

# Health Insurance in Clark County


## Impacts on Individuals, the Community, and UMC

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# Themes

- How does the lack of health insurance affect individuals?
  - What does the health insurance picture look like in Clark County?
  - How does the lack of health Insurance affect UMC and our community?
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# Health Insurance and Individual Health

- Virtually all communities have safety-net health care providers.
    - Safety-net providers treat patients regardless of ability to pay.
    - But does the safety-net offer uninsured the same degree of access they would experience if they had health insurance?
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# Health Insurance and Individual Health

- The answer is *no.*
  - Very recent studies show that compared to someone who is insured, the uninsured are....
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# Health Insurance and Individual Health

- Less likely to report a ‘usual source of health care,’
  - Less likely have made ‘a visit to a physician last year,’
  - Less ‘confidence in their ability to get care if needed.’
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# Health Insurance and Individual Health


- The relative strength of the safety nets in the thirteen communities studied had ***very little influence*** on access to care for the uninsured.
  - Given some level of safety net provision of health care, ***the key to meaningful access is health insurance.***
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# Health Insurance and Individual Health

- Research shows that health insurance coverage is correlated with better health.
  - Average investment in health care for an insured person:

**\$2,484**






# Health Insurance and Individual Health


- Average yearly investment in health care for an uninsured person:

**\$1,253**





# Health Insurance and Individual Health

- In general more investment in something leads to better outcomes, including health.
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# Health Insurance and Individual Health

- What negative health outcomes accompany the lack of health insurance for the uninsured, compared to the insured?






# Health Insurance and Individual Health

- Fewer health screenings and less preventative care.
  - Higher incidence of unmanaged diabetes.
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# Health Insurance and Individual Health

- Higher incidence of untreated hypertension.
  - Fewer services when admitted to a hospital.
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# Health Insurance and Individual Health

- Greater likelihood of seeking treatment at later stages of a disease cycle.
  - Increased probability of death in the hospital.
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# Health Insurance and Individual Health

## Bottom Line:

- it is important for a community to maintain its safety-net health care institutions, but....
  - Such institutions will not provide the same kind of access to health care as individual health insurance, and....
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# Health Insurance and Individual Health

- The population without insurance will be sicker and face a greater likelihood of death from preventable diseases than their insured counterparts.
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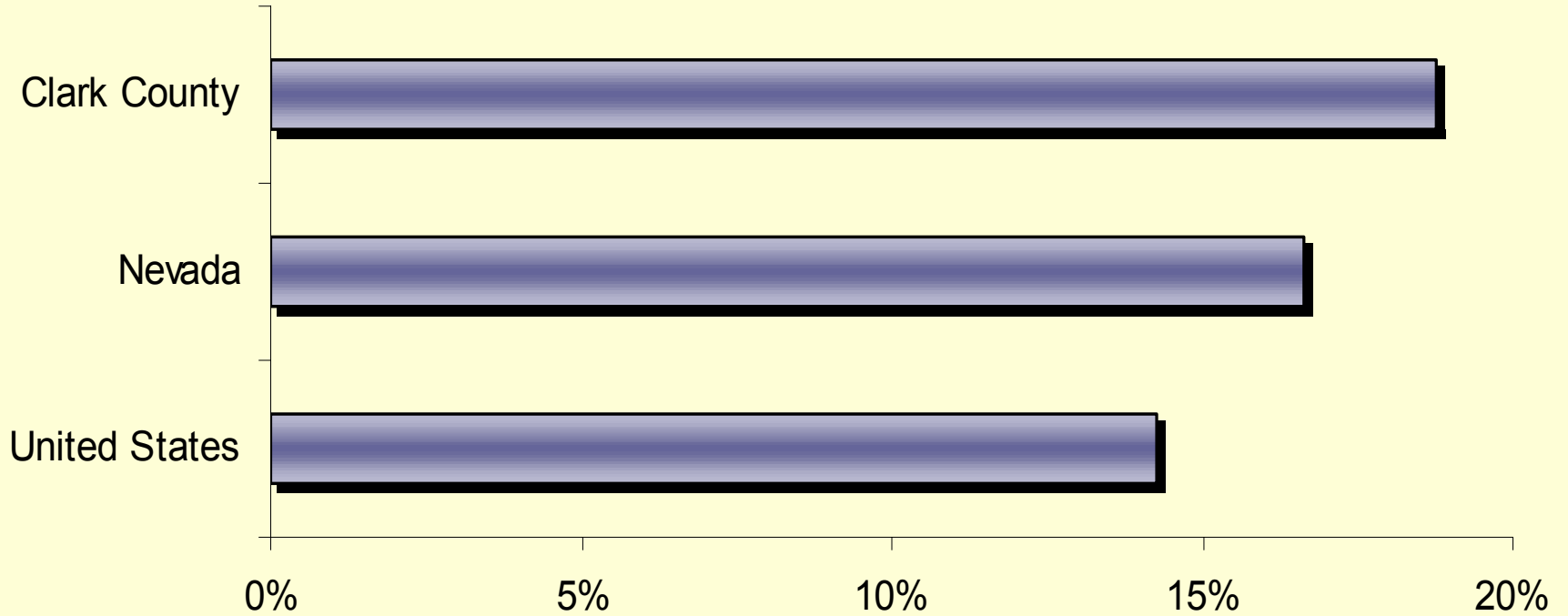


# Health Insurance in Clark County: Who has it and from what Source?

- Clark County has a comparatively low rate of Health Insurance Coverage



## Percent of With No Health Insurance by Location (Years 1999-2001)



	United States	Nevada	Clark County
■ No Insurance	14.3%	16.6%	18.8%

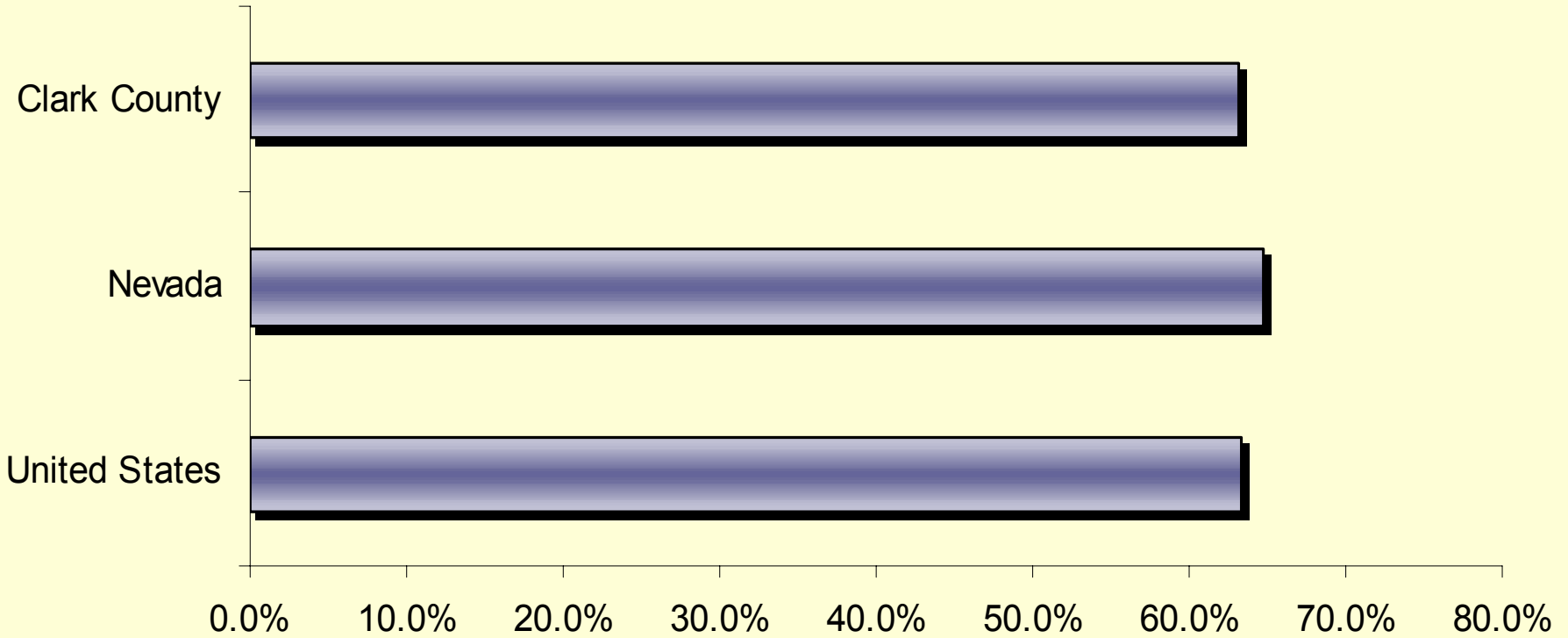


# Sources of Health Insurance

- In the U.S. we generally rely on employers for health insurance
  - National data show that Clark County residents are about as likely to get insurance from an employer as others in the U.S.



