



The Impact of Job Displacement on Health Insurance Status

in the post-ACA Era

February 27, 2026

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【JEL Classification】 I13, J64

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The impact of job displacement on Health Insurance Status in the post-ACA era^{*}

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This paper examines whether insurance sources expanded under the Affordable Care Act (ACA), particularly health insurance marketplaces and Medicaid, compensate for the loss of employer-sponsored health insurance (ESHI) following job displacement. Using monthly data from the 2014–2016 Survey of Income and Program Participation, I estimate duration-specific effects of displacement on each coverage source with a difference-in-differences design. ESHI coverage falls by 15 to 18 percentage points within a few months of displacement, with only slight recovery over the following year. Medicaid enrollment increases modestly, driven entirely by workers in expansion states where coverage increases exceed 7 percentage points. Directly purchased private insurance shows no discernible response despite marketplace availability and premium subsidies, and this holds across income levels. These findings indicate that ACA marketplace reforms in the sample period provide limited protection for displaced workers.

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^{*}The author would like to thank Luca Flabbi, Qing Gong, Makayla Lavender, and participants at the ASHEcon 2025 Conference and OSIPP lunch seminar for useful comments. This work was supported by JSPS KAKENHI Grant Number 25K16664. All remaining errors are my own.

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1 Introduction

Most non-elderly Americans receive health insurance through their employers. Such insurance is called employer-sponsored health insurance (ESHI). But linking insurance coverage and employment creates an inherent risk of losing coverage when workers experience job loss. Displaced workers face not only earnings losses but also potential loss of ESHI. In fact, prior to the Affordable Care Act (ACA), various research documented substantial declines in insurance coverage following job displacement (Lin (2005); Schaller and Stevens (2015); Jolly and Phelan (2017); East and Simon (2024)).

The Affordable Care Act of 2010 introduced reforms that could alleviate this risk. The ACA transformed health insurance options for displaced workers through three main mechanisms. First, it established health insurance exchanges/marketplaces (HIX) with income-based premium subsidies for qualified individuals. Second, it expanded Medicaid eligibility in participating states to cover more low-income adults. Third, it implemented employer mandates that require larger employers to offer affordable health insurance. These reforms created multiple pathways for maintaining coverage outside employment while strengthening the employer-sponsored insurance system. However, the effectiveness of these changes in maintaining coverage for displaced workers remains unclear.

This paper examines the impact of job displacement on health insurance coverage in the post-ACA environment. I address two questions: (1) To what extent do displaced workers lose ESHI coverage after job displacement? (2) How effectively do alternative coverage sources, particularly those expanded under the ACA, compensate for lost ESHI? Since job displacement is a common economic shock affecting millions of Americans annually, understanding whether transitions from employer-sponsored coverage to alternative sources occur smoothly is important.

To answer these questions, I estimate the causal impact of job displacement on various insurance coverage rates using difference-in-differences methods with staggered treat-

ment timing. The analysis uses monthly data from the 2014–2016 Survey of Income and Program Participation (SIPP), which provides detailed information on both labor market status and health insurance coverage. To address methodological challenges in staggered adoption settings, I implement the two-stage difference-in-differences estimator developed by Gardner (2024). This approach provides estimates equivalent to the imputation estimator of Borusyak et al. (2024). It also offers computational advantages for standard error calculation through its GMM framework. It also avoids the negative weighting problems documented in the recent literature (Goodman-Bacon (2021), Roth et al. (2023)).

Event study estimates show that job displacement reduces own-name ESHI coverage by approximately 15 percentage points within one month of job loss, deepening to 18 percentage points by month three, with only slight recovery to a 14 percentage point deficit after twelve months. Medicaid coverage increases by 2 percentage points immediately after displacement and reaches 4 percentage points after five months. In contrast, directly purchased private insurance (DPHI) exhibits no discernible response despite ACA marketplace provisions. I also explore heterogeneity in effects based on Medicaid expansion status and workers' income-to-poverty ratios. Analysis by state expansion status reveals substantial disparities. Displaced workers in Medicaid expansion states experience Medicaid increases exceeding 7 percentage points by twelve months post-displacement. Workers in non-expansion states show no change. DPHI coverage remains unresponsive regardless of workers' income level, indicating limited effectiveness of ACA premium subsidies for displaced workers.

This study contributes to the literature on job displacement and health insurance. Previous research examined the relationship between job loss and insurance coverage before ACA implementation (Gruber and Madrian (1997), Kostetas and Renna (2009), Schaller and Stevens (2015), Jolly and Phelan (2017)). My approach draws from East and Simon (2024), who found that pre-ACA declines in employer-provided insurance were

partially offset by increases in public insurance. To my knowledge, this study represents the first evaluation of the impact of displacement on workers' coverage trajectories in the post-ACA environment.

The remainder of this paper proceeds as follows. Section 2 describes the institutional background and data. Section 3 presents the empirical strategy. Section 4 displays the main results and heterogeneity analyses. Section 5 discusses the findings. Section 6 concludes.

2 Background and data

2.1 Institutional backgrounds

ESHI has historically been the primary source of health insurance coverage for non-elderly Americans. This link between employment and insurance coverage creates an inherent risk for displaced workers because they face a potential loss of ESHI in addition to income loss. In this section, I describe several options for displaced workers to maintain insurance coverage and how these options evolved following the implementation of ACA in 2014.

Continuation Coverage of ESHI under COBRA The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows displaced workers to temporarily continue their ESHI coverage. COBRA applies to firms with more than 20 employees and provides up to 18 months of continuation coverage after job termination. Eligible individuals have 60 days to elect coverage ¹. Despite availability, this option sees limited use. In 2017, approximately 130,000 unemployed non-elderly adults maintained COBRA coverage out of 11.5 million unemployed non-elderly adults (Pollitz et al. (2020)). This low take-up likely stems from cost. When displaced workers enroll in continuation ESHI under CO-

¹See Pollitz et al. (2020) for details.

BRA, they must pay both employee and employer premium portions plus administrative fees (Elisabeth Thames Askin (2024)). This cost can burden displaced workers who have lost income.

ESHI coverage under employer mandate The ACA established an employer mandate that requires firms with 50 or more full-time equivalent employees to provide affordable health insurance to their full-time employees or pay fines. The employer mandate could affect displaced workers through two channels. First, it could increase the likelihood that displaced workers find new employers offering ESHI. This may accelerate re-insurance through new employment. Second, by increasing ESHI offer rates among larger employers, it could expand the pool of displaced workers with COBRA eligibility, since only workers who had ESHI can access COBRA benefits.

Spousal coverage through HIPAA The Health Insurance Portability and Accountability Act (HIPAA) enables displaced workers to enroll in a spouse's employer plan outside regular enrollment periods. This requires enrollment within 30 days of losing ESHI. HIPAA allows family members to make independent coverage decisions, potentially splitting coverage across different plans based on their own needs ².

Directly purchased private insurance When displaced workers lose ESHI, they also have the option to purchase private health insurance directly from insurance carriers or brokers. Prior to the ACA, this option was rarely utilized, with only about 6% of non-elderly Americans obtaining coverage through this channel between 2008-2013³. Insurers sometimes denied coverage based on pre-existing conditions or imposed differential premiums. Additionally, individual market premiums typically exceeded ESHI premiums due to various reasons such as absence of employer premium contributions and lim-

²See U.S. Department of Labor (2025) for details.

³KFF estimates based on the 2008-2023 American Community Survey, 1-Year Estimates.

ited risk pooling⁴.

