Perspectives on the Uninsured

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The Uninsured in America

The 2002 Bureau of Labor & Statistics reports 41.2 million Americans (14.6%) are without health coverage.
State of Florida

- Statewide approximately 16.8% lack health insurance coverage.

- This translates into approximately 2,085,000 uninsured.
Where Are the Uninsured in Florida?

- South Florida has the highest rate of Uninsureds.
  - Desoto, Glades, Hardee, Hendry, Highlands, Monroe, Okeechobee Counties – 25.5%
  - Dade County – 24.6%
Floridians Without Coverage

75% of uninsured Floridians (1,544,976) reported an inability to afford premiums as the main reason for lack of coverage.
Rising Premiums

- As premiums rise, fewer people will be able to afford coverage, resulting in:
  - Increased reliance on “safety net”
  - Increased uninsured
  - Increased time spent uninsured
Government Spending in Health Care

We were here - 1965

Completely market-based without any Government involvement

0% 25% 50% 75% 100%

We are here - 2001

Completely government-run programs

A Federal direct spending; State/local direct spending

B Federal direct spending; State/local direct spending; Public employee benefits; Tax subsidies
Government-Sponsored Health Programs

- One-third of the Uninsured are eligible for but are not enrolled in government-sponsored programs. However, funding is not always available for all those who are eligible.

- Government-sponsored health programs are only as good as the participation of providers, hospitals, etc.
<table>
<thead>
<tr>
<th>Year</th>
<th>Percent of GDP</th>
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<tbody>
<tr>
<td>2000</td>
<td>13.2%</td>
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<tr>
<td>2001</td>
<td>14.0%</td>
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<tr>
<td>2002</td>
<td>14.7%</td>
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<tr>
<td>2005</td>
<td>15.6%</td>
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<td>2011</td>
<td>17.0%</td>
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Source: Center for Medicare and Medicaid Services, 2002, U.S. Census Bureau
Other Countries – Universal Health Care

A goal of universal health care schemes is to eliminate economic variations in health status … However, this has proved difficult in practice.

- For example, the health gap between the rich and poor in terms of life expectancy and infant mortality is widening.

- Single payer systems may discriminate against the elderly and powerless (rationing).
Problems with Existing Universal Coverage Systems

- An 80 year-old American woman can expect to live almost a year longer than her British counterpart.

- In 1997, an estimated 20 – 30% of all patients on Canadian waiting lists were expected to die before receiving care.
Problems (Continued)

- **Health disparities**

  Example - Prostate cancer mortality rate:

  - U.S. -- 19%
  - Germany -- 44%
  - Canada -- 25%
  - France -- 49%
  - New Zealand -- 30%
  - U.K. -- 57%
  - Australia -- 35%
Market-Based Reforms …

❖ … offer a *real* opportunity to reduce costs.

❖ The RAND health insurance experiment conclusively demonstrated that people who use their own money to buy health care reduce spending by 30% without harming their health.
“Not Insurance” Plans

- “Association” groups, out-of-state trusts, “discount” plans.

- These plans may be exempt from state oversight.
  - These programs may offer “teaser” rates that rise sharply when consumers use health services.

- “Discount” programs may offer little to no financial relief from health costs.