## Percentage with Employment Based Health Insurance (EBHI) by Location (Years 1999-2001)



	United States	Nevada	Clark County
EBHI	63.4%	64.7%	63.1%

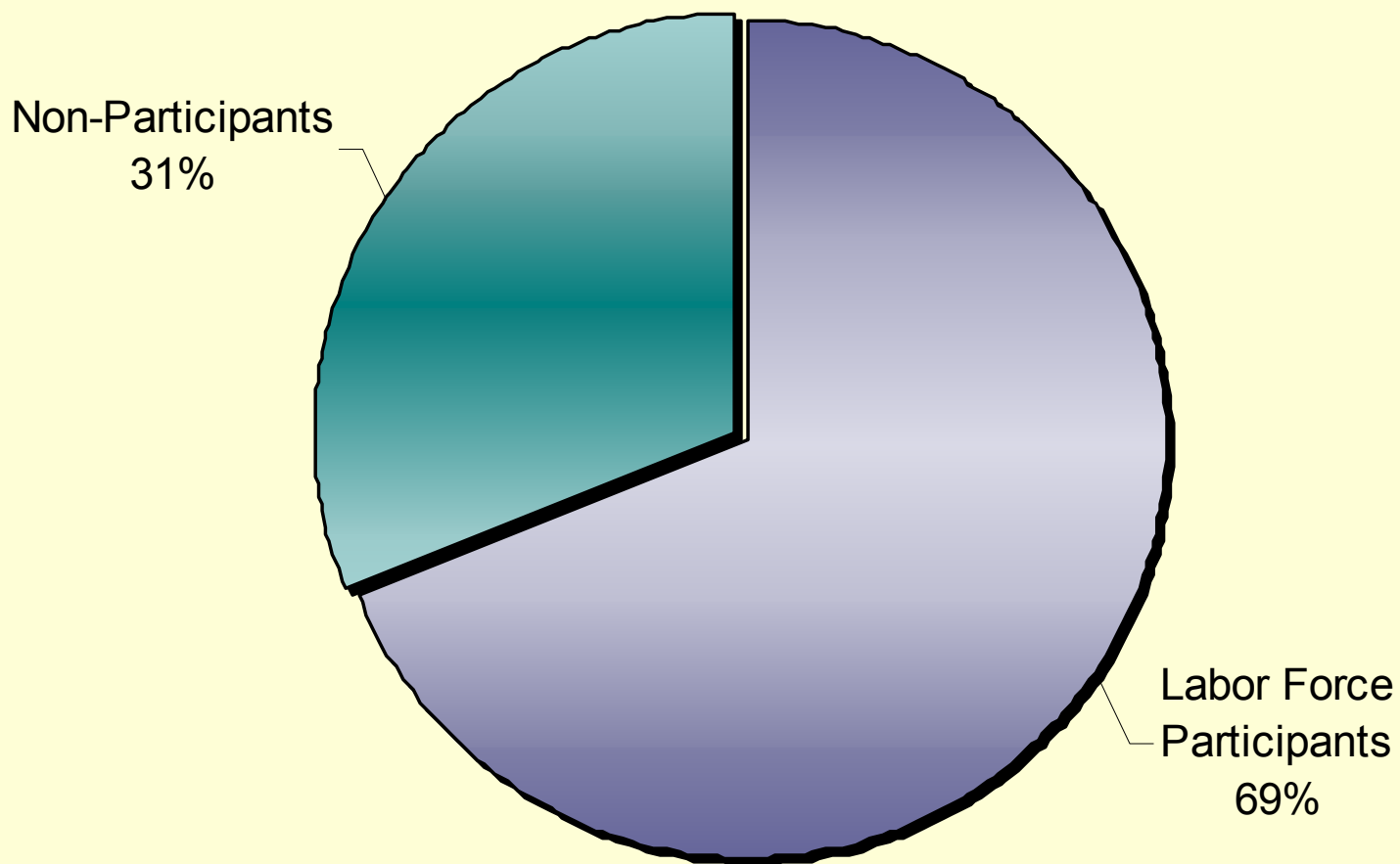


# EBHI is not Universal

- A growing problem, however, is the inability of workers to get health insurance through their employer.



## Nearly 70 Percent of the Uninsured In Clark County Participate in the Labor Market (Years 1999-2001)



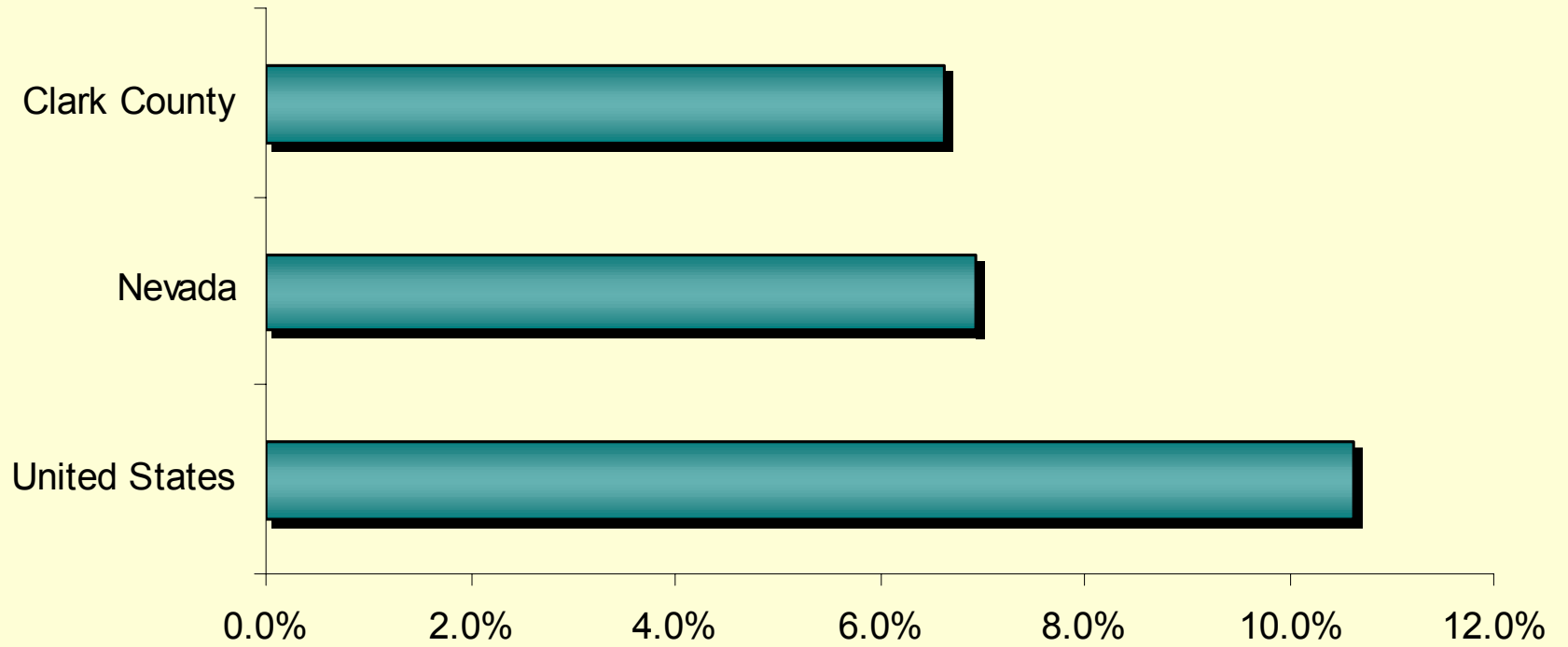


# Other Sources of Health Insurance Help Fill the Gap

- For low income Americans, Medicaid is a source of health insurance,
  - But Nevada and Clark County have a low incidence of Medicaid participation (one of the lowest rates in the nation).




## Percent with Medicaid Coverage by Location (Years 1999-2001)



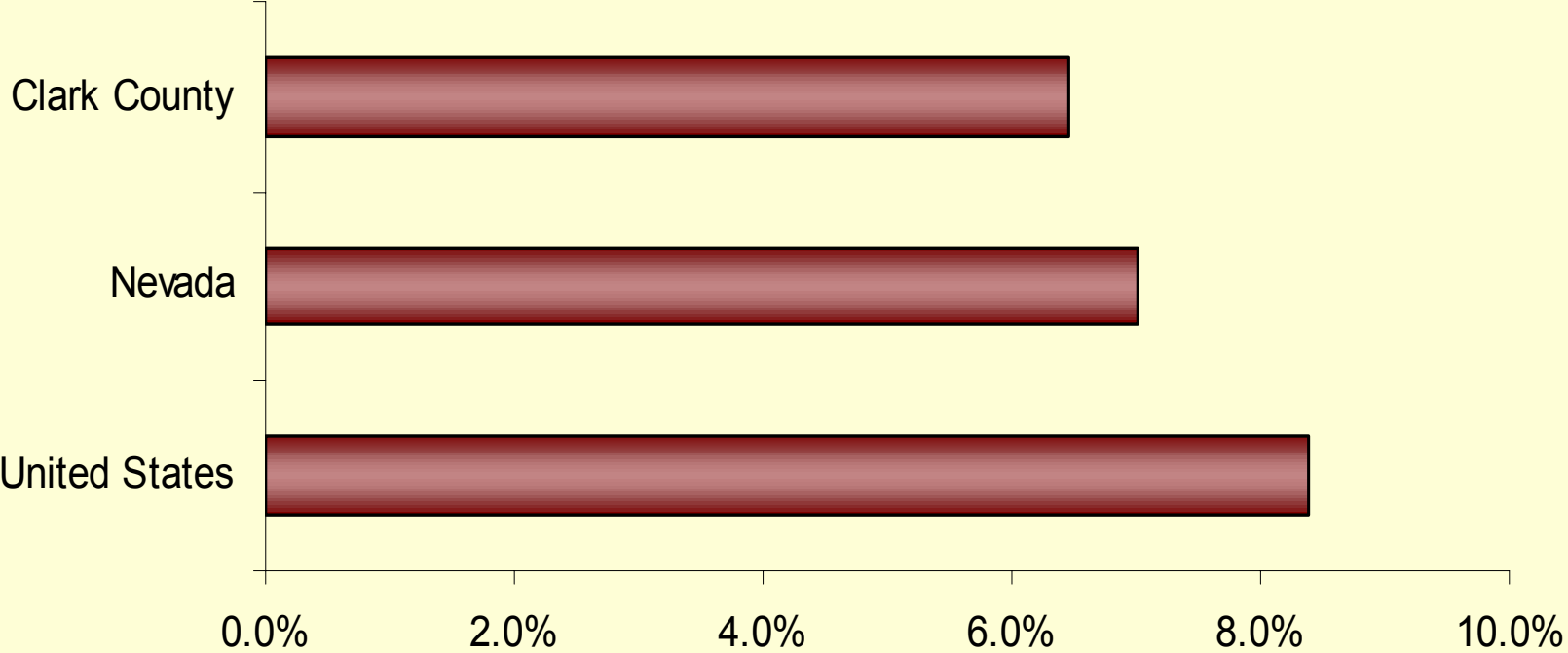
	United States	Nevada	Clark County
■ Medicaid	10.6%	6.9%	6.6%



# Other Sources of Health Insurance

- Private insurance can be purchased, but it is very expensive. So in practice few people rely on privately purchased policies.
    - In fact, reliance on private, non-EBHI is even more rare in Nevada and Clark County than the rest of the U.S.
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# Percent Covered by Private Coverage not Related to an Employer (Years 1999-2001)



