The Uninsured: What to Do?

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Who Are The Uninsured?

- Latest Estimate 46 Million Uninsured Under Age 65
- 18% of the Under 65 Population
- 10 Million Transitionally Uninsured

Source: Current Population Survey (CPS) conducted by the Bureau of Census for the Bureau of Labor Statistics
Who Are The Uninsured?

- Financially Uninsured
  - Voluntary
  - Unaffordable
- High Risk
- Low Income
  - Eligible for Public Programs
  - Non-Eligible for Public Programs
- Transitional Uninsured
Federal Solutions

- High Deductible Health Plans and Health Savings Accounts (HSAs)
- Target
  - Financially Uninsured – Voluntary & Unaffordable
  - High Risk??
  - Low Income??

Massachusetts

- Act Providing Access to Affordable, Quality, Accountable Health Care
- Goal: 100% insurance for all citizens of Massachusetts
- Requires all residents to purchase or retain health insurance coverage by July 1, 2007
- PROVIDED “affordable” coverage is available
Massachusetts
Big Picture

- 500,000 uninsured in MA
  - 7% of population
- 200,000 young and healthy
  - Can afford, choose not to buy
- 100,000 extremely poor
  - Will be eligible for Medicaid under new rules
- 200,000 working poor
  - Not offered employer coverage
  - Not eligible for Medicaid

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Extremely Poor

- Expanded Medicaid Eligibility
  - From 100% of FPL to 300% of FPL
- Increase Outreach to Enroll as Many as Possible

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Young & Healthy

- Permits Young Adults to Remain on Parents’ Plan up to Two Years or Until Age 25
- Creates New, Low-Cost Health Insurance Options for 19-26 Year Olds
- Permits Insurers to Offer HSA Qualified High Deductible Plans

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Poor & Not Eligible for Medicaid

- Sliding Scale Subsidized Premiums for Low Income Individuals Not Eligible for Medicaid
- Low Income: Less than 300% of FPL
- Create Commonwealth Care Insurance Connector Authority (“Connector”)
- No Deductibles

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Connector

- Markets Products to Individuals and Small Businesses
- Will Make Sure Affordable Products are Available
- Will Set the Sliding Scale for Subsidized Premiums
  - 0% of Premium for 300% of FPL
  - 100% of Premium for 100% of FPL

Affordable Policies

- Connector Determining Affordable
- At the Moment Leaving it to Health Plans to Create Policies with Affordable Premiums
- Moratorium on New Mandated Benefits Until 2008
- Not Allowing Exclusion of Any Current Mandated Benefits
Penalties

- Individuals
  - First Year: Loss of Personal Exemption
  - Second Year: 50% of Premium Would Have Paid for Cheapest Policy Available
- Employers (11 or More FT Employees)
  - Penalty Set by Connector
  - Not to Exceed $295 per Year per Employee

Financing

- Expected cost $1.2 Billion over 3 years
- Funded by
  - Federal Government
  - Redistribution of Money from Free Care Pool
Maine

- Dirigo Health
- Voluntary Market-Based Program
- Financial Assistance for Individuals who Meet Income Guidelines
- Participating Employers (50 or Less) Contribute 60% of Employees’ Premiums

Dirigo Health

- Provides Discounted Health Insurance to Individuals, the Self-Employed and Small Businesses Employees
- Requested Providers limit Cost Growth to 3% & Operating Margins to 3.5%
- Insurers Asked to Limit Operating Margins to 3.5%
Dirigo Health

- Launched July 2004
- Expected to Cover 130,000 by 2009
- Status as of January 2006
  - Expected Enrollment 31,000
  - Actual Enrollment 7,500
  - Most Previously Insured
- Slow Enrollment Blamed on Costly Insurance Products

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Illinois

- All Kids Program
  - Offers Affordable Coverage to Uninsured Children
  - Provides Subsidized Health Insurance Coverage through State’s Medicaid Program
  - Premium Dependent on Family Income
  - Providers Paid Medicaid Payment Rates
  - Effective July 1 2006

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Safety Net Programs

- Other States Are Proposing Safety Net Programs Similar to Illinois, Including:
  - Tennessee
  - Arkansas

Maryland

- Employer Mandate Law
- Large Employers (10,000 or More Employees) Required to Spend 8% of Their Payroll on Health Insurance or Pay into a Fund
- Targeted at Wal-Mart
- Passed but Being Challenged in Court
- Summary Judgment Scheduled for this Month
New York

- Fair Share for Health Care Act
  - Employer Mandate
  - Employers with 100 or More Employees
  - Pay or Play
  - Applies to all Workers Even Temporary and Seasonal Workers

New York

- Fair Share for Health Care Act
  - Tax of $3 per hour per employee
  - Increases with Inflation
  - Employers Already Providing Coverage May Be Penalized
California

- Employer Mandate Repealed in 2004 by Voter Referendum
- Required Employers with more than 50 Workers to Provide Health Insurance or Pay into a State Health Coverage Program

Pennsylvania

- Balanced and Comprehensive Health Reform Act
- Provides Comprehensive Universal Health Coverage
- Single Payer
- No Deductibles, Copays or Caps
- Replaces all Private and Public Programs EXCEPT Medicare & VA
Pennsylvania - Financing

- 10% Health Care Levy on Payroll (including Self-Employed)
- 3% Wellness Tax on All Personal Income

What Can We Do?
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