The ACA transformed the individual insurance market through three key mechanisms: (i) the ACA established health insurance exchanges (marketplaces) where individuals can compare and purchase standardized plans. Job loss qualifies as a “qualifying life event” that triggers a Special Enrollment Period, allowing workers to buy a marketplace plan within 60 days of ESHI loss. (ii) the ACA provides premium subsidies through Premium Tax Credits for those with income between 100-400% of FPL. In addition, Cost-Sharing Reductions provide additional assistance with out-of-pocket expenses for lower-income enrollees (100-250% FPL) in specific plans. (iii) the ACA prohibits coverage denials based on pre-existing conditions. These reforms make directly purchased private insurance much more accessible and affordable. The ACA also likely shifts the relative attractiveness of COBRA, as subsidized marketplace plans are typically more affordable than unsubsidized COBRA coverage⁵⁶.

Medicaid Expansion The ACA’s Medicaid expansion significantly enhanced safety net coverage for low-income displaced workers. Pre-ACA, Medicaid eligibility usually excluded childless non-disabled adults regardless of their income. The ACA aimed to expand eligibility to nearly all non-elderly adults with incomes up to 138% FPL. However, the 2012 Supreme Court decision made expansion optional for states. As of early 2025, 41 states including DC have implemented expansion, while 10 have not. In expansion states, workers with post-displacement income below 138% FPL typically qualify for Medicaid. In non-expansion states, displaced workers can fall into a “coverage gap” if their incomes exceed their state’s eligibility threshold but remain below 100% FPL. In this case, they are ineligible for both Medicaid and ACA marketplace subsidies. Workers with incomes

⁴See KFF (2024) for details.

⁵Some workers may still prefer COBRA continuation coverage because they value the provider network of the original ESHI.

⁶Alternative individual market options include off-marketplace plans ineligible for subsidies such as Short-Term Limited Duration Insurance, which typically offers less comprehensive but more affordable coverage.

above 100% FPL in non-expansion states can access marketplace subsidies but face higher costs than they would under Medicaid ⁷.

2.2 Data and sample selection

For the analysis, this paper uses the 2014 Survey of Income and Program Participation. SIPP consists of four waves covering 2013 (wave 1) through 2016 (wave 4). SIPP fits well with the purpose of this paper for two reasons. It is nationally representative, and each wave contains monthly information on health insurance coverage, employment status, labor market outcomes, and demographics. This monthly structure provides precise measurement of insurance transitions after job displacement.

I restrict the sample to working-age adults (26-59 years old). The sample excludes those reporting retirement during the study period, the self-employed, and Medicare and military health insurance beneficiaries⁸. The sample includes only respondents observed continuously from 2014 (wave 2) through 2015 (wave 3). I focus specifically on workers who experienced displacement at some point between 2014 (wave 2) and 2016 (wave 4), as never-displaced workers may differ systematically from displaced workers. Workers displaced during 2013 (wave 1) are excluded to avoid “always-treated” cases in the estimation framework. Note that never-displaced workers, who are excluded from the sample, are distinct from never-treated workers, who experienced displacement during wave 4 (outside the estimation window) and constitute part of the control group alongside not-yet-treated observations from later cohorts. Figure 1 summarizes the sample construction and estimation window. Detailed discussion on the construction of treatment and control groups will be provided in Section 3.

Displaced workers are defined as individuals who experienced involuntary separation from their main job with at least 6 months of tenure. Following standard practices in the

⁷See KFF (2025) for details.

⁸The sample further excludes individuals with inconsistent employment status and occupation/industry coding, and residents of Puerto Rico, U.S. territories, or foreign countries.

job displacement literature, involuntary separations include plant or company closures, position abolishment, layoffs due to slack work, discharge or firing, and other involuntary reasons. The definition excludes voluntary separations such as quits, retirements, and departures for personal reasons. The main jobs are identified based on weekly hours worked, job tenure, and monthly earnings.

2.3 Descriptive analysis

Before moving to estimation, this section provides descriptive analysis based on the sample defined above. Figure 2 shows the distribution of displaced workers across the estimation period, with 706 individuals experiencing job displacement at some point. The distribution reveals considerable variation in the timing of displacement, which provides the identifying variation for the estimation strategy discussed in Section 3.

Figure 3 plots average health insurance coverage rates over time for different displacement cohorts. Several patterns emerge. First, pre-displacement coverage rates are relatively stable across all insurance types. Second, ESHI declines visibly after displacement events. Third, post-displacement recovery patterns vary across cohorts, with some showing partial ESHI recovery and others exhibiting more persistent coverage losses. The never-treated cohort, which captures workers displaced outside the sample window (2016/01 onward in Wave 4), maintains stable coverage rates throughout the sample period (2014/01 through 2015/12).

Table 1 presents baseline demographic characteristics across displacement cohorts (grouped in 6-month intervals) and their corresponding control groups. Following Baker et al. (2025), normalized differences are computed between treated and control samples within each cohort. Most characteristics display reasonable balance (normalized differences less than 0.25), though some imbalances emerge, particularly in employment status and earnings. Table 2 reports changes in these characteristics over the sample period. Changes in employment-related variables show large normalized differences, which is

expected given that the treatment itself is job displacement. Given these imbalances, I control for baseline covariates in the estimation framework, as discussed in Section 3.

Insurance state transitions To provide an overview of how insurance coverage changes around job displacement, I construct mutually exclusive insurance states and track their distribution by event time. For this descriptive exercise, each individual is assigned to one state following a priority ordering: own ESHI, own direct purchase, spouse’s private coverage, Medicaid, and uninsured.⁹

Figure 4 presents the distribution of these insurance states by event time for the displaced sample. Before job loss, the majority of displaced workers hold own-name ESHI. At displacement, the ESHI share drops sharply, and workers transition into a mix of alternative coverage sources and uninsurance. Table 3 tracks the destinations of individuals who held own ESHI at $k = -1$. At the displacement month ($k = 0$), 96% still retain ESHI, reflecting that the transition month captures partial coverage. By $k = 3$, only 59% retain ESHI, with 23% becoming uninsured, 7% enrolling in Medicaid, 6% moving to spouse’s private coverage, and 5% purchasing direct coverage. By $k = 12$, the ESHI share stabilizes at 55%, while spouse’s private coverage rises to 20%. This suggests that spousal coverage serves as an important longer-term substitute. The share remaining uninsured decreases from its peak at $k = 3$ to 17% at $k = 12$, indicating gradual resorption into coverage. These raw transition patterns motivate the regression analysis that follows.

3 Empirical strategy

To examine the impact of involuntary job loss on health insurance coverage, I employ an approach of difference-in-differences (DID) estimator for staggered treatment timing. This approach compares changes in health insurance status around job loss between

⁹This ordering is for the descriptive analysis only. The main regression analysis uses non-exclusive coverage indicators, allowing individuals to hold multiple types of coverage simultaneously.

treated individuals and those not yet treated or never treated within the sample period. The methodological details are provided below. The notation used in this section follows Gardner (2024) and Roth et al. (2023).

Causal parameter of interest Consider a balanced panel data Y_{it}, X_{it}, D_{it} , where $i \in 1, 2, \dots, N$ indexes individuals and $t \in 1, 2, \dots, T = 24$ indexes calendar time measured in year-month units. Time $t = 1$ corresponds to January 2014, the first month in wave 2, and $t = 24$ corresponds to December 2015, the last month in wave 3. Individuals may experience treatment (i.e., displaced at some point between January 2014 and December 2015) at different points in time. Treatment is regarded as an absorbing state. Let D_{it} indicate whether individual i has been treated by time t , and G_i denote the month of job displacement for individual i , that is, $G_i = \min\{t : D_{it} = 1\}$. Individuals are partitioned into cohorts $g \in \{2, 3, \dots, 24, \infty\}$, where cohort g consists of individuals displaced at time g . The cohort $g = \infty$ represents “never-treated” individuals. In this analysis, this group consists of those displaced outside the sample window (i.e., during Wave 4, between January and December 2016). For each individual i , let $Y_{it}(g)$ denote the potential outcome at time t if treated at time g . Then $Y_{it}(\infty)$ represents the potential outcome had the individual never been treated during the sample period, $t = 1, \dots, 24$.

