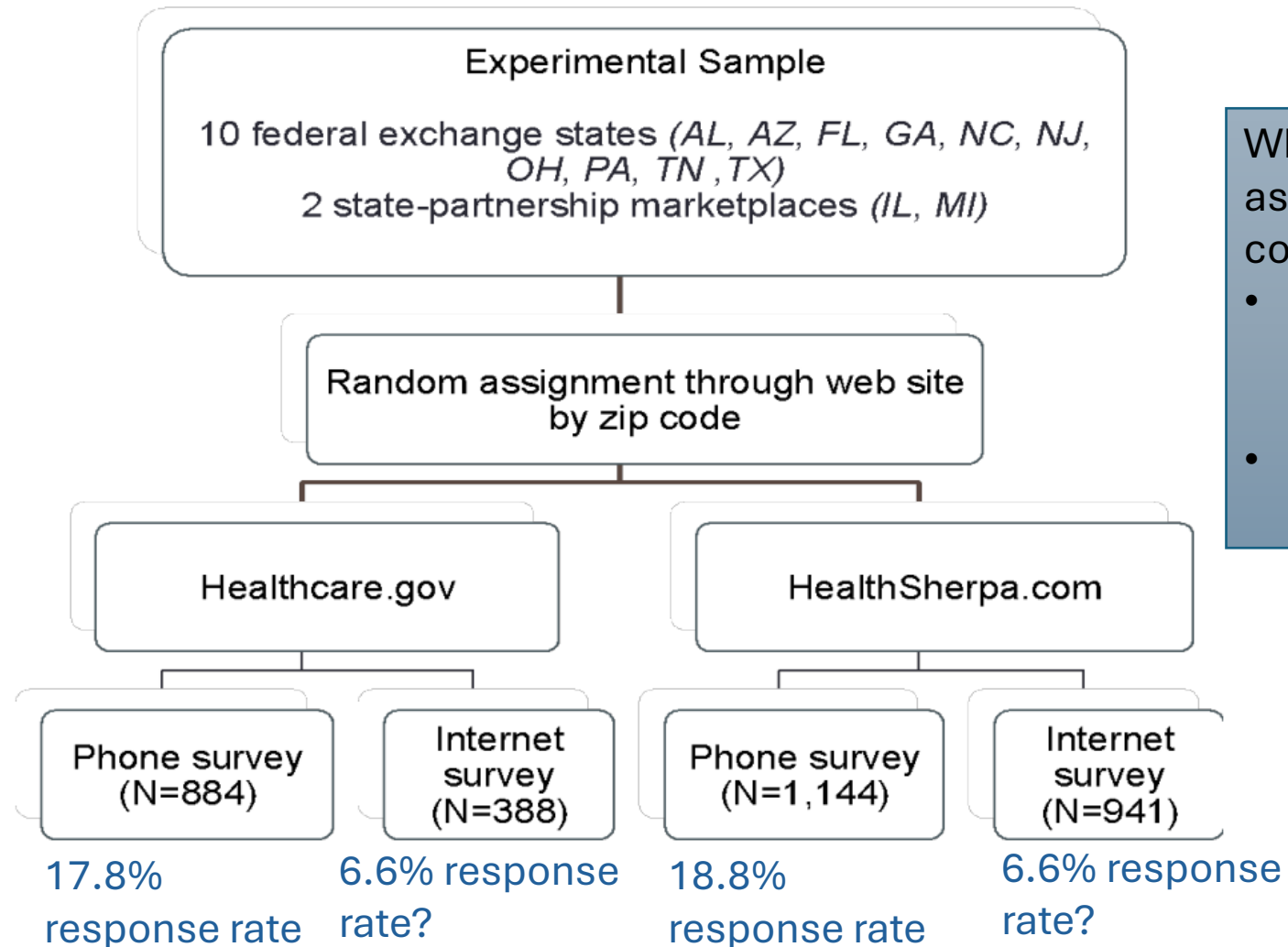
2) Online recruitment

- People who went to org's website on their own
- + filled out a form to *get more info about enrollment*

≈20,000 individuals online in 3 months

Experimental design

Figure A5. Field Experimental Design

Experimental Sample

10 federal exchange states *(AL, AZ, FL, GA, NC, NJ, OH, PA, TN ,TX)*
2 state-partnership marketplaces *(IL, MI)*

↓

Random assignment through web site by zip code

Healthcare.gov — HealthSherpa.com

- Phone survey (N=884)
- Internet survey (N=388)
- Phone survey (N=1,144)
- Internet survey (N=941)

17.8% response rate

6.6% response rate?

18.8% response rate

6.6% response rate?

Why random assignment by zip code?
- To covertly determine treatment status?
- Due to potential spillovers?

Differential attrition?