	United States	Nevada	Clark County
■ Private Coverage	8.4%	7.0%	6.4%




# Other Sources of Health Insurance: Medicare

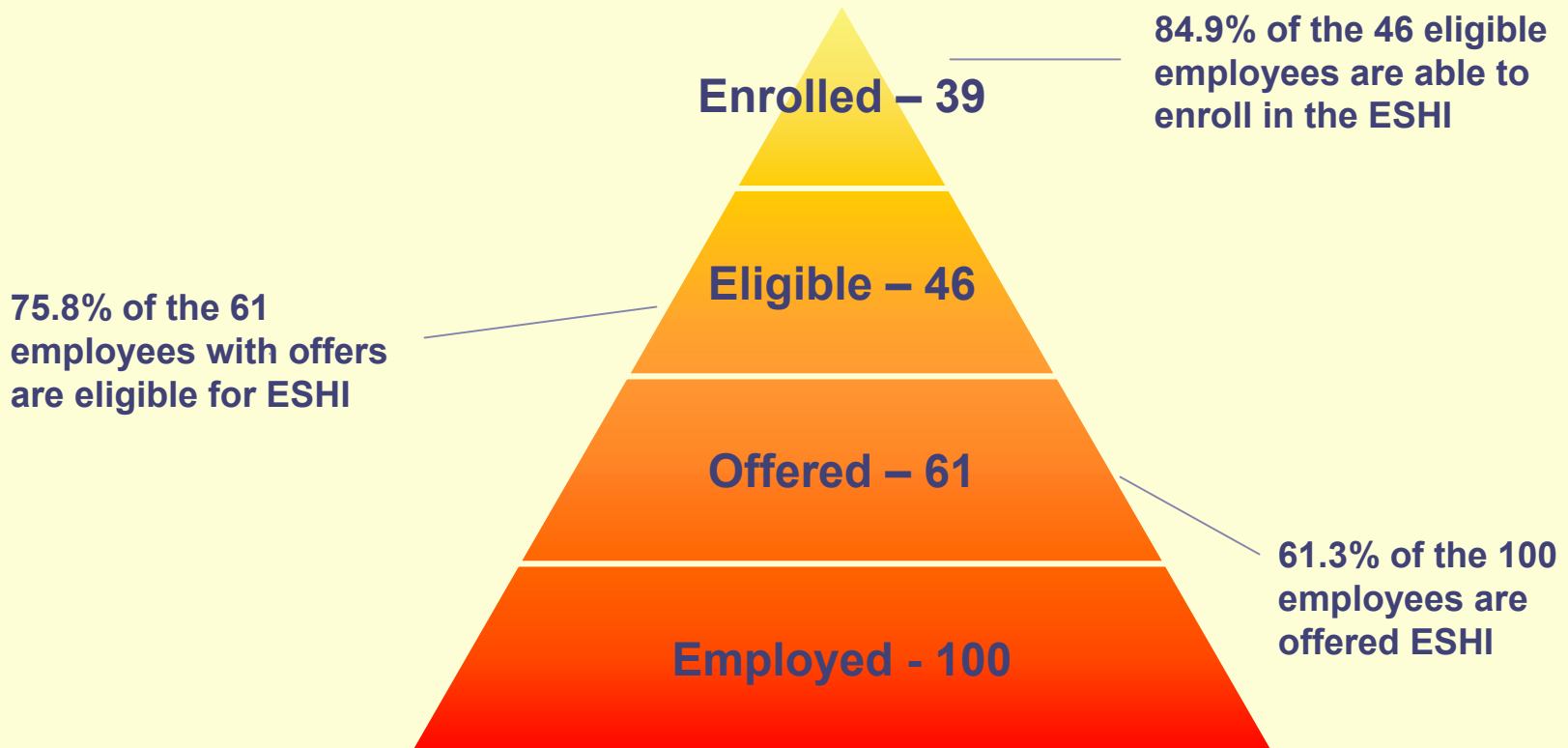
- The Medicare program ensures virtually every person 65 years of age or older, thus, the elderly are almost never without insurance.
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# Obstacles to Obtaining Health EBHI Insurance

- For the non-elderly and those without very low incomes or disabilities, by far the major source of health insurance is an employer.
  - What are the obstacles?
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# Access to EBHI




In a group of 100 employees in Nevada, only 39 people would end up enrolled in ESHI.

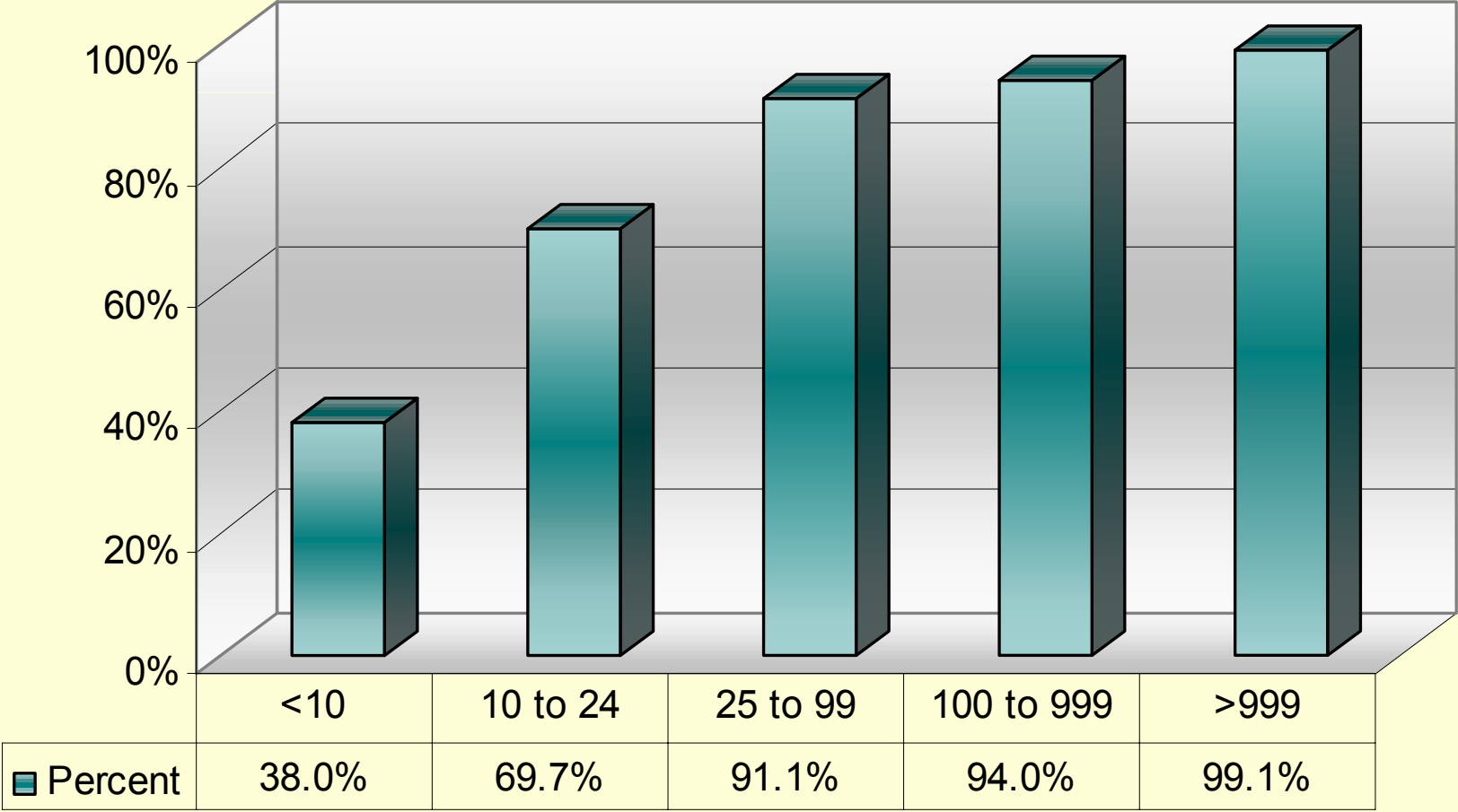
Refs.: 1999 MEPS, Nevada data



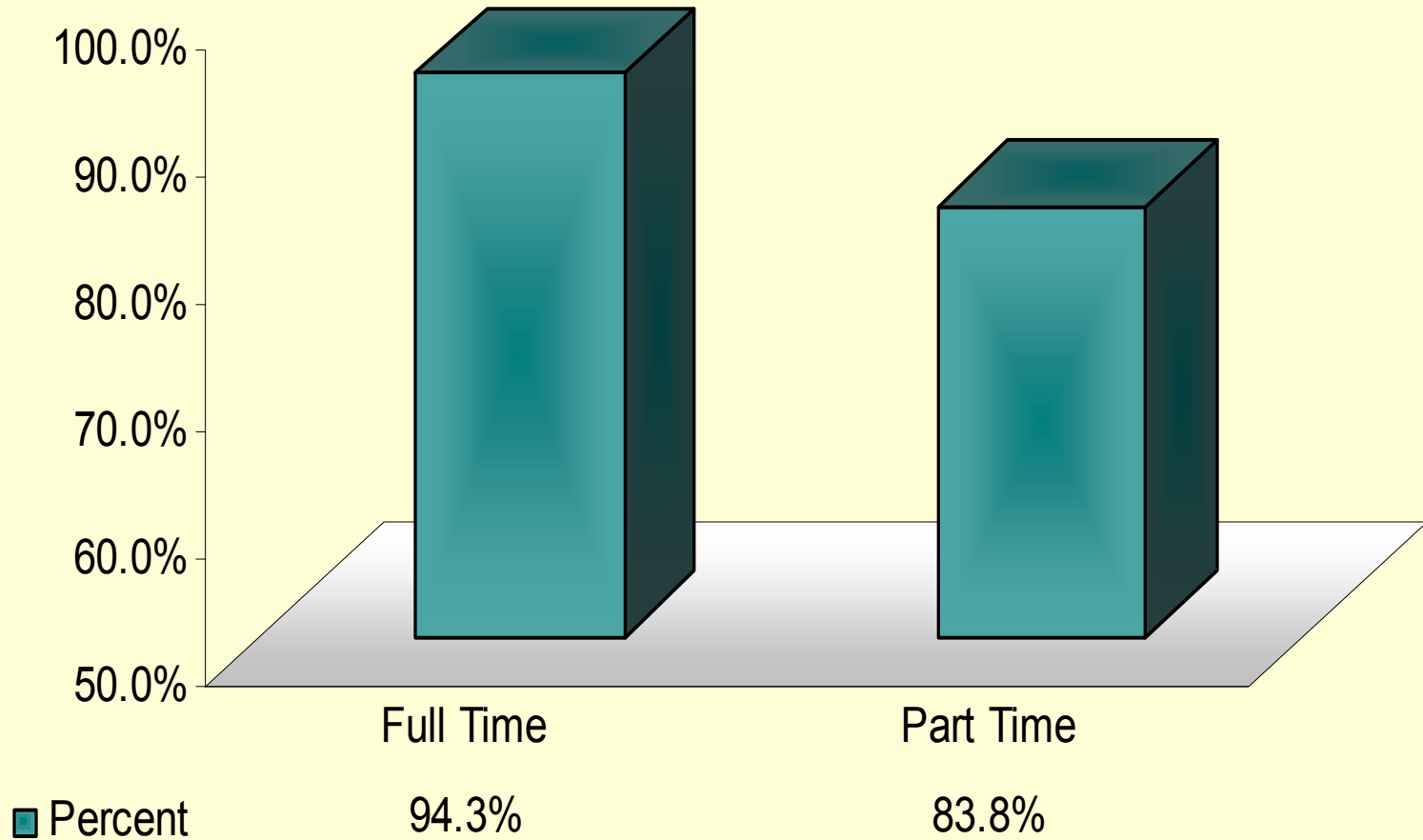
# Once Employed, What Affects Offer Rates?

