Health Coverage Today: States in Motion

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Figure 1
Health Insurance Coverage of Children and Nonelderly Adults, 2004

Children

- Uninsured 12%
- Employer 56%
- Medicaid 28%
- Other Private 4%

Total: 77.8 million

Note: Medicaid also includes S-CHIP, other state programs, Medicare, and military-related coverage.

Adults under 65

- Uninsured 21%
- Employer 63%
- Medicaid 10%
- Other Private 6%

Total: 177.3 million

Figure 2
Uninsured Rates Among the Nonelderly by State, 2003 - 2004

National Average = 18%


Figure 3
Non-Elderly Uninsured, by Age and Income Groups, 2004

Total = 45.5 Million Uninsured

Notes: Low-income is <200% of the federal poverty level ($30,134 for family of three in 2004). Parents of dependent children under age 19. Adults without children also include parents whose children are no longer dependent.

Source: Health Insurance Coverage in America, 2004 Data Update, KCMU.
Figure 4

The Nonelderly Uninsured by Race and Citizenship, 2004

Distribution by Race/Ethnicity

- American Indian: 1%
- Asian: 5%
- Black: 15%
- Hispanic: 30%
- White: 48%
- Two or More Races: 1%

Total = 45.5 Million Uninsured

Distribution by Citizenship

- Naturalized Citizens: 76%
- Native Citizens: 24%
- Non-Citizens: 6%

Asian group includes Pacific Islanders; American Indian group includes Aleutian Eskimos.

Figure 5

Nonelderly Uninsured by Work Status and Among Selected Occupations, 2004

All Families

- No Workers: 19%
- Part-Time Workers: 13%
- 1 Full-Time Worker: 56%
- 2 Full-Time Workers: 13%

Total = 45.5 million uninsured

Selected Occupations

- Construction: 41%
- Agriculture: 47%
- Wholesale/Retail: 24%
- Services/Arts Entertainment: 36%
- Mining/Manufacturing: 17%
- Blue Collar Workers: 5%
- White Collar Workers: 5%

Uninsured Rate for All Workers = 19%

Note: White collar workers include all professionals and managers; all other workers classified as Blue collar.
Figure 6

Health Insurance Coverage of the Nonelderly by Poverty Level, 2004

Notes: The federal poverty level was $19,307 for a family of four in 2004.

Figure 7

Access to Employer-Based Coverage by Family Income, 2001

Figure 8

Health Insurance Offer Rates by Firm Size, 2000 and 2005

Percent of firms offering health benefits:

- All Firms 2000: 69%
- All Firms 2005: 60%
- Large Firms (200+ Workers) 2000: 99%
- Large Firms (200+ Workers) 2005: 98%
- Small Firms (3-199 Workers) 2000: 68%
- Small Firms (3-199 Workers) 2005: 59%
- Higher Wage Firms 2000: 65%
- Higher Wage Firms 2005: 43%
- Lower Wage Firms 2000: (data not provided)
- Lower Wage Firms 2005: (data not provided)

Note: The 2000 statistics for firms by wage rate apply only to small firms (3-199 workers) and are not included.


Figure 9

Average Annual Premium Costs for Covered Workers, 2000 and 2005

- Employer Contribution:
  - Single Coverage 2000: $2,471
  - Worker Contribution 2000: $2,137
  - Single Coverage 2005: $4,024
  - Worker Contribution 2005: $3,413

- Family Coverage 2000:
  - Employer Contribution: $6,438
  - Worker Contribution: $1,619
  - Family Coverage 2005:
  - Employer Contribution: $8,167
  - Worker Contribution: $2,713

Note: Family coverage is defined as health coverage for a family of four.

