

Wisconsin Health Insurance Coverage, 2007 Policy Implications: BadgerCare Plus*

The *Wisconsin Health Insurance Coverage, 2007* report provides information about health insurance coverage among Wisconsin residents, and how coverage varies by age, employment status, and other characteristics. A key finding from the 2007 report is that the majority of Wisconsin residents were covered by health insurance for the past year.

Other important findings include:

- An estimated 4.9 million state residents (91 percent) were insured for all 12 months prior to the survey.
- About 224,000 residents (4 percent) were insured part of the past year and uninsured part of the year.
- An estimated 265,000 residents (5 percent) had no coverage during the prior year.
- A comparison between 2006 and 2007 estimates of the percent without health insurance for all of the past year shows no statistically significant difference (5% each year).

The report also indicates that the proportion of children (ages 0-17) uninsured all year decreased from 4 percent in 2006 to 2 percent in 2007. The proportion of children uninsured during part of the year also significantly decreased, from 4 percent to 3 percent. With implementation of BadgerCare Plus in February 2008, these numbers should continue to decrease in 2008. BadgerCare Plus fulfills Governor Jim Doyle's promise in 2006 to ensure that all Wisconsin children have access to affordable health insurance. As of September 2008, more than 55,000 children have been enrolled in the program, the majority in families with incomes under 200 percent of the Federal Poverty Level.

Of the 265,000 Wisconsinites without health insurance for a full year, nearly 9 out of 10 were adults ages 18 to 64.¹ The largest segment of the uninsured was young adults ages 19-34 (45 percent of all uninsured).

Nationally, six out of 10 non-elderly Americans get health insurance through their job or a family member's employment.² In Wisconsin, 77 percent of the non-elderly population received coverage through their employer or the employer of a family member. Recent data from the Kaiser Family Foundation indicate that the rate of employer-sponsored insurance (ESI) is declining nationwide, with 69 percent of employers offering coverage in 2000 and only 60 percent offering coverage in 2007.³

The Kaiser study also found increases nationally in the average cost of single and family health insurance premiums and an increase in the percentage of workers enrolled in high-deductible health plans. Workers in small businesses—those with three to 199 employees—were particularly hard hit. More than one in three (35 percent) insured workers paid at least \$1,000 in

¹ Wisconsin Department of Health Services, Division of Public Health, Bureau of Health Information and Policy. *Wisconsin Health Insurance Coverage, 2007* (P-45369-07) October 2008. Retrieved from <http://dhs.wisconsin.gov/stats/healthinsurance.htm>.

² Alliance for Health Reform. *Employer-Sponsored Coverage: Shape It Up? Ship It Out?* Robert Wood Johnson Foundation, May 2008. Retrieved from www.allhealth.org October 3, 2008.

³ Kaiser Family Foundation. *Employer Health Benefits: 2008 Summary of Findings*. Retrieved from www.kff.org October 3, 2008.

out-of-pocket expenses before their plan started to pay a share of their health-care bills. This is an increase from 21 percent in 2006.⁴ When asked about their plans for next year, employers reported that they will need to consider increasing the employee share of premiums and deductibles in order to continue providing coverage for their employees.⁵

Policy Solution—BadgerCare Plus Expansion to Childless Adults. Wisconsin Family Health Survey results, coupled with national data on employer-sponsored insurance coverage, confirm the critical need to expand health insurance programs to adults without dependent children. This population is the most chronically uninsured group in Wisconsin; 9 percent of adults (ages 18-64) in households without children were uninsured for the entire year prior to the 2007 survey (150,000 uninsured).

Wisconsin residents with low incomes are more likely to be uninsured than those with higher incomes. Low-income, childless adults without health insurance (unlike low-income children, pregnant women and their families, and the elderly and disabled) have never been included in a statewide effort to increase their health care coverage. Childless adults with the same income levels as these other groups do not currently qualify for BadgerCare Plus. A recent national survey found that 57 percent of all uninsured people in the United States are childless adults (ages 19-64).⁶ Some of these people have moderate to high incomes and choose not to purchase health insurance; however, a majority (69 percent) of uninsured childless adults work but have no access to employer-sponsored insurance coverage. An estimated 40 percent earn below 300 percent of the federal poverty level.⁷

Health insurance coverage affects access to health care and the financial well-being of families. According to the Kaiser Commission on Medicaid and the Uninsured, over 50 percent of non-elderly, uninsured adults have no regular source of health care, and, fearing high medical bills, many delay or forgo needed care.⁸ Delaying or forgoing needed primary care can lead to more serious illnesses, which can increase hospitalizations for avoidable conditions. Lack of health care coverage affects not only access to health care and health status, but also job decisions and financial security. In addition, medical expenses of the uninsured have been shown to be a major contributor to U.S. bankruptcy filings.⁹

Expanding BadgerCare Plus to childless adults with incomes below 200 percent of FPL will provide preventive health care services to a high-need population. Research suggests that increasing access to health insurance reduces costs by reducing emergency room visits and hospitalizations. The expansion will also help Wisconsin achieve Governor Doyle's goal of ensuring that 98 percent of the state's residents have access to health insurance.

* This document on the report's policy implications was prepared by the Office of the Secretary, Wisconsin Department of Health Services.

⁴ Ibid.

⁵ Ibid.

⁶ L. Dubay, J. Holahan, A. Cook, "The Uninsured and the Affordability of Health Insurance Coverage," *Health Affairs* 26, no. 1 (2007): w22-w30, published online November 30, 2006; 10.1377/hlthaff.26.1.w22. Retrieved from <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.26.1.w22>, October 2008.

⁷ Ibid.

⁸ Kaiser Commission on Medicaid and the Uninsured. *The Uninsured and the Difference Health Insurance Makes*. Kaiser Family Foundation. September 2008. Retrieved from www.kff.org October 3, 2008.

⁹ Ibid.