

The Maine View

Published by The Maine Heritage Policy Center

Vol. 5, Issue No. 7

Affordability, Accessibility or Priority? Defining and Understanding Maine's Uninsured

August 28, 2007

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Today, the US Census Bureau released figures on the uninsured rate for Maine, the other states and the US as a whole for 2006. This paper provides analysis on who are Maine's uninsured and poses questions of why they are uninsured.

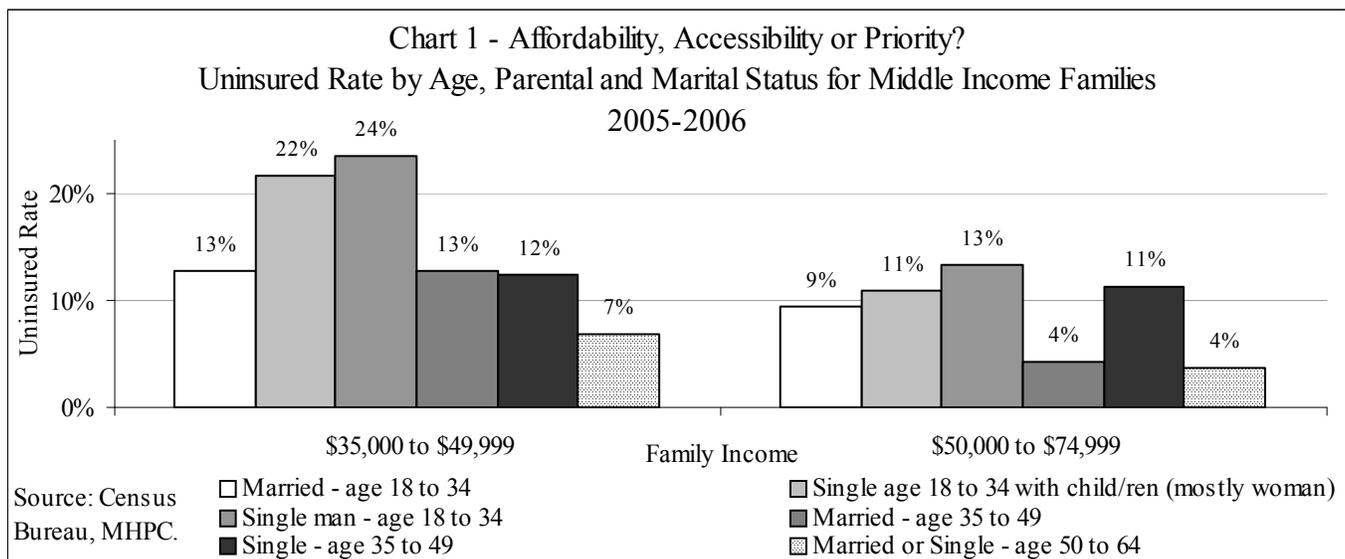
In 2005-2006, there were 108,000 uninsured adults in Maine, ages 18 to 64, about 12.6 percent of the 856,500 non-elderly adults in Maine. Of these uninsured adults:

- Almost 2 in every 3 uninsured Maine adults are single, without dependent children and/or in excellent or very good health.
- Almost 4 in every 10 uninsured have family incomes over \$35,000 and/or are young adults between the ages of 18 and 34 years.
- 1 in 3 uninsured adults are already eligible for retroactive Medicaid coverage. Therefore, they really are not uninsured but can delay enrolling in Medicaid until they actually use (or need) health care services.

In summary, Maine's uninsured are young, healthy and/or without dependent children. They are a good insurance risk with a low chance of needing significant health care services. So why don't they have insurance, even if only catastrophic coverage? Is it because they don't have access to insurance through their workplace? Is it because health insurance available to them not through the workplace (but through the individual market) is unaffordable or not an attractive value proposition? Or is it because they don't place a high priority on health insurance in general?

Policy Recommendations for Maine

Policymakers can do little to change the personal values and priorities of individuals to encourage them to voluntarily purchase health insurance. However, they can change Maine's costly individual insurance regulations and make affordable coverage accessible to those interested with the resources to buy coverage. Affordable individual health insurance is available in New Hampshire and Connecticut, as will be noted in future reports. Affordable private individual health insurance should be available in Maine to reduce the number of Maine adults forced to be uninsured.



