

Profile of the Uninsured & Underinsured

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Senate Finance Committee
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SLIDES with a  mean data were taken from the 2014 Vermont Household Health Insurance Survey:

- Conducted between August 13 and December 4, 2014
- By *Market Decisions* on behalf of the *Vermont Department of Financial Regulations*.
- Released January 2015
- Some slides have been modified by JFO for presentation purposes.



The Uninsured

- * Numbers are based on point-in-time at the time of the interview



Trends in Primary Source of Health Insurance Coverage, 2000 - 2014

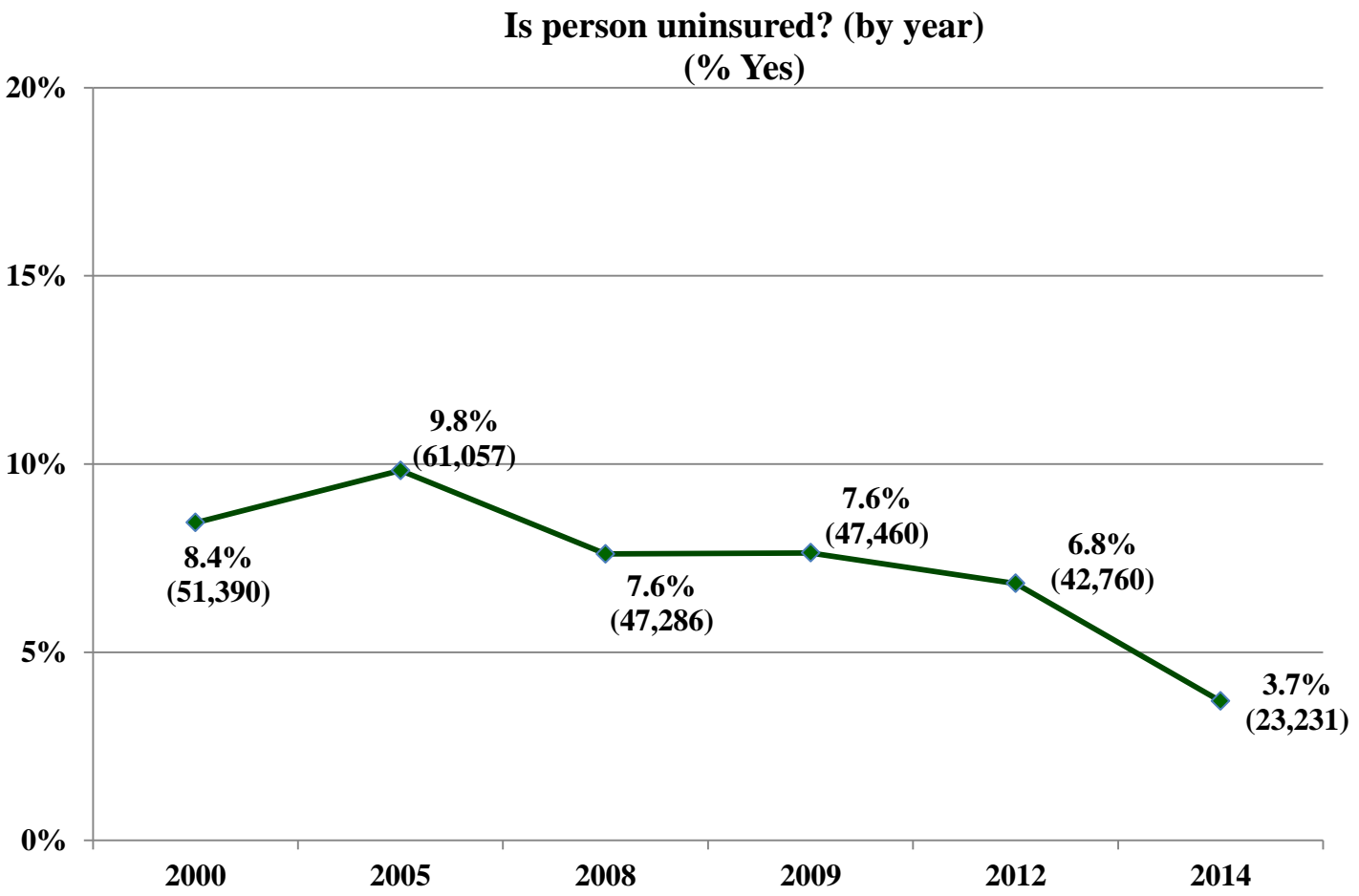
	Rate						Count					
	2000	2005	2008	2009	2012	2014	2000	2005	2008	2009	2012	2014
Private Insurance	60.1%	59.4%	59.9%	57.2%	56.8%	54.4%	366,213	369,348	370,981	355,358	355,857	341,077
Medicaid	16.1%	14.7%	16.0%	17.6%	17.9%	21.2%	97,664	91,126	99,159	109,353	111,833	132,829
Medicare	14.4%	14.5%	14.3%	15.3%	16.0%	17.7%	87,937	90,110	88,915	95,182	100,506	110,916
Military	0.9%	1.6%	2.4%	2.2%	2.5%	3.0%	5,626	9,754	14,910	13,917	15,478	18,578
Uninsured	8.4%	9.8%	7.6%	7.6%	6.8%	3.7%	51,390	61,057	47,286	47,460	42,760	23,231

