



Reform Matters

REFORM MATTERS



Making Real Progress for Women and Health Care

Coverage Matters: Women's Sources of Health Insurance

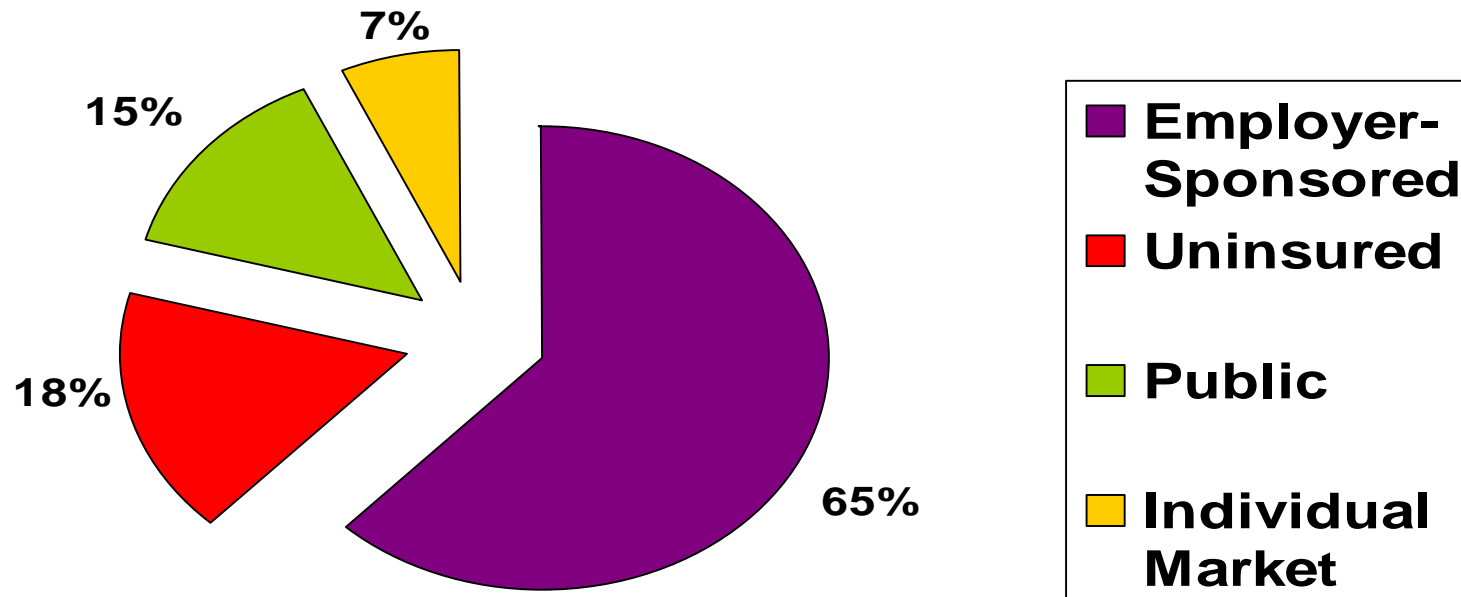
Reform Matters Policy Boot Camp
November 17, 2008

The Importance of Health Insurance

- Relationship between coverage and positive health outcomes is well-documented
- Women with health insurance are more likely to:
 - Seek timely preventive care
 - Effectively manage chronic conditions
 - Have a usual source of health care
- The uninsured have higher mortality rates

How Do Women Get Their Health Coverage?

**Women's Health Coverage, Ages 18-64
2007**





Reform Matters



Making Real Progress for Women and Health Care

Public Coverage Programs

A Strong Foundation for Health Reform

Three Types of Public Coverage

Medicaid - The health insurance program for low-income people, funded by federal and state governments. (Established 1964)

Medicare - Federal health insurance program that covers virtually all U.S. citizens age 65 or older, regardless of income. (Established 1965)

State Children's Health Insurance Program (SCHIP) – Health insurance program for low-income children (and some adults) with family incomes too high to qualify them for Medicaid. (Established 1997)

What Is Medicaid?

- Funded jointly by the federal and state governments
- Covers low-income people who meet stringent eligibility criteria:
 1. Children
 2. Parents with dependent children
 3. Pregnant women
 4. People with disabilities, and
 5. Elderly people
- Has traditionally provided enrollees with comprehensive benefits including:
 - Family planning services
 - Inpatient and outpatient hospital care
 - Pregnancy-related care
 - Diagnosis and treatment of chronic illnesses (breast, cervical cancers and HIV/AIDS)

Medicaid Plays A Critical Role for Women

- Over 20 million women are covered (69 percent of all adult beneficiaries), representing:
 - One out of every ten women AND
 - One out of every five poor women
- Women more likely to qualify for Medicaid than men
- Medicaid is significant source of financing for reproductive health care
 - Largest source of public funding for family planning services
 - Covered 41 percent all births in the United States in 2002
- Program is important for women of all ages and provides care for many poor elderly women who are “dual-eligibles” for Medicaid and Medicare

What Is Medicare?

