

Does it Matter if Your Health Insurer is For-Profit? Effects of Ownership on Premiums, Insurance Coverage, and Medical Spending

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Online Appendix

This appendix elaborates on the analysis performed to evaluate whether the quality of converting BCBS plans improved following conversion to for-profit status. To explore this possibility, I estimated a structural model of employee plan choice. This model, utilized in Dafny, Ho and Varela (2013), is based on a utility function that includes a host of individual, plan, and market characteristics (and their interactions) – as well as carrier-year fixed effects that capture the utility associated with a given carrier and year controlling for the other observable plan characteristics. I re-estimated the model from that paper using the extended time period in this paper, and adding interactions for BCBS*market*year fixed effects. (The full specification used to estimate the parameters in that utility function appears below.) The coefficients on the new interaction terms serve as a measure of unobserved BCBS quality.

The table below reproduces the first stage results using the sample of observations for which sufficient data exists to estimate unobserved BCBS-market-year quality (530 rather than the 552 market-years in Table 3 of the paper), and presents the reduced-form estimates using the coefficient estimates on unobserved BCBS quality as the dependent variable. I do not find evidence that quality is higher in markets where the converting Blue had higher pre-conversion share. In fact, the point estimates suggest quality declines following conversion – and this decline is larger in markets where the converting Blue has higher pre-conversion share.

Dependent Variable:	First Stage			Reduced Form		
	Lagged FP Share, mean = 0.61			Blue Quality, mean = 0.17		
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged BCBS FP	0.145 [0.056]**	0.053 [0.106]		-0.056 [0.126]	-0.09 [0.248]	
Lagged BCBS FP *						
Pre-conversion share		0.55 [0.472]			0.197 [1.303]	
Lagged BCBS FP *						
Low Pre-conversion share			0.112 [0.056]*			-0.031 [0.138]
High Pre-conversion share			0.243 [0.076]***			-0.13 [0.203]
Number of Observations	530	530	530	530	530	530

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls ($\ln(\text{Medicare costs per capita})$ and the unemployment rate), and are estimated by weighted least squares using the average number of enrollees in each market as weights. Standard errors are clustered by market.

“Blue Quality” is obtained from coefficient estimates on BCBS*market*year dummies in the following specification, estimated on fully-insured data for 1997-2009, and described in detail in Dafny, Ho and Varela (AEJ: Economic Policy, February 2013):

$$\begin{aligned}
\ln(s_{emcjt}) - \ln(s_{em0t}) = & \alpha + \xi_e + v_m + \psi_c + \eta_j + \delta_t + \zeta_{em} + \omega_{mc} \\
& + \sum_{mt} \zeta_{mt} I(BCBS = 1)_{mt} \\
& + \varphi_{mt} + \chi_{mj} + \\
& + \alpha_1 p_{emcjt} + \alpha_2 p_{emcjt} \times \text{demographic factor}_{emcjt} \\
& + \alpha_3 \text{demographic factor}_{emcjt} \times (\text{year} > 2005)_t \\
& + \sum \alpha_{4i} I(\text{industry} = i) \times p_{emcjt} \\
& + \sum \alpha_{5i} I(\text{industry} = i) \times \text{demographic factor}_{emcjt} \times p_{emcjt} \\
& + \Psi \text{ plan design}_{emcjt} + \sum i \mu_i I(\text{industry} = i) \times \text{Plan design}_{emcjt} \\
& + \pi \text{self-insured}_{emcjt} + \text{CDP}_{emcjt} + \varepsilon_{emcjt}
\end{aligned}$$

This specifications deviates from Dafny, Ho, and Varela by the inclusion of the shaded terms. The first term reflects the addition of BCBS*market*year dummies. The second term controls for the possible impact of changes in the formula for demographic factor beginning in 2006. The last term is an indicator variable, included in the more recent years of data, for whether the plan is “consumer-directed” (i.e. a high-deductible health plan paired with an HRA or HSA).

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

The set of tables that follow contain results obtained using the “broad sample” of 47 states for all analyses, i.e. the set of states that did not experience a BCBS conversion to FP status prior to the start of the study period.