Data Sources: 2000, 2005, 2008, 2009, 2012 and 2014 Vermont Household Health Insurance Surveys

Note: Primary type of health insurance coverage classifies residents with more than one type of insurance into a single category based upon the following hierarchical order; Medicare (except in cases where resident was over 64 and covered by a private insurance policy through an employer with 25 or more employees or person was covered by military insurance), private insurance, military, state health insurance and uninsured. Included in the category of private health insurance coverage are those covered through the Catamount Health Program.



Trend of uninsured Vermont residents, 2000-2014.



Source: 2014 Vermont Household Health Insurance Survey



Primary Source of Health Insurance Coverage, 2014 Breakdown by Age Cohort

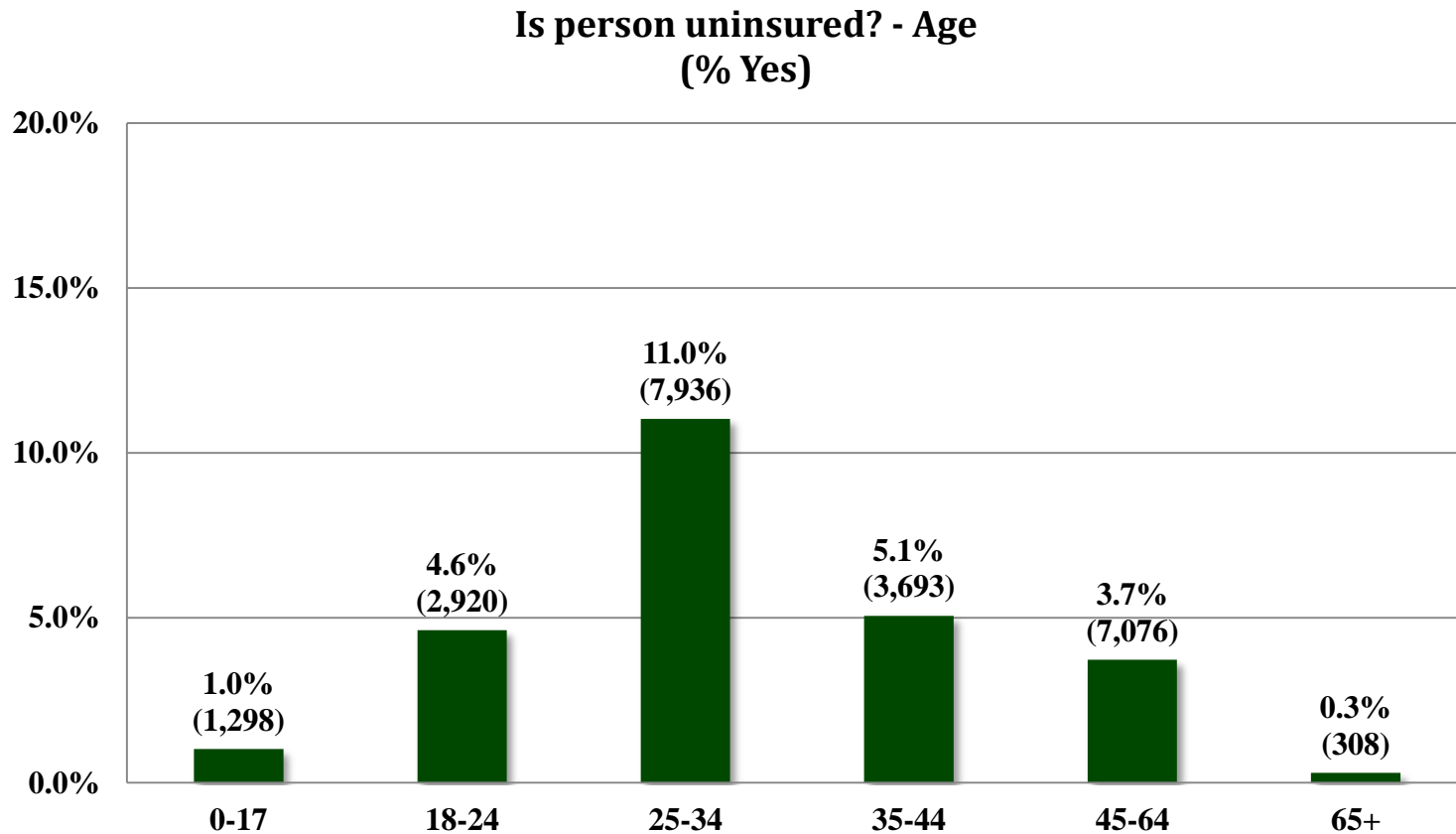
	Rate			Count		
	0 - 17	18 - 64	65+	0 - 17	18 - 64	65+
Private	52.9%	67.9%	4.2%	66,958	269,856	4,263
Medicaid	44.4%	19.1%	0.8%	56,172	75,803	854
Medicare	0.1%	5.4%	87.4%	97	21,307	89,513
Military	1.6%	2.3%	7.4%	1,995	9,047	7,536
Uninsured	1.0%	5.4%	0.3%	1,298	21,626	308
Total	100.0%	100.0%	100.0%	126,520	397,639	102,474