Few adults are actually uninsured without health coverage available or without the means to purchased reasonably-priced individual health insurance

There are 856,500 adults in Maine. Of that, only 108,000 are uninsured at any given time, according to the Census Bureau. Only 5.4 percent of Maine adults – just 46,400 - are uninsured and earning less than \$50,000 a year and not eligible for retroactive Medicaid coverage (see Chart 2). The majority of uninsured adults are eligible for retroactive Medicaid coverage or have the resources to purchase affordable private individual health insurance, if it were available in Maine.

Why are some Maine adults uninsured? Is it due to a lack of access or lack of affordability of available individual health insurance? Or is it a low priority placed on the value of health insurance in general?

If uninsured adults are single and have no dependent children, they only risk financial harm to themselves if they need health care but don't have health insurance. Whereas someone married or with children must consider putting their loved ones in jeopardy by being uninsured and risking illness or a major health event.

Consider this, a single man age 18 to 34 and earning \$35,000 to \$50,000 a year is almost twice as likely to be uninsured than a married man or woman of the same age and family income level. A single Maine adult age 35 to 49 earning \$50,000 to \$75,000 is three times as likely to be uninsured as a married adult of the same age and income (see Chart 1). Is this because the married adult has increased access to health insurance through their spouse's workplace? Or is this because the married adult puts a higher priority on health insurance and the financial risk to their spouse for being uninsured?

With comparable annual incomes of \$35,000 to \$75,000, an adult age 50 to 64 have half the uninsured rate of their younger adult counterparts. Is that because the younger adults are less likely to have access to health insurance through the workplace and are unable to find affordable coverage in Maine's individual insurance market?

Solution to Help the Uninsured: Make Affordable Private Individual Insurance Accessible to Maine People

Policymakers can do little to change the personal values and priorities of individuals and encourage them to purchase health insurance voluntarily. However, they must understand who are Maine's uninsured. Policymakers can change Maine's costly individual insurance regulations and make affordable coverage more accessible to those interested and with the resources to purchase private insurance on their own.

Affordable individual health insurance is available in New Hampshire and Connecticut, as will be highlighted in future reports. It should be available in Maine as well.

**Figure 1
Quick Facts about
Maine's Uninsured Adults
2005-2006**

Income

- 39 percent have a family income over \$35,000
 - ◊ 26 percent have family incomes over \$50,000
 - ◊ 21 percent have no dependent children and earn over \$35,000
- 44 percent have family incomes below \$25,000

Age

- 48 percent are ages 18 to 34 years old
- 29 percent are 35 to 49 years old
- Just 23 percent are 50 to 64 years old

Marital Status

- 65 percent are single

Parental Status

- 69 percent have no dependent children under 18

Medicaid eligible

- Up to 31 percent of the uninsured are eligible for retroactive Medicaid coverage and, therefore, cannot really be considered "uninsured"
 - ◊ 16 percent are eligible for retroactive Medicaid (parent with incomes less than 200 percent of poverty)
 - ◊ Up to 15 percent eligible for retroactive Medicaid coverage (non parent, but with income below the poverty limit, or ages 18 to 20 with income under 200 percent of poverty)[1]

Very Dynamic

For every 100 adults nationally who become uninsured

- 41 will be re-insured within 4 months
- 68 will be re-insured within 12 months
- 82 will be re-insured within 24 months[2]

Health Status

- 68 percent in excellent or very good health
- Only 10 percent in poor health[3]

Relatively Low Cost to Health Care System

- About \$219 in donated (net uncompensated care) per uninsured[4]

Sources: Census Bureau, Urban Institute and MHPC.