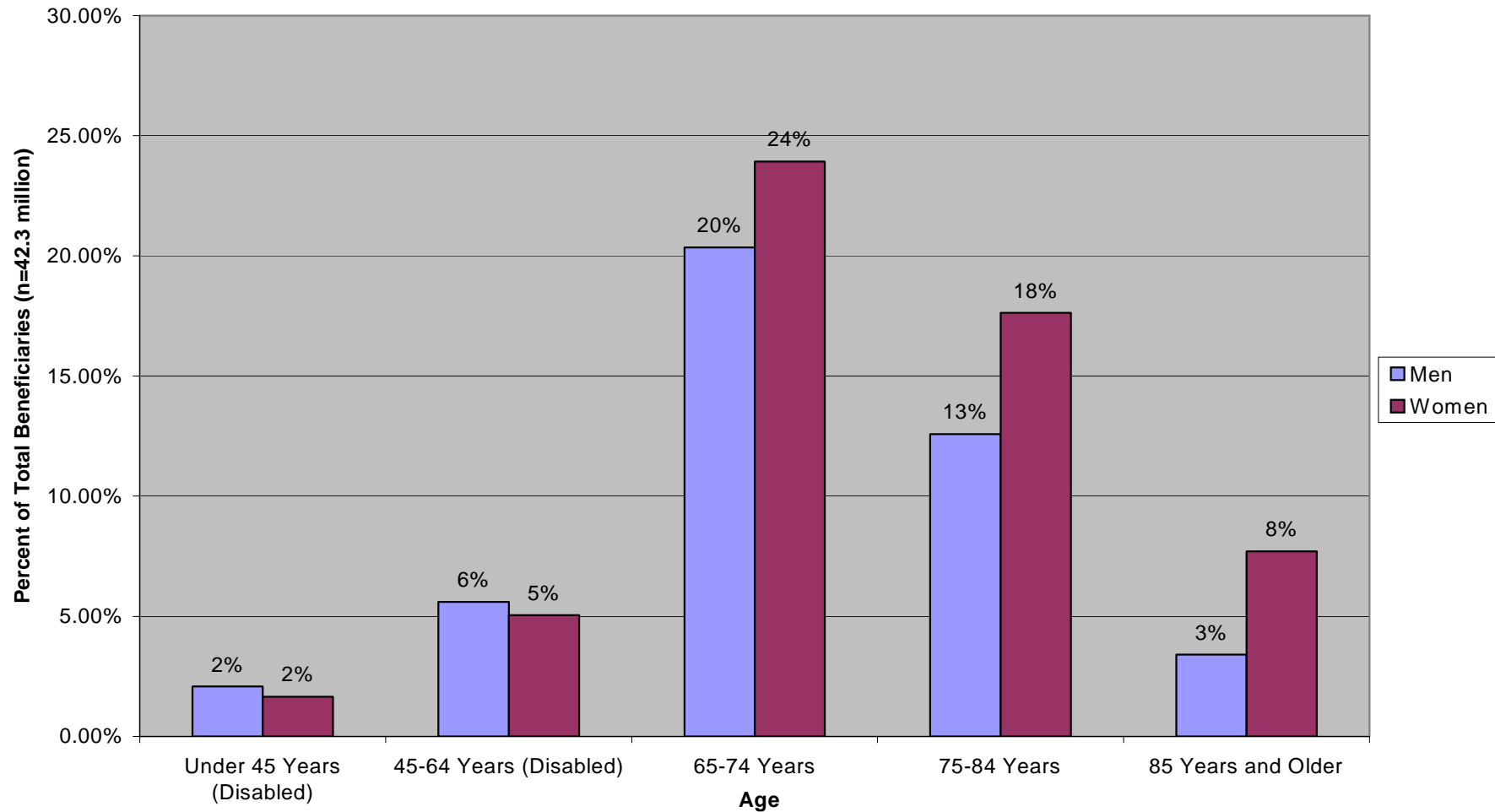
- Covers citizens age 65 or older—regardless of income—and some younger people with permanent disabilities or certain diseases (approx. 15 percent of all beneficiaries)
- Funded through payroll taxes and federal revenue, but does requires cost-sharing by most beneficiaries
- Divided into four parts:
 - **Part A** covers inpatient hospital and nursing facility services
 - **Part B** covers outpatient/physician services (most beneficiaries pay premiums for Part B, in 2007 roughly \$94 per month)
 - **Part C** (Medicare Advantage) allows private companies provide coverage for Parts A and B
 - **Part D** covers outpatient prescription drugs
- Does not cover certain services (e.g. long term care, dental care, hearing aids) and beneficiaries may purchase additional health insurance to cover these

Medicare Plays a Critical Role for Women

- Women accounted for 56 percent of Medicare beneficiaries *of all ages* in 2003
 - 21 million women aged 65 and older
 - Nearly 3 million younger women with disabilities
 - nearly 70 percent of all Medicare enrollees aged 85 years and older.
- They accounted for 70 percent of Medicare beneficiaries *aged 85 years and older* in 2003
 - Over 2/3 of Medicare beneficiaries in long-term care facilities are women
- Women in Medicare who are age 75 or older are more than twice as likely as men to have incomes of \$10,000 or less (i.e. below the federal poverty level)
- Because of lower incomes, women make up the majority of those who are “dually-eligible” for Medicare and Medicaid
 - i.e. This vulnerable group may rely on Medicaid to help cover cost-sharing required under Medicare

Medicare Beneficiaries by Age and Sex

2003



Source: NWLC Calculations using Centers for Medicare and Medicaid Services, Detailed Tables from the Medicare Current Beneficiaries Survey Data(2002), <http://www.cms.hhs.gov/mcbs/downloads/HHC2002section1.pdf>.

What Is SCHIP?