Data Source: 2014 Vermont Household Health Insurance Survey

Note: Primary type of health insurance coverage classifies residents with more than one type of insurance into a single category based upon the following hierarchical order; Medicare (except in cases where resident was over 64 and covered by a private insurance policy through an employer with 25 or more employees or person was covered by military insurance), private insurance, military, state health insurance and uninsured. Included in the category of private health insurance coverage are those covered through the Catamount Health Program.



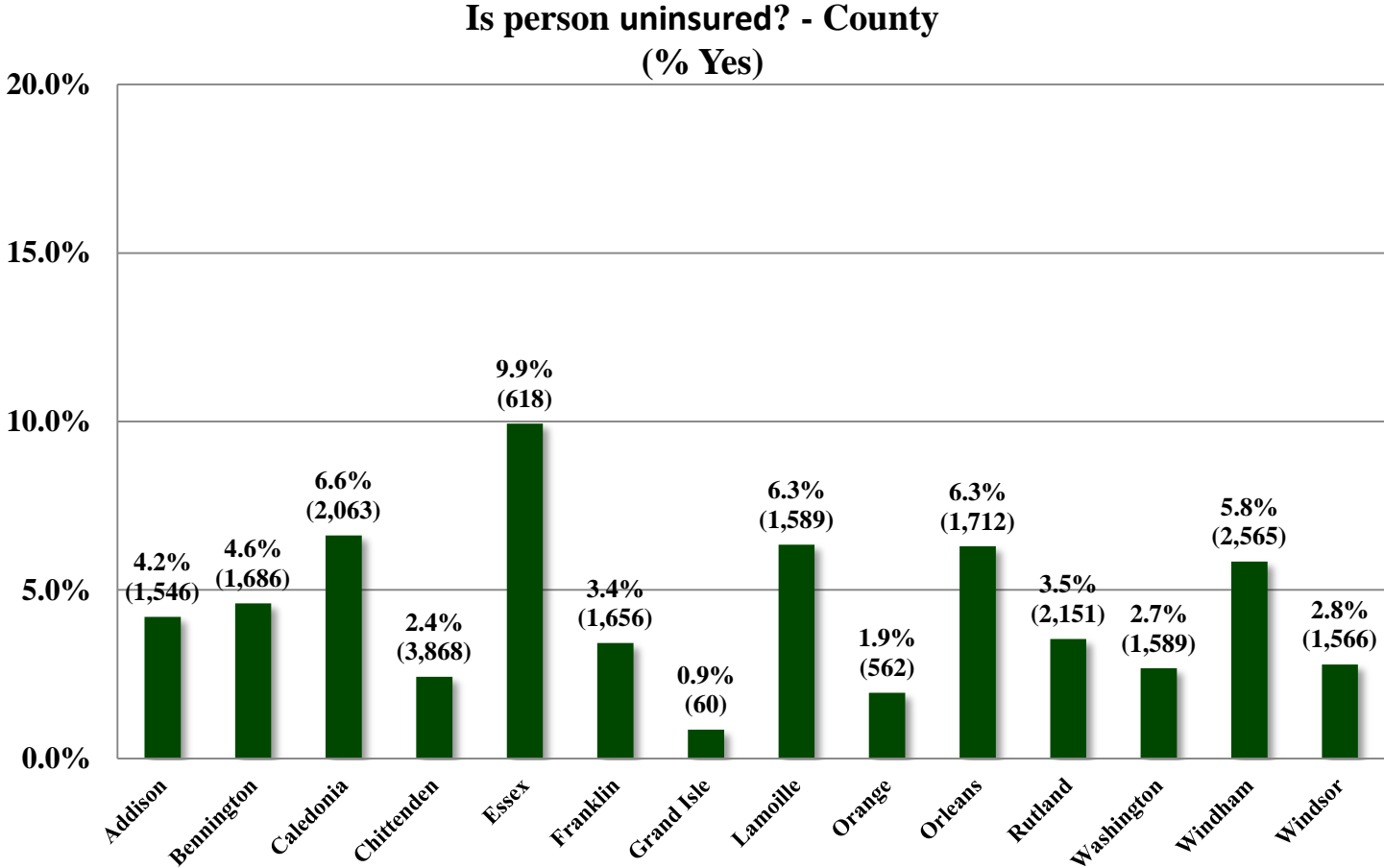
The Uninsured in Vermont by age cohort, 2014