Table 3. Effect of BCBS Conversions on For-Profit Share and Premiums (Broad state sample)

<i>Panel A. Fully-Insured Plans</i>						
Dependent Variable:	Lagged FP Share Mean = 0.53			Premium Index Mean = 189.77		
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged BCBS FP	0.148	0.054		1.636	-21.489	
	(0.000)*** [0.002]***	(0.494) [0.526]		(0.811) [0.810]	(0.093)* [0.274]	
Lagged BCBS FP * Pre-conversion share		0.551			135.109	
		(0.096)* [0.158]			(0.006)*** [0.076]*	
Lagged BCBS FP * Low Pre-conversion share			0.114			-4.400
			(0.009)*** [0.014]**			(0.564) [0.712]
High Pre-conversion share			0.241			18.087
			(0.000)*** [0.000]***			(0.002)*** [0.014]**
Number of Observations	1465	1465	1465	1467	1467	1467

<i>Panel B. Self-Insured Plans</i>						
Dependent Variable:	Lagged FP Share Mean = 0.53			Premium Index Mean = 189.77		
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged BCBS FP	0.332	0.031		0.444	-7.846	
	(0.000)*** [0.000]***	(0.318) [0.428]		(0.883) [0.876]	(0.236) [0.490]	
Lagged BCBS FP * Pre-conversion share		1.673			45.966	
		(0.000)*** [0.000]***			(0.070)* [0.222]	
Lagged BCBS FP * Low Pre-conversion share			0.256			-1.031
			(0.000)*** [0.000]***			(0.787) [0.970]
High Pre-conversion share			0.487			3.378
			(0.000)*** [0.000]***			(0.170) [0.224]
Number of Observations	1485	1485	1485	1485	1485	1485

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — $\ln(\text{Medicare costs per capita})$ and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the * denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

Table 4. Effect of BCBS Conversions on Premiums: BCBS vs. Non-BCBS Plans (Broad state sample)

<i>Panel A. Fully-Insured Plans</i>						
Dependent Variable:	Premium Index (BCBS) Mean = 175.17			Premium Index (Non-BCBS) Mean = 191.42		
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged BCBS FP	11.011 (0.117) [0.120]	-19.493 (0.207) [0.272]		1.414 (0.845) [0.840]	-24.961 (0.065)* [0.236]	
Lagged BCBS FP * Pre-conversion share		176.106 (0.024)** [0.072]*			154.094 (0.004)*** [0.058]*	
Lagged BCBS FP * Low Pre-conversion share			4.962 (0.515) [0.490]			-5.395 (0.500) [0.690]
High Pre-conversion share			26.758 (0.022)** [0.012]**			19.973 (0.001)*** [0.016]**
Number of Observations	1332	1332	1332	1432	1432	1432

<i>Panel B. Self-Insured Plans</i>						
Dependent Variable:	Premium Index (BCBS) Mean = 175.17			Premium Index (Non-BCBS) Mean = 191.42		
	(1)	(2)	(3)	(4)	(5)	(6)
Lagged BCBS FP	-1.432 (0.728) [0.850]	-9.523 (0.268) [0.474]		1.912 (0.606) [0.654]	-13.091 (0.088)* [0.268]	
Lagged BCBS FP * Pre-conversion share		44.852 (0.193) [0.346]			83.180 (0.018)** [0.090]*	
Lagged BCBS FP * Low Pre-conversion share			-3.304 (0.506) [0.656]			-1.528 (0.709) [0.892]
High Pre-conversion share			2.403 (0.596) [0.626]			8.843 (0.040)** [0.084]*
Number of Observations	1475	1475	1475	1485	1485	1485

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — $\ln(\text{Medicare costs per capita})$ and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit * denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

Table 5. Impact of For-Profit Penetration on Insurance Coverage (Broad state sample)