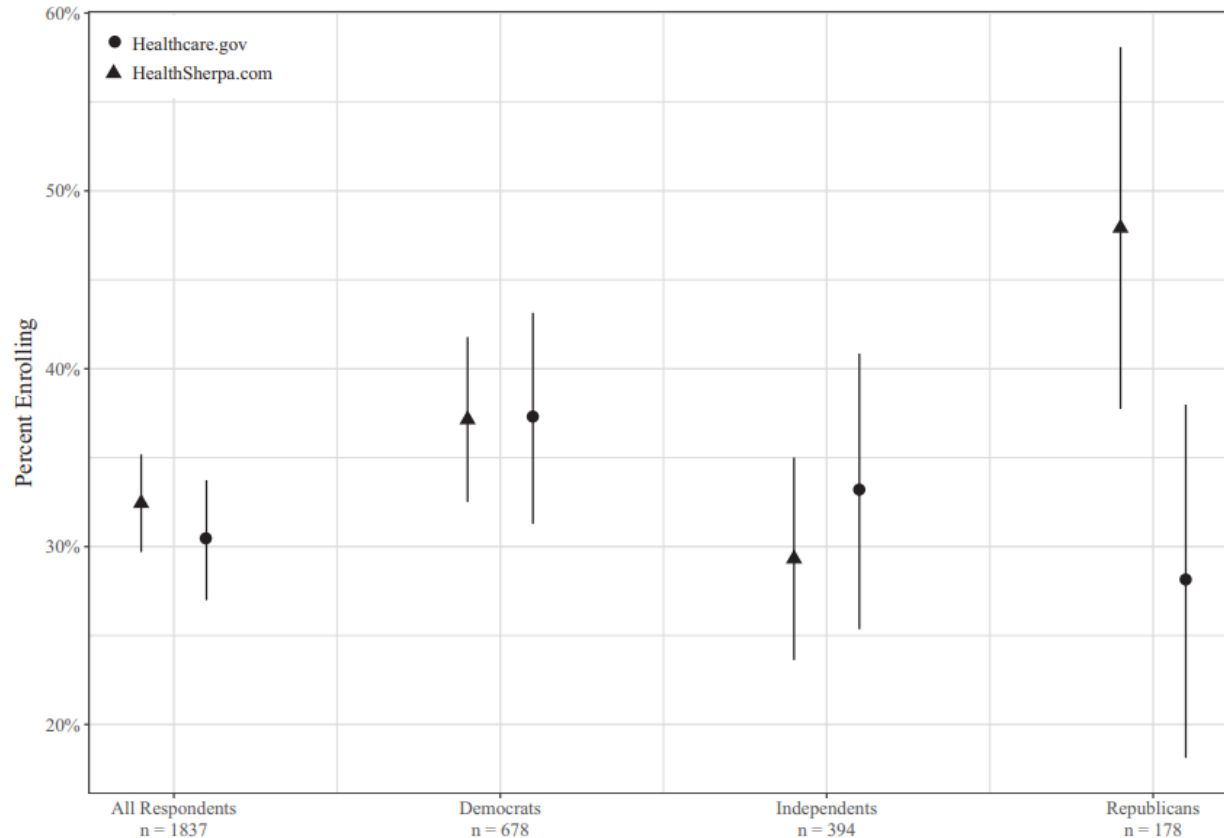# Reducing experimenter demand effects

- Survey respondents had no knowledge that they were part of an experiment
  - Zip code assignment for covertly determining treated status?

- *Survey framing*: being contacted for a study "from UC Berkeley on healthcare" as opposed to the partner organization

Final sample

- Restrict to subsample (N = 1,837) that either:
    - remained uninsured OR
    - enrolled online through state & federal insurance exchanges
    - EXCLUDING those who enrolled…
        - through an employer-sponsored plan OR
        - off the marketplace

- Representativeness:
    - **69%** of respondents have a college degree
    - **63%** are male

- Balance table:

Experimental result: **political affiliation**

FIGURE 4. Percent Enrolled in Marketplace Insurance by Party and Treatment

● Healthcare.gov
▲ HealthSherpa.com

Percent Enrolling

All Respondents
n = 1837

Democrats
n = 678

Independents
n = 394

Republicans
n = 178

Points represent percent of respondents enrolled in marketplace insurance by treatment group. Higher values indicate higher enrollment. Sample split by respondent party identification and includes respondents recruited via phone and online. We observe that Republicans are significantly more likely to enroll when assigned to HealthSherpa.com ($p < 0.01$). Error bars represent 95% confidence intervals.

Republicans assigned to the private (vs. public) website were **+20pp** more likely to enroll in a marketplace health insurance plan