Define the cohort-time average treatment effect on the treated as $ATT(g, t) = \mathbb{E}[Y_{it}(g) - Y_{it}(\infty) \mid G_i = g]$. This measures the average treatment effect at time t for treated individuals in cohort g . The main causal parameters of interest aggregate these effects in two ways: the static DID parameter and the event-study parameters. The analysis especially emphasizes event-study parameters since they capture how health insurance status evolves following displacement. The static DID parameter takes the form $WATT^{static} = \sum_g \sum_t w_{gt} ATT(g, t)$, where w_{gt} represents the relative frequency of (g, t)

pairs among treated individuals. The event-study parameters follow

$$WATT_k^{ES} = \sum_g w_g ATT(g, g+k)$$

where w_g denotes the relative frequency of cohort g among treated individuals, and k indexes time relative to treatment. Negative values of k correspond to pre-treatment periods, while positive values correspond to post-treatment periods.

Identifying assumptions Identification of these causal parameters relies on three key assumptions following the recent literature on staggered DID designs (Roth et al. (2023); Baker et al. (2025); Gardner (2024)): (i) The parallel trends conditional on covariates requires that for all $t \neq t'$, $g \neq g'$, and each covariate value X_i , $\mathbb{E}[Y_{it}(\infty) - Y_{it'}(\infty) | G_i = g, X_i] = \mathbb{E}[Y_{it}(\infty) - Y_{it'}(\infty) | G_i = g', X_i]$. This assumes that, conditional on covariates, both treated and untreated individuals would have experienced parallel trends in potential outcomes absent treatment. (ii) The no anticipation assumption states that $Y_{it}(g) = Y_{it}(\infty)$ for all i and $t < g$, meaning individuals do not alter their behavior in anticipation of future job displacement. (iii) The strong overlap requires that for all i , there exists some t where $D_{it} = 0$ and $\mathbb{E}[\sum_{t=1}^T D_{it}] > 0$. This ensures that for each treated individual with covariates X_i , there are untreated individuals with similar characteristics for valid comparison.

Estimation procedure For estimation, the two-step DID approach developed by Gardner (2024) is adopted. It provides estimation results equivalent to Borusyak et al. (2024)'s imputation estimator, but offers computational advantages in the calculation of standard errors through its GMM framework.

For static DID estimates, I first estimate the model for untreated potential outcomes specified as equation (1), using only untreated observations (i.e., $D_{it} = 0$).

$$Y_{it}(\infty) = \lambda_i + \alpha_t + X'_{it}\gamma + u_{it} \tag{1}$$

Here, λ_i represents individual fixed effects, α_t captures time fixed effects, and X_{it} is a vector of covariates (baseline characteristics interacted with time indicators). Then, in the second stage, I regress the adjusted outcome $Y_{it} - (\hat{\lambda}_i + \hat{\alpha}_t + X'_{it}\hat{\gamma})$ on D_{it} using all observations. For event-study parameters, the first stage remains identical to the static DID procedure. I define $W_{kit} = \mathbb{1}[t - G_i = k]$ as an indicator for whether individual i is k months away from treatment at time t , and regress the adjusted outcome $Y_{it} - (\hat{\lambda}_i + \hat{\alpha}_t + X'_{it}\hat{\gamma})$ on the set of relative-time indicators W_{kit} .

Pre-trend testing The key identifying assumption is parallel trends. To assess its validity, I implement two complementary testing procedures. First, following Borusyak et al. (2024), I estimate an augmented first-stage model using only untreated observations that includes leads of treatment status. I then conduct a joint Wald test of the null hypothesis that all pre-treatment coefficients equal zero. This approach avoids problems associated with inference after pre-testing (Roth (2022)). Second, I implement the pre-trend test proposed by Gardner (2024), which operates within the two-stage framework. As reported in Tables 5 and 6, both tests fail to reject the null hypothesis for all outcome variables.

4 Estimation results

This section presents the empirical findings on how job displacement affects health insurance coverage. Section 4.1 examines the main effects on ESHI, DPHI, spouse's private coverage, and Medicaid. Section 4.2 then explores heterogeneity along two dimensions: state Medicaid expansion status and workers' income-to-poverty ratios. All results use the covariate-adjusted specification described in Section 3.

4.1 Main analysis

Table 4 and Figure ?? present the event study estimates, which capture the dynamic effects of job displacement on each source of health insurance coverage by time relative to displacement. Pre-displacement coefficients ($k = -6$ through $k = -1$) are small and statistically insignificant across all outcomes, consistent with the pre-trend tests reported in Tables 5 and 6.

Own-name ESHI coverage falls sharply after displacement. The effect at $k = 1$ is a 15.4 percentage point decline ($p < 0.01$), which deepens to 17.7 percentage points at $k = 3$. The ESHI deficit then stabilizes. By $k = 12$, the effect moderates to 13.9 percentage points, indicating limited recovery within the first year.

Medicaid coverage increases following displacement, with a 2.0 percentage point rise at $k = 1$ ($p < 0.10$) that grows to 4.3 percentage points by $k = 5$ ($p < 0.05$). The Medicaid response remains positive through the end of the event window, reaching 3.8 percentage points at $k = 12$. It becomes statistically insignificant in the later months as standard errors widen.

DPHI and spouse's private coverage show negligible responses throughout the post-displacement period. None of the DPHI or spouse's private coverage coefficients are statistically significant at conventional levels, indicating that these sources play little role in compensating for lost ESHI.

4.2 Heterogeneity analysis

Heterogeneity by Medicaid expansion status To examine how Medicaid expansion influenced post-displacement insurance dynamics, the sample is split based on whether the worker's state of residence had expanded Medicaid as of the month before displacement ($g - 1$). This timing ensures correct classification for workers in states that expanded

Medicaid after 2014.¹⁰ Figure 6 presents the results.

The most pronounced difference appears in Medicaid. In non-expansion states, Medicaid coverage shows no significant response to displacement at any horizon. In expansion states, Medicaid increases substantially: the effect reaches 5.8 percentage points at $k = 3$ ($p < 0.05$) and 7.2 percentage points at $k = 12$. ESHI losses are similar in magnitude across the two groups. DPHI remains unresponsive in both groups. These findings confirm that Medicaid expansion serves as the primary safety net for displaced workers. In non-expansion states, neither Medicaid nor DPHI compensates for lost ESHI.

Heterogeneity by income-to-poverty ratio The ACA provides premium subsidies for marketplace plans purchased by individuals with incomes between 100% and 400% of FPL. To examine whether these subsidies affect insurance transitions, the sample is stratified by workers' baseline income-to-poverty ratio relative to the 400% FPL threshold. Figure 7 presents the results.

Among lower-income workers (below 400% FPL), ESHI declines by 14.0 percentage points at $k = 1$ and 14.7 percentage points at $k = 12$. Medicaid enrollment rises substantially, reaching 7.6 percentage points by $k = 9$ ($p < 0.10$). In contrast, among higher-income workers (400% FPL and above), the ESHI decline is larger at 16.8 percentage points at $k = 1$ and reaches 23.5 percentage points at $k = 3$. Medicaid shows no response for this group, as expected given their income level.

Notably, DPHI shows no significant uptake in either income group. Lower-income workers, despite being eligible for premium subsidies, do not increase DPHI coverage after displacement. Higher-income workers show a slight positive but statistically insignificant DPHI response. This limited uptake across both income groups suggests that premium subsidies play a minimal role in maintaining coverage for displaced workers.