	Panel A: Dep Var = Share Insured Mean = 0.85			Panel B: Dep Var = Share with Employer-Sponsored Insurance Mean = 0.66		
	(1)	(2)	(3)	(1)	(2)	(3)
Lagged BCBS FP	0.008 (0.227) [0.288]	0.030 (0.176) [0.318]		(0.862) (0.862) [0.832]	0.030 (0.112) [0.208]	
Lagged BCBS FP * Pre-conversion share		-0.114 (0.213) [0.382]			-0.149 (0.063)* [0.118]	
Lagged BCBS FP * Low Pre-conversion share			0.011 (0.324) [0.474]			0.007 (0.426) [0.530]
High Pre-conversion share			0.005 (0.305) [0.302]			-0.007 (0.257) [0.428]
Number of Observations	506	506	506	506	506	506
	Panel C: Dep Var = Share Individually Insured Mean = 0.10			Panel D: Dep Var = Share on Medicaid Mean = 0.13		
	(1)	(2)	(3)	(1)	(2)	(3)
Lagged BCBS FP	0.001 (0.868) [0.858]	0.012 (0.163) [0.268]		0.012 (0.023)** [0.042]**	-0.002 (0.874) [0.958]	
Lagged BCBS FP * Pre-conversion share		-0.062 (0.158) [0.310]			0.075 (0.242) [0.376]	
Lagged BCBS FP * Low Pre-conversion share			0.002 (0.695) [0.762]			0.009 (0.168) [0.230]
High Pre-conversion share			-0.001 (0.802) [0.880]			0.017 (0.036)** [0.240]
Number of Observations	506	506	506	506	506	506

Notes: The unit of observation is the state-year. The study period is 1999-2009. Insurance rates and pre-conversion share are scaled from 0 to 1. All specifications include state and year fixed effects, simulated Medicaid eligibility rate for children under 18, lagged ln(Medicare costs per capita), and the lagged unemployment rate. Each observation is weighted by the average under-65 population in the state. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the state.

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

Table 6. Impact of For-Profit Penetration on Medical Loss Ratios (Broad state sample)

	Dependent Variable = MLR		
	All Insurers Mean = 0.86	BCBS Mean = 0.85	Non-BCBS Mean = 0.85
Lagged BCBS FP	0.015 <i>0.168</i> [0.193]	-0.007 <i>0.572</i> [0.597]	0.034 <i>0.013**</i> [0.017]**
Number of Observations	381	381	376

***Notes:** The unit of observation is the state-year. The study period is 2001-2009. MLRs are constructed using censored insurer-state-year data. All specifications include state and year fixed effects, the lagged unemployment rate, and lagged ln(Medicare costs per capita). Each observation is weighted by the average number of LEHID enrollees in the state. Alaska does not report data for non-BCBS plans until 2008, hence the discrepancy between the number of BCBS and non-BCBS observations. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the state.*

Appendix Table 5. (Broad state sample)
Effect of BCBS Conversions on FP Share, Leads and Lags

Panel A: Model 1 (Dependent Var = FP share)

	(1)	(2)
	<i>Fully-Insured Plans</i>	<i>Self-Insured Plans</i>
(BCBS FP) _{t-3}	0.048 <i>(0.145)</i> <i>[0.194]</i>	0.047 <i>(0.107)</i> <i>[0.130]</i>
(BCBS FP) _{t-2}	0.029 <i>(0.485)</i> <i>[0.508]</i>	0.066 <i>(0.034)**</i> <i>[0.042]**</i>
(BCBS FP) _{t-1}	0.017 <i>(0.717)</i> <i>[0.672]</i>	0.069 <i>(0.031)**</i> <i>[0.034]**</i>
(BCBS FP) _{t=0}	0.153 <i>(0.006)***</i> <i>[0.018]**</i>	0.346 <i>(0.000)***</i> <i>[0.000]**</i>
(BCBS FP) _{t+1}	0.174 <i>(0.005)***</i> <i>[0.014]**</i>	0.339 <i>(0.000)***</i> <i>[0.000]**</i>
(BCBS FP) _{t+2}	0.159 <i>(0.015)**</i> <i>[0.054]*</i>	0.391 <i>(0.000)***</i> <i>[0.000]**</i>
(BCBS FP) _{>=(t+3)}	0.146 <i>(0.053)*</i> <i>[0.104]</i>	0.411 <i>(0.000)***</i> <i>[0.000]**</i>
Number of Observations	552	564