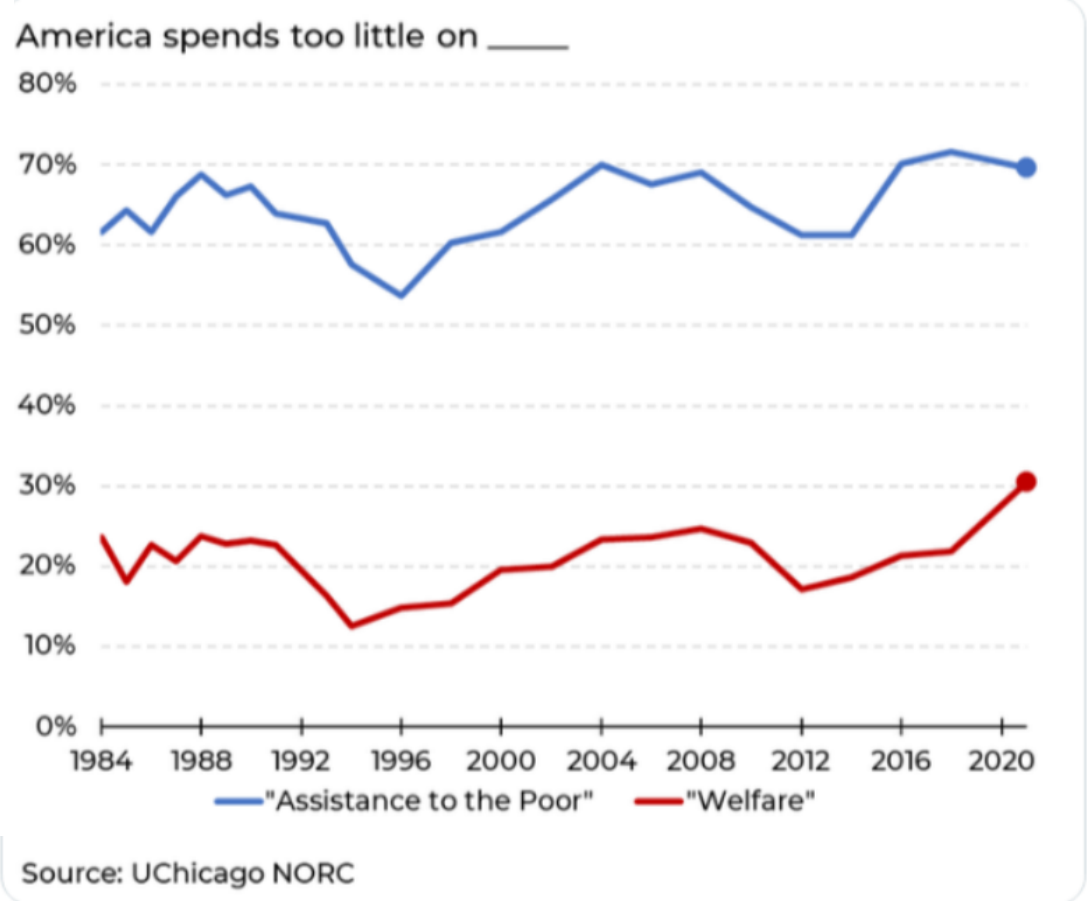No significant difference among **Democrats** or **Independents**

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Experimental result: **political ideology**

FIGURE 5. Percent Enrolled in Marketplace Insurance by Ideology and Treatment

● Healthcare.gov
▲ HealthSherpa.com

Liberals
n = 126

Moderates
n = 185

Conservatives
n = 120

Points represent percent of respondents enrolled in marketplace insurance by treatment group. Higher values indicate higher enrollment. Sample split by ideology and include respondents recruited via phone. We observe that conservatives are significantly more likely to enroll when assigned to HealthSherpa.com ($p = 0.01$). Error bars represent the 95% confidence interval.

Conservatives assigned to the private (vs. public) website were **+21pp** more likely to enroll in a marketplace health insurance plan

No significant difference among **Liberals** or **Moderates**

Phone sample only

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Takeaway: framing matters
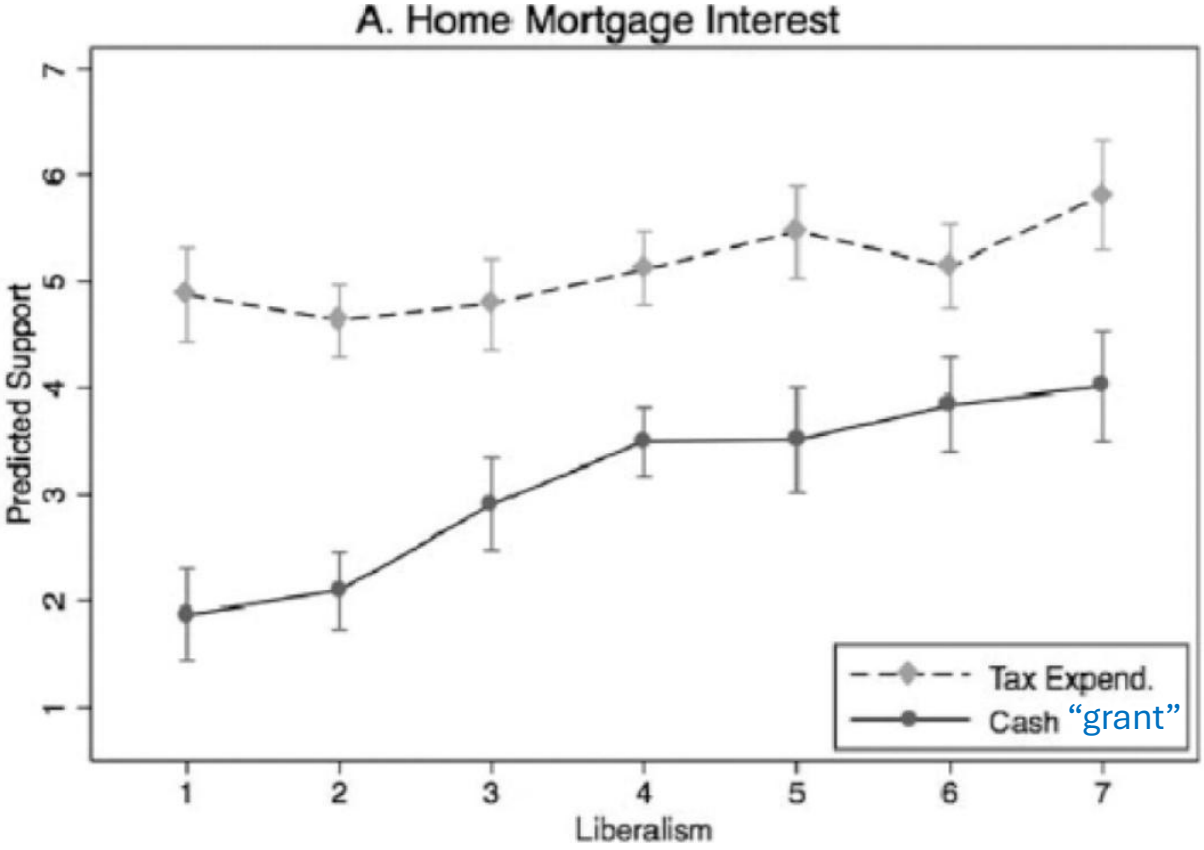
Haselswerdt and Bartels (2015), Fig 4