- Employer size:
    - small risk pools, mean more risk and higher premiums.
    - Higher administrative costs for firms.
  - Offer rates are lower for part time vs. full time workers.
  - Offer rates are also lower for low-wage workers.
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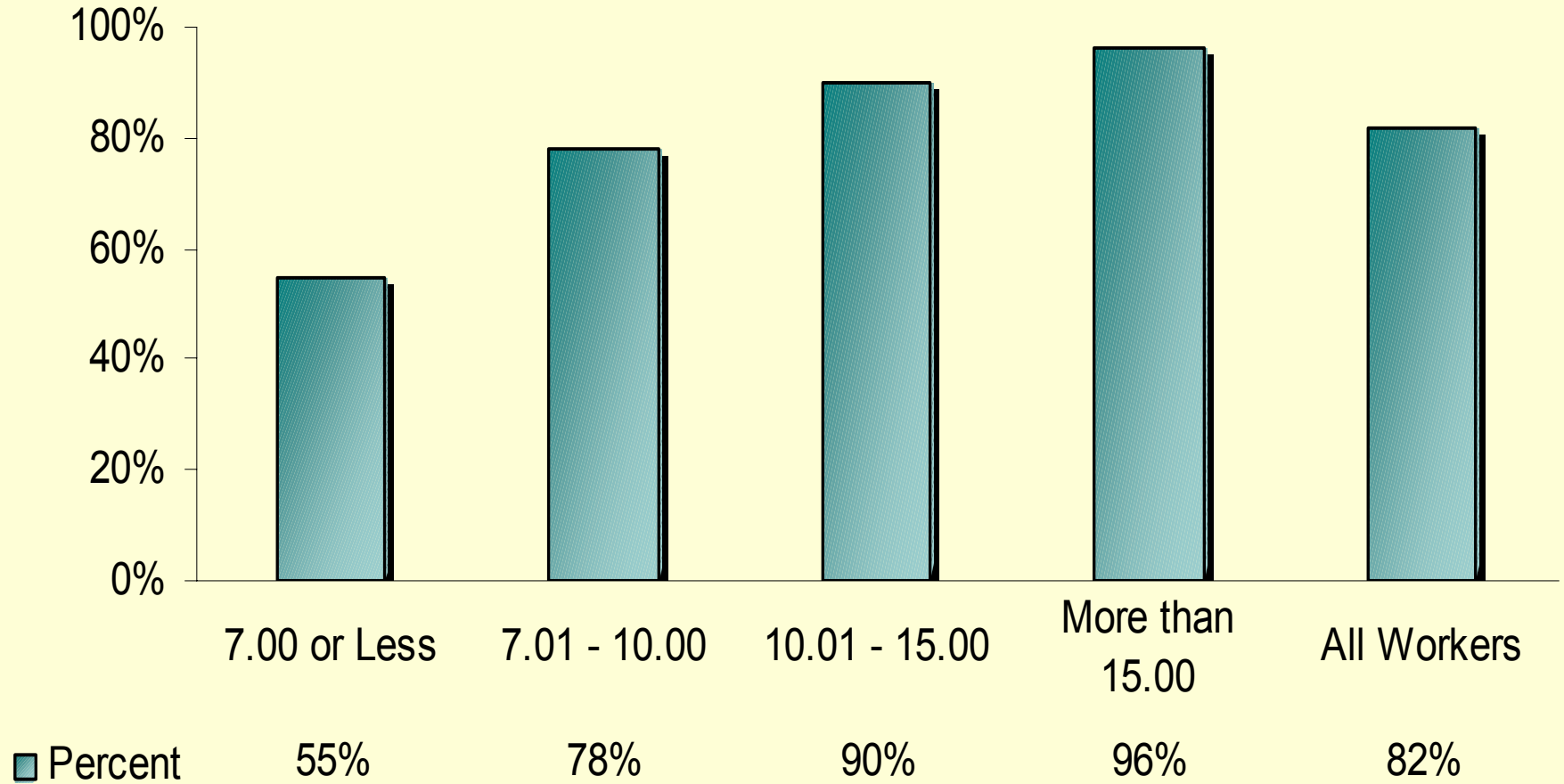
# Percent of Nevada's Employers that Offer EBHI by Number of Employees ( MEPS,1999)



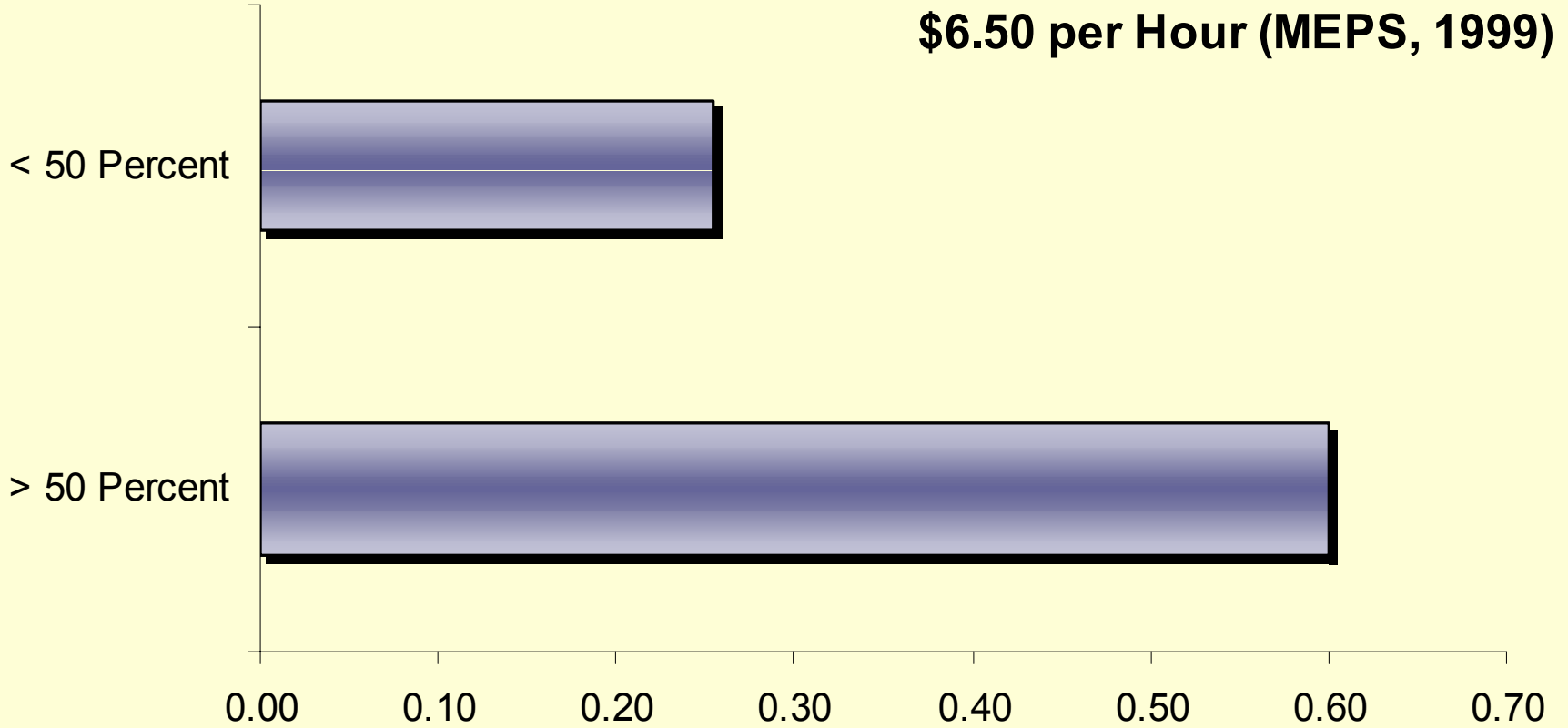
## Percent of Employees in Nevada who are Offered EBHI by Full Time/Part Time Status (MEPS, 1999)



# Percent of Nevada's Workers Earning Various Wages Offered EBHI (MEPS, 1999)




## Percent of Firms in Nevada that Offer Health Insurance Based on the Proportion of Workers Earning less than \$6.50 per Hour (MEPS, 1999)



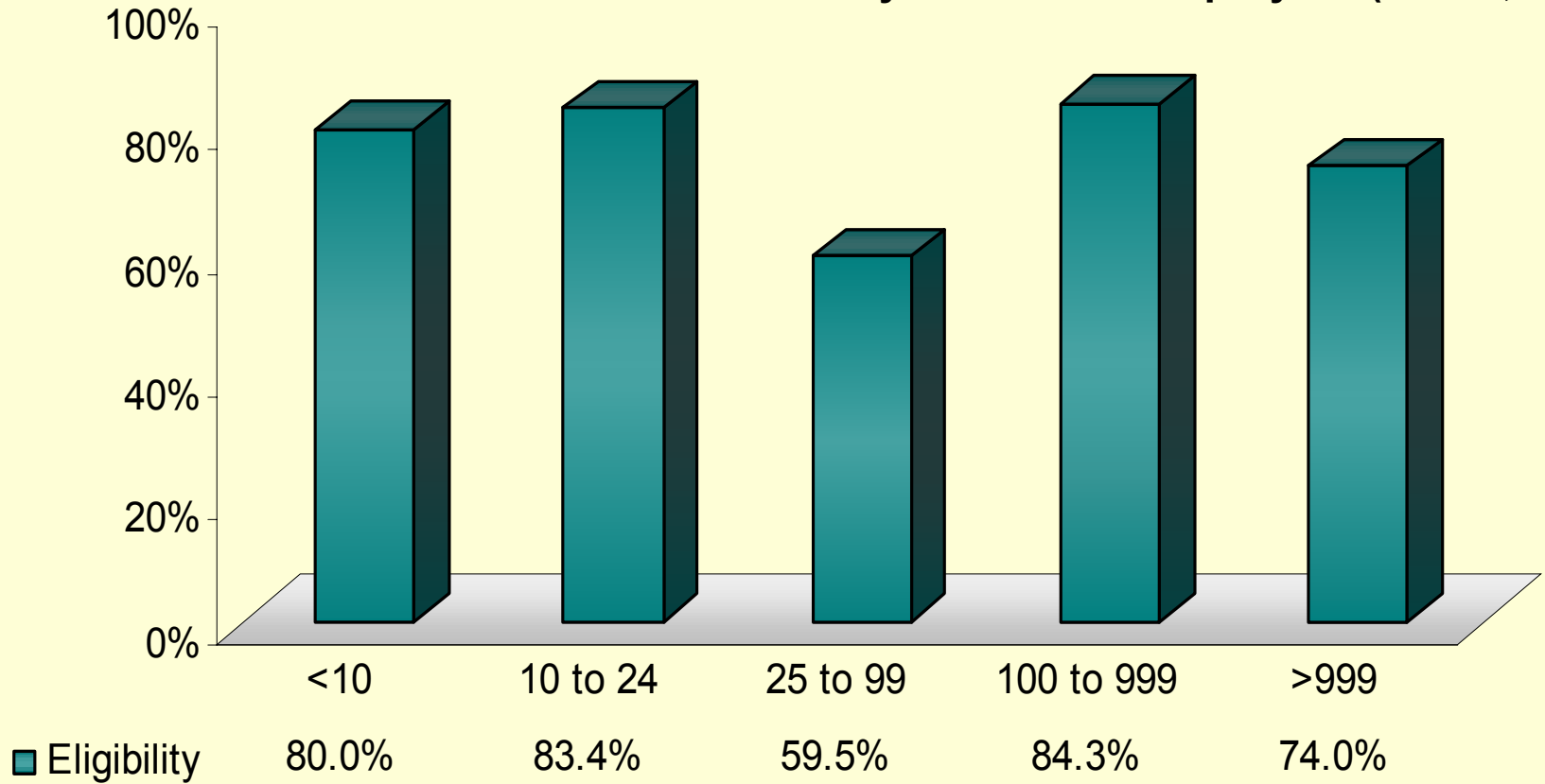
	> 50 Percent	< 50 Percent
■ Percent	0.600	0.254