Notes: *The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — ln(Medicare costs per capita) and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.*

** denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < .01$*

Appendix Table 5. (Broad state sample)
Effect of BCBS Conversions on FP share, Leads and Lags

<i>Panel B: Model 2 (Dependent Var = FP share)</i>		
	(1)	(2)
	<i>Fully-Insured Plans</i>	<i>Self-Insured Plans</i>
(BCBS FP) $t-3$ *low	0.082 <i>(0.101)</i> <i>[0.258]</i>	0.028 <i>(0.459)</i> <i>[0.548]</i>
(BCBS FP) $t-2$ *low	0.069 <i>(0.233)</i> <i>[0.362]</i>	0.057 <i>(0.214)</i> <i>[0.258]</i>
(BCBS FP) $t-1$ *low	0.082 <i>(0.160)</i> <i>[0.200]</i>	0.023 <i>(0.422)</i> <i>[0.418]</i>
(BCBS FP) $t=0$ *low	0.187 <i>(0.005)***</i> <i>[0.036]**</i>	0.253 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t+1$ *low	0.191 <i>(0.001)***</i> <i>[0.016]**</i>	0.235 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t+2$ *low	0.157 <i>(0.030)**</i> <i>[0.104]</i>	0.308 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $\geq(t+3)$ *low	0.109 <i>(0.156)</i> <i>[0.202]</i>	0.301 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t-3$ *high	0.001 <i>(0.977)</i> <i>[0.924]</i>	0.091 <i>(0.001)***</i> <i>[0.002]***</i>
(BCBS FP) $t-2$ *high	0.025 <i>(0.730)</i> <i>[0.726]</i>	0.121 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t-1$ *high	-0.021 <i>(0.770)</i> <i>[0.798]</i>	0.175 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t=0$ *high	0.250 <i>(0.000)***</i> <i>[0.000]***</i>	0.507 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t+1$ *high	0.246 <i>(0.002)***</i> <i>[0.002]***</i>	0.548 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $t+2$ *high	0.189 <i>(0.011)**</i> <i>[0.024]**</i>	0.585 <i>(0.000)***</i> <i>[0.000]***</i>
(BCBS FP) $\geq(t+3)$ *high	0.223 <i>(0.003)***</i> <i>[0.002]***</i>	0.626 <i>(0.000)***</i> <i>[0.000]***</i>
Number of Observations	1467	1485

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — $\ln(\text{Medicare costs per capita})$ and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

Appendix Table 6. (Broad state sample)
Effect of BCBS Conversions on Premiums, Leads and Lags

Panel A: Model 1 (Dependent Var = Premium Index)

	(1)	(2)
	<i>Fully-Insured Plans</i>	<i>Self-Insured Plans</i>
(BCBS FP) _{t-3}	-1.684 <i>(0.447)</i> [0.566]	2.136 <i>(0.306)</i> [0.460]
(BCBS FP) _{t-2}	-3.026 <i>(0.362)</i> [0.494]	0.509 <i>(0.828)</i> [0.854]
(BCBS FP) _{t-1}	-3.783 <i>(0.392)</i> [0.558]	1.012 <i>(0.723)</i> [0.784]
(BCBS FP) _{t=0}	-4.756 <i>(0.465)</i> [0.648]	-0.961 <i>(0.807)</i> [0.902]
(BCBS FP) _{t+1}	-4.803 <i>(0.537)</i> [0.710]	-0.289 <i>(0.942)</i> [1.000]
(BCBS FP) _{t+2}	-3.803 <i>(0.670)</i> [0.790]	-0.951 <i>(0.817)</i> [0.904]
(BCBS FP) _{>=(t+3)}	1.589 <i>(0.870)</i> [0.918]	2.210 <i>(0.676)</i> [0.798]
Number of Observations	1588	1608

Notes: *The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — ln(Medicare costs per capita) and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.*