GSS data

Consequences of political selection

Bursztyn et al adverse selection

Social costs of differential enrollment

- "**Political selection**" = Republicans are less likely to enroll in ACA marketplace health insurance plans

- "**Political adverse selection**" = if Republicans selecting out of the ACA marketplaces are differentially healthier, low-cost individuals
  - → ↑ insurers' average costs
  - → ↑ premiums & ↑ public spending on healthcare subsidies

Primary goal of paper: empirically demonstrate the existence & magnitude of political adverse selection

Political costs of differential enrollment

Self-fulfilling prophecy of political arguments against marketplaces

- e.g. "high gov't cost", "government ineffective relative to private market"

- Could apply to other policy settings with externalities (e.g. vaccinations)

Secondary goal of paper: show that political adverse selection can have downstream effects on political opinion

Key policy background

- Plans and premiums are set at the level of geographic rating areas — groups of counties or ZIP codes
  - → geographic concentration of political affiliation will exacerbate cost issue

- If prices increase, gov subsidies will increase $1:$1 to keep consumers' out-of-pocket costs fixed
  - → implies any premium increases will mechanically increase gov't spending

- Most individuals (85%) who buy marketplace insurance qualify for a subsidy

Data

- Kaiser Family Foundation Tracking Surveys
  - **Political affiliation** & **take-up**
  - Limit to waves that also ask about **health status**

- Medical Expenditure Panel Survey (MEPS): individual-level healthcare costs
  - *no political affiliation
  - → use demographic characteristics & health status to **generate predictive model** of healthcare costs
  - → use model to **impute healthcare costs** for individuals in Kaiser data

Among Republicans, **healthy** individuals are more likely to **opt out** of purchasing coverage

(b) *Difference in Republican Uptake*
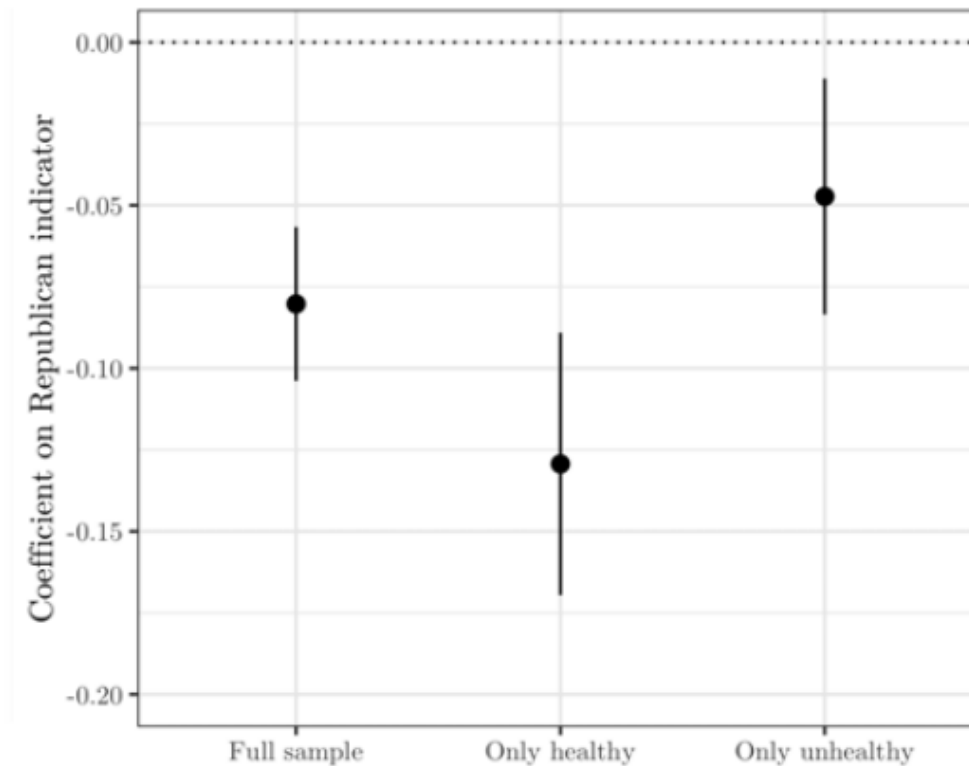
How much does political adverse selection affect costs?