- Funded jointly by the federal and state governments
- Created to expand coverage to low-income children in families with incomes too high for Medicaid, but too low to afford private insurance
- In some states, SCHIP also covers low-income adults who are not Medicaid-eligible
 - Approx. 587,000 adults were enrolled in SCHIP in 2007 (8 percent of total enrollment)
- States need special permission (a “waiver”) to cover three categories of adults under SCHIP

Adult Coverage Under SCHIP

- **Parents:** In 2007, 11 states used SCHIP waivers to cover to around 487,000 parenting adults
- **Childless Adults:** In 2007, 4 states used SCHIP waivers to cover roughly 93,000 non-pregnant childless adults
 - 2005 legislation prohibits any new waivers to cover this population
- **Pregnant Women:** In 2007, 5 states used SCHIP waivers to cover over 6,400 pregnant women
 - AND, 13 states used an alternative method—the “unborn child” option—to cover over 140,000 pregnant women through SCHIP

Adult Coverage Under SCHIP

2007

State	Covered Population		
	Pregnant Women	Parents	Childless Adults
Arizona		•	
Arkansas	•	•	
California	•		
Colorado	•		
Idaho		•	•
Illinois	•	•	
Louisiana	•		
Massachusetts	•		
Michigan	•		•
Minnesota	•	•	
Nevada	•	•	
New Jersey	•	•	
New Mexico		•	•
Oklahoma	•		
Oregon		•	•
Rhode Island	•	•	
Tennessee	•		
Texas	•		
Virginia	•		
Washington	•		
Wisconsin	•	•	
TOTAL	17	11	4

For Sources, see "Women and SCHIP" section of the *Reform Matters Toolkit* (NWLC, 2008).

EMPLOYER-SPONSORED INSURANCE (ESI)

- Most common coverage type for nonelderly women
- Over 61 million women had ESI in 2007
 - 61 percent had their own ESI
 - 39 percent had ESI through a family member
- ESI receives favorable tax treatment

ESI Is Likely to Play An Important Role in Health Reform

- People with ESI rate it favorably and trust their employer to choose high-quality health plans
- ESI is a convenient way to spread risk among a diverse group
- Employers are a key health financing source (\$370 billion in 2005)

Different Ways That ESI Is Regulated

- Is the business **Large** or **Small**?
 - Small business generally means 2 to 50 workers
 - Larger group = better ability to spread risk
 - More regulations for small group insurance market
- Is the business **Self-insured**?
 - Large companies may 'self-insure' and assume all financial risk
 - Self-insured plans are not subject to state insurance regulations, but are subject to limited federal regulations

Focus on Coverage for Small Businesses

- Federal law addresses **availability** of coverage
BUT
- **Affordability** challenges remain for small businesses
- Small businesses are significantly less likely to offer ESI to workers, and most often cite cost as the reason
 - 99 percent of large businesses (200 or more) offer ESI, compared to...
 - 62 percent of small businesses (3-199 workers) and
 - 49 percent of very small business (3-9 workers)

Small Businesses May Have Trouble Finding Affordable Coverage

- During the “medical underwriting” process for ESI, insurance companies consider employee characteristics to set the overall premium an employer pays
 - Group underwriting for large businesses (e.g. group claims history, or age distribution)
 - Individual-level underwriting for small businesses (i.e. insurers consider health information about each member)
- Insurance companies tend to set premiums for small businesses based on characteristics of individual employees, such as their:
 - Gender (permitted in 34 states and DC)
 - Age (permitted in 49 states and DC)
 - Health status (permitted in 40 states and DC)
- Small businesses with more workers who are female, older, or have a history of health problems may have particular difficulty finding affordable coverage

State Efforts to Address Underwriting in the Small Group Market

- Gender rating: 13 states prohibit, 3 states limit
 - 9 states have adopted “Community Rating” requirements, which prohibit (7) or limit (2) gender rating
 - Other states have adopted laws that specifically prohibit (6) or limit (1) gender rating
- Age rating: 1 state prohibits, 6 states limit
- Health status rating: 10 states prohibit, 28 states limit



Reform Matters

REFORM MATTERS



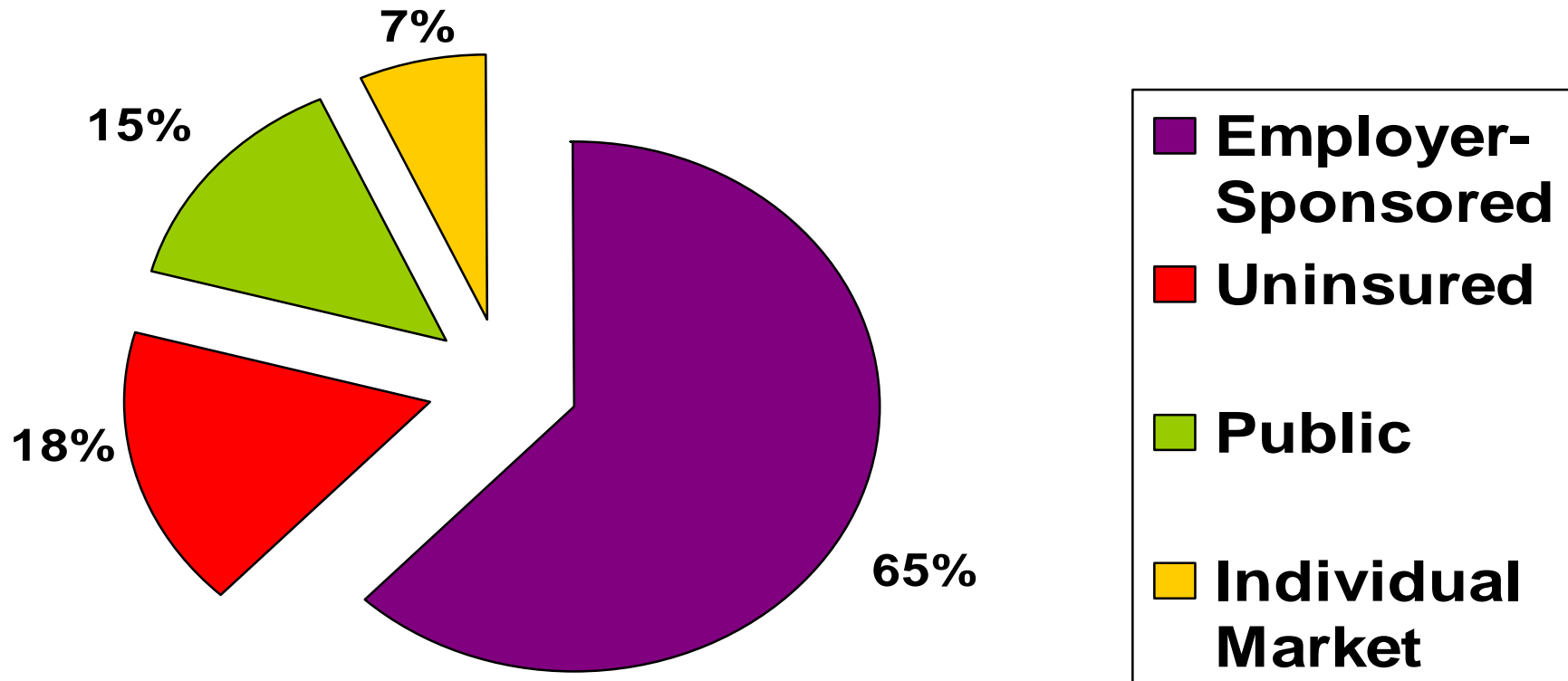
Making Real Progress for Women and Health Care

