

MANAGED CARE INTERFACE

Standpoint

By Philip Leberz

How Many Americans Are Truly Uninsured? A Closer Look at the Numbers Can Help Solve the Problem

How many people in this country are truly uninsured? Is it more than 45 million Americans?¹ Few would dispute the need for every American to have access to the greatest health care in the world, but what if the number who "can't get health insurance" is really misstated? What if nearly 67% of this population is either eligible for government-paid coverage¹ but just not signed up, or are considered nonpoor, earning 200% to 300% or more of the federal poverty level (FPL)?² This could change the nature of the health insurance debate.

The fact of the matter is that of the 45 million cited, 15 million who qualify for public programs have not enrolled.¹ Nearly 15 million are considered self-insured, in that their incomes are well above the FPL and they fund their care as they go, not necessarily even using services.³ In addition, 7.2 million of this population earn between \$50,000 to \$74,999 per year and 7.6 million earn \$75,000 or more. Setting these populations aside, 15 million remain truly uninsured in the United States. Of course, even this number is too large and action must be taken to ensure their access to affordable health insurance. However, focusing our energies on "fixing" nearly 67% of the problem—those who have access to health insurance but choose not to buy or those just not signed up—should be the first step.

Why do so many people who are eligible for free or partially government-funded programs remain outside of the loop? For example, Kwana, a 38-year-old waitress in San Francisco, recently lost her job and her coverage. A recent trip to the hospital for sciatica cost her \$700. Without insurance, she worries about future health problems. However, she has access to Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits if she was let go less than 60 days ago. If her employer's health plan no longer exists,

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the Health Insurance Portability and Accountability Act (HIPAA) guarantees her coverage under an individual plan for as long as she pays the premium. Both plans range in cost from 103% to 150% of original employer-based rates. Whereas these options are less expensive than the hospital bills and future care needed, it is likely that on a waitress' salary, they are unaffordable. Unless she has a disability or children, she will likely not qualify for Medicaid either. However, she would be eligible for a local county program that

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is designed to meet the needs of adults ineligible for state programs. Her potential health condition may qualify her for her state's high-risk pool program. Thirty-one states offer these plans through major carriers in order to care for people rejected by an insurance company because of a preexisting condition. Although it can be expensive, there are typically no deductibles.

In another example, 28-year-old Joe is a print press operator and father of a five-year-old son with asthma. Joe's employer cut back his hours, causing him to lose the family's health benefits. He cannot afford COBRA. Joe takes his son to the emergency room when the asthma flares up. However, if Joe's monthly household income is less than 133% of the FPL (\$1,783 for a family of 3), his son could qualify for Medi-Cal, as could Joe and his wife if the family income is less than 100% of FPL. If the household income is closer to

250% of FPL (\$3,352 for a family of 3), Joe's son could qualify for the state's Healthy Families program, costing approximately \$4 per month with \$5 copays. Assuming Joe and his wife have no serious illnesses, they could pay as little as \$45 per month each for a plan that would give them annual check-ups and prescription drug discounts and protect them from the financial risk of future serious illnesses based on sample Blue Cross of California rates, basic PPO, \$1,000 deductible.

Anna is an uninsured high-rise office cleaner in Los Angeles, recently diagnosed with cervical cancer. Anna is eligible for Medicaid but cannot navigate the system.

Many of the uninsured suffer from a lack of information about available programs, and this can be partially attributed to well-meaning politicians. They work hard at creating legislation that provides new health programs, but once enacted, they fall short of spreading the word. Once a law is passed and a new program is in place, government agencies do little to inform those in need of its availability, depending on community organizations to do the work. Until now, it made sense that federal and state government agencies did not "market" their services to their audiences. The problem is that without this extra communication outreach, many people are hesitant to attempt to get coverage or simply don't know such programs exist. In California, for example, there are more than 20 different subsidized programs besides Medi-Cal (California's Medicaid program).

THE "COVERAGE FOR ALL" CAMPAIGN

To counter the direction of the growing uninsured population, a number of organizations have begun community-based education efforts to enroll those who qualify. For example, the nonprofit Foundation for Health Coverage Education (FHCE) in California seeks to simplify public and private eligibility information to help more people access coverage. To this end, the organization recently launched a public service campaign called "Coverage for All" (www.coverageforall.org). The public service campaign features a Health Care Options Matrix, which helps health care professionals, employers, brokers, and others quickly identify programs available for Californians. The trifolded, user-friendly chart addresses nearly every demographic category, as well as the public and private, free or low-cost health coverage options available to them. It is now being designed for use elsewhere in the country (as state Medicaid programs, high-risk pools and laws vary). In Texas, Senate Bill 261 was

based on the Matrix, to educate the public about the need and value of health insurance coverage. The bill is facing no opposition. Texas Department of Insurance Consumer Education Legislation SB 261 authorizes developing a specific health coverage-related website, creating an advisory panel and developing public service ads to direct consumers to the website. It takes effect in September.

To get the word out about these government offerings, the Coverage for All campaign activities include conducting enrollment efforts in a series of community health fairs and events throughout California. Additionally, the campaign's California Uninsured Help Line, which recently went "live," provides live operators, one-on-one assistance, and instant interpretation services offering 161 languages.

HELP FROM THE FRONT LINES

Getting the right information in front of those who are eligible for health insurance is no easy task. To supplement municipal agency efforts, health care providers must ensure that their organizations are doing more than simply signing up "enrollees" in emergency rooms. To this end, in California, medical offices are currently being offered the free FHCE Health Care Options Matrix for staff, and a consumer version for patient distribution in medical office waiting rooms and clinics, currently available in English and Spanish.

Government programs and plans crafted over the years must reach those in need. After accounting for these "covered uninsured," the nation can address the truly uninsured.

DISCLOSURE

Mr. Leberz has disclosed that he owns stock in Wellpoint and Aetna, and is the owner of an insurance agency.

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