Health Insurance Coverage of Low-Income Adults and Children, 2004

<table>
<thead>
<tr>
<th>Children</th>
<th>Uninsured</th>
<th>Medicaid/Other Public</th>
<th>Employer/Other Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor (&lt;100% Poverty)</td>
<td>23%</td>
<td>61%</td>
<td>16%</td>
</tr>
<tr>
<td>Near-Poor (100-199% Poverty)</td>
<td>16%</td>
<td>42%</td>
<td>42%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parents</th>
<th>Uninsured</th>
<th>Medicaid/Other Public</th>
<th>Employer/Other Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor (&lt;100% Poverty)</td>
<td>42%</td>
<td>38%</td>
<td>20%</td>
</tr>
<tr>
<td>Near-Poor (100-199% Poverty)</td>
<td>32%</td>
<td>18%</td>
<td>50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adults without children</th>
<th>Uninsured</th>
<th>Medicaid/Other Public</th>
<th>Employer/Other Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor (&lt;100% Poverty)</td>
<td>47%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Near-Poor (100-199% Poverty)</td>
<td>38%</td>
<td>19%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Notes: Medicaid also includes SCHIP and other state programs, Medicare and military-related coverage. The federal poverty level was $19,307 for a family of four in 2004. SOURCE: KCMU and Urban Institute analysis of March 2005 Current Population Survey.

Federal Minimum Medicaid Eligibility Levels, 2005

Income eligibility levels as a percent of the Federal Poverty Level:

- Pregnant Women: 133%
- Pre-School Children: 133%
- School-Age Children: 100%
- Elderly and Individuals with Disabilities: 74%
- Parents: 42%
- Childless Adults: 0%

Figure 12
Children’s Eligibility for Medicaid/SCHIP by Income, July 2005

US Median Eligibility = 200% FPL

* Federal Poverty Level (FPL) refers here to HHS Poverty Guidelines, $16,090 for a family of three in 2005.
SOURCE: Center on Budget and Policy Priorities for KCMU, 2005

Figure 13
Medicaid Eligibility for Working Parents, by Income, July 2005

National Average = 67% FPL

* Federal Poverty Level (FPL) refers here to HHS Poverty Guidelines, $16,090 for a family of three in 2005.
SOURCE: Center on Budget and Policy Priorities for KCMU, 2005
Figure 14

Medicaid Enrollees are Poorer and Sicker Than The Low-Income Privately Insured Population

Percent of Enrolled Adults:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Medicaid</th>
<th>Low-Income and Privately Insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>69%</td>
<td>27%</td>
</tr>
<tr>
<td>Health Conditions that limit work</td>
<td>61%</td>
<td>15%</td>
</tr>
<tr>
<td>Fair or Poor Health</td>
<td>48%</td>
<td>16%</td>
</tr>
</tbody>
</table>

SOURCE: Coughlin et al, 2004 based on a 2002 NSAF analysis for KCMU.

Figure 15

Medicaid’s Impact on Access to Health Care

<table>
<thead>
<tr>
<th>Service</th>
<th>Adults</th>
<th>Women</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did Not Receive Needed Care</td>
<td>13%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>No Pap Test in Past Two Years</td>
<td>16%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>No Regular Source of Care</td>
<td>24%</td>
<td>10%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Figure 16
Medicaid Spending Per Person Grew More Slowly than Spending under Private Insurance, 2000 - 2003

Average Annual Growth, 2000-2003

Medicaid Spending Per Enrollee\(^1\)

Private Health Insurance Spending Per Enrollee\(^2\)

Monthly Premiums For Employer-Sponsored Insurance\(^3\)

6.1% 10.6% 12.6%

\(^1\) Holahan and Ghosh, Health Affairs, 2005.
\(^2\) CMS Office of the Actuary, National Health Accounts, 2005.

Figure 17
Underlying Growth in State Tax Revenue Compared with Average Medicaid Spending Growth, 1997-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>State Tax Revenue</th>
<th>Medicaid Spending Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>3.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>1998</td>
<td>5.3%</td>
<td>6.6%</td>
</tr>
<tr>
<td>1999</td>
<td>5.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td>2000</td>
<td>5.1%</td>
<td>9.2%</td>
</tr>
<tr>
<td>2001</td>
<td>2.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>2002</td>
<td>12.7%</td>
<td>8.5%</td>
</tr>
<tr>
<td>2003</td>
<td>7.9%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>2004</td>
<td>7.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: State Tax Revenue data is adjusted for inflation and legislative changes. Preliminary estimate for 2005.