Chart 2
Health Coverage for Maine Adults (age 18 to 64)
Calendar Year 2005-2006

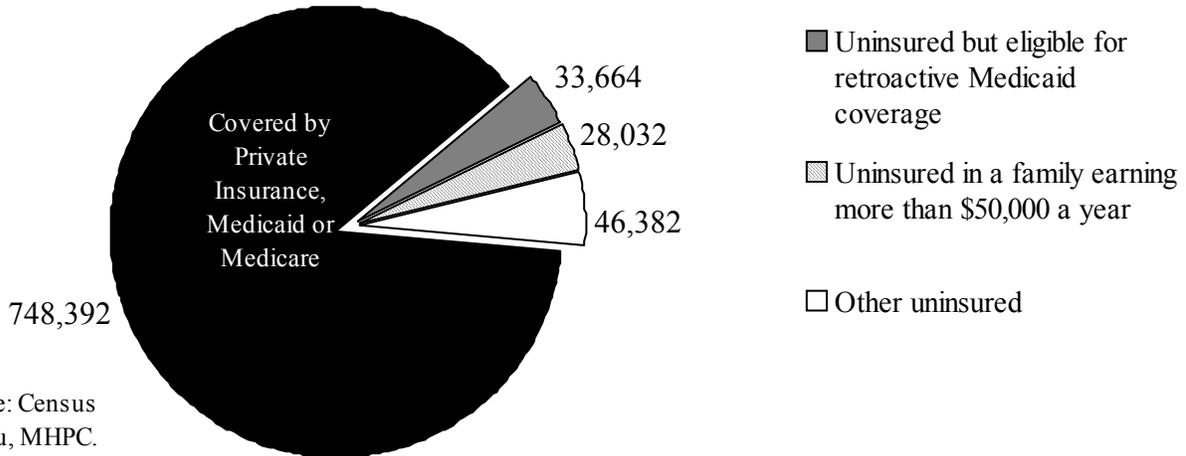
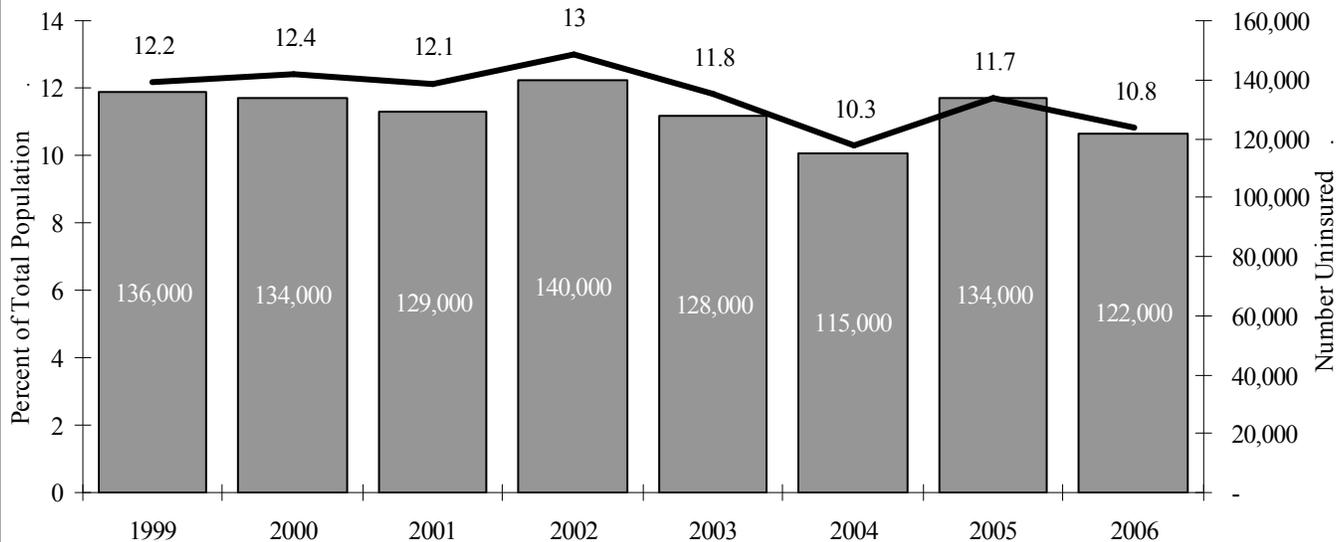


