

# The Importance of Health Coverage

**Today, over 90% of U.S. residents have health insurance, with significant gains in health coverage occurring in recent years. However, this trend shows signs of reversing, with the uninsured rate increasing between 2017 and 2018. Health insurance facilitates access to care and is associated with lower death rates, better health outcomes, and improved productivity. Nearly 28 million individuals lacked coverage in 2018, putting their physical, mental, and financial health at risk.**

Meaningful health care coverage is critical to living a productive, secure and healthy life. U.S. residents obtain health coverage from a variety of private and public sources, such as through their employers or direct purchase on the individual market (private sources), as well as through the Medicare, Medicaid, or Veterans Affairs programs (public sources).

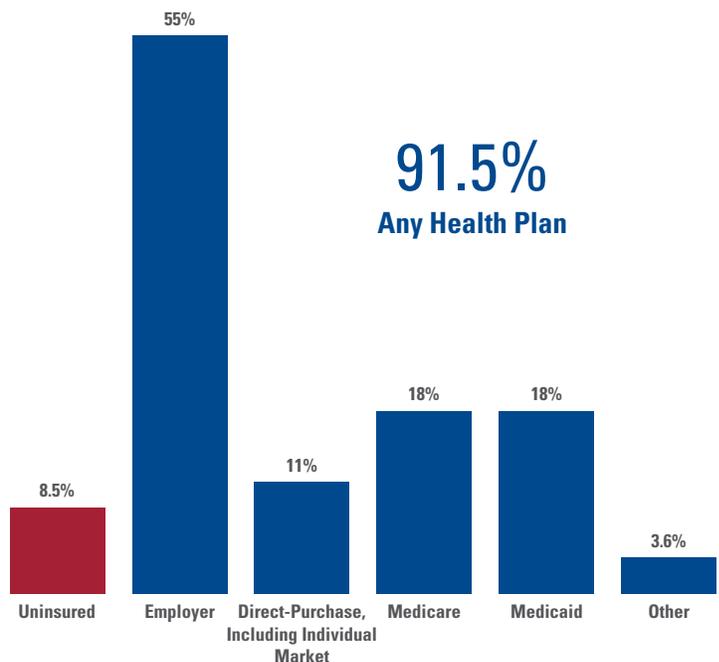
The number of people with health insurance has increased significantly in recent years, with nearly 20 million individuals newly insured. Most of these individuals were able to enroll in coverage offered through the Medicaid program, their employer, or the individual market as a result of coverage programs and insurance market reforms authorized by the Affordable Care Act (ACA).

## Impact of Coverage

Enrollment in coverage supports the health and well-being of individuals and communities. Studies confirm that coverage improves access to care; supports positive health outcomes, including an individual's sense of their own health and well-being; incentivizes appropriate use of health care resources; and reduces financial strain on individuals, families and communities. A list of resources can be found on page 4.

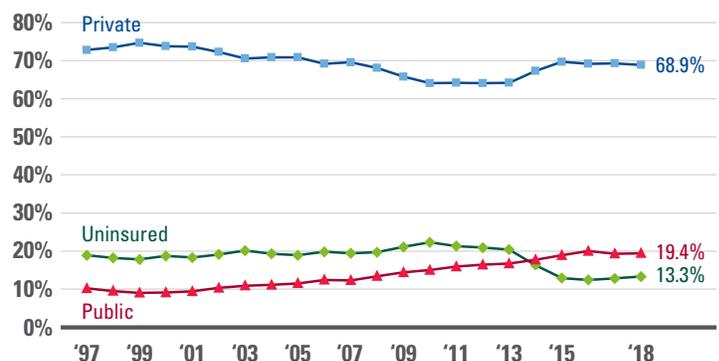
In particular, recent studies that evaluated changes in states that expanded Medicaid compared to those that didn't underscore the value of coverage.<sup>1</sup>

## Sources of Health Coverage, 2018



Source: U.S. Census Bureau. "Health Insurance Coverage in the United States: 2018; Current Population Reports," Sept. 2019.

## U.S. Coverage Status, 1997-2018



Source: NCHS, National Health Interview Survey, 1997–2018, Family Core component. Note: Data are based on household interviews of a sample of the civilian noninstitutionalized population.