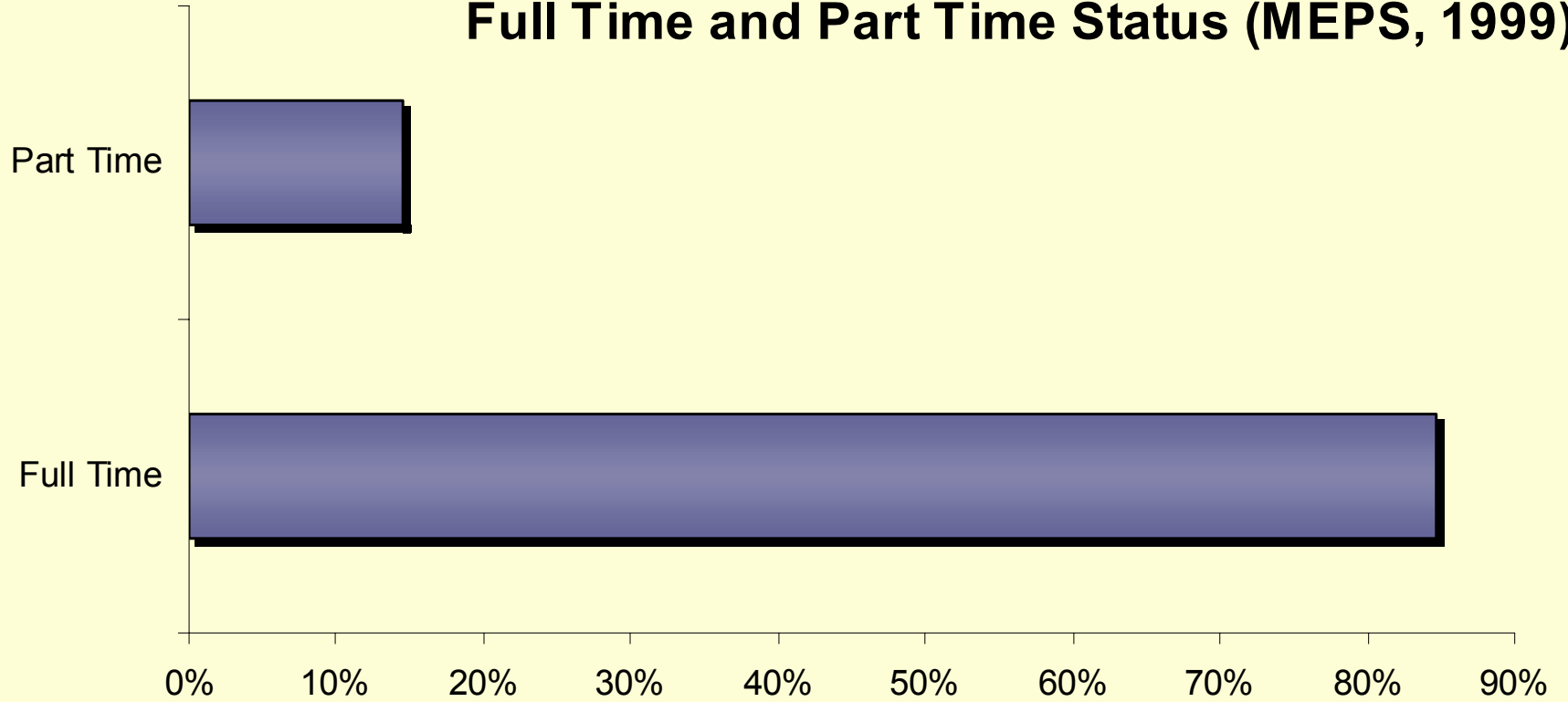
# Once Insurance is Offered, are you Eligible?

- Firms in the U.S. offer health insurance at a slightly greater rate now than several years earlier.
  - The catch is that fewer workers are **ELIGIBLE** for the coverage.
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**Percent of Workers in Nevada Eligible for EBHI by Firm Size as Measured by Number of Employees (MEPS, 1999)**

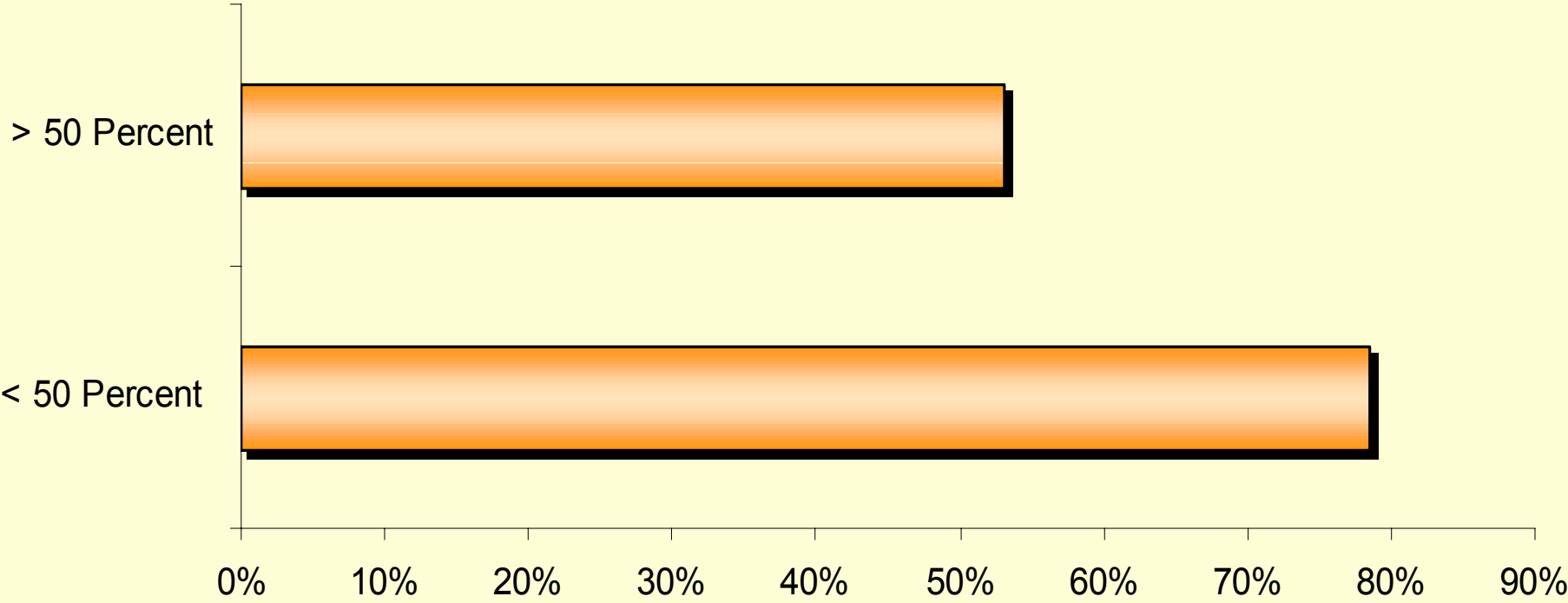


## Percent of Workers in Nevada Eligible for EBHI by Full Time and Part Time Status (MEPS, 1999)




	Full Time	Part Time
■ Percent	85%	15%

# Percent of Workers in Nevada Eligible for EBHI by Percent of Low Wage Workers in Firm



	< 50 Percent	> 50 Percent
Percent	79%	53%



# If you are Employed, have an Offer, and are Eligible, do you Participate?


- Participation rates and eligibility rates have both fallen in the U.S. over the past several years.
  - 84.9 percent of eligible Nevadans participate in their employer's plans.