Chart 3
Number of Non-Elderly Uninsured
Calendar Years 1999 to 2006



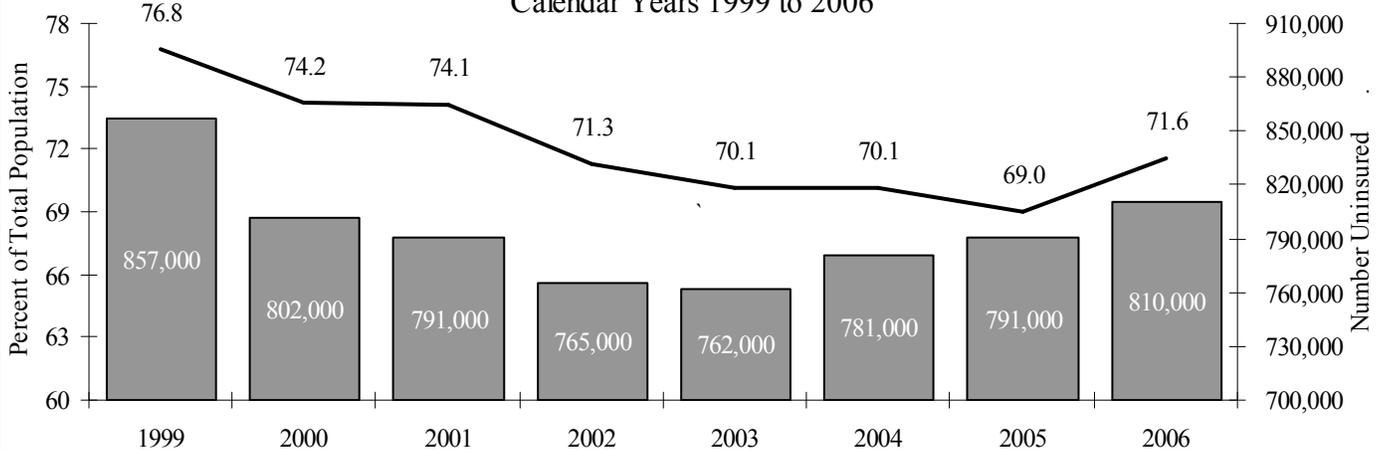
The Number and Percent of Uninsured Mainers Has Remained Flat over the Past Four Years

Since 2003, the number of Mainers under 65 years old and uninsured has remained flat at about 11 percent of the population or about 120-130,000. In fact, the number and percent of non-elderly uninsured has remained constant for the past eight years (see Chart 3). This despite a near doubling of

those on Medicaid to 210,000 in 2006 from 113,000 in 1999.

As the economy has improved slightly, more Mainers are covered by private insurance (see Chart 4), almost exclusively due to an increase in employment-based coverage provided by larger employers, according to Maine Bureau of Insurance figures.

Chart 4
Number of Non-Elderly with Private Insurance
Calendar Years 1999 to 2006



Source: Census Bureau, MHPC.

Methodology

U.S. Census Bureau Current Population Survey averages for the 2006 and 2007 surveys were used. Both years were averaged to achieve a valid sample size for Maine as well as all other states. Available at: www.census.gov Maine-specific reports by the Urban Institute were used for other related figures, as noted below.

Notes and Sources:

- [1] To learn more about Maine Medicaid eligibility visit: "A Guide to MaineCare for Maine Families" Maine Equal Justice Partners. Available at: <http://www.mejp.org/medicaid.htm>
- [2] "How Many People Lack Health Insurance and For How Long?". Congressional Budget Office. May 2003. Table 3 - Distribution of Uninsured Spells by Duration and Age. Available at: <http://www.cbo.gov/ftpdocs/cfm?index=4210&type=0&sequence=0>
- [3] Cook, Allison, Dawn Miller and Stephen Zuckerman. "Health Insurance Coverage in Maine: 2004-2005." Urban Institute and Maine Health Access Foundation. April 2007. Page 20. Available at: http://www.mehaf.org/pictures/final_urban1.pdf
- [4] Zuckerman, Stephen et al. "Cost of Caring for Uninsured People in Maine." Urban Institute and the Maine Health Access Foundation. Table 5, Page 13. Available at: http://www.mehaf.org/pictures/final_urban2.pdf. 2005 figures.

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The Maine View is a publication of The Maine Heritage Policy Center that provides research, historical perspective, updates and commentary on current public policy issues. All information is from sources considered reliable, but may be subject to inaccuracies, omissions, and modifications.

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