Avg cost **with** political influence

Avg cost **without** political influence

% increase in avg cost due to political influence

Average costs **increase _more_** in Republican areas, relative to counterfactual

Table 4: *Change in Average Cost due to Ideological Adverse Selection*

	Full Sample	Only Republican	By ACA Rating Region			By State	
			<30% Republican	30-60% Republican	>60% Republican	25 Least Republican	25 Most Republican
$\widehat{AC}^I$	$4779	$5286	$4627	$4838	$5283	$4659	$5034
$\widehat{AC}^{NI}$	$4654	$4743	$4572	$4666	$4992	$4560	$4840
$\frac{\widehat{AC}^I - \widehat{AC}^{NI}}{\widehat{AC}^{NI}}\%$	+2.69%	+11.45%	+1.20%	+3.69%	+5.83%	+2.17%	+4.01%

Notes: Table presents average costs in the marketplaces when ideological considerations influence enrollment decisions $(\widehat{AC}^I)$ and counterfactual average costs when ideological considerations do not influence enrollment decisions $(\widehat{AC}^{NI})$. Column 1 presents average costs among the full sample; Column 2 presents average costs among Republican enrollees; Columns 3–5 present average costs among enrollees living in rating areas in which Republicans comprise fewer than 30%, 30-60%, and greater than 60% of the enrollees, respectively; and Columns 6–7 present average costs among enrollees living in states with the share of Republican enrollees below and above the median, respectively.

Evidence for downstream political effects

> "Individuals in markets where there are more healthy Republicans, and therefore greater political adverse selection, have a **less favorable view** of the ACA"

Table 5: *Political spillovers on favorability toward the ACA*

	Favorable toward the ACA				
ϕ:					
Share Republican	-0.605***	-0.606***	-0.199***	-0.141***	-0.080
	(0.058)	(0.056)	(0.048)	(0.048)	(0.050)
Share healthy	0.370***	0.367***	0.254***	0.220***	0.096**
	(0.051)	(0.049)	(0.042)	(0.041)	(0.046)
Share healthy Republican	-0.295***	-0.288***	-0.203**	-0.200**	-0.136*
	(0.095)	(0.091)	(0.080)	(0.079)	(0.081)
β:					
Republican			-0.525***	-0.502***	-0.500***
			(0.006)	(0.006)	(0.006)
Healthy			0.048***	0.040***	0.038***
			(0.005)	(0.006)	(0.006)
Republican $\times$ healthy			-0.075***	-0.075***	-0.074***
			(0.008)	(0.008)	(0.008)
Year FE	No	Yes	Yes	Yes	Yes
Ind. demographic controls	No	No	No	Yes	Yes
County demographic controls	No	No	No	No	Yes
Observations	43639	43639	43639	43639	43639
Dep. var. mean	0.503	0.503	0.503	0.503	0.503
Dep. var. std. dev.	0.500	0.500	0.500	0.500	0.500

Notes: The dependent variable is an indicator for whether the individual reports being very favorable or somewhat favorable towards the ACA. Share Republican is the share of Republicans within the individual's rating area. Share healthy is the share of healthy individuals within the individual's rating area. Share healthy Republican is the share of healthy Republicans within the individual's rating area. All shares are calculated leaving out the individual themself. Individual demographic controls include age, age squared, gender, gender $\times$ age, college degree, marital status, race (whether white or not), family size, and income. County demographic controls are as of 2018 and include the rating area's share under the FPL, median household income, unemployment rate, share with a high school degree, share with a college degree, log population, log population density, share white, share black, share Hispanic, share over the age of 65, share under the age of 18, and the age-adjusted average number of physically unhealthy days reported in the past 30 days. Standard errors are clustered at the rating area $\times$ year level.

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Overall takeaways

- Should consider political affiliation as an important demographic / equity dimension
  - *Particularly in policy areas that are highly politicized

- More data is needed!
  - Political affiliation & take-up

- Differential political take-up matters, esp. in settings with externalities

Thank you!

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Sources

Bursztyn, L., Kolstad, J. T., Rao, A., Tebaldi, P., & Yuchtman, N. (2022). "Political Adverse Selection." National Bureau of Economic Research Working Paper No. 30214.

Lerman, Amy E. Meredith L. Sadin, and Samuel Trachtman. (2017). "Policy Uptake as Political Behavior: Evidence from the Affordable Care Act." *American Political Science Review*. 111(4):755-770. doi:10.1017/S0003055417000272
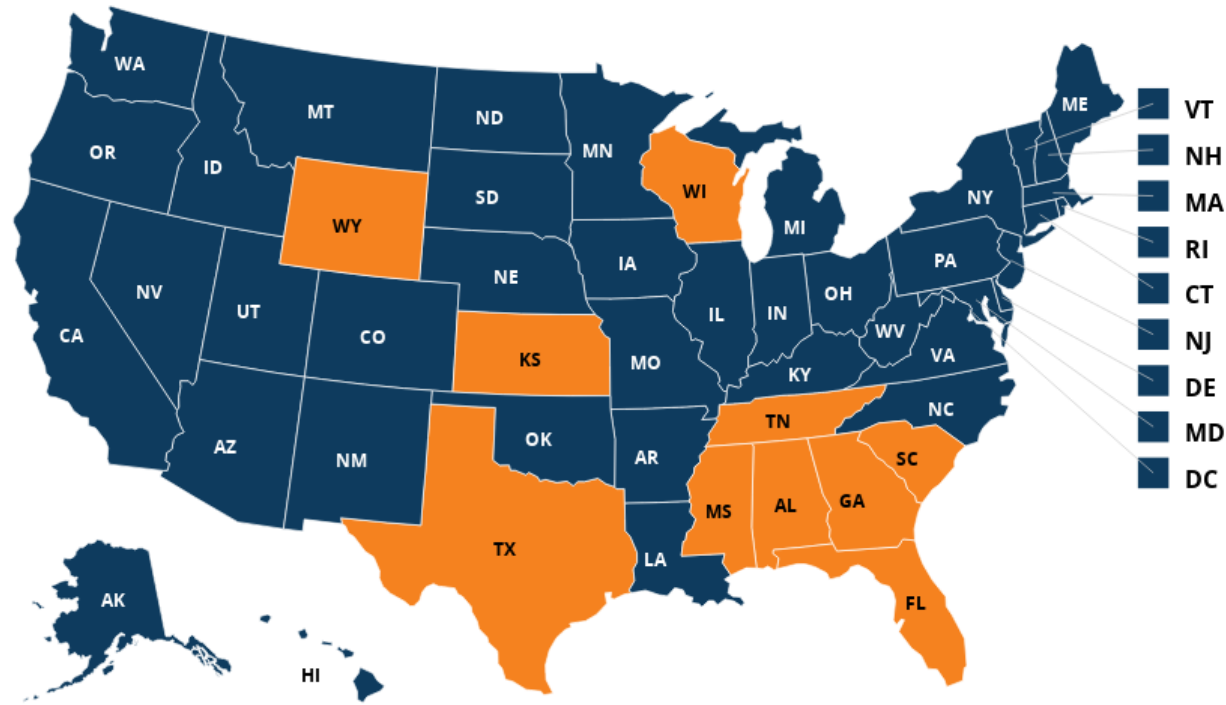
Appendix