Source: 2014 Vermont Household Health Insurance Survey



Rates of uninsured by Vermont counties

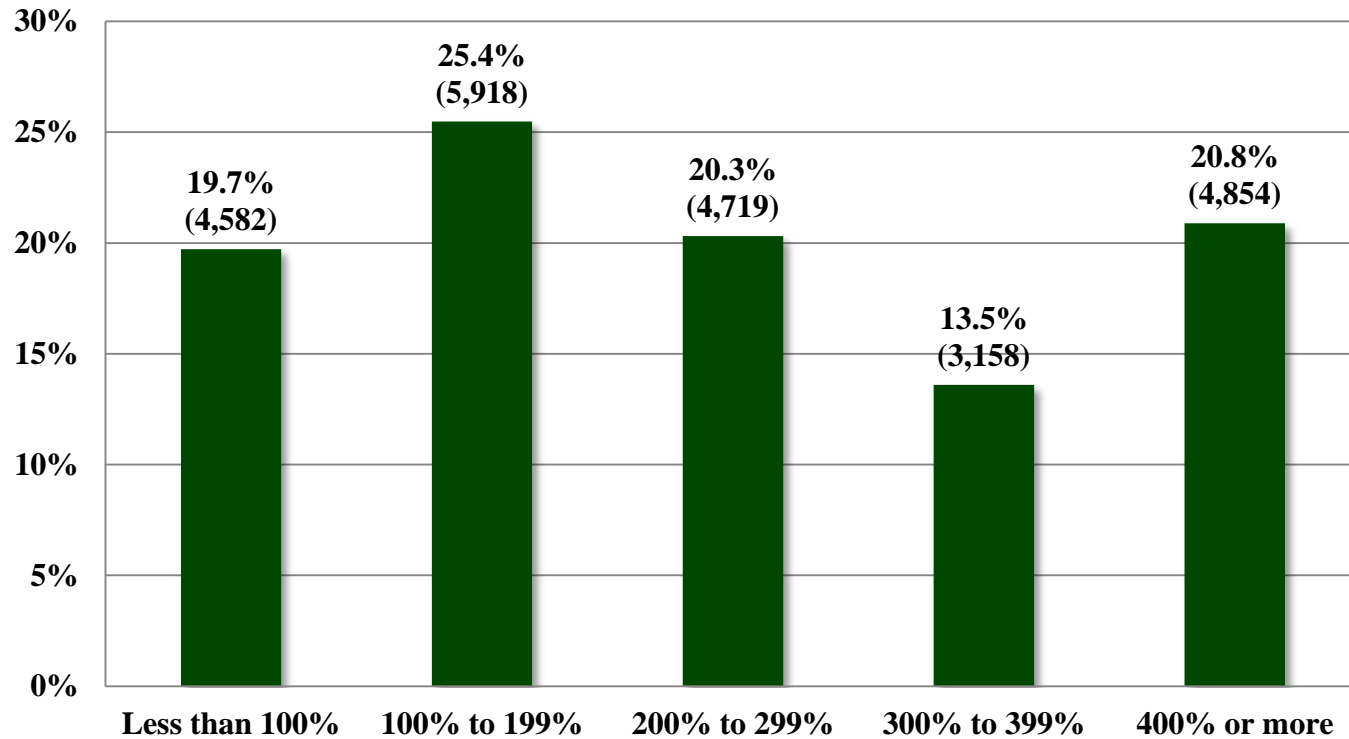


Source: 2014 Vermont Household Health Insurance Survey



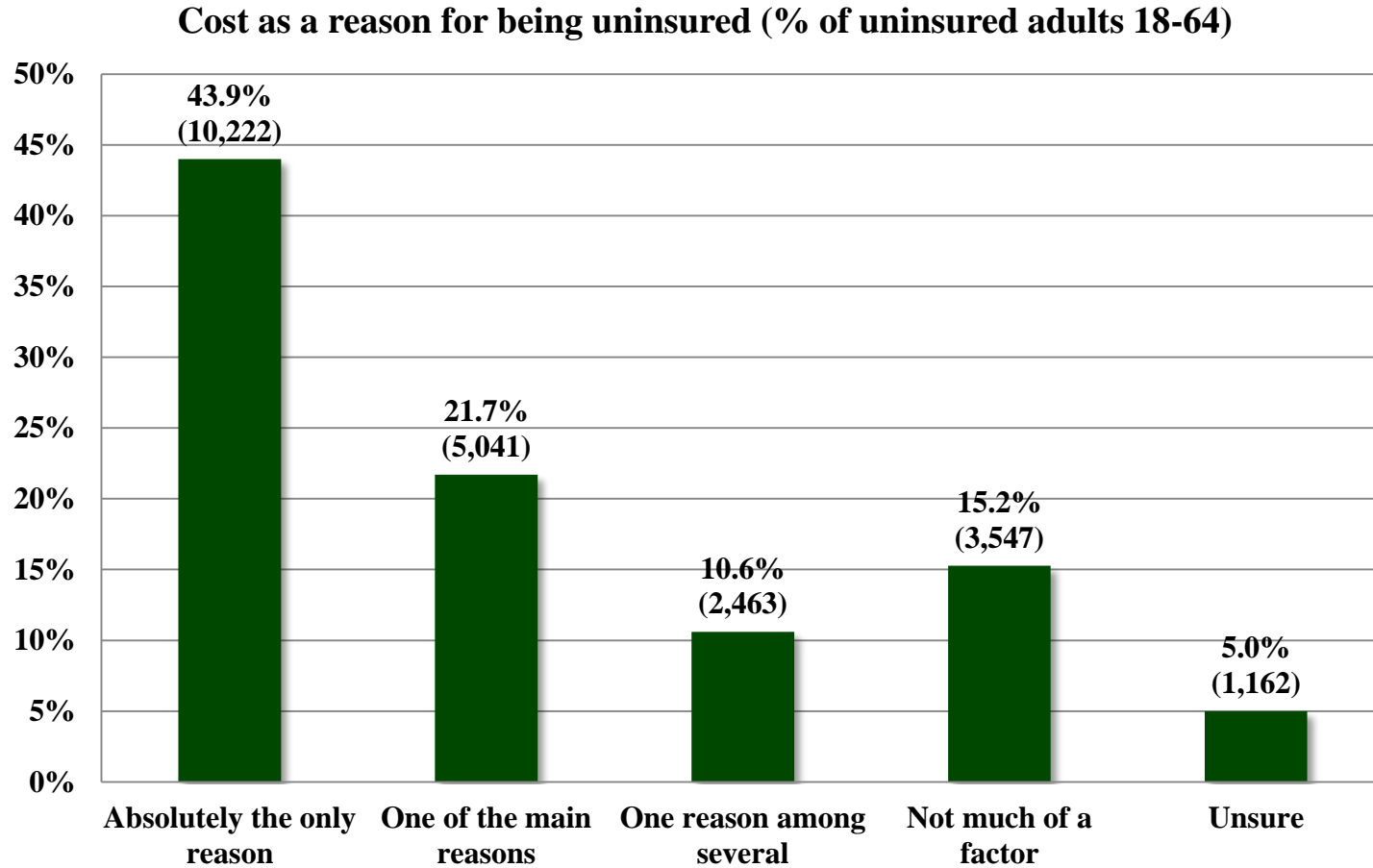
The Uninsured by income distribution, 2014

**Distribution of Uninsured Vermont Residents
by Percent Income of Federal Poverty Level**





Cost as a reason for lack health insurance coverage, 2014.



Data Source: 2014 Vermont Household Health Insurance Survey

The Uninsured: Other Demographics

- Almost two thirds (65%) of the uninsured are male
- Almost two-thirds (62.8%) of uninsured children are female.
- Two-thirds (67%) of uninsured adults are male.
- Most (76%) of uninsured adults have full-time jobs

The Uninsured:

Access to coverage

MEDICAID

- 30% of uninsured adults are eligible for Medicaid
- Half of uninsured children are eligible for Medicaid

EXCHANGE SUBSIDIES

- Almost half of uninsured adults are eligible for some form of exchange subsidy
- 15% of uninsured adults are eligible for a cost-sharing subsidy of 87% AV or higher.

OUTREACH

- 58% of the uninsured have visited the Vermont Health Connect website
- 30% have been to the Green Mountain Care/Medicaid website.

The Uninsured: Access to coverage

EMPLOYER-SPONSORED INSURANCE (ESI)

- 23% of the uninsured work for an employer that offers ESI
 - 60% of which cite cost as the primary barrier to purchasing insurance.
