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Evidence that Percentage & Number of Medically Uninsured Will Rise in Nevada Research on Health Care Coverage

*by Decision Analytics, Inc.
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- **The Working Poor and Health Care Coverage** -- *The working poor are three times less likely to have employer-provided health insurance than the non-poor; and, are five times less likely to have health insurance from any source.*
- **Consequences of Rising Health Care Insurance Costs to Employers and Workers** - *The cost of employer-provided health insurance has increased over 59% from 2000; thus, 1) some employers were no longer able to offer health insurance; 2) as costs rise to the employer, employees receive lower wages; and, 3) workers who are at the bottom of the pay scale whose wages cannot decrease risk having no health insurance.*
- **Affordability of COBRA for Laid-Off Workers** -- *Approximately 54% of laid-off workers cannot afford COBRA nor do they qualify for government-sponsored health insurance.*
- **People 18 to 24 Years Old Are Less Likely to Have Health Insurance** -- *18 to 24 year olds were the group most likely to experience gaps in health insurance coverage over the 36-month period the survey covered.*
- **The Effect of Generous SCHIP Benefits on Workers** – *In states with more generous SCHIP benefits, the cost to employees of employer-provided health insurance increased. Also, the take-up rate decreased in firms that 1) had a higher percentage of employees who would qualify for SCHIP and 2) located in states with more generous SCHIP benefits.*
- **Coverage for People at or Below 200% of Poverty** – *For people at or below 200% of poverty, the proportion that had health insurance in 1994-1998 time period was lower than the 1989-1993 time period – perhaps due to rising premiums. This trend will probably continue.*
- **Recent Immigrants and Health Care Coverage** -- *Recent immigrants are younger, poorer, and less likely to have employer-provided health benefits.*

- **Lower Participation in Medicaid for Those Who Are Eligible** -- *Extending coverage for Medicaid is in direct conflict with the goal of weaning families off welfare. Because of this, many families did not continue Medicaid coverage even though they were eligible because it was not made clear to them that they could. This might have accounted for less Medicaid expansion than was optimal.*
- **The Effects of Recession on States' Ability to Provide Medicaid** -- *If the current economic downturn is as deep as some fear, states will have to cut back on the provision of Medicaid that usually helps stem the number of uninsured people. Many states face budget shortfalls and cannot deficit-spend hampering their ability to continue provision of services such as Medicaid at current or needed levels.*
- **Did Employer-Sponsored Health Insurance (ESI) Go Back to Pre-Recession Levels – Experience from the 1990-91 Recession** -- *The proportion of the adult population with ESI had decreased from a high of 68.5 percent to 65.8 percent from 1990 to 1993 with a corresponding increase in people who were uninsured.*
- **The Effects of a Recession on the Health Care Industry** -- *After some eighteen months, researchers find that people have to start making hard choices between paying the mortgage and the insurance premium.*

Annotated Bibliography

- **The Working Poor and Health Care Coverage**

The working poor are of concern as they usually do not qualify for government programs. From a study using the National Medical Expenditure Survey, these researchers found that *the working poor are 3 times less likely to have employer-provided health insurance than the non-poor; and, are five times less likely to have health insurance from any source.* Additionally, the working poor are less likely to have skills that would afford them a higher-paying job that would offer health care coverage.

Secombe, D. and Arney, C. (1995). "Playing by the rules and losing: Health insurance and the working poor." *Journal of Health and Social Behavior*, Vol. 36. pp 168-181.

- **Consequences of Rising Health Care Insurance Costs to Employers and Workers**

According to this study using data from the Kaiser Family Foundation national survey (2003), *the cost of employer-provided health care insurance has increased over 59% from 2000;* however, benefits remain virtually the same. There are three consequences to this reality: 1) *some employers no longer able to offer health insurance;* 2) *as costs rise to the employer, employees receive lower wages;* and, 3) *workers who are at the bottom of the pay scale whose wages cannot decrease risk having no health insurance.*

Baicker, K. and Chandra, A. (2005). "The consequences of the growth of health insurance premiums." *The American Economic Review*, Vol. 99-2: pp. 214-218.

- **Affordability of COBRA for Laid-Off Workers**

The advocacy group, Families USA, found *that approximately 54% of laid-off workers cannot afford COBRA nor do they qualify for government-sponsored health insurance.* In fact, adults without children have no access to Medicaid in 43 states – unless they are permanently disabled.