Blue states expanded Medicaid earlier; red states later or never

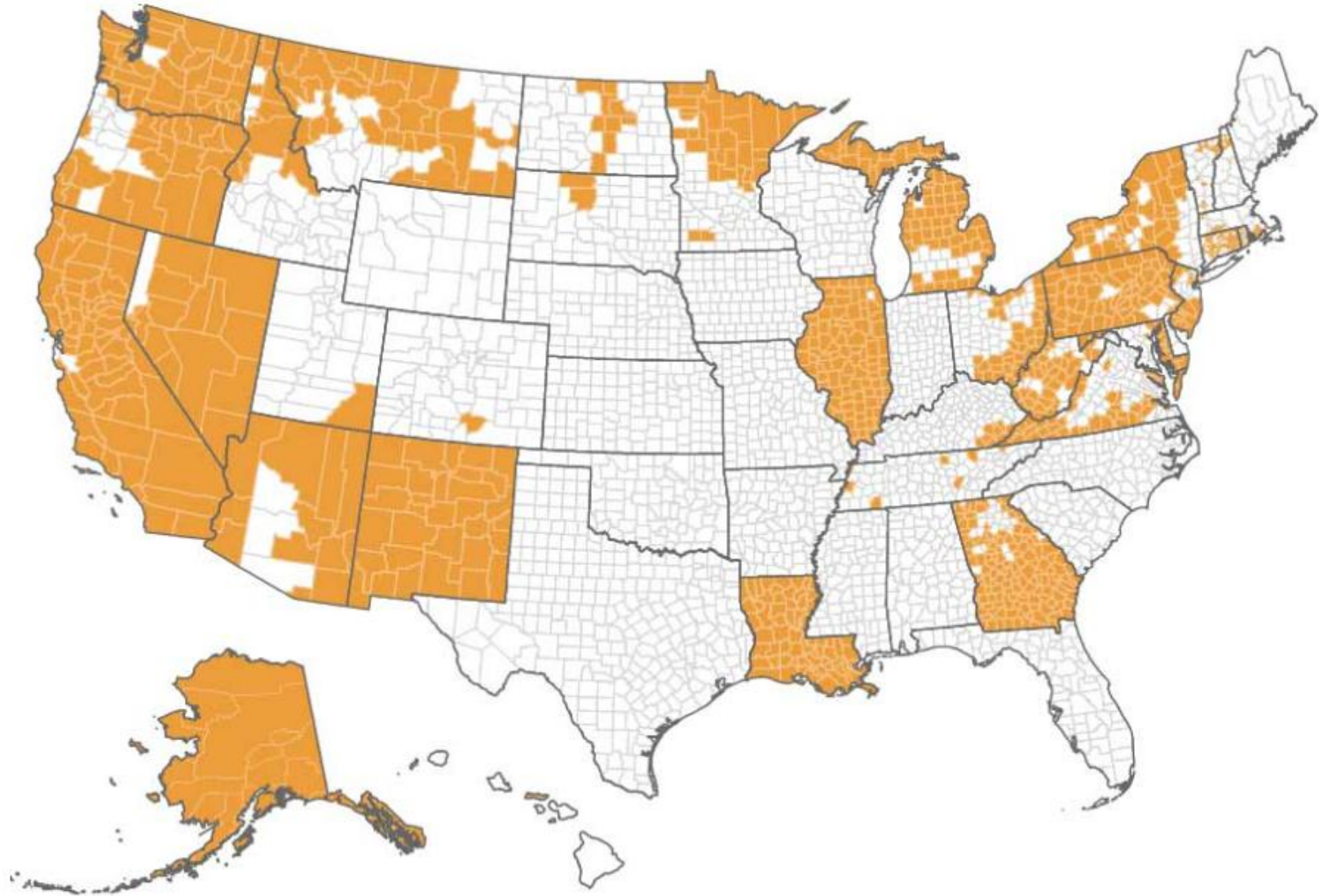Status of State Action on the Medicaid Expansion Decision

■ Adopted and Implemented ■ Not Adopted

SOURCE: KFF, kff.org

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SNAP work requirement waivers

In **2019** states requested waivers that covered **37.8%** of the population.

