



Covering the Uninsured: A Community Perspective

Federal Health Resources and Services Administration

Georgia State Planning Grant Team



Possible Help for the Uninsured

- Tax Incentives/Subsidies
 - Financially assist employers and/or individuals/families with the purchase of health insurance through direct payments or tax reductions.
- Public Expansion
 - Expand tax-funded programs such as Medicare, Medicaid, and PeachCare to cover more low-income Georgians.



Possible Help for the Uninsured

- Employer Mandates
 - Require employers of a certain size to offer coverage to their employees.
- Individual Mandates
 - Require uninsured individuals to purchase health insurance for themselves and their families, similar to car insurance mandates.



Possible Help for the Uninsured

- Single-Payer System
 - Establish a system that pays for the health care or health insurance premiums for everyone in Georgia.
- Encourage Change in What and How Health Insurance is Sold in Georgia
 - Change the regulations governing health insurance to make it more affordable and easier to purchase, such as: establish a high risk pool, allow association plans, promote health savings accounts, etc.
- Do Nothing to Expand Health Insurance Coverage
 - Keep the current system as is.



United Health Foundation 2004 Rankings

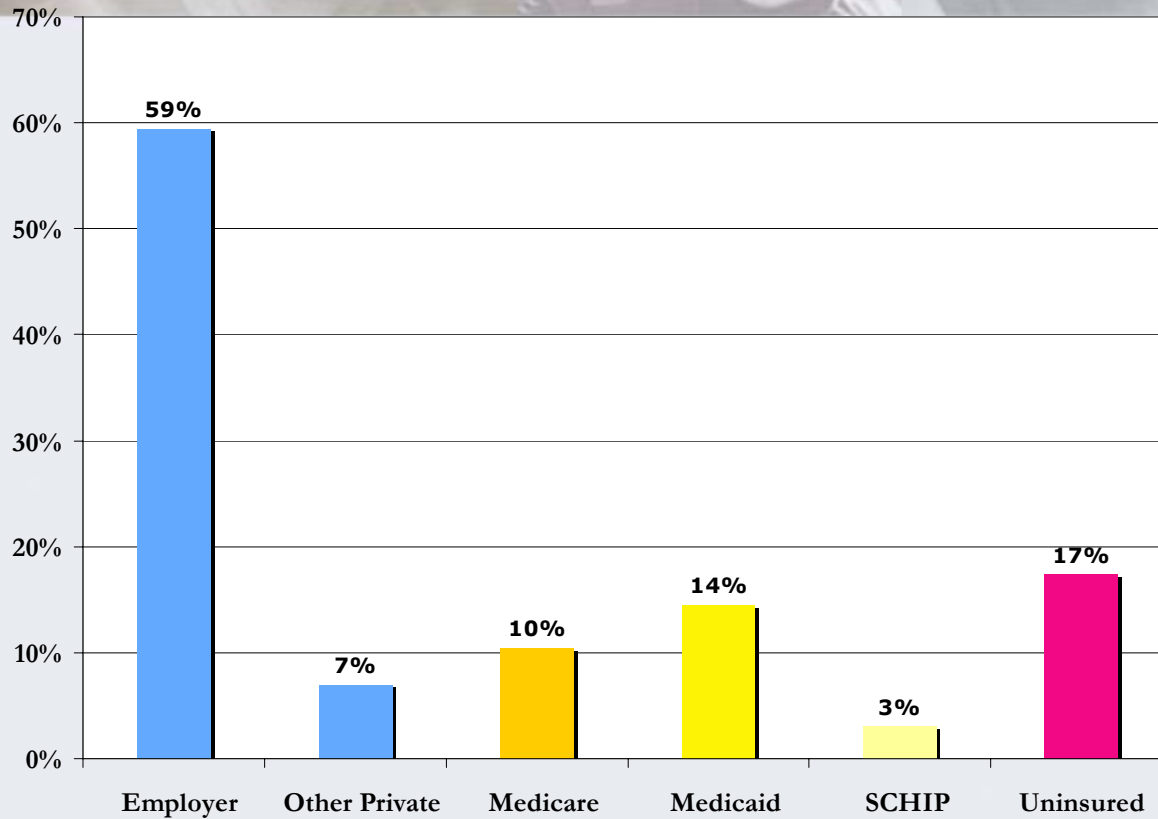
- Georgia is
 - 45th in the nation in overall health status
 - Last in Public Health Spending
 - Last in Per Capita Health Spending
 - Tied for 6th as the Most Obese State
 - 4th worst in Infectious Disease
 - Tied for 8th worst in Premature Death
 - Tied for 7th highest in Infant Mortality
 - Tied for 10th worst in Cardiovascular Deaths



What Does Health Care Cost in Georgia?