USA Today (February 2009). "Many laid-off workers find health insurance out of reach, report says." http://www.usatoday.com/money/industries/health/2009-02-06-health-care-coverage_N.htm?POE=click-refer

- **People 18 to 24 Years Old Are Less Likely to Have Health Insurance**

Using data from the Survey of Income and Program Participation, a longitudinal survey sponsored by the U.S. Census Bureau, Bennefield found that, (among other things) *18 to 24 year olds were the group most likely to experience gaps in health insurance coverage over the 36-month period the survey covered.*

Bennefield, R. (August, 1988). "Who loses coverage and for how long?" U.S. Department of Commerce, *U.S. Census Bureau, Current Population Reports P70-64*: Washington, D.C.

- **The Effect of Generous SCHIP Benefits on Workers**

This group used data from the Medical Expenditures Survey and the Current Population Survey, both conducted by the U.S. Census Bureau. Among other things, they found that, while employers did not change their offers of health insurance benefits, in states with more generous SCHIP benefits, *the cost to employees of employer-provided health insurance increased. Also, the take-up rate for SCHIP decreased in firms that 1) had a higher percentage of employees who would qualify for SCHIP and 2) located in states with more generous SCHIP benefits.*

Buchmueller, T., Cooper, P., Simon K, and Vistnes, J. (April 2004). "The effect of SCHIP expansions on health insurance decisions by employers." *U.S. Census Bureau, Center for Economic Studies*. Draft Report)

- **Coverage for People at or Below 200% of Poverty**

This study compared changes in health care coverage within two time periods (1994-1998 and 1989-1993) using the Current Population Survey, March Supplement. Among other things, they found that, *for people at or below 200% of poverty, the proportion that had health insurance in 1994-1998 time period was lower than the 1989-1993 period – perhaps due to rising premiums.* Also, probably due to welfare reform, blacks and Hispanics at or below 200% of poverty were much less likely to be receiving Medicaid benefits.

Holahan, J. and Kim, J. (November, 2000). "Why does the number of uninsured Americans continue to grow?" *Health Affairs, Vol 19, No.4*: pp. 188-196.

- **Recent Immigrants and Health Care Coverage**

This study used data from the 1990 National Health Interview Survey sponsored by the National Center for Health Statistics. The researchers concluded that *recent immigrants are younger, poorer, and less likely to have employer-provided health benefits.* After being in the U.S. for ten years or more, their socio-economic profile is virtually no different than native born people

Leclere, F., Jensen, L. and Biddlecom, A. (December 1994). "Health care utilization, family context, and adaptation among immigrants to the united states." *Journal of Health and Social Behavior, Vol. 35, 4*: pp. 370-384.

- **Lower Participation in Medicaid for Those Who Are Eligible**

These researchers found that extending coverage for Medicaid is in direct conflict with the goal of weaning families off welfare. Because of this, many families did not continue Medicaid coverage even though they were eligible because it was not made clear to them that they could. This might have accounted for less Medicaid expansion than was optimal.

Ellwood, M. (September 1999). "The Medicaid eligibility maze: Coverage expands, but enrollment problems persist – Findings from a five state study." The Kaiser Commission on Medicaid and the Uninsured; the Urban Institute's Assessing the New Federalism Project; and Mathematica Policy Research, Inc.

- **The Effects of Recession on States' Ability to Provide Medicaid**

These researchers speculate that, if the current economic downturn is as deep as some fear, states will have to cut back on the provision of Medicaid that usually helps stem the number of uninsured people. *Many states face budget shortfalls and cannot deficit-spend hampering their ability to continue provision of services such as Medicaid at current or needed levels.*

Eds. (December 2008). "Health care coverage in a recession." The Urban Institute: No 6. Washington, D.C.

- **Did Employer-Sponsored Health Insurance Go Back to Pre-Recession Levels – Experience from the 1990-91 Recession**

This research focused on whether employer-sponsored health insurance (ESI) recovered to pre-recession levels after the 1990-91 recession. They found that the *proportion of the adult population with ESI had decreased from a high of 68.5 percent to 65.8 percent from 1990 to 1993 with a corresponding increase in people who were uninsured.*

Florence, C., Thorpe, R. (1998). "Changes in health insurance for adults during the 1990s: Recession and recovery." Meeting of Association for Health Services Research sponsored by the National Institutes of Health and provided by the NLM Gateway. Washington, D.C.

- **The Effects of a Recession on the Health Care Industry**

They report that health care, the largest sector of the economy, is not recession-proof as conventional wisdom would predict. Even though COBRA benefits are available, they are expensive. *After some eighteen months, researchers find that people have to start making hard choices between paying the mortgage and the insurance premium.* Even those with jobs will postpone medical procedures, thus the health care industry is no longer recession-proof.

Arnst C. (March 25, 2008). "Health care: Not so recession-proof." *Business Week*: <http://www.businessweek.com/technology/content/mar2008/te200803>.