Note: These maps show county waiver status for the majority of the fiscal year to the extent records are available. Many state waivers have not been on the federal fiscal year cycle, and states have often had multiple waivers during the year, sometimes covering different areas. See technical notes below for more information. For any comments or questions on the map, please contact Catlin Nchako.

Source: CBPP Analysis of State Waivers

County-level analyses

- X: 2012 presidential vote share

- Y: 2015 share of eligibles enrolled in marketplace insurance
  - Admin rather than self-reported status

- County-level controls, state FE

- **+10 pp** swing towards Obama in 2012 is associated with a **+2pp** in the share of the marketplace-eligible population enrolling

FIGURE 3. 2012 Democratic County Vote Share and Marketplace Enrollment
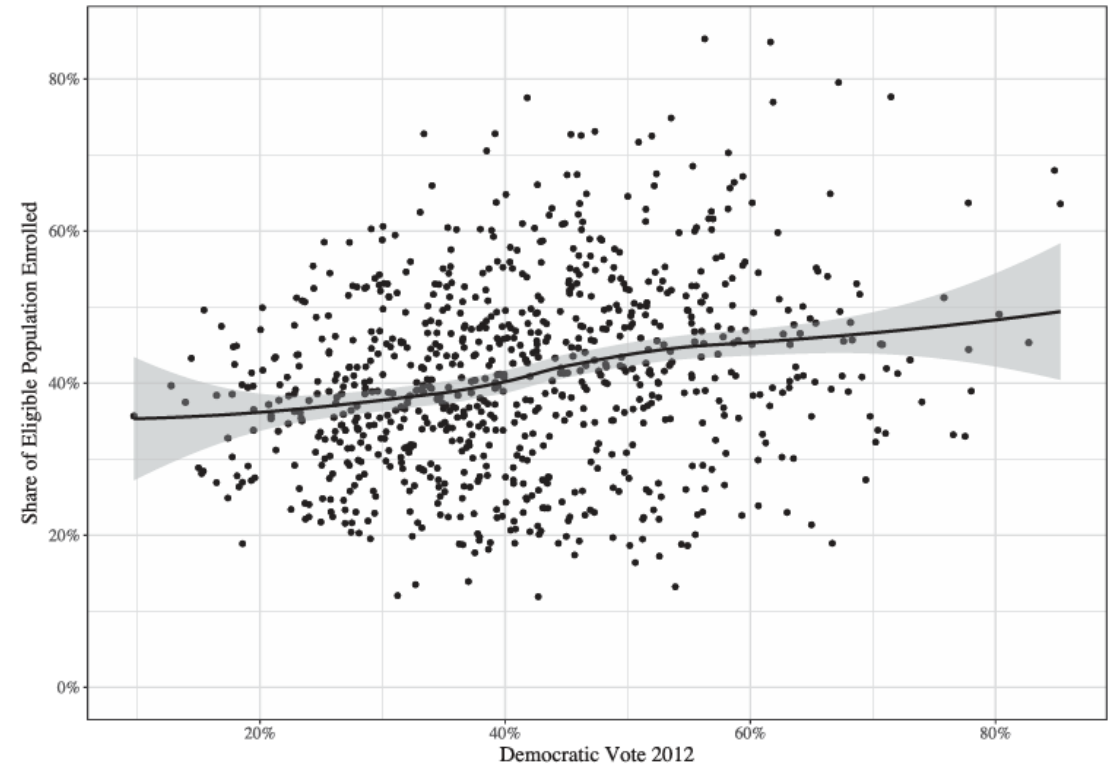
Points represent PUMAs and counties ($N = 852$) geographically composed as discussed in Footnote 6. The upward-trending locally weighted smoother demonstrates the descriptive relationship between percentage vote for Obama in 2012 and share of eligible population, as estimated by KFF, enrolled in marketplace plans in 2015.[10]
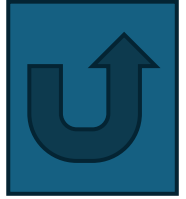
Table:

Table A4. OLS Regression Relating County-Level Presidential Vote in 2012 to Marketplace Enrollment Share in 2015

Variables	(1) Bivariate	(2) Linear Model	(3) Quadratic Model
Democratic vote share	0.22960***	0.19180***	0.12372
	(0.03009)	(0.06072)	(0.13630)
Dem Vote Sq			0.07823
			(0.15091)
% Black		-0.03180	-0.03537
		(0.05379)	(0.05480)
% Hispanic		-0.07548	-0.07481
		(0.06898)	(0.06910)
Years of college		-0.02236	-0.02674
		(0.06269)	(0.06365)
HH median income		0.00000***	0.00000***
		(0.00000)	(0.00000)
Urbanicity		-0.00470**	-0.00466**
		(0.00211)	(0.00211)
Unemployment rate		0.00872**	0.00885**
		(0.00432)	(0.00435)
Percent uninsured		-0.00056	-0.00076
		(0.00158)	(0.00160)
% Reporting fair or poor health		-0.00112	-0.00114
		(0.00111)	(0.00111)
Number of plans offered in 2014		0.00040*	0.00041*
		(0.00024)	(0.00024)
Silver-level premium 2014		0.00031	0.00031
		(0.00019)	(0.00019)
Population		0.00000**	0.00000**
		(0.00000)	(0.00000)
Population < 18		0.43398*	0.43162*
		(0.22167)	(0.22190)
Population over 65		0.90098***	0.90194***
		(0.16119)	(0.16129)
State Fixed Effects		X	X
Observations	852	849	849
R-Squared	0.05912	0.62125	0.62140

