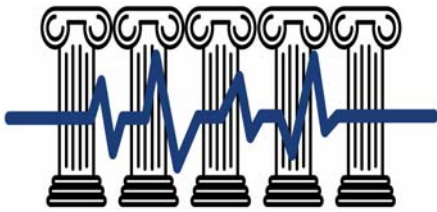


THE UNINSURED IN MISSOURI

Policy Brief #1



INSURANCE STATUS

Almost 90% of Missourians under the age of 65 had some form of health insurance during 2001. Over 3.4 million Missourians obtained health insurance through their employer.¹ Another 300,000 had individual insurance, while Medicaid and Medicare accounted for over 1.2 million. However, nearly 550,000 adults and children remained uninsured, accounting for 10.2% of the state's population. Figure 1 shows the percentage of Missourians in each category.

Missouri fell well below the national average (14.6%) ranking 15th among states with the lowest

percentage of uninsured. Texas came in last with 23.5% and Iowa led the nation with 7.5% of their population lacking health insurance.² Almost 100,000 Missouri children (ages 0-18) and more than 450,000 adults (ages 19-64), had no form of health insurance in 2001.³ More specifically, figures show that over 1.18 million Missourians went without health insurance at some time during 2001-2002; and nearly 700,000 of these Missourians remained uninsured for six months or longer during that two-year period.⁴

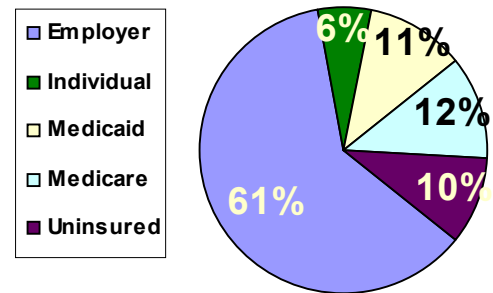
WHO ARE THE UNINSURED

The uninsured are overrepresented by low- and moderate-income working families. In 2001, over 14% of uninsured adults and children were members of families with at least one member working full-time.⁵ In Missouri, 9% of uninsured families have at least one full-time, employed worker and 24% have one or more part-time workers.⁶ Only 20% of uninsured Missourians do not work. However, this trend is not limited to lower-income working families and the unemployed. The Census Bureau estimated that of the 1.4 million people who lost insurance in 2001, approximately 800,000 had annual incomes of more than \$75,000.

The current health care and state fiscal crises will further compound the problem. According to February 2003 data from the U.S. Bureau of Labor Statistics, Missouri recorded the largest decline in employment (-2.2%) compared to all other states.⁷ More and more Missourians are becoming unemployed and losing their health benefits. In addition, other Missourians are being "priced out" of the market, as health insurance premiums continue to rise more rapidly than employment earnings, making insurance less affordable to more workers.

There is a common myth that only the poor or near poor are uninsured. However, 40% of

Figure 1: Missouri Health Insurance Status, 2001



those uninsured in Missouri had incomes equal to 200% of FPL or higher. These trends indicate that lack of health insurance, while remaining a problem of the lower class and the poor, is quickly becoming a problem for some middle-class Americans as well most of the working class.

RISK FACTORS FOR BEING UNINSURED

The top five risk factors for lacking health insurance are:

1. Poverty
2. Employment a Small Business
3. Less than high school education
4. Non-citizen residing in the U.S.
5. Racial or ethnic minority

The number one risk factor for lack of health insurance is poverty. Low wage, part-time jobs rarely offer adequate health plans; and when they are offered, the premiums are too high to make it affordable to the employees. Similar factors focusing around the high cost of health insurance premiums leave small businesses ill prepared to offer health insurance to their employees. Only 46.5% of private sector establishments with 50 or fewer employees offer some form of health coverage.

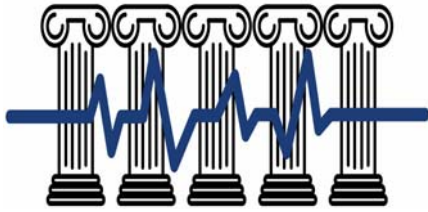
Educational attainment is another significant risk factor. Missourians who have not obtained a high school degree are more likely to be uninsured. Missouri has worked hard over the last decade to increase educational attainment. According to U.S. Census data, between 1990 and 2000, the number of Missourians without a high school diploma was reduced by over 20%. Policies that continue to reduce risk factors for uninsured, such as educational attainment, have played a vital in reducing the number of uninsured Missourians over the last five years.

Race/ethnicity is another known risk factor. In Missouri, Hispanics were more than twice as likely to be uninsured (27%) compared to whites (10%) with blacks falling in between (15%). According to a recent report, two-thirds (66%) of uninsured Spanish-speaking Hispanics did not

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1.18 million Missourians went without health insurance at some time during 2001-2002; and nearly 700,000 of these Missourians remained uninsured for six months or longer .



Between 1999-2000, due largely to the implementation of the Missouri Children's Health Insurance Plan, the uninsurance rate decreased by 12.93% outpacing the U.S. average by 4.86%.

"Improving health status from fair or poor to very good or excellent would increase both work effort and annual earnings by 15% to 20%."

have a regular doctor, compared with a substantially smaller proportion of uninsured whites (37%) and African Americans (44%).⁸

Race/ethnicity plays a key role in the next risk factor: non-citizens residing in Missouri. Recently, Missouri has seen an influx of Hispanic immigrants to various communities. Non-citizen Hispanics are more likely to work for small businesses (33%) than naturalized Hispanics (24%) and non-Hispanic whites (19%).⁹ They also tend to speak English less proficiently, further decreasing access to appropriate health services.

THE CONSEQUENCES OF BEING UNINSURED

People who do not have insurance have less access to health care. "The uninsured receive fewer preventive and diagnostic services, tend to be more severely ill when diagnosed, and receive less therapeutic care."¹⁰ The uninsured tend to delay care by skipping tests and treatments and not filling costly prescriptions.¹¹

Community Health Centers receive both federal and state funding to meet the needs of people who are indigent and lack other health care resources. However, there are too few "free clinics," to effectively meet the needs of people who do not have health insurance. The 2002 analysis "Care Without Coverage" by the Institute of Medicine, reported that the health outcomes of people without insurance are worse than those with insurance. It also found that health insurance was one of the best ways to ensure overall population health.

Delaying or forgoing care when necessary translates into an increased cost of health care because the uninsured are more likely to use expensive emergency room services and less likely to seek money-saving preventative care/screenings. Thus, reducing the number of uninsured will have a direct effect on medical costs. In addition to reducing direct expenditures, it is estimated that "improving health status from fair or poor to very good or excellent would increase both work effort and annual earnings by 15% to 20%."¹²

CONCLUSION

The uninsurance rate in Missouri has been decreasing over the last decade, largely due to the implementation of the Missouri's Children's Health Insurance Plan (CHIP). This program expanded Medicaid services to many throughout the state who were previously unable to obtain health insurance publicly or privately. After its first two years of implementation, the uninsurance rate in Missouri decreased by 12.93% outpacing the U.S. average by 4.86%.¹³

As insurance premiums continue to rise, and more and more Missourians become unemployed, such public programs as Medicaid and CHIP become even more important safety nets for both children and their parents. Any reductions in eligibility caused by state fiscal constraints will expose more Missouri families to the risk of losing coverage entirely.¹⁴

ENDNOTES

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