

Expanding Health Insurance Coverage to More North Carolinians
North Carolina's Health Insurance Coverage Expansion
Implementation April 2006

Fact Sheet

Covering the Uninsured

Expanding Health Insurance Coverage to More North Carolinians

April 2006

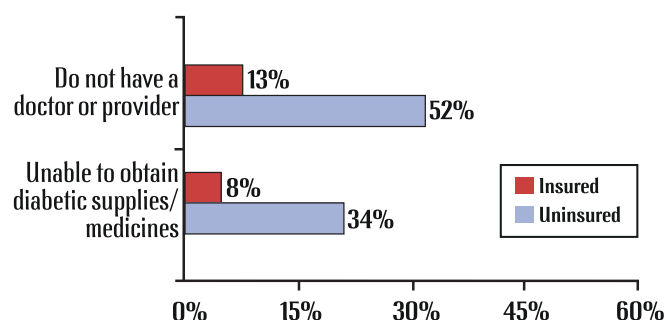
Being Uninsured Has Adverse Health Consequences

Individuals without health insurance are generally charged the full cost of healthcare, while individuals with coverage usually pay much less than the full cost. This difference makes healthcare more expensive for the uninsured. As a result, the uninsured are more likely than the insured to delay or not purchase medical services. The uninsured use fewer healthcare services, and often end up with more serious health problems because they have not received the proper preventive or primary care.

Uninsured North Carolinians are more likely to report being in fair or poor health, but are less likely to receive needed health services. The cost of healthcare is a significant barrier to the uninsured. More than half (55%) of the uninsured in North Carolina said they could not afford health insurance coverage. Without health insurance, individuals are more than four times more likely than those with insurance to report that at some point in the last 12 months they needed to see a doctor, but could not because of costs.¹ *The uninsured are also four times as likely as people with insurance to report that they do not have a personal doctor (52% vs. 13% respectively).¹*

It is especially troubling that costs limit access to services for people with chronic conditions. *For example, in North Carolina, uninsured people with diabetes (34%) were more likely than those with insurance (8%) to report they were unable to obtain testing supplies or medicines due to costs.¹*

Table 1
Reported Access to Selected Health Services, NC 2004¹

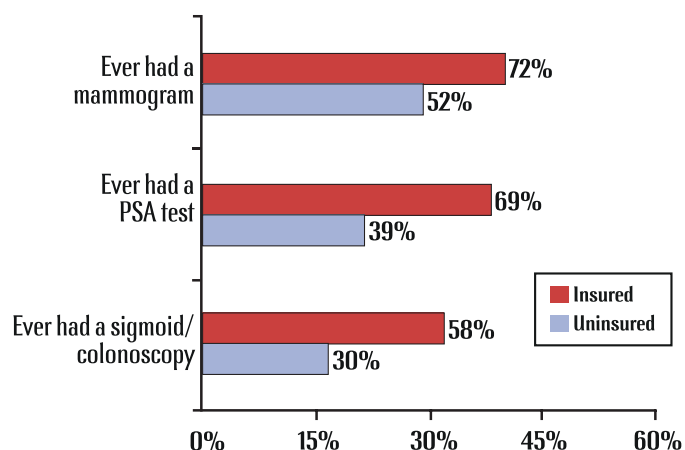


Source: Behavioral Risk Factor Surveillance Survey. NC State Center for Health Statistics, Division of Public Health, NC Department of Health and Human Services. Raleigh, NC, 2004.

Nationally, uninsured individuals with chronic diseases, such as hypertension or schizophrenia, are less likely to receive care needed to control their conditions. In addition, the uninsured lack regular access to medications for managing their health problems.²

The uninsured are less likely to receive clinical preventive services needed to identify major health problems in the early stages of disease. Uninsured women in North Carolina are less likely than insured women to report ever having a mammogram, uninsured men are less likely to have ever had a Prostate Specific Antigen (PSA) test, and uninsured adults over 50 years of age are less likely to report ever having a colorectal screening (sigmoidoscopy or colonoscopy).

Table 2
Reported Use of Selected Health Services, NC 2004¹



Source: Behavioral Risk Factor Surveillance Survey. NC State Center for Health Statistics, Division of Public Health, NC Department of Health and Human Services. Raleigh, NC, 2004.

The uninsured are more likely to delay needed healthcare because of the costs. As a result, they are more likely to be diagnosed with severe health problems, such as late-stage cancer.² *In addition, the uninsured in North Carolina are more likely to be hospitalized for preventable conditions than individuals with private insurance.* For example, the uninsured are 50% more likely to be hospitalized for asthma than those with insurance.³

*When the uninsured are admitted to the hospital, they receive fewer diagnostic and treatment services than the insured and have a greater risk of premature death.*⁴ The Institute of Medicine of the National Academy of Sciences estimates that the uninsured have a 25% greater chance of premature death than the insured. Nationally, the lack of insurance coverage contributes to about 18,000 excess deaths among the nonelderly.² Uninsured women with breast cancer have an even greater risk of death: 30% to 50% higher than those with insurance.

Beyond the health status consequences of being uninsured, lack of health insurance coverage significantly impacts worker productivity and childrens' achievements in school. Nationally, the Institute of Medicine estimated that between \$65 and \$130 billion is lost due to the poorer health and premature deaths of the uninsured.⁵ Other estimates suggest that providing insurance coverage to the uninsured would boost productivity and increase their annual earnings by 10-30% annually.⁴ For example, insured workers have 10% fewer sick days than uninsured workers.⁶

Such health effects and health risks illustrate the critical need to expand healthcare coverage to more North Carolinians. To address this issue, the North Carolina Institute of Medicine Task Force on Covering the Uninsured developed recommendations to expand access to health insurance for the uninsured:

- A Healthy North Carolina health insurance program targeted to low-income individuals and small employer groups.
- The private development of tiered benefit packages offering lower-cost options for limited coverage plans.
- A Medicaid application and renewal simplification process to increase the number of eligible individuals enrolled.
- The expansion of Medicaid to cover more uninsured, low-income people.
- Development of a high-risk pool for individuals with pre-existing health problems.

References

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- 5 Institute of Medicine. Uninsurance Costs the Country More than You Think. Drawn from: A Shared Destiny, 2003; Hidden Costs, Value Lost, 2003; Insuring America's Health, 2004. Institute of Medicine. Washington, DC: National Academies Press.
- 6 Gilleskie D B. A dynamic stochastic model of medical care use and work absence. *Econometrica* 1998;66(1):1-45.

This issue brief is one in a series, produced as part of North Carolina's "State Planning Grant" effort, led by the NC Department of Health and Human Services, to examine options to expand health insurance coverage to the uninsured. The State Planning Grant supported a Task Force on Covering the Uninsured, which brought together stakeholders from a variety of interest groups to examine these issues and develop a set of recommendations for improving healthcare coverage across the state. Collaborating organizations include: the NC Department of Insurance, Cecil G. Sheps Center for Health Services Research at The University of North Carolina at Chapel Hill, and North Carolina Institute of Medicine. The State Planning Grant was funded by the Health Resources and Services Administration of the US Department of Health and Human Services. For other issue briefs or a copy of the final report of the NC IOM Task Force on Covering the Uninsured, visit the NC IOM website at: <http://www.nciom.org>.