¹⁰The baseline covariate set in the first-stage regression still uses the fixed January 2014 expansion indicator. The cohort-specific $g - 1$ measure is used only for the sample split.

5 Discussion

DPHI shows almost no response to job displacement, even though the ACA created marketplace subsidies for this purpose. Several factors likely contribute. First, displaced workers lose income, and even subsidized premiums are hard to afford during financial uncertainty. Second, enrolling in a marketplace plan requires comparing options and completing applications within a 60-day Special Enrollment Period. This is burdensome right after job loss. Third, many workers expect to find a new job soon and regain ESHI, so they skip buying a temporary plan. Fourth, some workers may simply not know they are eligible for subsidies. That DPHI uptake stays low even among subsidy-eligible workers (below 400% FPL) suggests the barriers go beyond cost. Information frictions and behavioral factors also play a role.

It should also be noted that the analysis covers a single SIPP panel (2014–2016) and does not account for subsequent policy changes. The enhanced premium subsidies under the American Rescue Plan Act and the Inflation Reduction Act, for instance, may have improved marketplace uptake among displaced workers. Whether these changes alter the patterns documented here is an important question for future research.

6 Conclusion

This study examines insurance coverage transitions following job displacement in the post-ACA environment. Using a staggered difference-in-differences approach with monthly SIPP data from 2014–2016, I estimate the dynamic impact of job displacement on health insurance coverage.

ESHI coverage declines by approximately 15 percentage points within one month of displacement, deepening to 18 percentage points by month three. This coverage disruption shows limited resolution over time, with the reduction narrowing only to 14 percentage points after twelve months, suggesting slow labor market reintegration within

the first year. Alternative insurance sources show markedly different compensatory effects. Medicaid serves as the primary safety net, particularly in expansion states where coverage increases by more than 7 percentage points following job loss. In contrast, directly purchased private insurance plays a negligible role despite the ACA’s marketplace reforms and premium subsidies. This finding challenges the expectation that health insurance marketplaces would mitigate displacement-related coverage disruptions.

These findings point to several policy implications. For marketplace insurance, higher subsidies and simpler enrollment processes could help more displaced workers obtain coverage. Future research should evaluate whether recent policy changes have improved marketplace uptake among the recently unemployed. The enhanced subsidies in the American Rescue Plan Act and Inflation Reduction Act are of particular interest. For Medicaid, expanding eligibility in non-expansion states would strengthen protection for displaced workers, as demonstrated by the stark coverage differences between expansion and non-expansion states. Additionally, simplifying application and renewal procedures could remove barriers during the period following job loss. Finally, own-name ESHI remains the primary source of coverage for displaced workers, given the negligible role of DPHI and the limited reach of Medicaid, particularly in non-expansion states. This suggests that labor policies facilitating reemployment are also important for maintaining insurance coverage, especially for displaced workers who do not qualify for Medicaid or marketplace subsidies.

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Table 1: Baseline covariate balance by cohorts

	2014/01-06			2014/07-12			2015/01-06			2015/07-12		
	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.
Employed	0.97	0.91	0.28	0.98	0.91	0.35	1.00	0.94	0.35	1.00	0.95	0.32
Earnings (if employed)	3427.17	3892.97	-0.12	2884.56	3988.81	-0.35	3726.11	4235.92	-0.10	4007.95	4130.78	-0.03
Hours (if employed)	37.90	38.01	-0.01	35.99	38.12	-0.19	37.12	37.75	-0.05	38.27	37.94	0.03
Full-time (if employed)	0.77	0.85	-0.21	0.79	0.86	-0.21	0.84	0.84	-0.02	0.85	0.84	0.02
Firm size >50 (if employed)	0.70	0.71	-0.04	0.70	0.71	-0.03	0.73	0.72	0.03	0.69	0.72	-0.06
Service sector (if employed)	0.71	0.80	-0.19	0.81	0.80	0.04	0.84	0.79	0.12	0.76	0.76	-0.01
Household income-to-poverty ratio	4.90	4.51	0.08	3.95	4.43	-0.12	4.22	4.92	-0.17	4.97	5.05	-0.02
Spouse employed (if married)	0.79	0.81	-0.05	0.89	0.77	0.30	0.79	0.78	0.03	0.79	0.76	0.07
Spouse full-time (if married & spouse employed)	0.87	0.87	0.00	0.95	0.85	0.35	0.76	0.89	-0.35	0.87	0.89	-0.06
Age	40.69	40.95	-0.03	41.91	41.39	0.05	41.56	41.66	-0.01	42.21	42.63	-0.04
Female	0.45	0.51	-0.14	0.59	0.51	0.17	0.48	0.51	-0.05	0.49	0.51	-0.05
Married	0.61	0.51	0.20	0.50	0.52	-0.03	0.51	0.52	-0.03	0.51	0.53	-0.04
Any kid in HH	0.53	0.53	0.01	0.50	0.54	-0.09	0.61	0.56	0.09	0.53	0.55	-0.03
Bachelor's degree or more	0.35	0.34	0.03	0.30	0.34	-0.09	0.33	0.35	-0.03	0.32	0.34	-0.04
Good self-reported health	0.92	0.92	-0.01	0.88	0.93	-0.17	0.90	0.90	0.02	0.90	0.88	0.07
Daily prescription	0.36	0.36	-0.00	0.40	0.35	0.10	0.40	0.39	0.02	0.33	0.43	-0.20
Lives in a Medicaid expansion state	0.43	0.48	-0.10	0.65	0.49	0.34	0.44	0.54	-0.21	0.62	0.57	0.11

Note: This table presents baseline demographic characteristics across displacement cohorts (grouped in 6-month intervals) and their corresponding control groups. Data are from the 2014 SIPP, waves 2–3. The sample consists of working-age adults (26–59) who experienced job displacement during waves 2–4. Those displaced in wave 4 are treated as never-treated. Sample restrictions exclude retirees, self-employed workers, and Medicare or military health insurance beneficiaries. Baseline characteristics are measured in 2014/01. Results are weighted using individual survey weights. Normalized differences exceeding ± 0.25 are shown in red.

Table 2: Changes in covariates by cohorts

	2014/01-06			2014/07-12			2015/01-06			2015/07-12		
	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.	Treated	Control	Norm. diff.
Covariates likely affected by treatment												
Δ Employed	-0.505	0.007	-0.814	-0.586	0.011	-0.856	-0.618	0.017	-0.879	-0.705	0.013	-0.920
Δ Earnings (if employed)	99.021	-13.753	0.032	451.606	39.282	0.153	-1122.501	-31.663	-0.238	220.946	59.979	0.069
Δ Household income-to-poverty ratio	-0.923	-0.064	-0.330	-0.528	0.092	-0.241	-1.431	0.023	-0.440	-1.627	0.061	-0.489
Δ Spouse employed (if married)	0.023	-0.010	0.205	-0.032	0.005	-0.203	-0.037	0.001	-0.189	0.000	0.008	-0.082
Δ Spouse full-time (if married & spouse employed)	0.010	-0.002	0.056	0.019	0.008	0.065	-0.020	0.008	-0.186	0.046	-0.004	0.292
Δ Lives in a Medicaid expansion state	0.019	0.016	0.020	-0.003	0.007	-0.090	-0.003	0.019	-0.146	0.000	0.006	-0.108
Other covariates												
Δ Age	0.125	0.169	-0.125	0.118	0.168	-0.104	0.122	0.169	-0.098	0.102	0.163	-0.182
Δ Female	0.000	0.000	.	-0.013	-0.001	-0.138	0.000	-0.001	0.017	0.000	0.000	.
Δ Married	0.000	0.001	-0.027	0.000	0.004	-0.056	0.014	0.001	0.116	0.000	0.004	-0.066
Δ Any kid in HH	0.004	0.006	-0.019	0.000	0.005	-0.065	-0.014	-0.000	-0.131	0.000	0.002	-0.032
Δ Bachelor's degree or more	0.000	0.000	.	0.000	-0.000	0.002	0.000	-0.000	0.003	0.000	0.000	.
Δ Good self-reported health	0.000	0.000	.	0.006	-0.007	0.104	-0.021	-0.009	-0.087	0.000	0.000	.
Δ Daily prescription	0.000	0.000	.	0.011	0.008	0.021	-0.011	0.011	-0.126	0.000	0.000	.