 - 35% are not eligible either because they have not worked for employer long enough or work too few hours to qualify for employers insurance

The Uninsured: Access to Services

The uninsured still utilize services and account for health expenditures in the system:

*** All numbers below are preliminary***

- Hospitals:
 - Free Care: Est. 2015 = \$26 million
 - Bad debt: Est. 2015 = \$4 million (attributed to uninsured)
 - Total bad debt estimate for 2015 = \$41M
- Federally Qualified Health Centers
 - Sliding scale discount = est. \$5.2 million
 - Serve over 11,000 uninsured annually
 - Between 30-70% of clients are below 200%FPL
- Free Clinics: 2013 = \$9.8 million
 - Total expenses = \$5.8 million
 - In kind donations = \$4 million
- Out-of-pocket costs
 - Est. \$12.5 million in OOP costs paid by the uninsured

The Uninsured: Individual Mandate & Penalty

- Under the Affordable Care Act (ACA), there is a “fee” for not “minimal essential coverage”.
- Fee is paid when federal tax returns are filed for the year filing.
- Fee in 2015 – pay the higher of the following amounts:
 - 2% of yearly household income
 - \$325 per person per year (\$47.50 per child under 18)
 - Max. penalty per family = \$285



The Underinsured

- * Numbers are based on point-in-time at the time of the interview

The Underinsured: Defined

NOTE: Although there is a commonly referred to definition, there is no official definition.