Figure 18

States Undertaking New Medicaid Cost Containment Strategies FY 2004 – FY 2006

NOTE: Past survey results indicate not all adopted actions are implemented.


Figure 19

Medicaid Serves a Diverse Population

Percent with Medicaid Coverage:

- Poor: 39%
- Near Poor: 23%
- Families: 26%
- All Children: 26%
- Low-Income Children: 51%
- Low-Income Adults: 20%
- Births (Pregnant Women): 37%
- Aged & Disabled: 18%
- Medicare Beneficiaries: 18%
- People with Severe Disabilities: 20%
- People Living with HIV/AIDS: 44%
- Nursing Home Residents: 60%

Note: “Poor” is defined as living below the federal poverty level, which was $19,307 for a family of four in 2004. SOURCE: KCMU, KFF, and Urban Institute estimates; Birth data: NGA, MCH Update.
Figure 20

Medicaid Enrollees and Expenditures by Enrollment Group, 2003

<table>
<thead>
<tr>
<th>Group</th>
<th>Enrollees</th>
<th>Expenditures on benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
<td>28%</td>
<td>Adults 26%</td>
</tr>
<tr>
<td>Disabled</td>
<td>42%</td>
<td>Disabled 14%</td>
</tr>
<tr>
<td>Children</td>
<td>49%</td>
<td>Children 49%</td>
</tr>
</tbody>
</table>

Enrollees Total = 55 million
Expenditures Total = $234 billion

Figure 21

4 Percent of Medicaid Population Accounted for 48% of Expenditures in 2001

<table>
<thead>
<tr>
<th>Group</th>
<th>Enrollees</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
<td>20%</td>
<td>Elderly 20%</td>
</tr>
<tr>
<td>Disabled</td>
<td>25%</td>
<td>Disabled 25%</td>
</tr>
<tr>
<td>Children</td>
<td>3%</td>
<td>Children 3%</td>
</tr>
<tr>
<td>Adults</td>
<td>1%</td>
<td>Adults 1%</td>
</tr>
</tbody>
</table>

Enrollees Total = 46.9 million
Expenditures Total = $180.0 billion


SOURCE: Urban Institute estimates based on MSIS 2001 data.
Figure 22

Emerging Themes in Coverage

• Emphasis on personal behavior and responsibility (FL, KY, WV)
  – “Consumer choice” of plans
  – Increased premiums and/or cost sharing
  – Behavior modification through incentives/penalties

• “Tailored” and limited benefits (AR, KY, ID)
  – Variation in benefit packages across groups or geographic areas
  – Reducing benefits and circumventing mandated benefits to reduce costs of insurance products

• Increased role of private marketplace (FL, TN)
  – Delegation of authority to plans to determine benefit packages
  – Emphasis on premium assistance

• Leveraging Medicaid financing for expansions (MA, VT)
  – Utilization of waivers, uncompensated care funds to secure federal financial support

• New approaches for financing long-term care (NE, VT)

Figure 23

Cautionary Notes for Medicaid Reform

• Medicaid is nation’s health safety net
• Beneficiaries are poor with limited resources
• Many have chronic conditions with multiple health needs
• Medicaid assists those with disabilities requiring both acute and long-term care
• Beneath the averages, there are a few high-cost cases
• Limits on Medicaid result in more uninsured and increased unmet health needs
What’s at Stake in Medicaid Reform?

Health Insurance Coverage
27 million children and 14 million adults in low-income families; 8 million persons with disabilities

Assistance to Medicare Beneficiaries
7.5 million aged and disabled — 19% of Medicare beneficiaries

Long-Term Care Assistance
1 million nursing home residents; 43% of long-term care services

Support for Health Care System and Safety-net
15% of national health spending

State Capacity for Health Coverage
43.5% of federal funds to states

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