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Understanding and Reducing the Number of Uninsured Georgians

Background

The more than 1.5 million Georgians who lack health insurance cost all Georgians more than \$1.5 billion in cost of care each year. However, the impact of the uninsured extends beyond cost of care. It impacts the quality of life for all Georgians.

Lack of health insurance is correlated with poorer health status and appears to reduce productivity. Uninsured people tend to delay seeking care when they are sick, and when they do obtain care, they are sicker and more costly to treat. Uninsured people also miss, on average, twice the number of days of work and school than do those with health insurance.

At the same time, these sicker and more costly patients obtain care that exceeds their ability to pay. These costs are passed on to taxpayers or to those with private coverage through higher insurance premiums.

Some of the latest survey results from Georgia's State Planning Grant for the Uninsured show Georgia's number of uninsured

is on the rise. The rising cost of health coverage coupled with the decline in the number of Georgia firms that offer health benefits offer no signs of improvement.

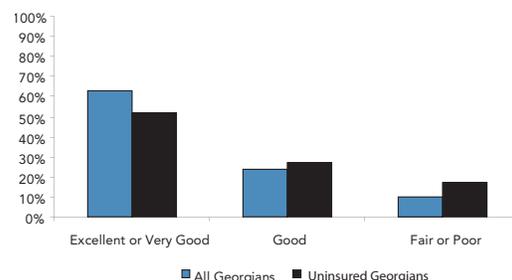
Employer Coverage

An increasing number of Georgia's employers are dropping health coverage, and an increasing number of workers are choosing to not accept health coverage when it is offered.

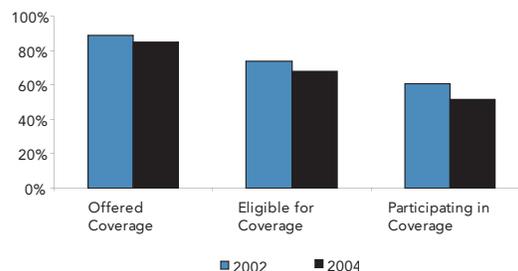
The Georgia Employer Health Benefits Survey reveals the percentage of employers offering coverage to their workers fell from 60 to 57 percent, or by 10,000 firms between 2002 and 2004. The impact of the three percent drop in offer rates for employer coverage combined with fewer workers eligible for coverage among firms that offer may have affected as many as 200,000 workers, some of whom have likely joined the ranks of the uninsured.

This is troubling news when one considers that 90 percent of all Georgians with private coverage get their health insurance through an employer.

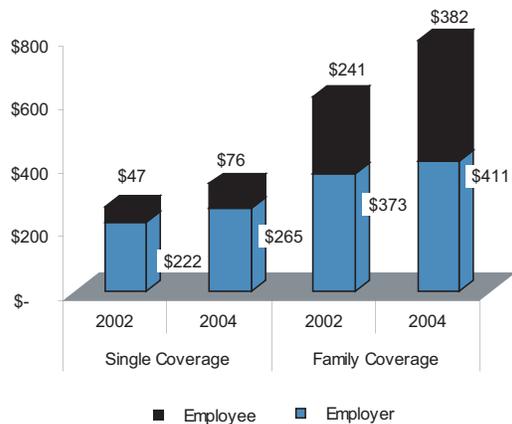
Health Status of Georgia's Uninsured



Percent of All Workers Offered, Eligible, and Participating in Coverage



Average Monthly Cost of Coverage:
Employer and Worker Share 2002-2004



The State Planning Grant for the Uninsured is funded by the Health Resources and Services Administration of the U.S. Department of Health and Human Services and is managed through the Governor's Office of Planning and Budget and staffed by the Georgia Health Policy Center at Georgia State University's Andrew Young School of Policy Studies.

Throughout this four-year study, the Georgia Health Policy Center has been in partnership with the Institute of Health Administration at the Robinson College of Business, Georgia State University and Georgia Health Decisions to inform policy recommendations to reduce the number of uninsured Georgians.

In this endeavor, the Center welcomes the support and interest of public officials and philanthropic benefactors, and invites inquiries from policymakers, communities, and organizations working to promote better health.

Perhaps of greater concern, take-up rates – the rate at which workers accept coverage when it is offered by their employers – fell from 82 percent in 2002 to 76 percent in 2004. This drop might largely be related to cost. The cost of health insurance continues to rise for individuals, families and employers.

Both employers and workers want to contribute something toward health insurance coverage, but they also say they have a difficult time finding plans that offer adequate coverage at a price low-wage workers can afford.

Georgia's Response

Georgia was one of nine states to compete for and win a 2004 federal grant to support four community-based plans to reduce the number of working uninsured.

The communities, Northwest Georgia Healthcare Partnership in Dalton, the Atlanta Regional Health Forum in Atlanta, Community Health Works in Macon, and the Coastal Medical Access Project in Brunswick, are working with the Georgia Health Policy Center to design programs that capitalize on small business' desire to cover workers, workers' willingness to contribute toward their coverage, and the health care community's willingness to be a contributor. Each of the plans is tailored to the unique characteristics and needs of their communities.

Three communities are designing a modified "three-share" program. The three-share or "multi-share" program combines several smaller contributions from employers, workers, the community and

providers to create a modified coverage plan. The three-share plan is not insurance – it relies on discounted rates from local providers, and covered individuals do not have access to coverage outside of their home service area - but it does fill a void in providing access to regular care at a discounted rate. Three share participants usually work at firms where the median wage is no more than \$11.50 per hour or \$23,000 per year. Typically these plans are coupled with strict disease management programs.

The Atlanta Regional Health Forum is taking a different approach. Focus groups conducted for the group reveal workers in the Atlanta market desire a more traditional plan that offers continuous coverage, even when outside the Atlanta metro area. Its partners are designing a commercial insurance plan specifically for the needs of low-wage workers and small business. Both employers and workers indicate willingness to contribute more of their own resources to such a traditional plan, but employers say they have not yet found a product in the market that meets all of their needs.

Conclusion

As the number of uninsured Americans continues to rise, communities are working to develop programs and policies to address this growing problem.

The information learned from Georgia's State Planning Grant for the Uninsured can be used to help communities tailor such programs based on their unique needs and to develop programs and policies that cover more people at less cost.