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**ONE IN FOUR UNINSURED ELIGIBLE FOR PUBLIC INSURANCE
BUT NOT ENROLLED, SAYS NEW NIHCM REPORT**

***Half the Uninsured are Childless Adults; Expanding Public Coverage
Or Providing Subsidies to Low-Income Groups Could Make Big Difference***

Washington, D.C. – One in four people who lack health coverage in America are eligible for public insurance programs but are not enrolled due to barriers that make it difficult, says a new report released today by the National Institute for Health Care Management Foundation (NIHCM), a Washington-based think tank. About 12 million people (half of whom are children) are reachable by Medicaid and the State Children’s Health Insurance Program (SCHIP) but fail to enroll because they are not aware these programs exist, do not know how to enroll, and fear being linked with a publicly financed program. It can also be difficult for them to stay enrolled.

As Congress and the presidential candidates debate various ways to expand access and reform health care, the report offers the most current picture of the complexity and diversity of the pool of 47 million uninsured in the United States and emphasizes that any solutions will need to expand access to public programs or otherwise subsidize coverage for low-income people to make any real difference.

Childless adults comprise more than half of the uninsured, yet there is little public assistance available for those who need help. Since 2001, states have been allowed to expand coverage to childless adults and others who have been traditionally ineligible for Medicaid. However, only seven states currently have such coverage (AZ, ID, IN, MI, NM, OR, and UT), and these programs often have low enrollment caps, cost-sharing requirements, or other eligibility limitations.

“The paucity of public coverage for low-income childless adults is really troubling. This is a population that really can only be helped by an expansion of public programs or some form of subsidy, yet we don’t see a lot of that out there across the states,” says Nancy Chockley, president and CEO of NIHCM Foundation.

The 20-page report “Understanding the Uninsured: Tailoring Policy Solutions for Different Subpopulations,” segments the uninsured according to their eligibility for public programs, income, and whether they are a child, a parent, or a childless adult. Using 2006 data from the

2007 Current Population Survey, researchers describe a range of policy options to extend coverage to these groups, as well as options for reaching uninsured young adults and older adults who are not yet eligible for Medicare.

The report also quantifies uninsured undocumented immigrants. Of 10 million uninsured non-U.S. citizens, NIHCM estimates that 5.6 million are undocumented immigrants and 4.4 million are legal residents.

Eligible but Not Enrolled: What are the Barriers?

The 12 million people who are eligible for public coverage but not enrolled are primarily low-income children and parents. This includes 6.1 million uninsured children – or 64 percent of all uninsured children. The vast majority of these children are in families with incomes below 200 percent of the federal poverty level (\$41,300 for a family of 4 or \$20,420 for individuals). Since public program eligibility is more restrictive for adults, only 29 percent of uninsured parents (3.6 million) and 10 percent of uninsured childless adults (2.4 million) are reachable through public programs, the report says.

Administrative hassles can inhibit both enrollment and retention in these programs. New enrollees often are daunted by the paperwork required to enroll in a program, while existing enrollees can be involuntarily disenrolled if they do not complete renewal forms. In Florida, multiple administrative barriers led to a 39 percent drop in Florida's SCHIP rolls (a loss of 128,000 children), the largest decline in the country. The state has since made efforts to reverse this decline, and early reports are that 16,000 children have been added to the rolls.

A 2005 law has made it even harder to enroll in Medicaid because people are now required to show proof of U.S. citizenship. The law was intended to restrict enrollment among undocumented immigrants but NIHCM cites concerns that it has led to inappropriate enrollment denials and/or delays for large numbers of citizens.

Children have the most to gain from solutions aimed at increasing enrollment in Medicaid and SCHIP. However, because these programs now reach 79 percent of targeted children, more aggressive strategies will be needed to reach remaining eligible children. Ideas include adopting automatic enrollment methods, removing binding enrollment caps, and simplifying the renewal process.

How to Reach Those Who Aren't Eligible for Public Coverage

Improving program take up among eligible persons will not significantly reduce the ranks of uninsured parents and childless adults. There are 9.1 million uninsured childless adults and 4.8 million parents with incomes below 200 percent of the federal poverty level (FPL) who are not eligible for current public coverage. One third of each group has incomes below 100 percent of the FPL.

These adults could be helped by extending current public programs or providing public subsidies. With only 7 states now providing public assistance to low-income childless adults

and half of all states denying access to traditional Medicaid benefits for working parents in families above 63 percent of the federal poverty level (approximately \$13,000 for a family of 4), there is ample room for expansion just to reach the poorest adults. Covering more parents would also be expected to increase Medicaid and SCHIP enrollment among eligible children, since there is evidence that children are more likely to be enrolled in these programs if their parents are also eligible.

Another challenge to consider is that more than 40 percent of the uninsured have moderate to higher incomes. And, since the vast majority of those with incomes above 200 percent of FPL have insurance, it is difficult to find affordable solutions without disrupting those who are insured. Policy options include mandates, tax credits, tax system changes, high-risk pools and reinsurance. The private sector also is beginning to develop insurance products tailored to previously uninsured people.

“What this report shows us is that reaching universal coverage is a very complicated proposition, but that we can get a quarter of the way there by getting more people who are eligible for public programs enrolled and we can make a lot of headway too by looking for subsidies for low-income childless adults and parents,” says Chockley.

Trying to ease the enrollment burden would be a major step to getting more eligible people enrolled in these programs, she adds, but states often make it more difficult to enroll when they run into funding problems. Chockley acknowledges that current state budget shortfalls not only make it less likely that states will be able to increase enrollment among people who are currently eligible, but also dampen the outlook for expanding eligibility to others. Massachusetts offers a lesson. Demand for the subsidized insurance program under the state’s new health reform law has greatly surpassed what was expected and the program is expected to double its size over the next three years. The result, says the NIHCM report: “This anticipated demand may force the state to cut back the program.”

Figuring out how to reach the uninsured with moderate to higher incomes will be one of the greatest challenges for policy makers because so many people at these income levels already are covered by private plans, adds Chockley. “This makes system-wide changes politically difficult.” One area of agreement, she says, is that “managing health care costs is imperative to mitigate further increases in the number of uninsured.”

Copies of the report, “Understanding the Uninsured: Tailoring Policy Solutions for Different Subpopulations,” are available by visiting the NIHCM website at www.nihcm.org

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The National Institute for Health Care Management Research and Education Foundation is a non-profit organization whose mission is to promote improvement in health care access, management, and quality and to foster dialogue between the public and private sectors. The Foundation is based in Washington, D.C. This study and more information about the Foundation can be found at <http://www.nihcm.org>.