The Individual Market

A Hostile Environment for Women

How Do Women Get Their Health Coverage?

Women's Health Coverage, Ages 18-64 2007



Why Understand the Individual Market?

Only a modest number of women are currently covered that way, BUT

1. Many more try to find individual market coverage without success – nearly 9 out of 10 people who seek policies do not ultimately buy a plan
2. Some reform plans could expand the role of this market
3. Some employers are replacing employer-sponsored coverage with fixed sums to buy insurance through the individual market
4. There are important differences between employer-sponsored coverage and individual market coverage

How the Individual Market Works

- **“Medical Underwriting”** = Insurance companies decide
 - Whether to offer coverage – can be rejected:
 - Health status or history
 - C-section
 - Status as domestic violence survivor (9 states & DC)
 - What health services to cover
 - What premium to charge- usually considering:
 - Gender
 - Age
 - Health status

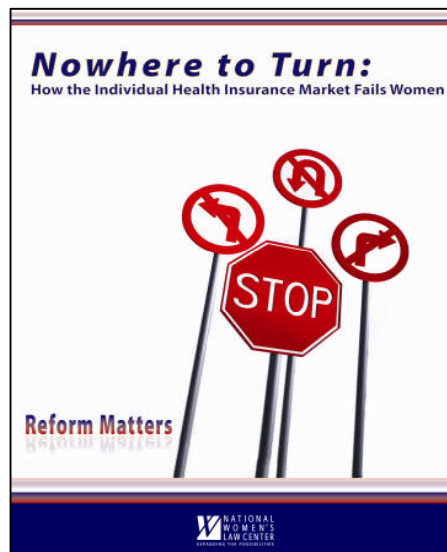


Reform Matters



Making Real Progress for Women and Health Care

Nowhere to Turn: How the Individual Health Insurance Market Fails Women

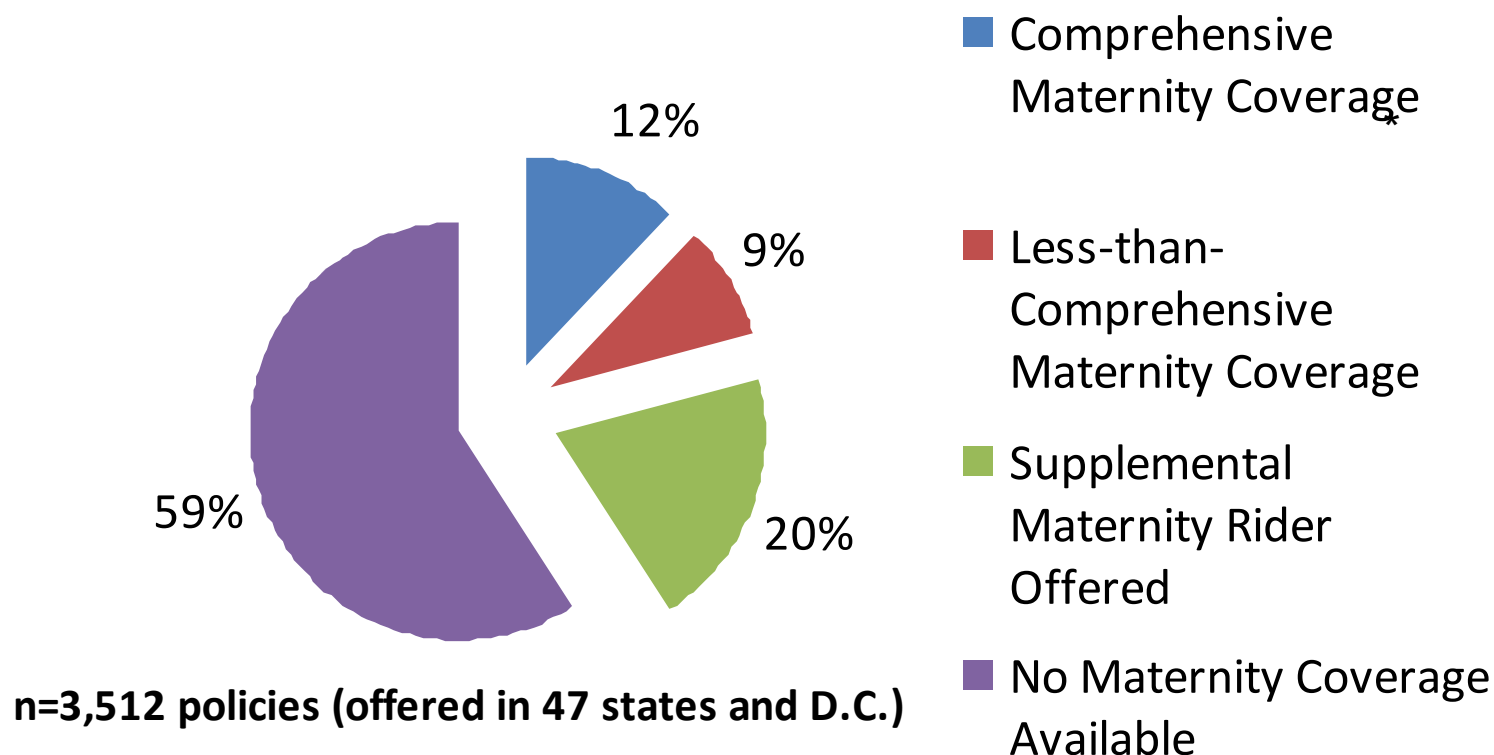


Key Findings – Gender Rating