Someone is underinsured if they have private health insurance but:

- Annual OOP medical expenses amount to 10% or more of income.

For low income ($\leq 200\%$ FPL)

- Annual OOP medical expenses amount to 5% or more of family income or
- Plan deductible exceeds 5% of family income

The Underinsured: Demographics

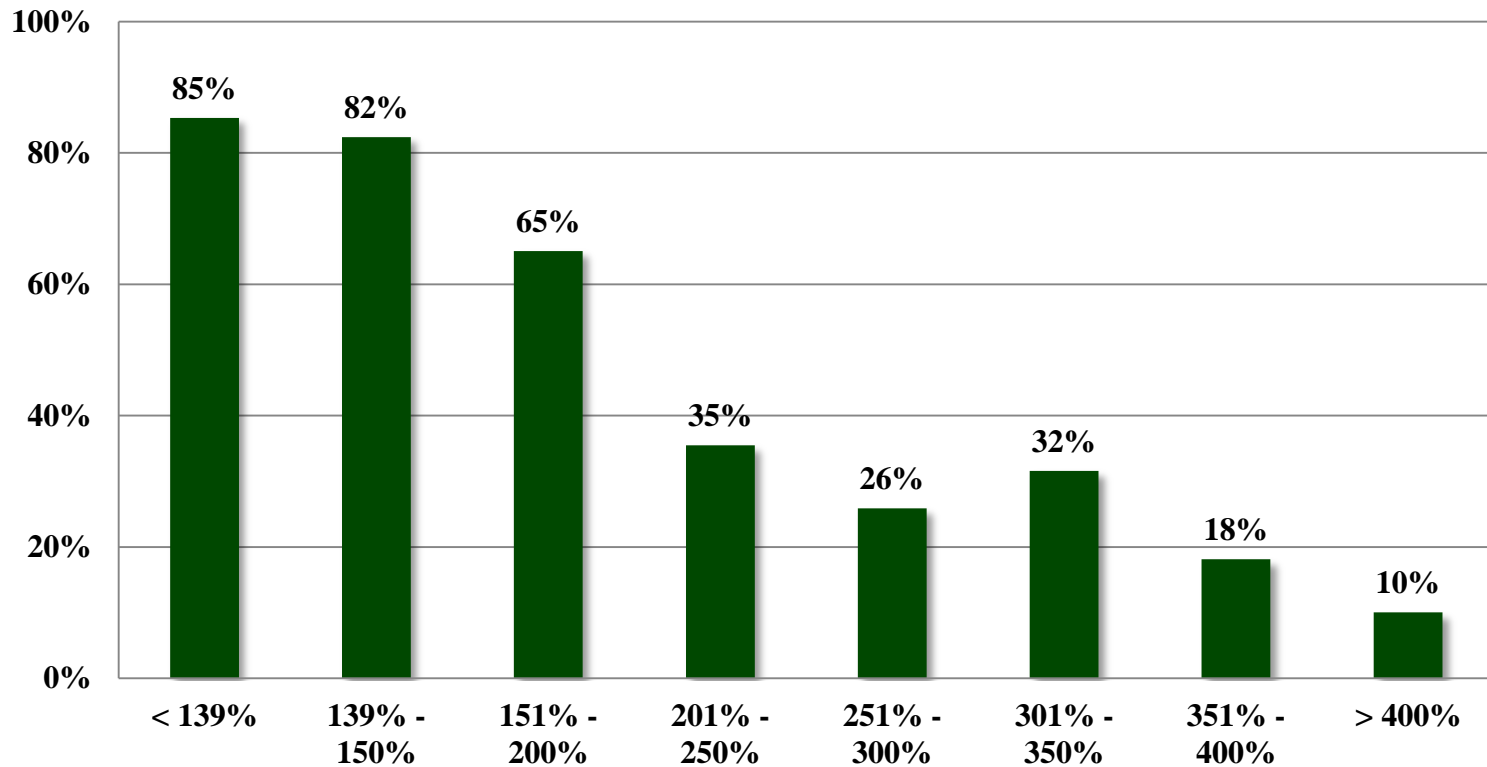


- 27% of privately insured Vermonters are underinsured
- Almost two-thirds (63%) of the underinsured are between the ages of 18-24.
- Many of the underinsured are actually Medicaid eligible.