- In total, Georgians spent almost \$45 billion on health care in 2003.
- The average annual cost for employment-based family coverage is approaching \$10,000 per year.
- Georgia's Medicaid program cost \$5.7 billion in 2003.

How Do Georgians Pay for Health Care?





Employer Coverage

- Most Georgians with private coverage get it through their employer.
- Large firms and firms located in urban areas are more likely to offer coverage.



Employer Coverage

- Employer sponsored coverage is eroding:
 - 3% decline in firms offering between 2002 and 2004
 - Most decline in coverage at firms with 25 to 99 employees
- Most firms that do not offer coverage say it costs too much.



Who Are the Uninsured?

- About 1.5 million Georgians are uninsured.
- 2/3 of the uninsured work or are the dependents of full-time workers.



Who Are the Uninsured?

- Workers at small firms or who earn low wages are most likely to lack coverage.
- 71% of workers without coverage work for an employer who does not offer coverage, or they are not eligible for coverage when it is offered.

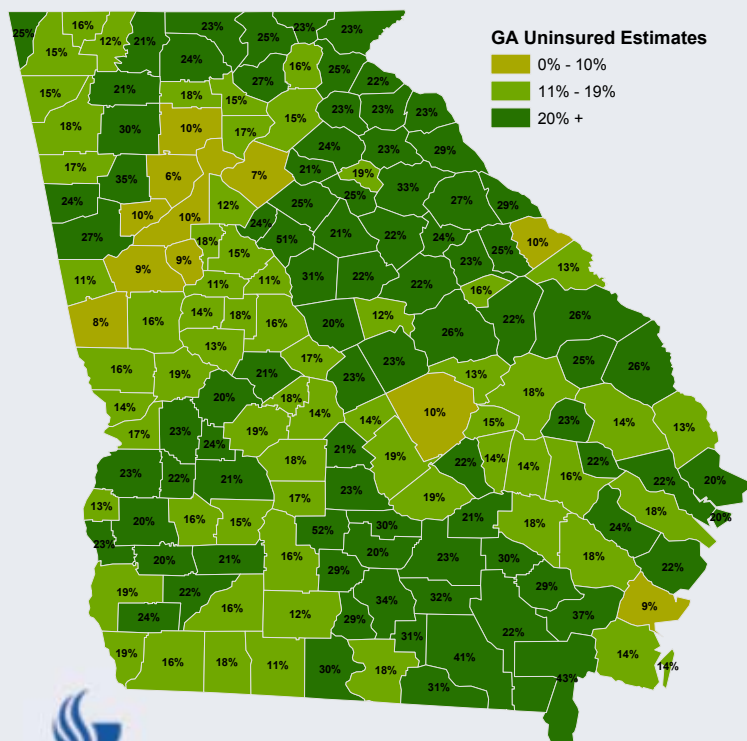


The Uninsured in Georgia Are :

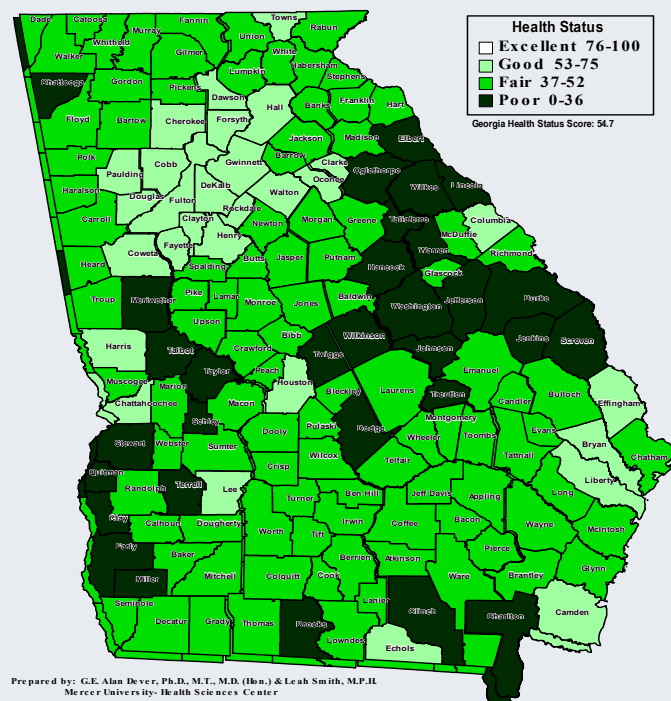
- More likely to report fair or poor health.
- Less likely to receive preventive care.
- More likely to miss school or work.
- Less likely to have a usual source of care.
- Sicker when they are admitted to the hospital.
- More likely to be readmitted for same illness.

Poor Health Status and Being Uninsured Seem to be Related

Percent of Uninsured Population By County



Health Status by County, Georgia, 2003



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Data Source: Inform, 2004



How Do the Uninsured Get Care?