Note: This table presents changes in covariates over the sample period across displacement cohorts and their corresponding control groups. For each variable, the change (Δ) is computed as the difference between the post-displacement average and the baseline value. Data are from the 2014 SIPP, waves 2–3. Sample restrictions as in Table 1. Results are weighted using individual survey weights. Normalized differences exceeding ± 0.25 are shown in red.

Table 3: Insurance state transitions from own ESHI

	$k = 0$	$k = 3$	$k = 6$	$k = 12$
Own ESHI	0.9599	0.5888	0.6029	0.5515
Own Direct	0.0044	0.0459	0.0325	0.0181
Spouse Private	0.0080	0.0646	0.1069	0.2037
Medicaid	0.0070	0.0727	0.0497	0.0560
Uninsured	0.0207	0.2280	0.2079	0.1708

Note: This table tracks the insurance state distribution at selected event times ($k = 0, 3, 6, 12$) for individuals who held own ESHI at $k = -1$. Insurance states are mutually exclusive, assigned by priority: Own ESHI > Own Direct Purchase > Spouse Private > Medicaid > Uninsured. This ordering is for this descriptive analysis only; the main regression analysis uses non-exclusive coverage indicators. Each column conditions on individuals observed at both $k = -1$ and the target event time. Results are weighted using individual survey weights.

Table 4: Event-study estimates (covariate-adjusted)

	Own ESHI	Own Direct Purchase	Spouse private	Medicaid
k=-6	0.001 (0.008)	-0.001 (0.004)	-0.001 (0.007)	-0.004 (0.007)
k=-5	0.001 (0.006)	-0.000 (0.003)	0.004 (0.004)	0.002 (0.005)
k=-4	0.006 (0.005)	0.000 (0.003)	0.002 (0.003)	-0.002 (0.004)
k=-3	0.001 (0.005)	0.003 (0.003)	-0.001 (0.003)	-0.000 (0.004)
k=-2	0.001 (0.006)	-0.001 (0.004)	0.001 (0.004)	0.001 (0.004)
k=-1	-0.009 (0.007)	-0.001 (0.004)	-0.005 (0.005)	0.003 (0.004)
k=0	-0.024* (0.010)	-0.001 (0.006)	-0.004 (0.006)	0.009 (0.006)
k=1	-0.152*** (0.021)	-0.004 (0.008)	-0.004 (0.009)	0.020* (0.010)
k=2	-0.163*** (0.023)	0.006 (0.010)	-0.014 (0.011)	0.026* (0.011)
k=3	-0.176*** (0.026)	0.011 (0.012)	-0.010 (0.013)	0.035* (0.014)
k=4	-0.160*** (0.027)	0.003 (0.012)	-0.006 (0.014)	0.034* (0.015)
k=5	-0.156*** (0.028)	0.006 (0.014)	-0.009 (0.017)	0.042** (0.016)
k=6	-0.163*** (0.031)	0.007 (0.015)	-0.007 (0.019)	0.033 (0.017)
k=7	-0.150*** (0.033)	0.007 (0.017)	-0.020 (0.022)	0.036 (0.019)
k=8	-0.153*** (0.035)	0.000 (0.019)	-0.007 (0.025)	0.036 (0.020)
k=9	-0.141*** (0.038)	-0.004 (0.020)	-0.007 (0.028)	0.038 (0.022)
k=10	-0.158*** (0.043)	0.003 (0.022)	-0.013 (0.032)	0.036 (0.025)
k=11	-0.148** (0.046)	0.003 (0.024)	-0.009 (0.034)	0.042 (0.027)
k=12	-0.136** (0.048)	0.002 (0.025)	-0.007 (0.036)	0.035 (0.028)
Observations	12152	12152	12152	12152

Note: This table presents event study estimates showing the dynamic effects of job displacement on health insurance coverage by time relative to displacement (k). The dependent variables are indicators for different types of health insurance coverage. The first-stage model includes individual fixed effects, time fixed effects, and baseline covariates interacted with time indicators. Data are from the 2014 SIPP, waves 2–3. The sample consists of working-age adults (26–59) who experienced job displacement during waves 2–4. Those displaced in wave 4 are treated as never-treated. Sample restrictions exclude retirees, self-employed workers, and Medicare or military health insurance beneficiaries. Estimation uses the Two-Stage Difference-in-Differences methodology following Gardner (2024). Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 5: Pre-trend test: Borusyak et al. (2024)

	Own ESHI	Own Direct Purchase	Spouse private	Medicaid
Pretrend joint Wald chi2	6.451	2.313	5.536	8.326
p-value	0.375	0.889	0.477	0.215

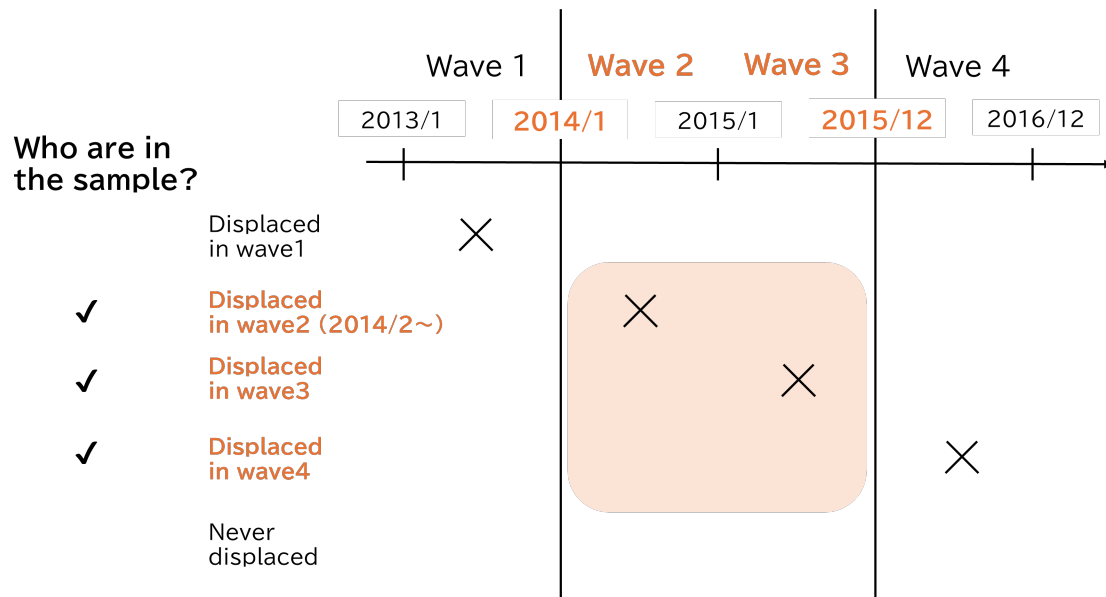
Note: This table presents results from the pre-trend test proposed by Borusyak et al. (2024). The test estimates an augmented first-stage model using only untreated observations, including leads of treatment status as regressors. The null hypothesis tests whether all pre-treatment coefficients equal zero jointly. The covariate-adjusted specification is used. Data are from the 2014 SIPP, waves 2–3. Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

Table 6: Pre-trend test: Gardner (2024)

