



Adolescents & Young Adults: The Health Insurance Challenge

Abigail English, JD
Center for Adolescent Health & the Law
english@cahl.org

National Institute of Health Care Management
"Closing the Gaps in Health Care for Adolescents & Young Adults"
Washington, DC – January 10, 2006

Key Policy Issues

- Health insurance coverage
- Current coverage in public and private insurance
- Options for extending coverage to uninsured
- Obstacles to expanding or maintaining coverage

Health Insurance Coverage: U.S. Population 2004

- 45.8 million in U.S. uninsured in 2004
- 15.7% of population
- Increase from 2003
- Numbers are likely higher
- Source: U.S. Census Bureau, 2005

Health Insurance Coverage: Older vs. Younger Adolescents

- Older vs. younger adolescents
 - 13.7% of ages 15-18 uninsured in 2002
 - 11.0% of ages 10-14 uninsured in 2002
- Source: Newacheck et al, 2004

Health Insurance Coverage: Adolescents & Young Adults

- Adolescents
 - 12.5% ages 12-17 uninsured in 2004 (3.2 million)
- Young adults
 - 31.4% ages 18-24 uninsured in 2004 (8.8 million)
 - 33.9% ages 21-24 uninsured in 2002
- Sources: U.S. Census Bureau, 2005; RWJ Foundation, 2004

Health Insurance Coverage: Race & Ethnicity

- Adolescents ages 10-18 uninsured in 2002
 - 27.7% Hispanic
 - 12% Black
 - 8.4% White
- All age groups uninsured in 2004
 - 32.7% Hispanic
 - 19.7% Black
 - 16.8% Asian
 - 11.3% White
- Sources: Newacheck et al, 2004; U.S. Census Bureau, 2005

Health Insurance Coverage: Adolescents & Family Income

- Adolescents ages 10-18 uninsured in 2002
 - 19.7% family income \leq 100% FPL
 - 19.2% family income between 100% and 200% FPL
 - 6.3% family income \geq 200% FPL
- Source: Newacheck et al, 2004

Health Insurance Coverage: Adolescents & Young Adults in Poverty

- All income levels
 - 3.2 million adolescents ages 12-17 uninsured in 2004 (12.5%)
 - 8.8 million young adults ages 18-24 uninsured in 2004 (31.4%)
- Income \leq 100% FPL
 - 0.9 million adolescents ages 12-17 uninsured in 2004 (22.9%)
 - 2.3 million young adults ages 18-24 uninsured in 2004 (44.7%)
- Source: U.S. Census Bureau, 2005

Older Adolescents & Young Adults: Reasons for Lacking Health Insurance

- Medicaid and SCHIP coverage usually ends at age 19
- Employer-based dependent coverage ends at age 18 or 19
- Employer-based dependent coverage beyond age 18 limited to full time students
- Cost of individual policies prohibitive

Public Health Insurance Coverage: Adolescents & Young Adults

- Between 2003 and 2004 for all ages
 - Employer-based coverage decreased
 - Public coverage increased
- Public coverage in 2004
 - 24.6% adolescents ages 12-17
 - 14.3% young adults ages 18-24
- Source: U.S. Census Bureau, 2005

Health Insurance Coverage: Older Adolescents in Medicaid & SCHIP

- 1997 → 2001 number of states providing Medicaid to all poor adolescents doubled
- In 2002 about 40% of states provided Medicaid coverage for very low income adolescents & young adults up to age 19, 20, or 21
- In 1999 Congress enacted option for states to provide Medicaid for young adults ages 18, 19, and 20 leaving foster care
- Sources: Morreale & English, 2003; English, Morreale, & Larsen, 2003

Health Insurance Coverage: Youth Leaving Foster Care

- Vulnerable population with multiple health problems & intense health care needs
- Most had Medicaid coverage while in foster care
- Many lose health insurance when leaving foster care between ages 18 and 21
- FCIA Medicaid Expansion Option allows states to provide Medicaid up to age 21 for former foster youth
- As of July 2005, nine states had implemented this option: AZ, CA, KS, MS, NJ, OK, SC, TX, WY
- Sources: English, Morreale, & Larsen, 2003; English et al., 2006