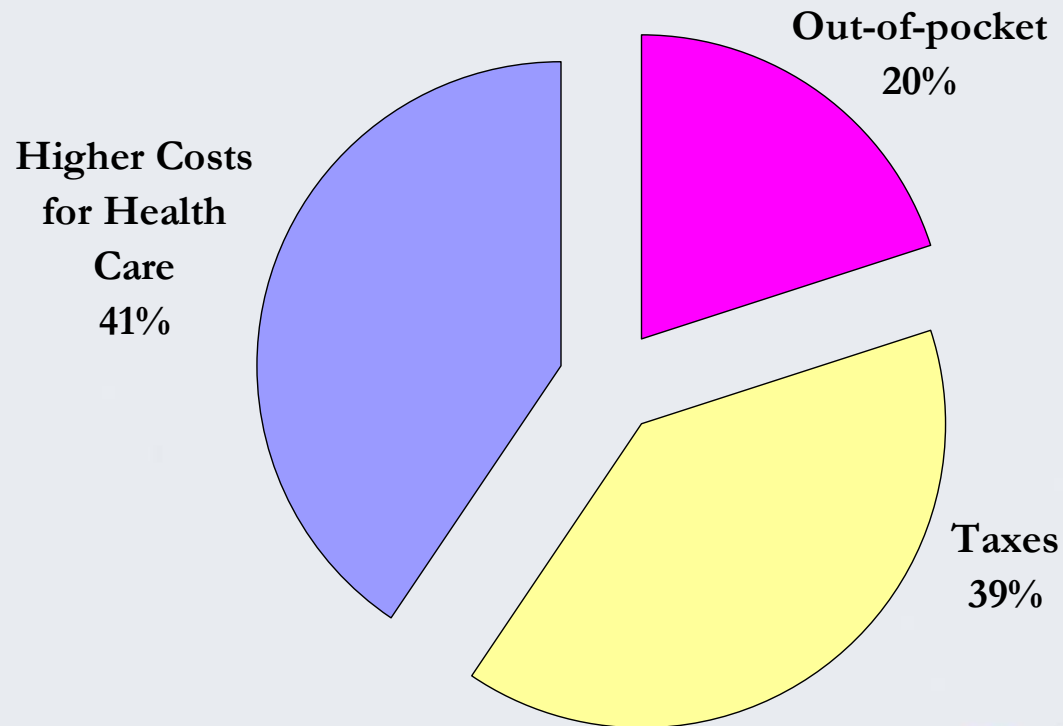
- The uninsured pay out-of-pocket for some of their health care services.
- The uninsured are more likely to delay seeking care, are less likely to get needed medications for chronic diseases, and are more likely to seek emergency care.



How Do the Uninsured Get Care?

- Public hospitals are required to treat and stabilize anyone who comes to their emergency rooms in a health crisis.
- Although the uninsured receive less care than those with coverage, the care provided to uninsured Georgians costs about \$1.5 billion annually.

Who Pays for the Uninsured?





Who Pays for the Uninsured?

- People who pay more taxes and those who use more health care services pay more for the uninsured.
- A family of three with a household income of \$50,000 pays about \$800 annually toward the cost of the uninsured.



Everyone's Health Care is Subsidized

- Covering the uninsured is costly, but everyone shares in the cost of everyone else's healthcare.
- Most employers pay a portion of their employees' insurance premiums.
- Insured people who seldom go to the doctor subsidize the care of insured people who go to the doctor more often.
- Tax dollars, including those paid by the working uninsured, pay for the Medicaid and Medicare program.



Trade Offs to Consider

- Tax credits and subsidies can help those with low incomes afford coverage. To be fair, they must be provided to all who are eligible - even those already insured; thus, the overall cost per newly insured is high.
- Public expansion may decrease health insurance premiums and out-of-pocket expenditures for everyone, but may also increase taxes for everyone.



Trade Offs to Consider

- Employer mandates may decrease tax expenditures to cover the cost of the uninsured but may also result in lower take-home pay, and that effect may be greater for small employers than large employers.
- Mandating individual coverage would require major changes in the market to make insurance affordable and potentially increase the cost for sicker individuals due to reduced pooling of risks, but it might promote greater individual responsibility.



Trade Offs to Consider

- A single-payer system may eliminate health insurance premiums and out-of-pocket expenditures for everyone and increase access to primary care but will increase taxes and may reduce access to some types of specialized care.
- Making adjustments to how we sell insurance will not disrupt the current system but will enable a relatively small number of Georgians to gain insurance.



Trade Offs to Consider

- Doing nothing does not disrupt the system but will result in continued health care cost inflation and more uninsured Georgians.