- Gender rating is prevalent throughout the country
 - At age 40, women are charged between 4% and 48% more than men.
- Wide variations across and within states undercuts insurance industry defense of gender rating as actuarially justified
- Maternity coverage does not necessarily explain the difference – among plans we studied, just 6% of those that used gender rating covered maternity

Most Individual Market Insurance Policies Do Not Cover Maternity Care

Individual Market Policies Coverage of Maternity



*Comprehensive maternity coverage includes coverage for prenatal care, labor, delivery, and postnatal care, for both routine pregnancies and in case of complications.

State Efforts to Address Underwriting in the Individual Market

- Rejection:
 - 5 states have adopted Guaranteed Issue
- Gender rating: 10 states prohibit, 2 states limit
 - 7 states have adopted “Community Rating” requirements, which prohibit (6) or limit (1) gender rating
 - Other states have adopted laws that specifically prohibit (4) or limit (1) gender rating
- Age rating: 1 state prohibits, 7 states limit
- Health status rating: 7 states prohibit, 8 states limit



Reform Matters

86101W 1911612



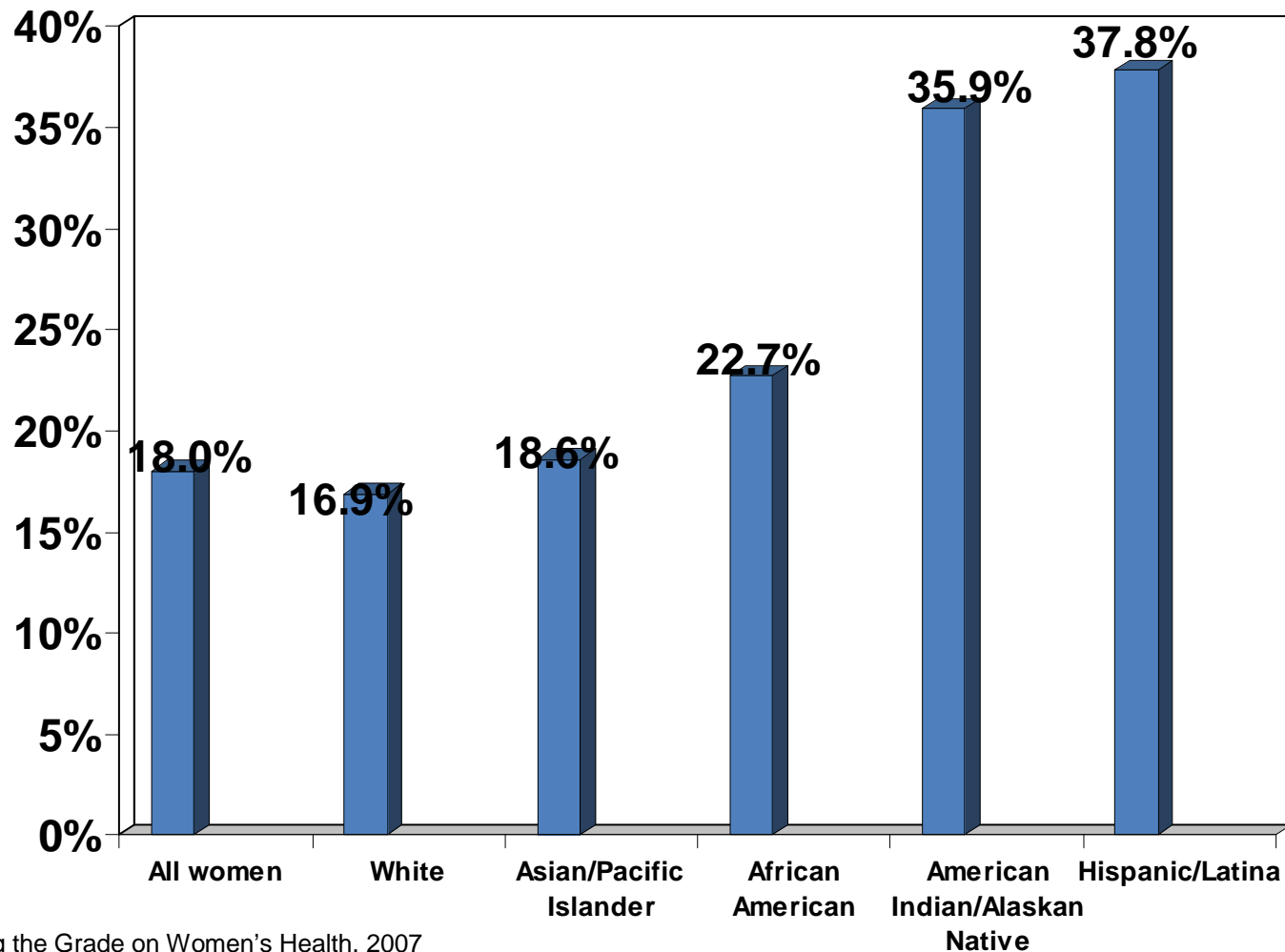
Making Real Progress for Women and Health Care

The Uninsured

Who are They?