** denotes p<0.10, ** denotes p<0.05, *** denotes p<.01*

Appendix Table 6. (Broad state sample)
Effect of BCBS Conversions on Premiums, Leads and Lags

Panel B: Model 2 (Dependent Var = Premium Index)

	(1)	(2)
	<i>Fully-Insured Plans</i>	<i>Self-Insured Plans</i>
(BCBS FP) t-3*low	-1.463 (0.543) [0.608]	1.043 (0.689) [0.724]
(BCBS FP) t-2*low	-3.838 (0.293) [0.400]	-1.183 (0.667) [0.676]
(BCBS FP) t-1*low	-6.416 (0.188) [0.292]	-0.294 (0.932) [0.900]
(BCBS FP) t=0*low	-7.550 (0.311) [0.460]	-3.133 (0.515) [0.624]
(BCBS FP) t+1*low	-10.021 (0.248) [0.398]	-2.465 (0.617) [0.718]
(BCBS FP) t+2*low	-10.541 (0.291) [0.438]	-3.471 (0.487) [0.632]
(BCBS FP) >=(t+3)*low	-6.125 (0.573) [0.616]	-0.527 (0.935) [0.990]
(BCBS FP) t ₃ *high	-1.212 (0.479) [0.514]	4.725 (0.005)*** [0.030]**
(BCBS FP) t ₂ *high	0.415 (0.859) [0.838]	4.195 (0.087)* [0.146]
(BCBS FP) t ₁ *high	4.068 (0.186) [0.242]	3.739 (0.289) [0.388]
(BCBS FP) t ₀ *high	3.703 (0.274) [0.320]	3.590 (0.372) [0.450]
(BCBS FP) t ₊₁ *high	10.497 (0.010)*** [0.020]**	4.249 (0.312) [0.384]
(BCBS FP) t ₊₂ *high	15.473 (0.001)*** [0.004]***	4.266 (0.217) [0.252]
(BCBS FP) >=(t+3)*high	22.896 (0.008)*** [0.026]**	7.829 (0.106) [0.154]
Number of Observations	1588	1608

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — ln(Medicare costs per capita) and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$

Appendix Table 7. Effect of BCBS Conversions on Premiums, Dropping One State at a Time (**Broad state sample**)

Dependent Variable = Fully-Insured Premium Index											
	CO	CT	IN	KY	ME	MO	NH	NV	NY	OH	WI
Lagged BCBS FP*											
Low Pre-conversion share	-8.619 (0.210) [0.396]	-4.694 (0.585) [0.666]	-4.382 (0.565) [0.668]	-4.398 (0.565) [0.630]	-4.403 (0.564) [0.646]	-4.705 (0.565) [0.672]	-5.537 (0.474) [0.588]	-2.993 (0.707) [0.826]	4.346 (0.510) [0.514]	-7.605 (0.339) [0.472]	-3.924 (0.632) [0.720]
High Pre-conversion share	17.739 (0.002)*** [0.014]**	18.115 (0.002)*** [0.006]***	19.792 (0.000)*** [0.004]***	18.791 (0.003)*** [0.016]**	18.917 (0.001)*** [0.006]***	18.044 (0.002)*** [0.016]**	18.136 (0.002)*** [0.008]***	18.075 (0.002)*** [0.002]***	18.032 (0.002)*** [0.006]***	18.319 (0.013)** [0.030]**	15.774 (0.004)*** [0.018]**
Number of Observations	1443	1443	1431	1443	1455	1443	1455	1439	1431	1383	1431

Notes : The unit of observation is the market-year. Each column represents results from a sample excluding observations from the state marked at the top of the column. All models include market-year controls and fixed effects for each market and year, and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.