Note: standard errors in parentheses. *** p<.01, **p<.05, *p<.1. Urbanicity based on 2013 rural-urban continuum code from USDA. State fixed effects included. Table presents regression coefficients and standard errors from linear models relating Democratic 2012 vote share at the county-level to the percent of the marketplace-eligible population (observed at the PUMA level) enrolling in the ACA through marketplace plans. Column 1 presents the simple bivariate relationship. Column 2 controls for a set of covariates associated with enrollment. Column 3 estimates a quadratic model. We estimate the marginal effect of a 1 point swing in Democratic vote share in the quadratic model at the median to be .18 (t=3.01)
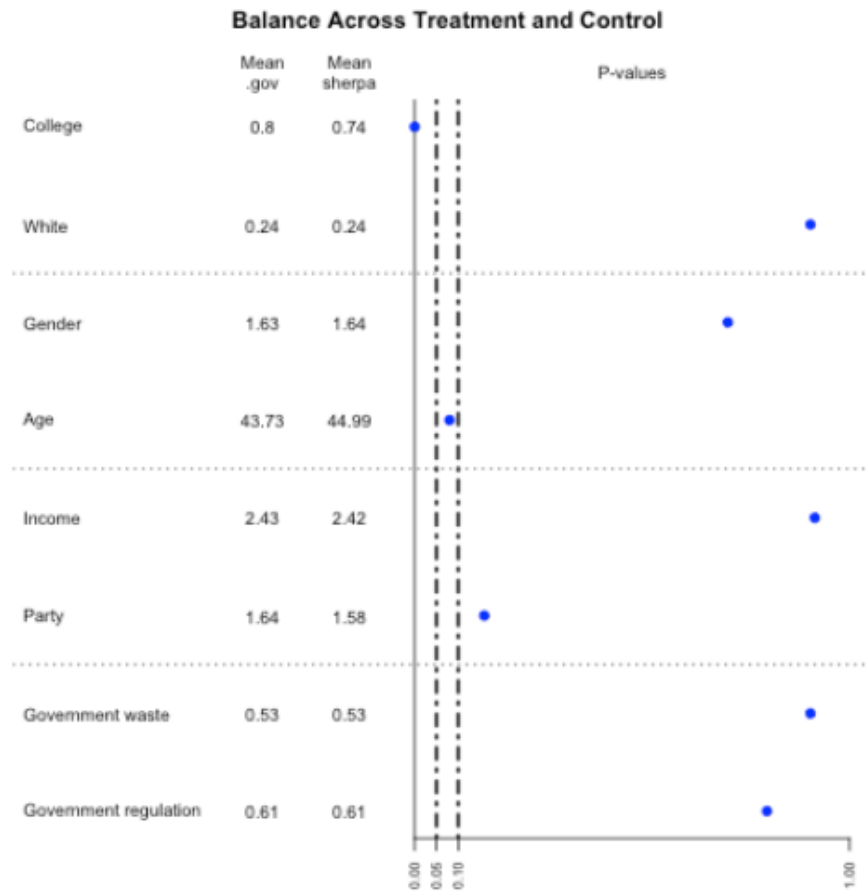
Differential attrition?

- Data on partisanship from public records for individuals in phone survey – 76% "Unknown"

- Among remaining, share that made it halfway through the survey:

	Democrat	Republican	*Overall*
Public website	18.5%	26%	14.4%
Private website	21.5%	20.4%	15.1%
Overall	20.2%	22.6%	--

Figure A6: Randomization Check

Figure A7: Balance Amongst Republicans Only

Balance Across Treatment and Control

	Mean .gov	Mean sherpa
College	0.8	0.74
White	0.24	0.24
Gender	1.63	1.64
Age	43.73	44.99
Income	2.43	2.42
Party	1.64	1.58
Government waste	0.53	0.53
Government regulation	0.61	0.61

Balance Within Republicans

	Mean .gov	Mean sherpa
College	0.7	0.65
White	0.47	0.65
Gender	1.71	1.62
Age	45.29	48.94
Income	2.26	2.39
Government waste	0.38	0.27
Government regulation	0.38	0.44

Note: Figure presents mean values for covariates in treatment and control groups. P-values correspond to t-tests comparing means across groups. *Income* is measured one 5-point scale. *Party* is measured on three point scale (Democrat = 1, Independent = 2, Republican = 3). *Government waste* and *Government regulation* measure the degree to which subjects 1) think government is wasteful, and 2) think government regulation is necessary, with the value 1 corresponding to the pro-government position (and 0 the opposite).

Note: Figure presents mean values for covariates in treatment and control groups amongst Republicans. P-values correspond to t-tests comparing means across groups. *Income* is measured one 5-point scale. *Party* is measured on three point scale (Democrat = 1, Independent = 2, Republican = 3). *Government waste* and *Government regulation* measure the degree to which subjects 1) think government is wasteful, and 2) think government regulation is necessary, with the value 1 corresponding to the pro-government position (and 0 the opposite).