## Coverage Improves Access to Care

- Adult Medicaid enrollees are five times more likely to have regular sources of care and four times more likely to receive preventative care services than individuals without coverage. Children with Medicaid coverage are four times more likely to have regular sources of care and two to three times more likely to receive preventative care services than uninsured children.<sup>2</sup> In addition, low-income children with parents covered by Medicaid are more likely to receive well-child visits than those with uninsured parents.<sup>3</sup>
- A higher proportion of individuals in Medicaid expansion states have a personal doctor than those in non-expansion states.<sup>4</sup>
- Individuals with coverage are more likely to obtain access to prescription drug therapies. Individuals in states that expanded Medicaid have improved access to diabetes and asthma medications, contraceptives, and cardiovascular drugs.<sup>5,6,7</sup>
- Individuals with coverage are more likely to obtain an early diagnosis and treatment, which may ultimately contribute to improved health outcomes.<sup>8</sup>
  - Individuals in Medicaid expansion states have higher rates of diabetes diagnoses than those in states that did not expand.<sup>9</sup>
  - They receive more timely, and therefore less complicated, care for five common surgical conditions.<sup>10</sup>
  - Medicaid expansion is associated with access to timely cancer diagnoses and treatment.<sup>11,12,13,14,15</sup>
- Coverage improves access to behavioral health and substance use disorder treatment.<sup>16</sup>
  - Young adults with mental illness who have coverage have a higher rate of monthly outpatient mental health visits than those without coverage.<sup>17</sup>
- In Ohio, individuals who become eligible for and enrolled in Medicaid reported better access to mental health services after enrollment,<sup>18</sup> and in Connecticut, one third of Medicaid expansion enrollees use their coverage for care related to mental health and substance use disorder.<sup>19</sup>
- Coverage is critical to efforts to fight the opioid epidemic.<sup>20</sup> In West Virginia, Medicaid expansion increased access to opioid use disorder (OUD) treatment. By 2016, 75% of Medicaid enrollees with OUD filled prescriptions for medication treatment.<sup>21</sup>
- Coverage diminishes cost barriers to accessing care. Fewer individuals in states that expanded Medicaid report cost as a barrier to care than those in states that did not expand Medicaid,<sup>22</sup> and fewer individuals in expansion states report skipping their medications because of cost.<sup>23</sup> In rural areas specifically, individuals were 8% less likely to report cost as a barrier to care in Medicaid Expansion states.<sup>24</sup>

## Coverage is Associated with Improved Health Outcomes

- Coverage expansion is associated with decreases in mortality.<sup>25</sup> After Massachusetts implemented coverage expansion through both Medicaid and private coverage, the all-cause mortality rate in the state declined significantly.<sup>26</sup> Medicaid expansion is associated with lower cardiovascular mortality specifically.<sup>27</sup>

- More individuals in expansion states quit smoking, consistent with Medicaid coverage for preventive care and evidence-based smoking cessation services.<sup>28,29</sup>
- A study of Oregon’s earlier expansion found that individuals who became eligible for Medicaid experienced lower rates of depression than those who did not.<sup>30</sup>
- Individuals with coverage report a greater sense of well-being, with an increase in individuals reporting being in excellent health after states expanded Medicaid.<sup>31,32</sup>

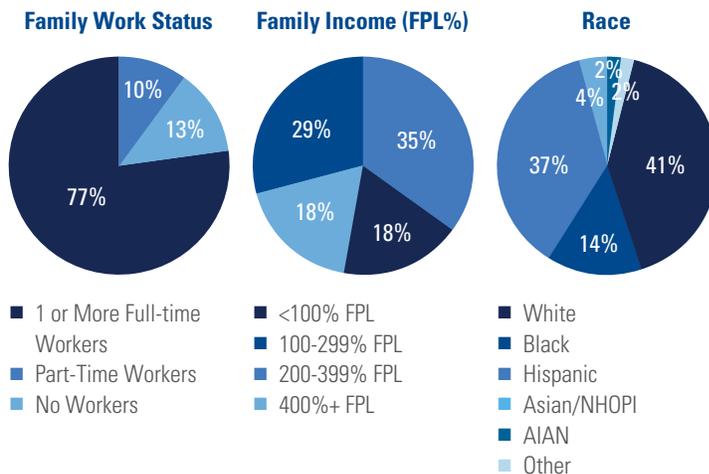
### Coverage Supports Appropriate Health Care Utilization

- Coverage can help direct individuals to the most appropriate site of care. Young adults who could stay on their parents’ health plan experienced decreases in non-emergent emergency department (ED) visits.<sup>33</sup> Expansion populations in some states also experienced a decrease in ED visits and an increase in outpatient visits.<sup>34,35,36</sup>
- Coverage facilitates use of preventive care and management of chronic conditions. Individuals in expansion states saw significant increases in screening for diabetes, glucose testing among patients with diabetes, and regular care for chronic conditions.<sup>37</sup>

### Coverage Improves Individual, Family and Community Well-being

- Hospitals, particularly rural hospitals, in states that expanded Medicaid experienced improved financial performance and were less likely to close.<sup>38,39</sup>
- Medicaid expansion is associated with a decrease in both violent and property crimes, and associated government spending to reduce crime.<sup>40</sup>