	Own ESHI	Own Direct Purchase	Spouse private	Medicaid
Pretrend joint Wald chi2	6.019	1.287	5.381	3.328
p-value	0.304	0.936	0.371	0.650

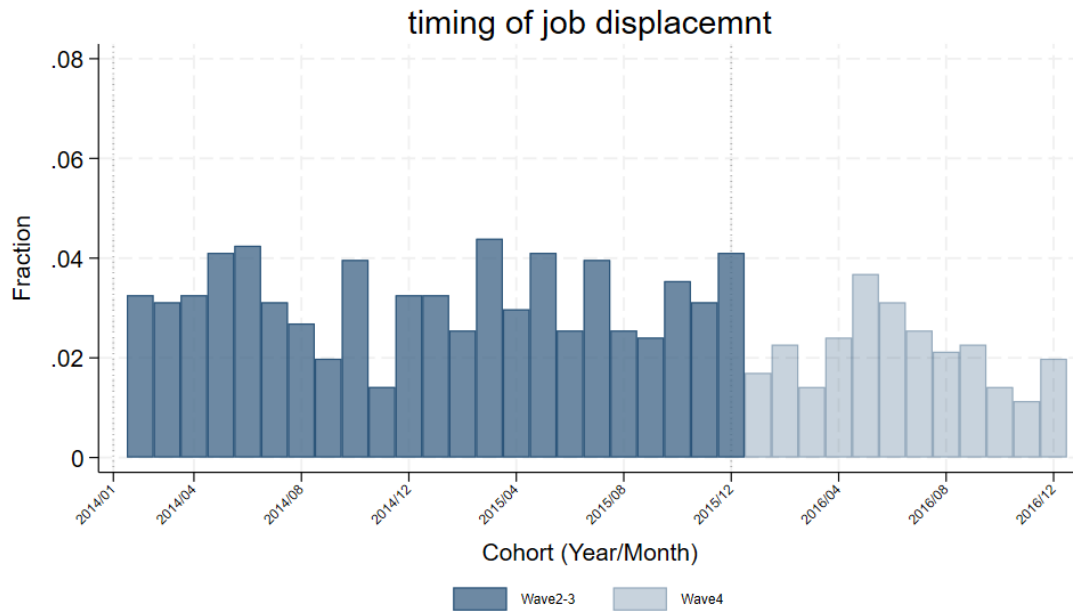
Note: This table presents results from the pre-trend test within the two-stage DID framework of Gardner (2024). The null hypothesis tests whether all pre-treatment event-study coefficients equal zero jointly. The covariate-adjusted specification is used. Data are from the 2014 SIPP, waves 2–3. Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

Figure 1: Sample construction and estimation window



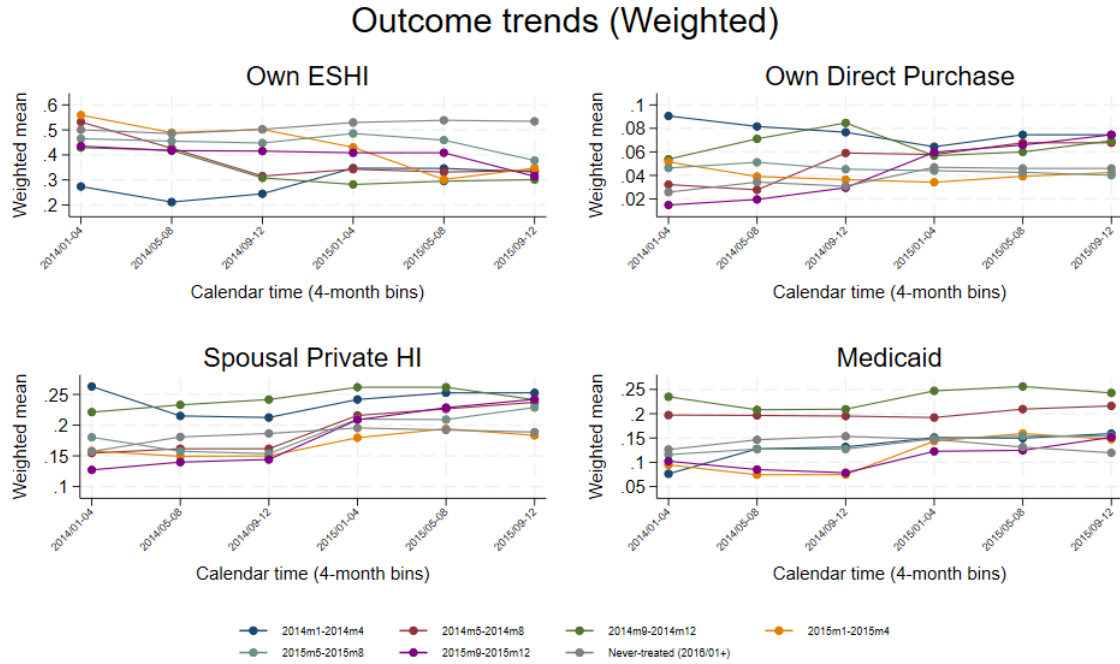
Note: This figure illustrates the sample construction. The SIPP 2014 panel spans waves 1–4 (2013–2016). The shaded region indicates the estimation window (waves 2–3, January 2014 through December 2015). Workers displaced in wave 1 are excluded to avoid always-treated cases. Workers displaced in wave 4 serve as the never-treated control group. Never-displaced workers are excluded from the sample.

Figure 2: Distribution of displacement timing



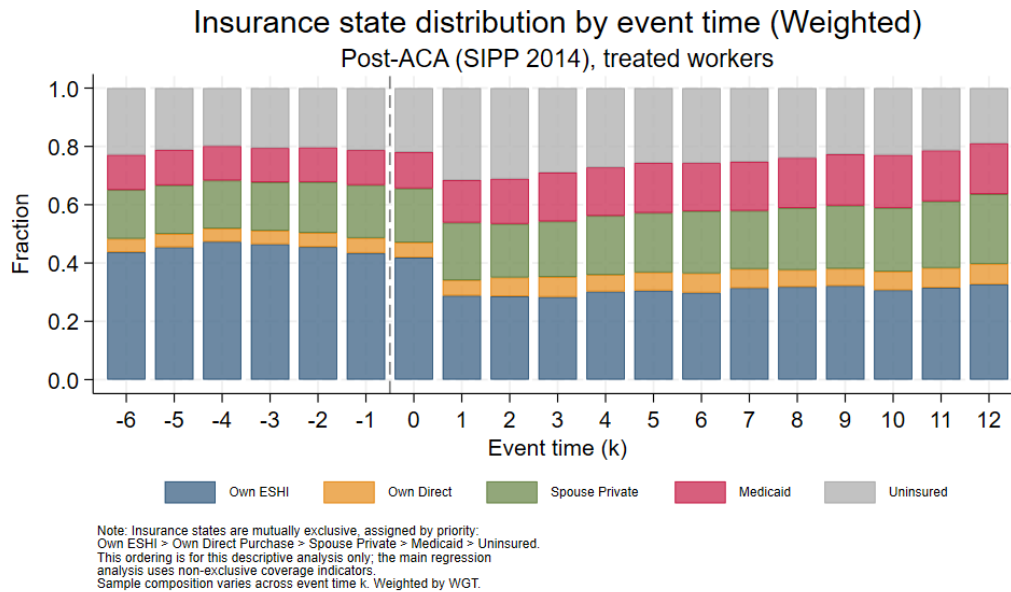
Note: This figure presents the fraction of displaced workers by calendar month of displacement. Dark bars indicate workers displaced during waves 2–3 (2014–2015, estimation sample); light bars indicate workers displaced during wave 4 (2016, treated as never-treated). Data are from the 2014 SIPP. The sample consists of working-age adults (26–59) who experienced displacement during waves 2–4. Sample restrictions exclude retirees, self-employed workers, and Medicare or military health insurance beneficiaries. Results are weighted using individual survey weights.