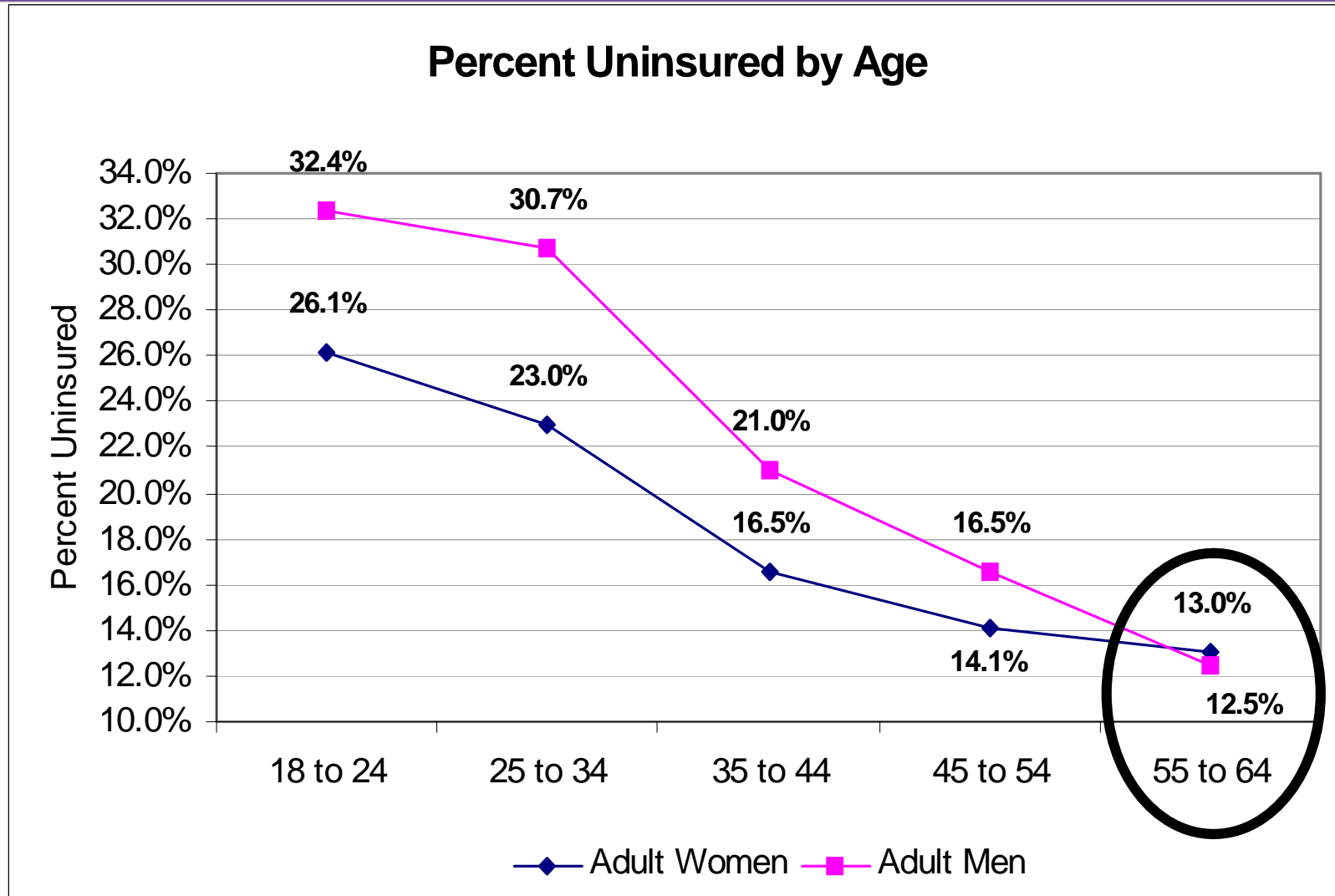
Insurance Coverage Patterns: Disparities Among Women