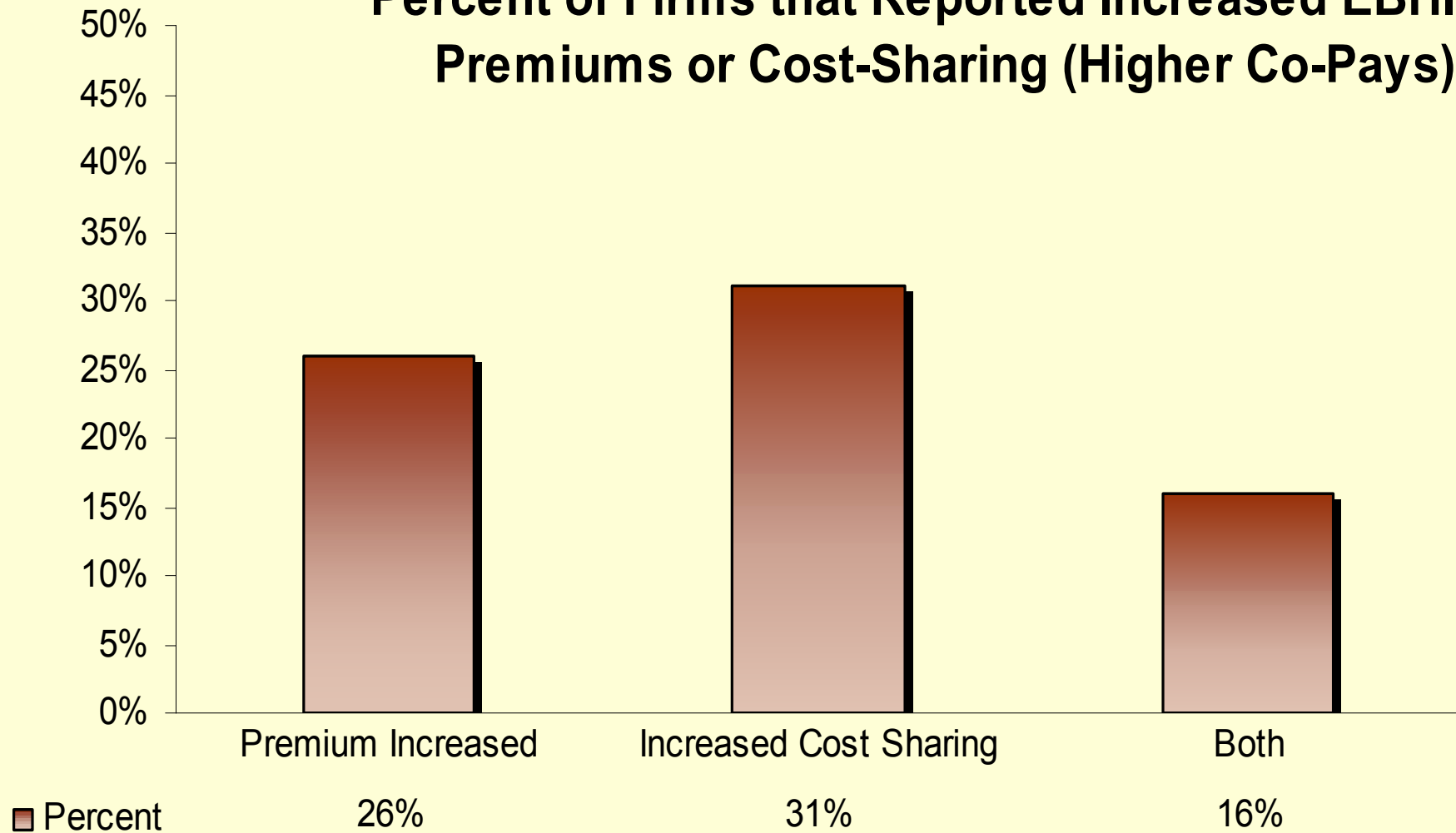


# Barriers to Enrollment (Participation)

## Trends in EBHI

- Higher premiums
  - Higher co-pays
  - A larger share of costs paid by the insured
  - Higher deductibles.
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## Percent of Firms that Reported Increased EBHI Premiums or Cost-Sharing (Higher Co-Pays)



# A Plausible Scenario

A single mother with 2 children earns \$9.50/hr. That income makes her children ineligible for Medicaid. Her expenses:

Income/Expenses: No EBHI		Income/Expenses: with EBHI	
Monthly Income	\$ 1,662.50	Monthly Income	\$ 1,662.50
Rent and Utilities	\$ 700.00	Rent and Utilities	\$ 700.00
Food	\$ 400.00	Food	\$ 400.00
Transportation	\$ 150.00	Transportation	\$ 150.00
Child Care	\$ 300.00	Child Care	\$ 300.00
	\$ 1,550.00	Health Ins. (EBHI)	\$ 200.00
			\$ 1,750.00
<b>Income-Expenses</b>	<b>\$ 112.50</b>	<b>Income-Expenses</b>	<b>\$ (87.50)</b>

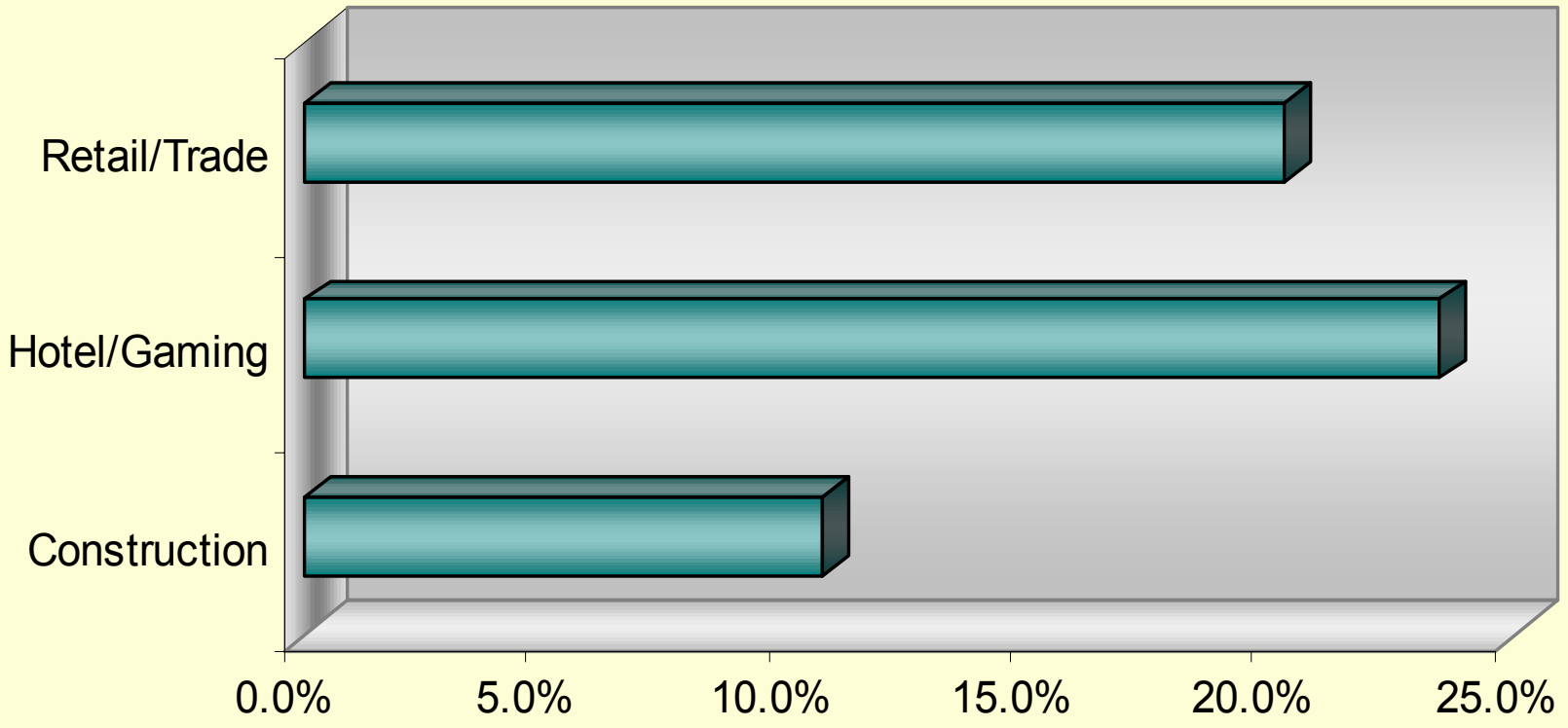


# EBHI by Major Industries in Clark County

● The incidence of EBHI varies across industries. I chose three major industries to focus on:

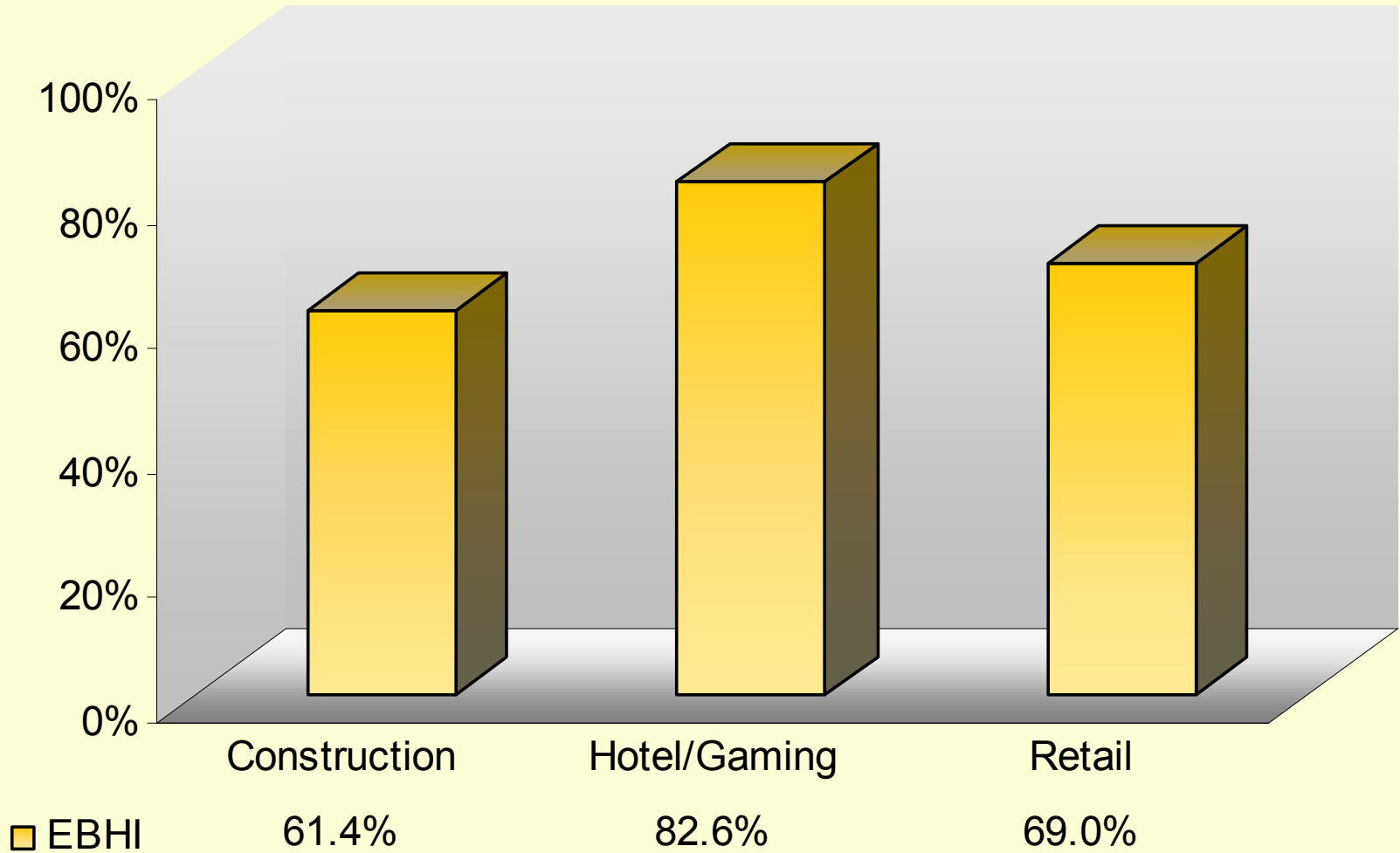
- Construction
  - Hotel/Gaming/Recreation
  - Retail Trade
- 