Figure 3: Coverage rates over time by cohorts



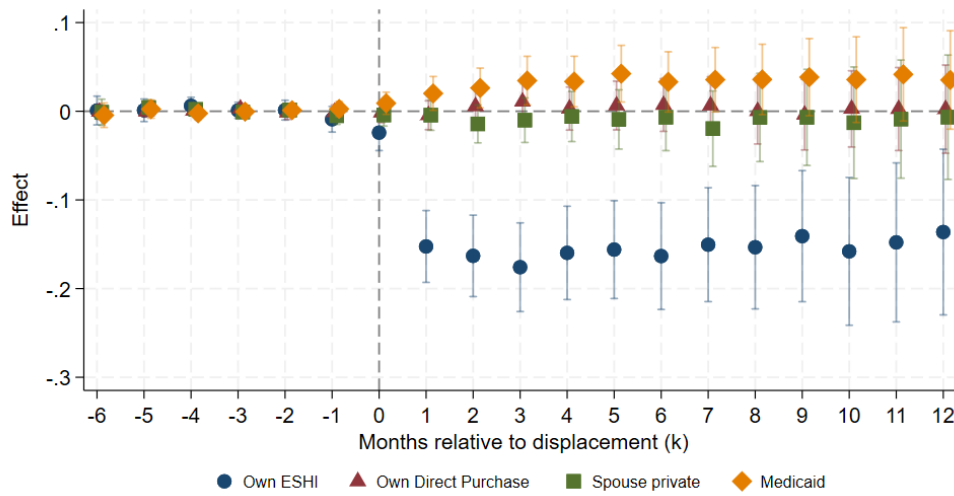
Note: This figure presents health insurance coverage rates over time for different displacement cohorts. Monthly-defined cohorts are aggregated into 4-month groups for presentation. Data are from the 2014 SIPP, waves 2–3, covering 2014–2015. The sample consists of working-age adults (26–59) who experienced displacement during waves 2–4. Those displaced in wave 4 are treated as never-treated. Sample restrictions exclude retirees, self-employed workers, and Medicare or military health insurance beneficiaries. Results are weighted using individual survey weights.

Figure 4: Distribution of insurance states by event time



Note: This figure shows the distribution of mutually exclusive insurance states by event time (k) for displaced workers. Insurance states are assigned by priority: Own ESHI > Own Direct Purchase > Spouse Private > Medicaid > Uninsured. This ordering is for this descriptive analysis only; the main regression analysis uses non-exclusive coverage indicators. Data are from the 2014 SIPP, waves 2–3. Results are weighted using individual survey weights.

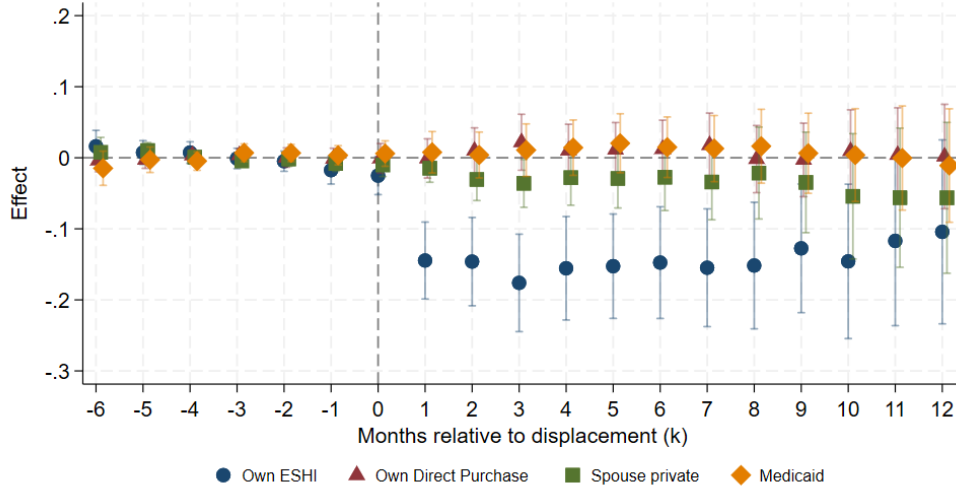
Figure 5: The dynamic impact of job displacement on HI coverage (covariate-adjusted)



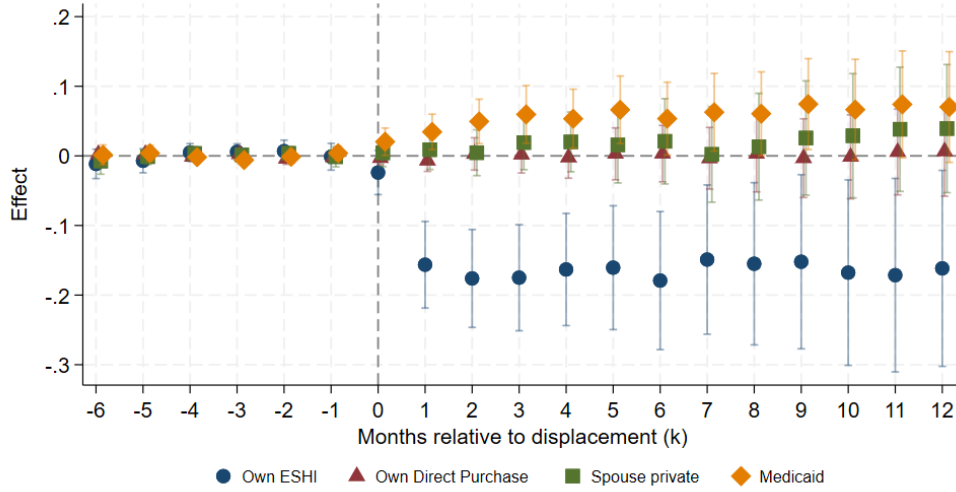
Note: This figure shows event study estimates for each coverage type. The estimation uses the Two-Stage Difference-in-Differences methodology following Gardner (2024) with baseline covariates interacted with time indicators. Data are from the 2014 SIPP, waves 2–3. The sample consists of working-age adults (26–59) who experienced displacement during waves 2–4. Sample restrictions exclude retirees, self-employed workers, and Medicare or military health insurance beneficiaries. Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