* denotes $p < 0.10$, ** denotes $p < 0.05$, * denotes $p < 0.01$

**Appendix Table 8. Effect of Different Types of BCBS
Ownership Conversions on Premiums (Broad state sample)**

Panel A. Fully-Insured Plans

	Dependent Var = Premium Index Mean = 182.9	
	(1)	(2)
Lagged BCBS NFP to Mutual	-0.185 <i>(0.978)</i> <i>[1.000]</i>	2.666 <i>(0.663)</i> <i>[0.694]</i>
Lagged BCBS NFP to FP	-14.067 <i>(0.070)*</i> <i>[0.240]</i>	-14.058 <i>(0.072)*</i> <i>[0.244]</i>
Lagged BCBS Mutual to FP	11.662 <i>(0.039)**</i> <i>[0.068]*</i>	-1.587 <i>(0.881)</i> <i>[0.872]</i>
Lagged BCBS Mutual to FP * Pre-conversion share		65.972 <i>(0.075)*</i> <i>[0.138]</i>
Number of Observations	1588	1588

Panel B. Self-Insured Plans

	Dependent Var = Premium Index Mean = 179.0	
	(1)	(2)
Lagged BCBS NFP to Mutual	0.737 <i>(0.808)</i> <i>[0.846]</i>	1.614 <i>(0.600)</i> <i>[0.626]</i>
Lagged BCBS NFP to FP	-2.174 <i>(0.726)</i> <i>[0.878]</i>	-2.170 <i>(0.727)</i> <i>[0.878]</i>
Lagged BCBS Mutual to FP	2.634 <i>(0.266)</i> <i>[0.284]</i>	-1.871 <i>(0.733)</i> <i>[0.754]</i>
Lagged BCBS Mutual to FP * Pre-conversion share		21.837 <i>(0.321)</i> <i>[0.382]</i>
Number of Observations	1608	1608

Notes: The unit of observation is the market-year. All models include fixed effects for each market and year as well as lagged market-year controls — $\ln(\text{Medicare costs per capita})$ and the unemployment rate — and are estimated by weighted least squares using the average number of enrollees in each market as weights. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the market.

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < .01$

Appendix Table 9. Impact of For-Profit Penetration on Insurance Coverage (Broad state sample)
(by age group)

	Panel A: Dep Var = Share on Medicaid (under 18) Mean = 0.26			Panel B: Dep Var = Share on Medicaid (18-44) Mean = 0.08		
Lagged BCBS FP	0.010 (0.315) [0.320]	-0.051 (0.002)*** [0.080]*		0.019 (0.003)*** [0.000]***	0.018 (0.370) [0.400]	
Lagged BCBS FP *		0.316 (0.000)*** [0.000]***			0.003 (0.974) [1.000]	
Pre-conversion share						
Lagged BCBS FP *						
Low Pre-conversion share			-0.004 (0.622) [0.720]		0.018 (0.043)** [0.080]*	
High Pre-conversion share			0.028 (0.052)* [0.400]		0.020 (0.007)*** [0.160]	
Number of Observations	506	506	506	506	506	506

	Panel C: Dep Var = Share with any Private Insurance (under 18) Mean = 0.68			Panel D: Dep Var = Share with any Private Insurance (18-44) Mean = 0.70		
Lagged BCBS FP	0.004 (0.670) [0.240]	0.055 (0.059)* [0.160]		0.003 (0.681) [0.240]	0.043 (0.018)** [0.160]	
Lagged BCBS FP *		-0.262 (0.048)** [0.160]			-0.208 (0.016)** [0.240]	
Pre-conversion share						
Lagged BCBS FP *						
Low Pre-conversion share			0.015 (0.255) [0.160]		0.011 (0.243) [0.160]	
High Pre-conversion share			-0.011 (0.290) [0.800]		-0.007 (0.468) [0.640]	
Number of Observations	506	506	506	506	506	506

Notes: The unit of observation is the state-year. The study period is 1999-2009. Insurance rates and pre-conversion share are scaled from 0 to 1. All specifications include state and year fixed effects, simulated Medicaid eligibility rate for children under 18, lagged ln(Medicare costs per capita), and the lagged unemployment rate. Each observation is weighted by the average under-65 population in the state. P-values generated using cluster-robust standard errors [wild-cluster bootstrap-t procedure] are reported in () and [], respectively. In both cases, the clustering unit is the state

* denotes $p < 0.10$, ** denotes $p < 0.05$, *** denotes $p < 0.01$