



Issue Brief

Health Insurance Coverage

Missouri State Planning Grant

November 2003

What is the State Planning Grant?

The state of Missouri will receive \$880,361 over a one-year period to take the first step in addressing the problem of uninsured in the state. The grant from the federal Department of Health and Human Services (HHS) is part of a program for states to develop plans to provide affordable health insurance for uninsured residents. The first step calls for a study to identify uninsured residents within the state and the reasons why these individuals are uninsured.

The Department of Health and Senior Services (DHSS), through contractors, will collect new qualitative data through the use of the Coordinated Coverage Survey (household telephone interviews), and quantitative data through the use of focus groups with individuals, employers, and key informant interviews with stakeholders. The Department will also conduct a review and analysis of existing data, and will conduct a review of the literature. Through the provisions of the grant, an Advisory Council on the Accessibility and Affordability of Health Insurance Coverage will be established. From this Advisory Council, an Executive Committee will be formed. This group will be responsible for forwarding the recommendations on programs, models and policy options to the State and the state's plan to the Governor and DHHS.

The Missouri Department of Health and Senior Services (DHSS) has lead authority in this study and will be responsible for filing a written report to the Secretary of HHS Tommy Thompson's office regarding the details of the findings and the state's plan, based on recommendations from the Advisory Council and decision of the Executive Committee

and Governor's Office, to increase Missouri access to health insurance for Missouri residents.

The Issue: Consequences of Uninsurance

Millions of Americans are unable to receive the care they need because they lack health coverage. This endangers the health and lives of all people, adds cost to the delivery of health care, impacts the systems that provide health care, and reduces productivity. When a person does not receive care or care is delayed it may result in unnecessary morbidity or mortality and greater severity of illness. Delays in seeking care are particularly damaging in diseases, such as cancer and diabetes, for which early diagnosis and treatment may prevent complications and prolong survival.

The inability of the uninsured to access preventive care also increases the health care costs. For example, uninsured pregnant women generally seek prenatal care late in the pregnancy, if at all, and this increases the probability of a less than ideal birth outcome for that newborn. In all likelihood, the afterbirth care for the newborn will occur in a neonatal intensive care unit. Another example is the failure to detect and treat high blood pressure in its early stages. This can increase the likelihood of hospitalization and care in the intensive care unit for stroke, myocardial infarction, or congestive heart failure. The failure to prevent these complications results in increased medical care costs and loss of productivity.

Medical treatment for the uninsured is often more expensive than preventive, acute and chronic care of the insured because the uninsured are more likely to receive medical care in the emergency department than in a physician's office. The increased costs are absorbed by providers in the provision of free care,

passed on to the insured through higher health insurance premiums and cost shifting, or paid for by taxpayers through higher taxes to finance public hospitals and public insurance programs.

Research shows that having health insurance positively affects the use of health services and is associated with better health outcomes across the range of preventive, chronic and acute care services.

- ♦ Uninsured babies have poorer survival rates than privately insured babies;
- ♦ The uninsured are less likely to be admitted to the hospital after visiting the emergency room;
- ♦ Having health insurance increases medical care by 50%; and
- ♦ Poor health reduces annual earning from work and affects educational attainment.

The uninsured experienced access problems at more than twice the rate of those with coverage (30% vs. 10-16.6%).

Who are the Uninsured?

- ♦ The uninsured represent 14.6% of the population or 41.2 million Americans. (This includes children)
- ♦ Nearly a quarter of them are children (8.5 million are children under age 18).
- ♦ Eight out of 10 uninsured Americans are from working families and more than half are in families that earn low wages – incomes below 200% FPL (about \$35,000 for a family of four in 2001).
 - 24 million uninsured work
 - 19 million work full-time
 - 5 million work part-time
- ♦ Most people who lack health insurance coverage work for businesses that do not offer health benefits, or the benefits they offer are too expensive for employees with modest incomes to afford.
- ♦ One in five uninsured work for an employer or are dependents of someone who works for an employer who offers coverage, but these employees and their families can't afford the cost of their employer-based health insurance.
- ♦ Most working people without health insurance are employed in service industries that help support the economy, but typically pay lower

wages and offer benefits less often. People who earn these modest salaries cannot afford private coverage, but earn too much to be covered by public programs (such as Medicaid). Examples: people who are paid to care for the elderly and disabled, bag groceries, serve food at restaurants, build houses, and landscape yards.

The employed groups that are more likely to lack coverage include:

- ♦ those who are self-employed or contractors;
- ♦ work part-time;
- ♦ work in small firms; and
- ♦ work in service-oriented industries.

Nearly two-thirds of all 50-64 years olds without health insurance work.

Uninsured Americans come from every race, age and ethnic group:

- 19.4 million are non-Hispanic White;
- 12.4 million are Hispanic;
- 6.8 million are Black;
- 2.3 million are Asian and Pacific Islander;
- 8.6 million people between the ages of 45 and 64 are uninsured;
- 21.7 million are men; and
- 19.5 million are women.