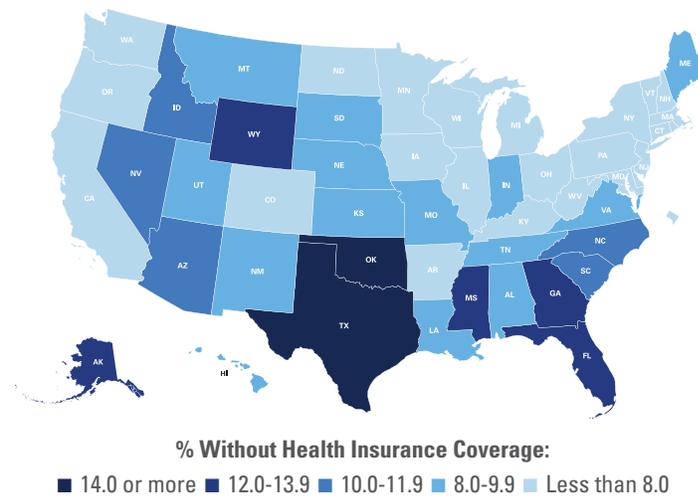
### Characteristics of the Non-elderly Uninsured, 2017



### Total Nonelderly Uninsured: 27.4 million

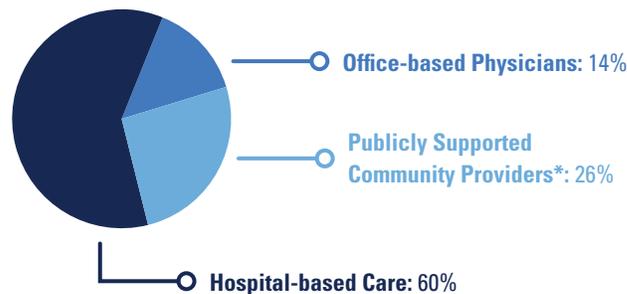
**Notes:** Includes nonelderly individuals ages 0-64. The U.S. Census Bureau’s poverty threshold for a family with two adults and one child was \$19,318 in 2016. Data may not total 100% due to rounding. Persons of Hispanic origin may be of any race; all other race/ethnicity groups are non-Hispanic. **Source:** Kaiser Family Foundation analysis of the 2017 American Community Survey, 1-year estimates.

### Uninsured Rate by State, 2017



**Note:** Civilian noninstitutionalized population. **Source:** Kaiser Family Foundation analysis of the 2017 American Community Survey, 1-Year Estimates.

### Uncompensated Care by Place of Service, 2013



\*Includes community-based providers who receive federal, state or local funds. **Source:** Coughlin; Holahan, et. al, "Uncompensated Care for the Uninsured in 2013," Kaiser Commission on Medicaid and the Uninsured, May 2014.

- Coverage reduces individuals' and families' financial burden and risk by reducing annual out-of-pocket spending<sup>41</sup> and essentially eliminating catastrophic expenditures.<sup>42</sup>
- In Ohio, individuals who became eligible for and enrolled in Medicaid reported that enrollment made it easier to work and to seek work.<sup>43</sup>
- In Montana, Medicaid expansion is estimated to create 5 thousand jobs annually between 2018 and 2020, resulting in roughly \$270 million in personal income each year.<sup>44</sup>
- In Michigan, enrollment in Medicaid following Medicaid expansion is found to be associated with improved financial health, including a reduction in unpaid medical bills. Enrollees with the greatest medical needs, e.g., chronic illness diagnoses, saw the greatest improvement in their financial health.<sup>45</sup>

## Many U.S. Residents Remain Uninsured

Despite these coverage gains, nearly 28 million U.S. residents remain uninsured. However, the proportion of people without health insurance varies dramatically across states, from a high of 17.7% in Texas to a low of 2.8% in Massachusetts.<sup>46</sup> Insurance status also varies by race and ethnicity. For example, Hispanics have disproportionately high rates of being uninsured, as compared to non-Hispanic whites.<sup>47</sup>

## Impact of the Uninsured on the Health Care System

The high rate of uninsured puts stress on the broader health care system. People without insurance put off needed care and rely more heavily on hospital emergency departments, resulting in scarce resources being directed to treat conditions that often could have been prevented or managed in a lower-cost setting. Being uninsured also has serious financial implications for individuals, communities and the health care system.

While all providers offer some level of charity care, it is insufficient to meet fully the needs of the uninsured. In 2017, hospitals provided \$38.4 billion in uncompensated care to patients. However, hospitals also absorbed an additional \$76.8 billion in underpayments from Medicare and Medicaid, and are facing additional funding reductions through cuts to the Medicare and Medicaid disproportionate share hospital payment programs. These factors dramatically reduce the resources available to hospitals to provide charity care.<sup>48</sup>

## Resources

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