Many of the underinsured are eligible for Medicaid



**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**

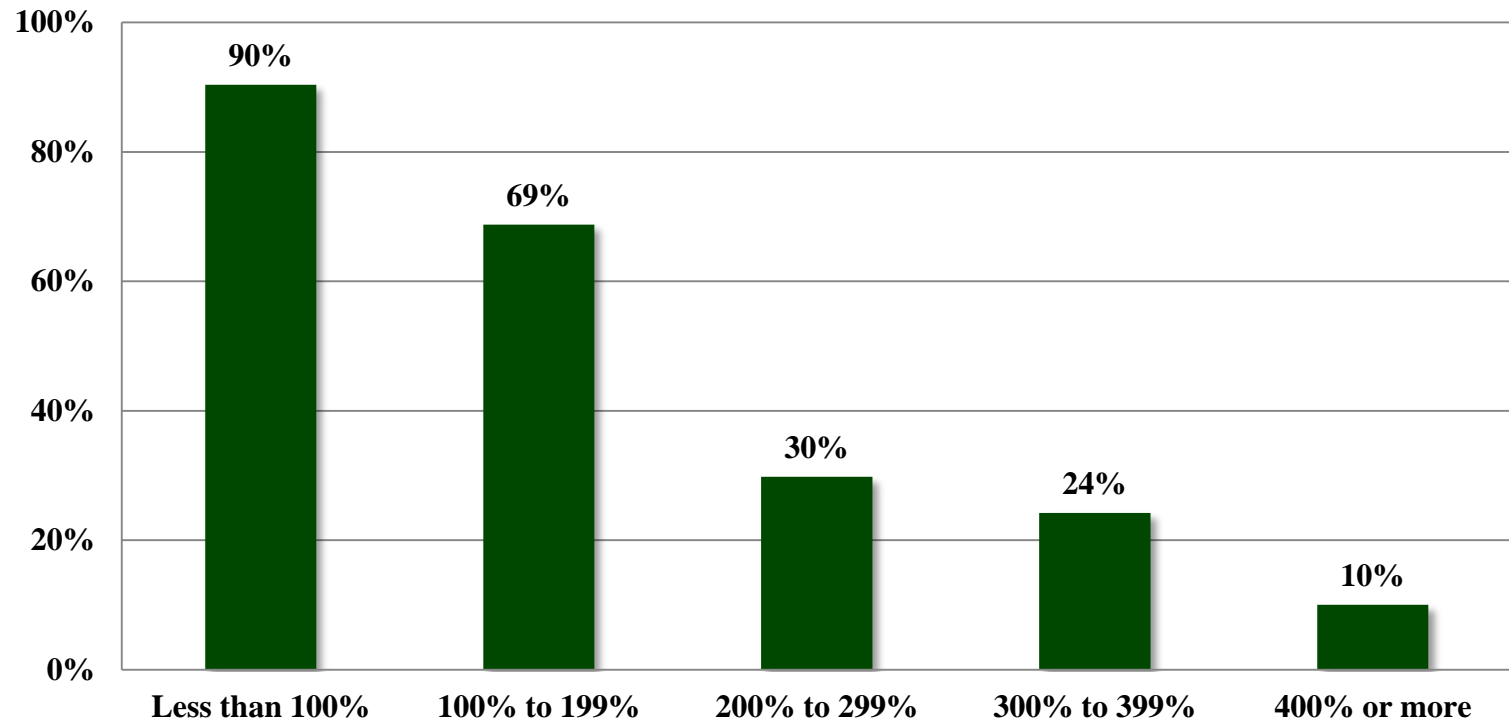


Source: 2014 Vermont Household Health Insurance Survey



The Underinsured by income level

**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**



Source: 2014 Vermont Household Health Insurance Survey

The Underinsured: Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOP Max:
to 5% income for ≤ 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 5% OF INCOME

Family Size Example	140% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (94% AV) (Annual Deductible)
Family of 1	\$16,338	\$817	Medical Deductible: \$100 RX Deductible: \$0 <i>Beneficiary Premium = \$26/month</i>
Family of 4	\$33,390	\$1,670	Medical Deductible: \$200 RX Deductible: \$0 <i>Beneficiary Premium = \$53/month</i>

ANNUAL OUT-OF-POCKET MAX COMPARED TO 5% OF INCOME

Family Size Example	140% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (94% AV) (Annual OOP Max)
Family of 1	\$16,338	\$817	Med OOP max: \$500 RX OOP max: \$200 <i>Beneficiary Premium = \$26/month</i>
Family of 4	\$33,390	\$1,670	Med OOP max: \$1,000 RX OOP max: \$400 <i>Beneficiary Premium = \$53/month</i>