Affordability is a reason many cite for declining coverage.

Though the number of uninsured declined between 1998 and 2000, the number is on the rise again because of a weakened economy and layoffs at the companies. The share of the uninsured population rose by 1.4 million people between 2000 and 2001. This does not account for those who are without health insurance for less than a year. More than 70 million people lacked health insurance for at least a month.

Who is Most Likely to be Uninsured?

The vast majority of Americans who lack health insurance coverage of any kind, work, but cannot afford to purchase insurance through their jobs or on their own. The kind of jobs a person has is the key factor in determining insurance status. The most likely to be uninsured are people who:

- ♦ *Earn low incomes:* Nearly one third of the nation's poor or about 10.1 million people living

at or below the FPL had no health insurance in 2001.

- ♦ *Have less education:* About 30% of all uninsured adults have not earned a high school diploma. These people often end up in low paying jobs that either don't offer health coverage or make it hard to afford coverage.
- ♦ *Are Hispanic:* More than a third of the nation's 37 million Hispanics are uninsured; nearly 7 million or close to 20% of the nation's 36 million blacks lack health coverage.
- ♦ *Are 18 to 24 years old:* Twenty-eight percent of young adults in the US do not have health insurance. This group typically works in part-time jobs or earns low wages that make it difficult to afford coverage. This group also may have "aged" out of a family policy or opted to go without health coverage because they cannot afford it.

How does Uninsurance Affect Children?

- ♦ Approximately 8.5 million children under the age of 18 are uninsured.
- ♦ Nearly 70% of parents of uninsured children worry frequently or almost all the time that they will not have the money to pay for medical bills if their kids are sick or injured.

- ♦ Uninsured children are seven times more likely to go without needed medical care than children who have health insurance.
- ♦ Parents of uninsured children are seven times more likely to not fill or delay filling prescriptions compared with parents of insured kids.

What are Missouri's Statistics?

Missouri data shows that despite the number of eligible children and adults enrolled in insurance by private source or in the State Medicaid Program, a large number remain uncovered (Table 1 and Table 2). According to the U.S. Census Bureau, the number and percent of Missouri children under 19 years of age, at or below 200% of poverty, and without health insurance coverage (three-year averages for 1999, 2000, and 2001) was 58,000 children or 3.9%. This is fewer than the number reflecting children uncovered for 1997, 1998, and 1999 (75,000 children, 5.2%). The income eligibility for the State Medicaid Program is now 300% of poverty for children, which is likely to have attributed to the drop in the number of low-income children uninsured.

Table 1. Low-income uninsured children under 19 years of age, at or below 200% of Poverty, 3-year averages. Source: U.S. Census Bureau

3-year averages	'94-'96	'95-'97	'96-'98	'97-'99	'98-2000	'99-2001
Number	104,000	113,000	104,000	75,000	58,000	39,000
Percent	7.7	8.0	7.2	5.2	3.9	2.6

Table 2. Uninsured Rates by Poverty Level, 2000-2001. Source: January 2003 Kaiser Commission on Medicaid and the Uninsured.

	All	<100	100-199	200-299	300+
Children	6.2	14.8	10.7	4.7	2.2
Non-elderly adults	13.4	31.9	26.7	15.2	5.5

U.S. Census Bureau also reports the percent of people without Health Insurance Coverage for the entire year. This information is listed in Table 3.

Table 3. Percent of People Without Health Insurance Coverage for the Entire Year. Source: U.S. Census Bureau

	1995	1996	1997	1998	1999	2000	2001
Missouri	12.6	13.2	14.6	9.2	6.9	10.8	10.2
U.S.	15.4	15.6	16.1	15.0	14.3	14.0	14.6

Persons most at risk of being uninsured are low-income non-elderly adults. In 2000-2001, 29.0% of Missouri's low-income non-elderly adults did not have health coverage, representing 260,420 residents uninsured.

How do Uninsured Americans and Insured Americans Compare?

The uninsured ...

<ul style="list-style-type: none"> Adults: Up to 4 times less likely to have ... Children: up to 8 times less likely to have ... Adolescents: up to 6.6 times less likely to have ... 	A regular source of care
<ul style="list-style-type: none"> Adults: Up to 66% less likely to have ... Children: up to 2.8 times less likely to have ... Adolescents: 2.5 times less likely to have... 	A recent physician visit
<ul style="list-style-type: none"> Adults: Up to 3.6 times more likely to ... Children: 4 times more likely to ... 	Delay seeking care
<ul style="list-style-type: none"> 3.8 times less likely to obtain medical/surgical care Up to 3.9 times less likely to obtain dental care 4.7 times less likely to obtain prescription drugs 3.3 times less likely to obtain needed eyeglasses 	Unmet needs
<ul style="list-style-type: none"> Adults: 4 times more likely Children: 5 times more likely 	To use the emergency room as a regular place of care
<ul style="list-style-type: none"> 1.5 times more likely to report only fair or poor health 	Self-report of poorer health status
<ul style="list-style-type: none"> Less likely to receive follow-up care after hospital discharge 	
<ul style="list-style-type: none"> 2 times more likely to use a pharmacist rather than a physician for medical triage 	

What are the Health Outcomes for the Uninsured?