Rates of Uninsurance Among US Women



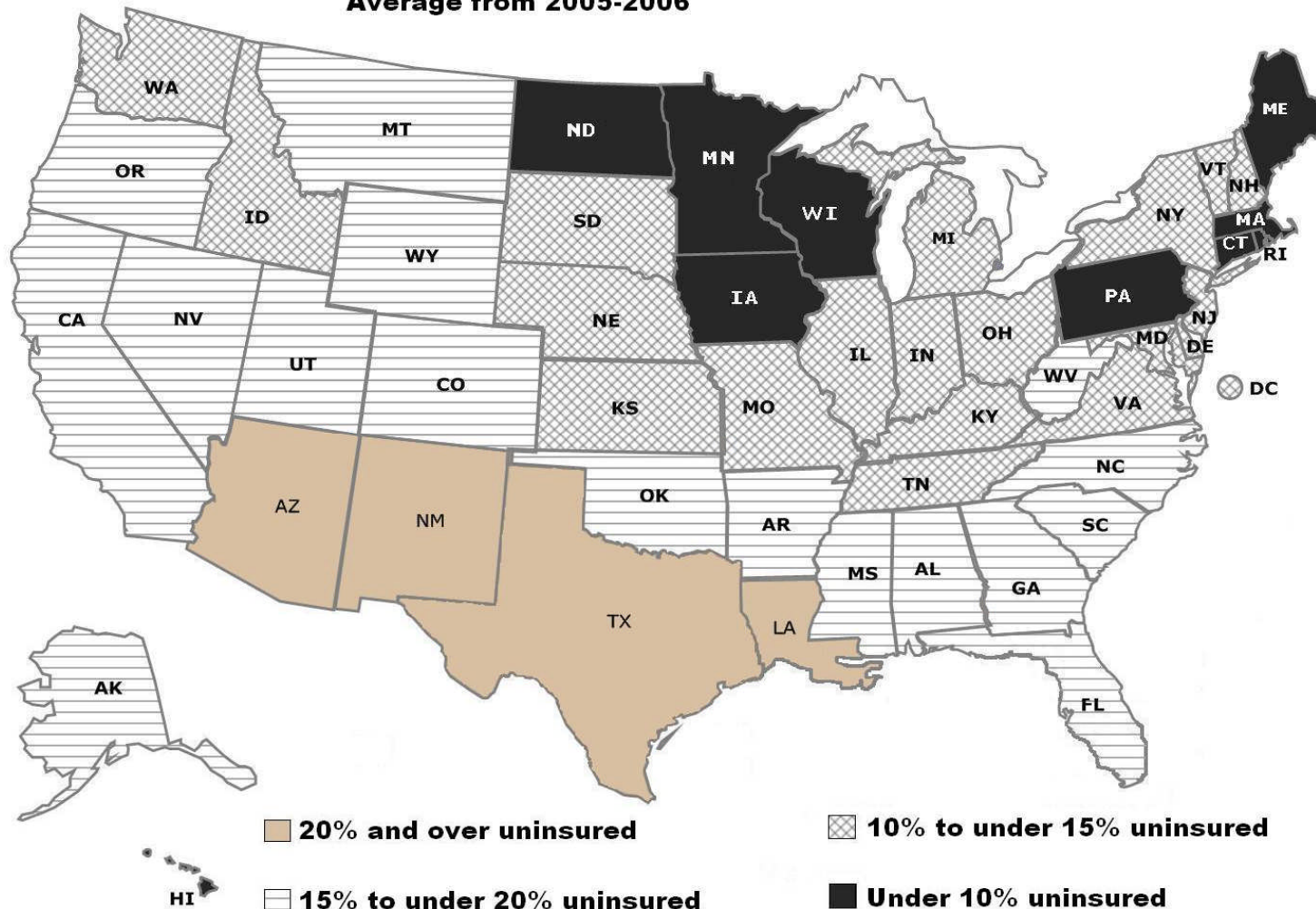
Source: NWLC Making the Grade on Women's Health, 2007

Insurance Coverage Patterns: The Uninsured by Age



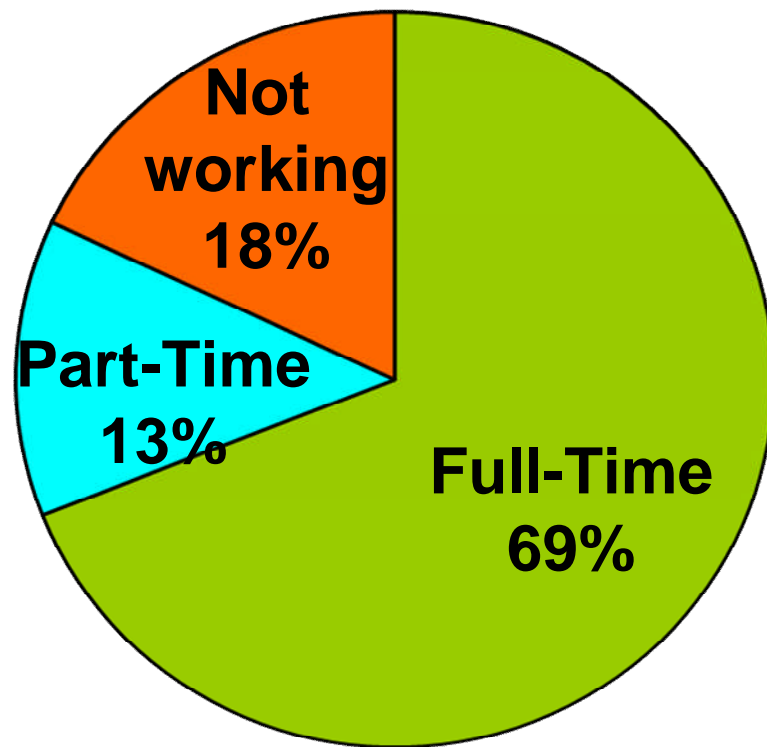
Insurance Coverage Patterns: Uninsured Women by State