Family Size Example	200% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (87% AV) (Annual Deductible)
Family of 1	\$23,340	\$1,167	Medical Deductible: \$600 RX Deductible: \$100 <i>Beneficiary Premium = \$93/month</i>
Family of 4	\$47,700	\$2,385	Medical Deductible: \$1200 RX Deductible: \$200 <i>Beneficiary Premium = \$191/month</i>

Family Size Example	200% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (87% AV) (Annual OOP Max)
Family of 1	\$23,340	\$1,167	Med OOP max: \$1,250 RX OOP max: \$400 <i>Beneficiary Premium = \$93/month</i>
Family of 4	\$47,700	\$2,385	Med OOP max: \$2,500 RX OOP max: \$800 <i>Beneficiary Premium = \$191/month</i>

Note: The Beneficiary premium include state and federal premium tax credits

The Underinsured:

Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOB Max:
to 10% income for > 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 10% OF INCOME

Family Size Example	225% FPL	10% of income	Cost-sharing Subsidy on exchange (77% AV) (Annual Deductible)
	(2014)		
Family of 1	\$26,258	\$2,626	Medical Deductible: \$1500 RX Deductible: \$100 <i>Beneficiary Premium = \$124/month</i>
Family of 4	\$53,663	\$5,366	Medical Deductible: \$3000 RX Deductible: \$200 <i>Beneficiary Premium = \$254/month</i>

Family Size Example	275% FPL	10% of income	Cost-sharing Subsidy on exchange (73% AV) (Annual Deductible)
	(2014)		
Family of 1	\$32,093	\$3,209	Medical Deductible: \$1900 RX Deductible: \$100 <i>Beneficiary Premium = \$194/month</i>
Family of 4	\$65,588	\$6,559	Medical Deductible: \$3800 RX Deductible: \$200 <i>Beneficiary Premium = \$397/month</i>

ANNUAL OUT-OF-POCKET MAX COMPARED TO 10% OF INCOME

Family Size Example	225% FPL	10% of income	Cost-sharing Subsidy on exchange (77% AV) (Annual OOP Max)
	(2014)		
Family of 1	\$26,258	\$2,626	Med OOP max: \$3,000 RX OOP max: \$1,000 <i>Beneficiary Premium = \$124/month</i>
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Family of 1	\$32,093	\$3,209	Med OOP max: \$4,000 RX OOP max: \$1,200 <i>Beneficiary Premium = \$194/month</i>
Family of 4	\$65,588	\$6,559	Med OOP max: \$8,000 RX OOP max: \$2,400 <i>Beneficiary Premium = \$397/month</i>

Note: The Beneficiary premium include state and federal premium tax credits

Exchange Cost Sharing Subsidies Reference

FPL%	ACA Subsidy	Vermont Subsidy	Governor's Proposal
100-150% Med Deductible Med OOP Max Rx Deductible Rx OOP Max	94% \$100 / \$200 \$500 / \$1000 \$0 \$200 / \$400	Same	Same
150-200% Deductible OOP Max Rx Deductible Rx OOP Max	87% \$600 / \$1200 \$1250 / \$2500 \$100 / \$200 \$400 / \$800	Same	Same
200-250% Deductible OOP Max Rx Deductible Rx OOP Max	73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400	77% \$1500 / \$3000 \$3000 / \$6000 \$100 / \$200 \$1000/\$2000	83% N/A
250-300% Deductible OOP Max Rx Deductible Rx OOP Max	70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500	73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400	79% N/A
300-400% Deductible OOP Max		70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500	

For comparison:

BCBSVT Standard GOLD PLAN	
Deductible	\$750 / \$1500
OOP Max	\$4250 / \$8500
Rx Deductible	\$50
Rx OOP Max	\$1250/\$2500

Note: Many of the deductibles and OOP Max's listed above may be subject to change.



Approximately half (52.2%) paid \$1,500 or less out of pocket for medical expenses in 2014.

Over the last 12 months, about how much has your household had to pay ‘out of pocket’ for...

	Prescription Medications	Dental and Vision Care	Mental Health Care	All Other Medical Expenses	All Medical Expenses
\$250 or less	55.2%	42.5%	94.8%	43.2%	14.3%
\$251 to \$500	17.0%	19.1%	2.3%	17.4%	9.5%
\$501 to \$1,000	16.0%	17.5%	1.3%	14.7%	14.2%
\$1,001 to \$1,500	6.7%	8.4%	0.4%	6.7%	14.2%
\$1501 to \$2,000	1.8%	5.3%	0.3%	6.8%	9.7%
\$2,001 to \$3,000	1.2%	3.8%	0.5%	4.7%	14.0%
\$3,001 to \$4,000	0.9%	1.3%	0.1%	1.3%	8.1%
\$4,001 to \$5,000	0.6%	0.9%	0.1%	2.3%	5.3%
\$5,001 or more	0.5%	1.1%	0.2%	2.9%	10.6%

Questions?