

MANAGED CARE

OUTLOOK

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Understanding the Uninsured Crisis in America and How the Managed Care Industry Can Help

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The issue of how to care for the uninsured is of vital interest to the managed care industry. Not only is the industry on the front lines of caring for the uninsured, many analysts believe that the fundamental principles of managed care present some of the best opportunities for helping to address the uninsured crisis within a free market system. While there are many opinions on how to solve the problem, surprisingly there is a lack of consensus on the most basic of questions — “How many people in this country truly have no insurance options?”

To fully address the challenges of the uninsured in America, the managed care industry first must take steps to understand the true nature and scope of the problem and, more importantly, what can be done to help the uninsured who require assistance today

Who are the Uninsured

According to the Centers for Disease Control and Prevention (CDC), the figure for uninsured individuals is now up to almost 43.6 million.¹ It is important, however, that we distinguish between those who have no health care coverage options and those that qualify for programs but have not accessed them.

For example, it is estimated that about 15 million Americans are eligible for some type of

health care coverage but have simply never signed up.² Another 15 million Americans are considered self-insured³ because their incomes are 200 percent above the federal poverty level (approximately \$41,300/year for a family of four according to 2007 Federal Poverty Level (FPL) data.)

In addition, a study of California's uninsured found that 88 percent of the non-poor uninsured reported being in good, very good, or excellent health.⁴ These are likely individuals who by choice have not signed up for coverage.

Overview of Options Available for the Uninsured

Clearly as a nation we must address the issue of the uninsured. What's more, the effect of a lack of coverage on millions cannot be minimized. It is equally important, however, that we ensure that limited resources are spent wisely and focus on those that have an immediate need and have not been told how to access available health care coverage options.

With so many people eligible, yet not receiving coverage, an important question is why don't more people access available health care coverage options? There are multiple answers, but some of the most predominant are cost, confusion, and pride.

The “average” uninsured person is not necessarily poor, homeless, or without a job.

The majority of unemployed individuals today are without coverage due to a) choice; b) layoff; c) business closure; or d) economic circumstances.

For those that are laid off, COBRA is an option. If the employer’s health plan no longer exists, however, he or she also may have the option of coverage made available under the Health Insurance Portability and Accountability Act (HIPAA), which guarantees insurance under an individual plan for as long as the premium is paid. Both plans range in cost from 102 percent to 159 percent of the original employer-based rate. While these plans can be costly, they are especially valuable to employees with pre-existing conditions as they cannot be excluded from coverage.

It is also important to note that many programs are designed to help the working and middle class. In some states, a family of four can have an income of \$60,000 a year and still have their children be eligible for comprehensive health insurance coverage. For example, California offers Healthy Families. The program provides families at less than 250 percent of the FPL with very affordable insurance starting at \$4/month with \$5 copays. At the federal level, the State Children’s Health Insurance Program (SCHIP) also provides health insurance coverage to uninsured children living in families with income that is relatively low — but too high to qualify for Medicaid.⁵

Coverage for All Campaign

While there are clearly many resources today, getting the right information in front of those who are eligible for health insurance is not an easy task. The good news is, today there are a number of resources that can be accessed to help inform people about health insurance options. One of the most popular is called “Coverage for All,” which includes a Health Care Options Matrix that helps health care professionals, employers, and others quickly identify various programs available for patients nationwide.

It includes a tri-folded, user-friendly chart that addresses nearly every demographic category, as well as the public and private and free or low-cost health coverage options available to them. The site also includes a list of questions that can help determine eligibility. The questions are basic and typically can be answered in about 5 minutes.

There is also a Web site, www.coverageforall.org, where visitors can view the matrix and informational booklet in a printable PDF format and every available application for health insurance throughout the nation — making it an invaluable resource. Another resource for patients is the U.S Uninsured Help Line™ (800/234-1317) where live operators are available to speak with health care professionals or patients — 24 hours a day, 7 days a week. Knowing about these resources and providing information about them to health plans, clinics, and medical groups is just one step managed care organizations can take to help those with no insurance coverage.

The Role of Managed Care

The managed care industry can and should play a role in the effort to address the challenges of the uninsured in our country. The proven techniques of the industry — primarily the emphasis on prevention and managing the care process — can help to lower costs while providing much needed health care services.

As a first step, however, providers within the industry must understand the true scope of the problem so that they can better identify those that need assistance. With this commitment and knowledge of resources available today, we can begin to provide vital health care services to those in need.

References:

1. Citation found at www.cdc.gov/nchs/pressroom/07newsreleases/insurance.html — accessed July 12, 2007.
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4. “To Buy or Not to Buy: A Profile of California’s Non-Poor Uninsured,” a report by the California Health Care Foundation, The Field Research Corporation.

5. *Federal Register* Vol. 72, No. 15, January 24, 2007, pp. 3147-3148.

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