Figure 6: Heterogeneous impacts by Medicaid expansion status

(a) Workers in non-expansion states

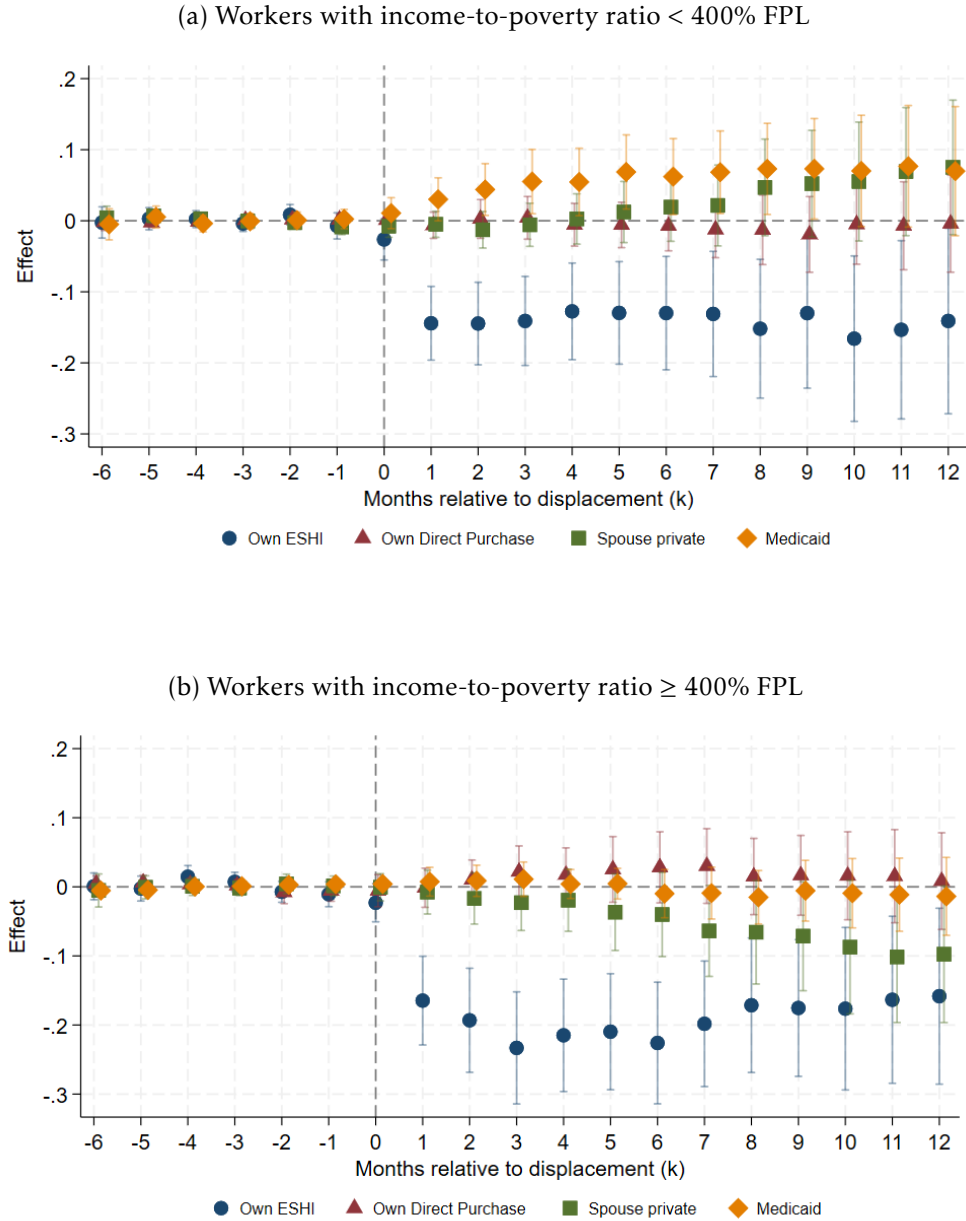


(b) Workers in expansion states



Note: This figure presents event study estimates by Medicaid expansion status. Panel (a) shows results for workers in non-expansion states; Panel (b) shows results for workers in expansion states. Expansion status is measured as of the month before displacement ($g - 1$). Data are from the 2014 SIPP, waves 2–3. Estimation uses the Two-Stage DID methodology following Gardner (2024) with covariate adjustment. Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

Figure 7: Heterogeneous impacts by baseline income-to-poverty ratio



Note: This figure presents event study estimates by baseline income-to-poverty ratio. Panel (a) shows results for workers with income below 400% FPL; Panel (b) shows results for workers at or above 400% FPL, as of baseline period (2014/01). Workers below 400% FPL are eligible for ACA marketplace premium subsidies. Estimation uses the Two-Stage DID methodology following Gardner (2024) with covariate adjustment. Data are from the 2014 SIPP, waves 2–3. Results are weighted using individual survey weights. Standard errors are clustered at the individual level.

Appendix

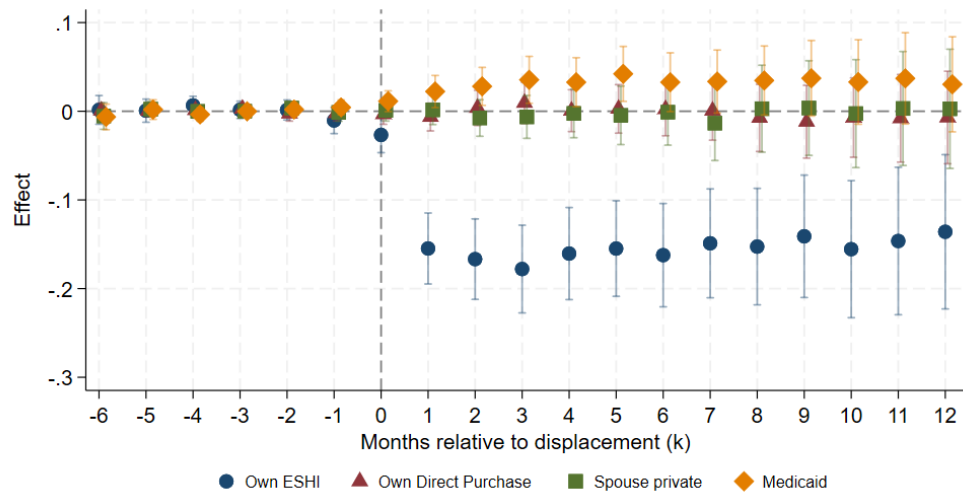
Table A1: Event-study estimates (without covariate adjustment)

	Own ESHI	Own Direct Purchase	Spouse private	Medicaid
k=-6	0.002 (0.008)	0.001 (0.004)	-0.005 (0.008)	-0.006 (0.007)
k=-5	0.001 (0.007)	0.000 (0.003)	0.002 (0.005)	0.002 (0.006)
k=-4	0.007 (0.005)	0.001 (0.003)	-0.000 (0.003)	-0.004 (0.004)
k=-3	0.002 (0.005)	0.003 (0.003)	0.000 (0.003)	-0.000 (0.004)
k=-2	0.001 (0.006)	-0.003 (0.004)	0.004 (0.004)	0.002 (0.004)
k=-1	-0.010 (0.008)	-0.002 (0.004)	-0.001 (0.005)	0.004 (0.004)
k=0	-0.027** (0.010)	-0.003 (0.006)	0.001 (0.006)	0.011 (0.006)
k=1	-0.155*** (0.020)	-0.006 (0.008)	0.002 (0.008)	0.022* (0.009)
k=2	-0.167*** (0.023)	0.004 (0.010)	-0.008 (0.011)	0.028* (0.011)
k=3	-0.178*** (0.025)	0.009 (0.012)	-0.006 (0.012)	0.035** (0.013)
k=4	-0.160*** (0.026)	0.001 (0.012)	-0.002 (0.014)	0.033* (0.014)
k=5	-0.155*** (0.027)	0.003 (0.014)	-0.005 (0.017)	0.042** (0.016)
k=6	-0.162*** (0.030)	0.002 (0.015)	-0.001 (0.019)	0.033 (0.017)
k=7	-0.149*** (0.031)	0.001 (0.017)	-0.013 (0.021)	0.034 (0.018)
k=8	-0.153*** (0.034)	-0.007 (0.019)	0.003 (0.025)	0.035 (0.020)
k=9	-0.141*** (0.035)	-0.012 (0.021)	0.004 (0.027)	0.037 (0.022)
k=10	-0.155*** (0.039)	-0.007 (0.023)	-0.003 (0.031)	0.033 (0.024)
k=11	-0.146*** (0.042)	-0.008 (0.025)	0.003 (0.033)	0.037 (0.026)
k=12	-0.136** (0.044)	-0.007 (0.027)	0.003 (0.034)	0.030 (0.027)
Observations	12152	12152	12152	12152

Note: This table presents event study estimates without covariate adjustment as a robustness check. The first-stage model includes individual and time fixed effects only. All other specifications are identical to Table 4.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Figure A1: Event study estimates (without covariate adjustment)



Note: Event study estimates without covariate adjustment. All other specifications are identical to Figure 5.