# Share of Employment Attributable to Three Major Industries in Clark County (1999-2001)

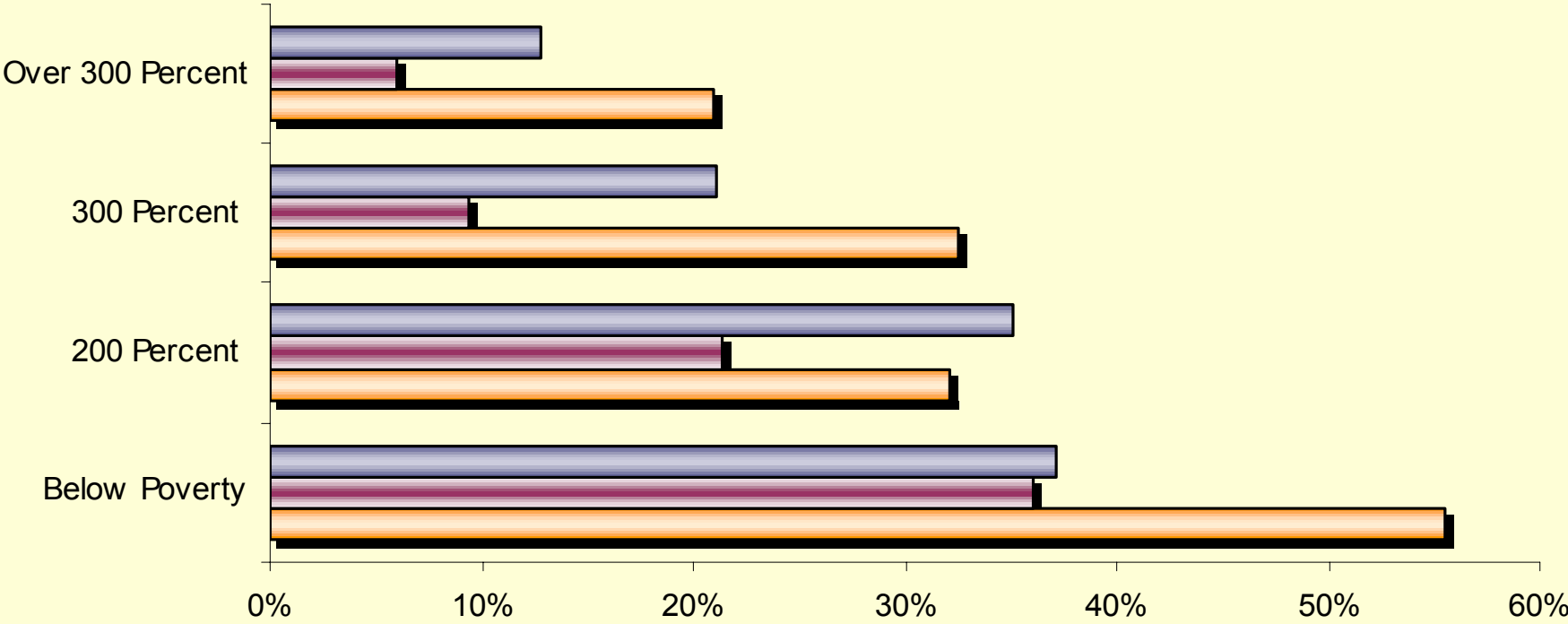


	Construction	Hotel/Gaming	Retail/Trade
Percent	10.7%	23.5%	20.3%

## Percentage of Workers with EBHI by Major Industry In Clark County (Years 1999-2001)




# Percent Without Insurance in Clark County by Industry and Income Status (Years 1999-2001)



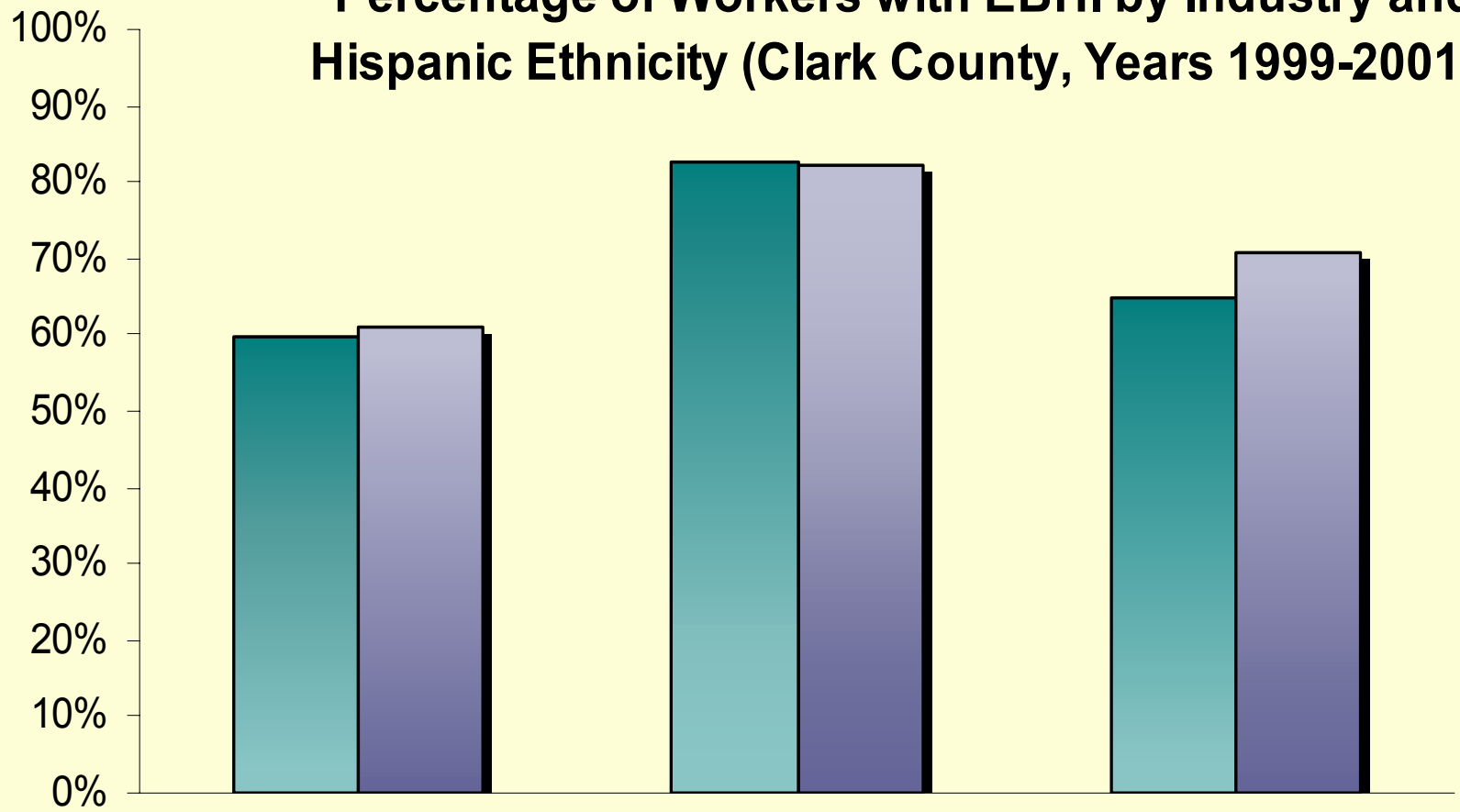
	Below Poverty	200 Percent	300 Percent	Over 300 Percent
■ Retail	37.2%	35.1%	21.1%	12.8%
■ Hotel/Gaming	36.0%	21.4%	9.4%	6.0%
■ Construction	55.5%	32.1%	32.5%	20.9%



# EBHI and Hispanic Ethnicity

- Hispanic ethnicity does not appear to be a major determinant of EBHI, once other factors are accounted for.
  - The population of non-citizen Hispanic residents is less likely to have EBHI, however.
- 