Health Insurance Expansion Options for Older Adolescents & Young Adults

- Universal coverage for all ages
- Universal coverage for children, adolescents, & young adults
- Enrolling all who are eligible for Medicaid & SCHIP
- Expanding eligibility for Medicaid & SCHIP
- Raising upper age limit for dependent coverage in employer-based insurance
- Ensuring coverage for college & university students

Health Insurance Expansion Options: MediKids

- MediKids (S. 827/H.R.3192, 2003)
- Coverage for all children, adolescents, & young adults from birth to age 23
- Proposed by AAP
- Introduced in 108th Congress
- Not enacted

Health Insurance Expansion Options: Medicaid & SCHIP for Young Adults

- Medicaid/SCHIP Optional Coverage for Young Adults Act of 2003
 - State option to offer Medicaid & SCHIP coverage to low-income youth up to age 23
 - Introduced in 108th Congress
 - Not enacted
- Recent estimates suggest that doing so could cover 2.7 million uninsured adults ages 19-23 with incomes \leq 100% FPL

Health Insurance Expansion Options: Extending Dependent Coverage

- Federal Employee Health Benefit Program
 - Dependent coverage available
 - All unmarried dependents under age 22
- Utah mandated benefits law
 - Employer-based insurance with dependent coverage
 - Must offer coverage for all unmarried dependents under age 26
- Extending dependent coverage to age 23
 - Could cover 800,000 unmarried dependent young adults

Health Insurance Expansion Options: Individual Private Coverage

- California Blue Cross
- TONIK plans
- “Thrill-seeker,” “Part-time Daredevil,” and “Calculated Risk-Taker”
- Premiums from \$64 to \$123 per month

Health Insurance Expansion Options: SF Pilot Program

- San Francisco Health Plan
- Healthy Kids & Young Adults
- City & County funded pilot program
- Ages 19-24
 - Low-income
 - Aging out of Medicaid or SCHIP or parent of a child in Medicaid, SCHIP, or SF Healthy Kids
 - No employer-based coverage
- Coverage for U.S. citizens, legal & undocumented immigrants

Obstacles to Expanding Health Insurance Coverage

- Federal deficit and debt
- State budget problems
- Increased health costs for employers
- Cuts & restructuring in Medicaid & SCHIP

Obstacles: State Medicaid & SCHIP Cuts

- State cuts in Medicaid & SCHIP
 - Eligibility limits
 - Benefit cuts
 - Provider reimbursement rate reductions
 - Increased cost sharing
 - Enrollment caps
- HIFA Waivers in Medicaid
 - State option to expand coverage for some new groups, e.g., very low income childless adults
 - State flexibility to restrict eligibility & benefits for others

Obstacles: President's Proposed FY 2006 Budget

- Few expansions & numerous cuts in health programs
- Additional spending will not help uninsured older adolescents & young adults
 - Increased \$ for enrolling eligible children & adolescents
 - Tax credits
 - Health savings accounts
- \$45 - \$60 billion in Medicaid cuts over 10 years

Obstacles: Medicaid Block Grant

- Past proposals that were not enacted
 - 1981 by Ronald Reagan
 - 1995 by Newt Gingrich
 - 2003 by President Bush
- FY 2006 budget refers to modernizing Medicaid on the model of SCHIP
- Block grant implications
 - End of entitlement
 - Possibility of enrollment caps
 - Possibility of elimination of benefit guarantees, e.g., EPSDT

Obstacles: Budget Reconciliation Act 2005

- Passed by House and Senate in slightly different versions
- Final vote expected in the House on February 1, 2006
- Substantial Medicaid cuts
- Harms to beneficiaries
 - Benefits
 - Cost sharing

Conclusion

- Older adolescents & young adults very vulnerable to lacking health insurance
- Poor, low-income, and members of racial & ethnic minority groups are most vulnerable
- Progress has been made in increasing health insurance for older adolescents in Medicaid & SCHIP
- Policy options exist for increasing health insurance for young adults
- Advocacy & political will required to protect existing coverage & expand coverage for these vulnerable young people