**Percent of Women without Health Insurance, by State,
Average from 2005-2006**

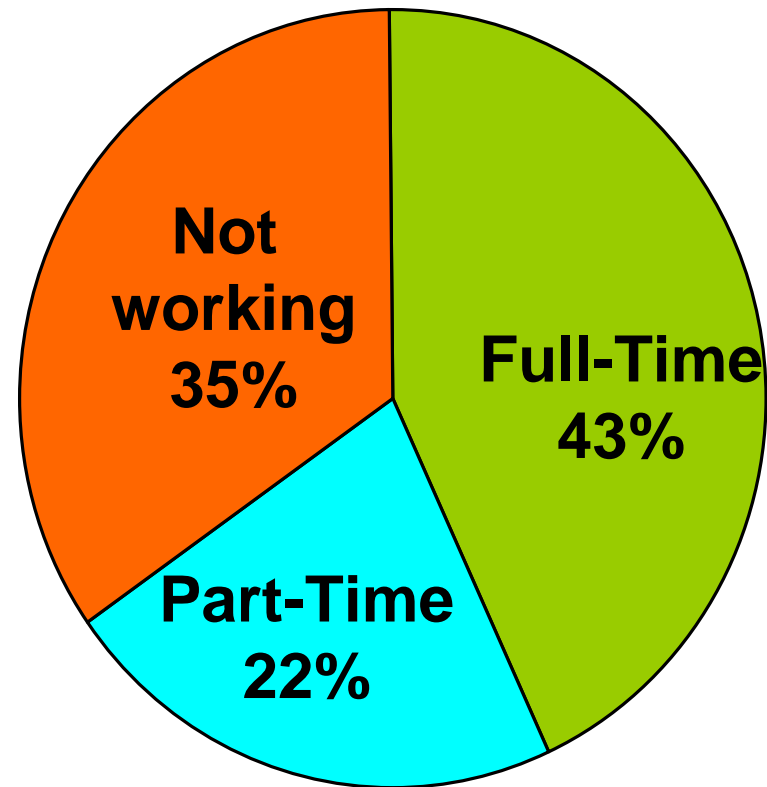


Source: NWLC analysis of 2006 & 2007 7 CPS Data

Insurance Coverage Patterns: The Uninsured & Employment Status



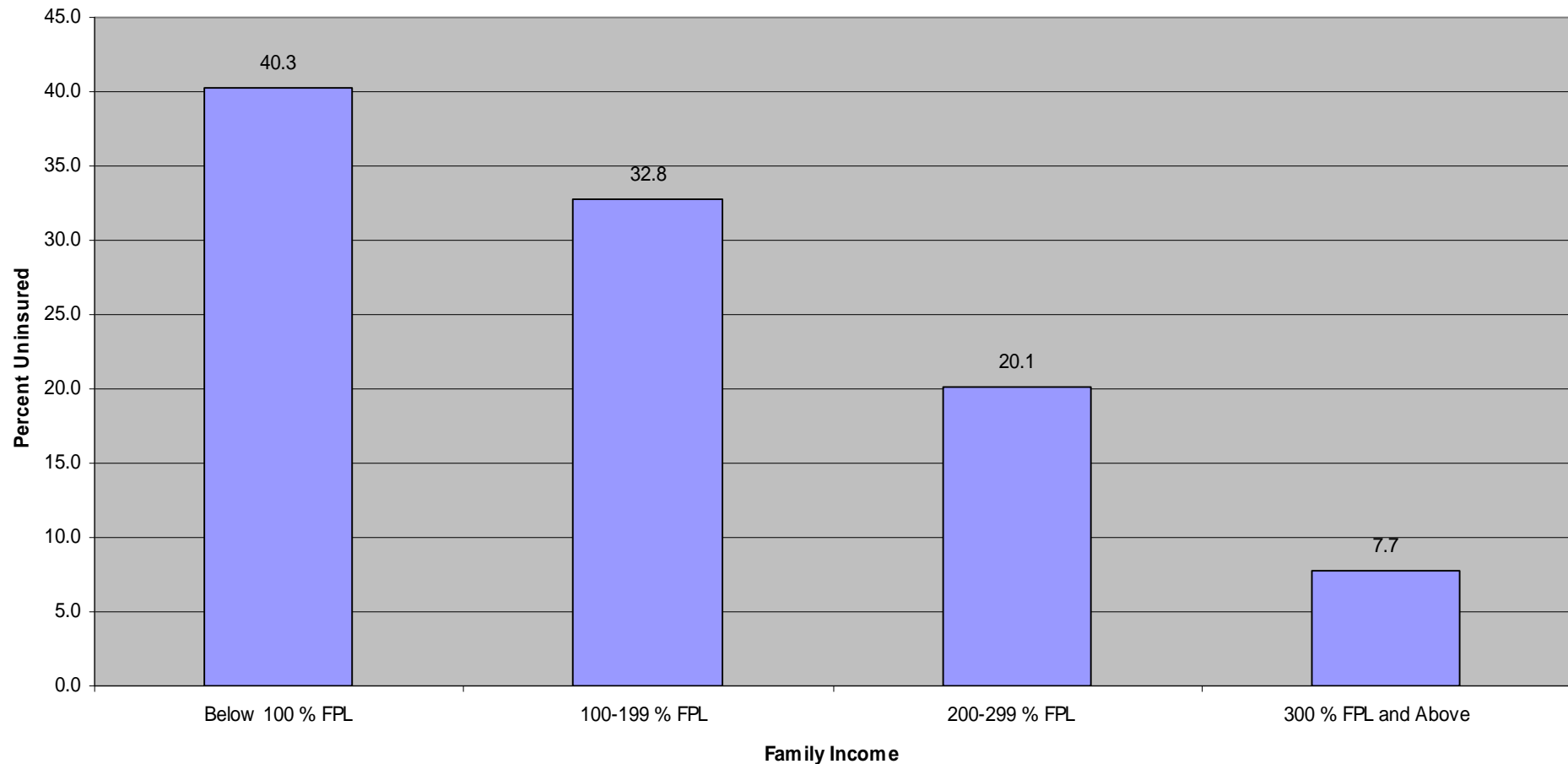
Uninsured Men



Uninsured Women

Insurance Coverage Patterns: The Uninsured and Income

Uninsurance by Income Level
Women ages 18-64, 2007



Source: U.S. Census Bureau, Current Population Survey's 2008 Annual and Social Economic Supplement