The uninsured are ...

<ul style="list-style-type: none"> Up to 2.8 times more likely to be hospitalized for diabetes Up to 2.4 times more likely to be hospitalized for hypertension Up to 1.6 times more likely to be hospitalized for pneumonia Up to 1.6 times more likely to be hospitalized for bleeding ulcer More likely to experience avoidable hospitalization for asthma 	Avoidable Hospitalizations
<ul style="list-style-type: none"> Up to 3.2 times more likely to die in-hospital (have a higher in-hospital mortality) 1.25 times more likely to die (have a higher general mortality) 	Higher Mortality
<ul style="list-style-type: none"> 1.7 times more likely to be diagnosed with colon cancer at a ... 2.6 times more likely to be diagnosed with melanoma at a ... Women with breast cancer: Have a 49% higher adjusted risk of death 	Late stage at diagnosis/lower cancer survival rate
<ul style="list-style-type: none"> 1.3 times less likely to have received any mental health treatment prior to hospitalization 1.6 times more likely to be involuntarily admitted for hospitalization 6.5 times more likely to be hospitalized in a public hospital rather than a community hospital. 	Other indicators of poorer medical outcomes

What are the consequences of uninsurance for Children?

A lack of insurance for children has serious consequences

Uninsured children are...

- Up to 6 times more likely to have gone without needed medical, dental, or other health care
- 2 times more likely to have gone without a physician visit during the previous year
- Up to 4 times more likely to have delayed seeking care
- Up to 10 times less likely to have a regular source of care

Uninsured children, who are ill, are...

- Up to 1.7 times less likely to receive medical treatment for sore throat or tonsillitis
- 1.9 times less likely to receive medical treatment for an acute earache
- 2.1 times less likely to receive medical treatment for a recurrent earache
- 1.7 times less likely to receive medical treatment for asthma

Uninsured children, compared with the insured, are...

- Up to 30% less likely to receive medical attention for any injury
- Up to 40% less likely to receive medical attention for a serious injury

Uninsured children under 16 years of age presenting with appendicitis, are...

- Wait almost 2 times as long before seeking care
- Have a hospital visit almost 2 times as long

What are the Consequences for the Uninsured Adolescents (11-17 years old)?

Uninsured adolescents aged 10-18 are...

- Up to 5 times less likely to have a usual source of care
- 2 times less likely to have had a physician visit during the course of the year

Uninsured adolescents aged 10-18 are...

- Up to 4 times more likely to have unmet health needs
- 4 times less likely to get needed dental care
- 4 times less likely to get needed prescriptions and/or eyeglasses
- 6 times less likely to get needed medical care

What are the Consequences for the Uninsured Woman?

Uninsured women are...

- 2 times less likely to have had both a mammogram and clinical breast examination in the previous 2 years

Uninsured women aged 50-64 are...

- 2.1 times less likely to have had a recent mammogram
- 1.9 times less likely to have had a recent Pap test
- 2.1 times less likely to have had a recent clinical breast examination

Uninsured women aged 40-49 are...

- 1.5 times less likely to have had a recent mammogram
- 1.9 times less likely to have had a recent Pap test
- 1.9 times less likely to have had a recent clinical breast examination

Uninsured women with breast cancer ...

- Have a 49% higher adjusted risk of death
- Are 1.4 times more likely to be diagnosed with breast cancer at a late stage

Uninsured women ...

- Have a worse cardiovascular disease risk factor profile

Uninsured pregnant women ...

- Have a 31% higher likelihood of an adverse hospital outcome

What are the Consequences for the Chronically Ill?

Uninsured with chronic back pain are ...

- 2.7 times less likely to get back to work quickly

What are the Consequences for Uninsured Men?

Uninsured men are ...

- 1.5 times more likely to be diagnosed with prostate cancer at a late stage

Missouri State and Region Statistics

Indicator	Region (%)							State of Missouri (%)
	Kansas City Metro	St. Louis Metro	Central	Southwest	Southeastern	Northwestern	Northeastern	
Could not see doctor in the last year due to cost	8	8	8	13	12	10	10	9
Employed without any kind of health insurance	10	7	9	14	12	12	12	10
Self-Employed without any kind of health insurance	24	14	33	26	23	19	20	21
Without coverage in this past year	17	12	18	20	18	18	10	16

Source: Behavioral Risk Factor Survey, 2003

For more information on the State Planning Grant, please contact:

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