## Percentage of Workers with EBHI by Industry and Hispanic Ethnicity (Clark County, Years 1999-2001)



■ Hispanic  
■ Non-Hispanic

59.7%  
61.2%

82.8%  
82.1%

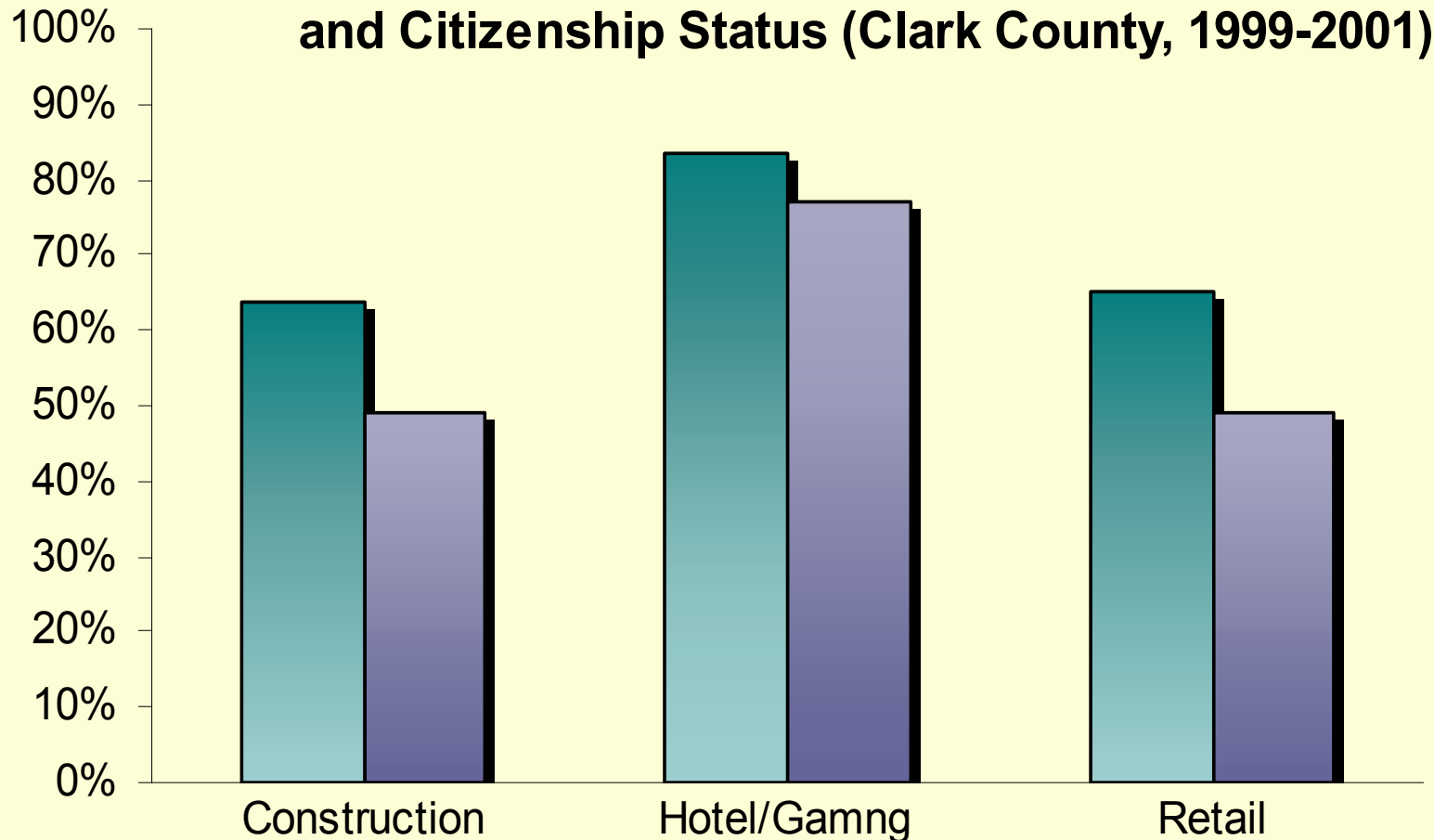
64.7%  
70.7%

Construction

Hotel/Gamng

Retail

## Percentage of Hispanic Workers with EBHI by Industry and Citizenship Status (Clark County, 1999-2001)



■ Hisp. Citizen

63.8%

83.6%

65.0%

■ Hisp. Non-Citizen

48.9%

77.2%

49.3%

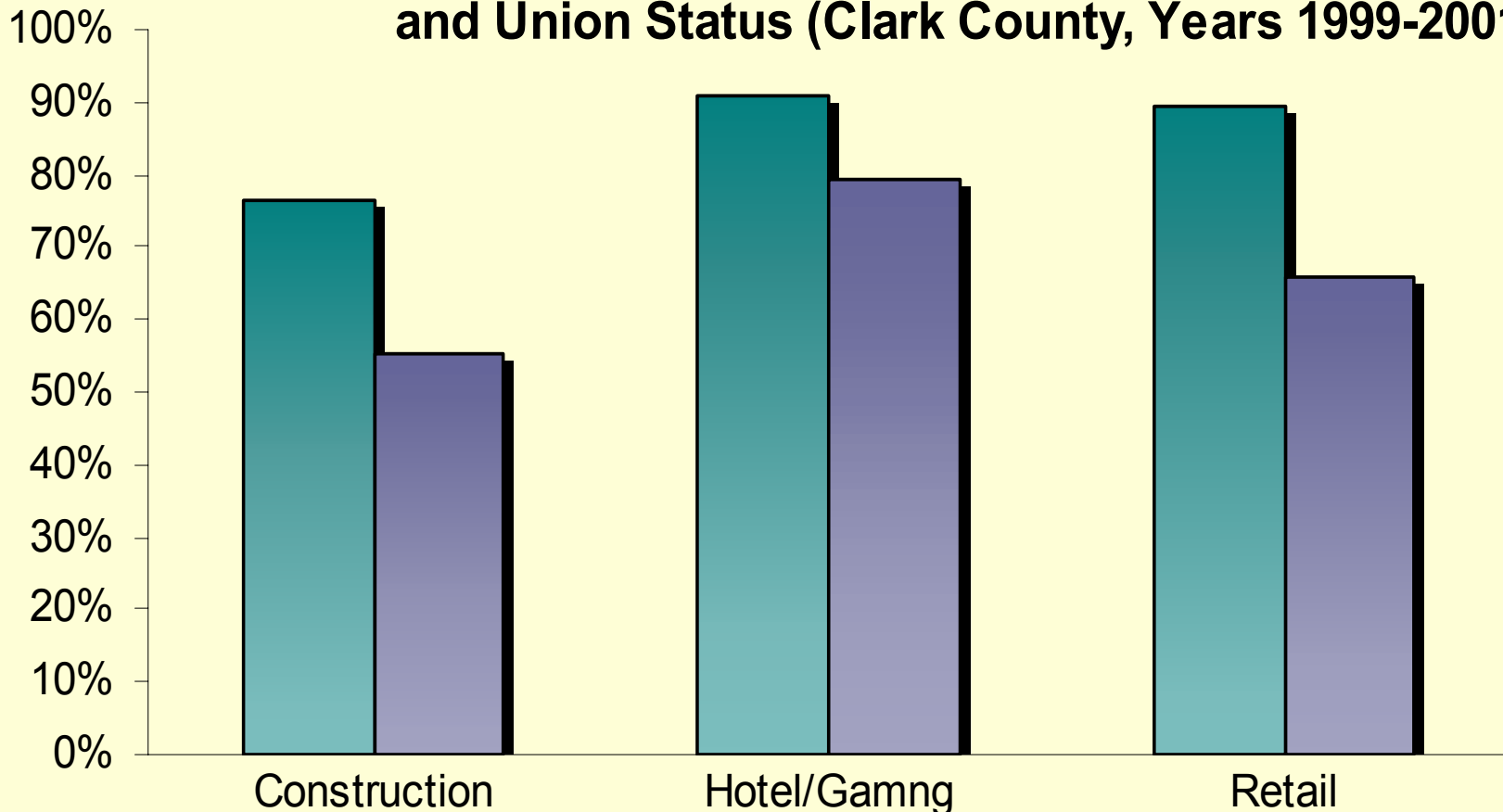


# EBHI and Union Status

- A consistent predictor of EBHI is union status.



## Percentage of Employees Covered By EBHI by Industry and Union Status (Clark County, Years 1999-2001)



■ Union

76.6%

90.9%

89.4%

■ Non-Union


55.1%

79.2%

66.0%




# Market Structures Vary, which Cause Differences in EBHI Rates

- Construction: Usually small firms, more casual employment relationships, seasonal and cyclical work. (All suggest challenges for EBHI).
  - Hotel/Gaming: Large firms, highly unionized, less casual employment relationships (Suggest fewer challenges to EBHI).
- 




# Market Structures Vary, which Underlie Differences in EBHI Rates

- Retail: Highly competitive, less-skilled labor required, low pay, not as much union penetration (factors suggesting lower incidence of EBHI).
- 




# Hispanic Ethnicity and Health Insurance

- My analysis suggests that when you take into account other factors, such as industry, firm-size, and unionization (among other factors), ethnicity loses significance. The exception is among non-citizens. A period of assimilation into the economy seems to be accompanied by difficulty in obtaining health insurance.
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# Back to UMC

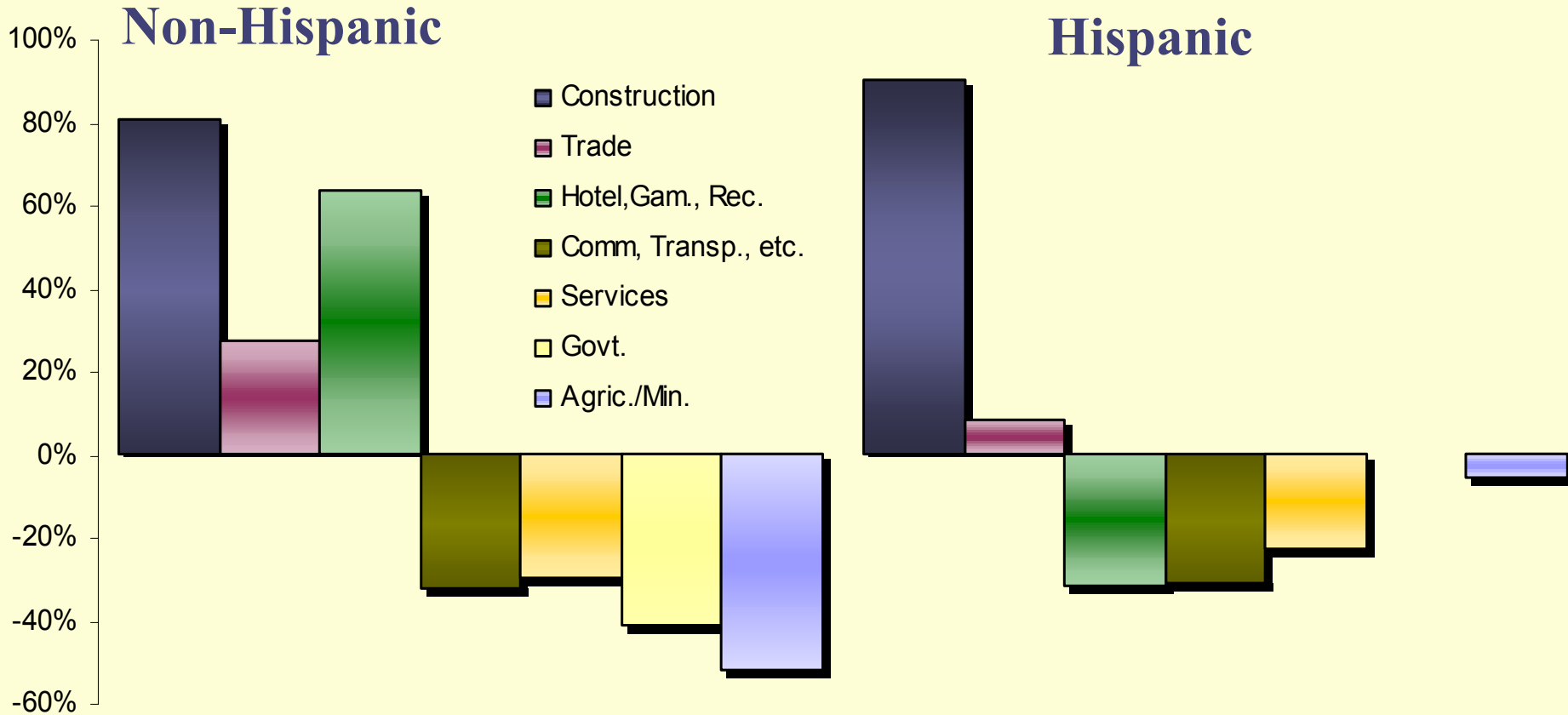
- About one-third of the uncompensated care expenditures are attributable to the employed.
  - It only makes sense that most uncompensated care costs among the employed result from the lack of health insurance, especially EBHI.
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# Back to UMC cont.


- I have three charts that show various aspects of uncompensated care costs as experienced by UMC.
    - How uncompensated care costs at UMC are allocated by Industry and Hispanic ethnicity.
- 

**Percent by which Employed Guarantors at UMC Use a Disproportionate Share of Uncompensated Care by Industry:  
Total Costs 37.2 Million, Fiscal Years 1998-2000)**





# Conclusions

- The lack of health insurance results in
    - A sicker, less healthy population.
    - A community with fewer resources to devote to health care for the insured as well as the uninsured.
  - There appears to be room for improvement in delivering EBHI to workers in some industries.
- 



# Conclusions

- It looks like we under use the Medicaid program, leading to more uncompensated care at UMC than is necessary.
  - Getting health insurance to more people through their work appears to be an important part of a multi-pronged approach to reduce the uncompensated care burden at UMC.
- 