

PERSONALLY SPEAKING

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**MORE THAN HALF OF PERSONS WITHOUT HEALTH INSURANCE ARE IN
EXCELLENT OR VERY GOOD HEALTH**

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Earlier this month, the Census Bureau reported that in 2008 an estimated 46.2 million or 15.4 percent of all Americans have no health insurance coverage. The continuing public debate, at times quite rancorous, has not fully addressed questions which could help inform the discourse on this all-important issue if answered properly. Who are the uninsured? Are they sick or healthy? Are they poor? Do they have health problems that limit their ability to work? Are they young or old? Are they married or single? Information extracted from a Census Bureau database specifically for this report and generally not available to the public in published form provides answers to these and other questions.

Of the 46.2 million persons with no health insurance coverage, 26.3 million reported their health status as excellent or very good. Another 14.5 million said that they are in good health. Only 5.4 million said that their health is fair or poor. This information tends to debunk the argument that universal health insurance coverage is needed because the uninsured are flooding hospital emergency rooms for primary care.

A cautionary note. The Census Bureau considers Medicaid a type of health insurance even though payments are made from general tax revenues rather than from a trust fund supported by earmarked contributions. In 2008, 42.4 million Americans reported that they had coverage through Medicaid. Of those who received Medicaid benefits, 22.7 million said they are in excellent or very good health at the time of the survey.

Some 20.1 million of the uninsured who are in excellent or very good health have incomes above the poverty threshold. Add in the number of nonpoor in good health and this number rises to 30.7 million.

Focusing strictly on uninsured persons 16 years of age and older with incomes greater than 200 percent of poverty, there are a total of 16.4 million who are in excellent, very good, or good health. Extending or mandating coverage for these persons means that they are likely to contribute much more to the pool of health insurance funds than they will draw from those funds to pay for their health care. This is the real reason universal health insurance coverage is so doggedly promoted by its advocates.

There are an estimated 12.1 million of the uninsured who were classified as poor. Of that total, there were only 2.0 million who are both poor and in fair or poor health. Take away those who are below age 16 and that estimate drops to 1.9 million. Add to that number the poor who are 16 years of age and older and in good health and the number rises to 5.4 million or 11.7 percent of the 46.2 million without health insurance protection. Of that 5.4 million, 84 percent said that they had no health problem that limits their ability to work.

The uninsured are on average four years younger (33 vs. 37) than those with health insurance coverage. With the exception of those in excellent health where there is no difference in average age between the insured (27) and the uninsured (27), the uninsured are younger than the insured in each of the other four health status classifications. For example, the 9.4 million insured in poor health are 60 years old on average. The 1.4 million uninsured in poor health are 47 years old.

Among persons 50-59 years of age, the insured outnumber the uninsured 6.2:1. Among 20-29 year olds that ratio drops to 2.3:1.

There are 17.6 million uninsured persons 18 years of age and older who are single. They constitute by far the largest group of the uninsured by marital status. To illustrate, there are 14.0 million uninsured who are married (spouse present or absent). Among the insured those who are married outnumber singles by 2.7:1.

The uninsured are young, single, in excellent or very good health, and have incomes above the poverty threshold, making them attractive targets for both private and public insurance because insurers understand full well the importance of selling coverage to those who likely will not require health care services.

Working plays an important role in health insurance coverage. Among those who worked year-round full-time, 14.3 percent were uninsured. For those who worked less than that, 24.4 percent had no health insurance protection. There were 12.4 million uninsured persons 16 years of age and older who did not work at all in 2008.

Based on this Census information, two options come to mind. One of the options is to require universal coverage thereby expanding the number of insured from 255 million to 301 million and increasing the funds available for health care because, given their demographic characteristics and health status, the presently uninsured would contribute more to the health insurance resources available to provide for the health care needs of others than they would draw upon those resources for their own health care.

The uninsured, especially those who are young and single, are likely to resist such a requirement for three reasons. First, it restricts their freedom to use their incomes as they see fit. Second, they are forced to pay for something they think they do not need at a time when some shoulder the burden of repaying college loans and many face other obligations as they

enter marriage and begin family formation. Third, they have good reason to be suspicious of health care reform based on government mandates. They know, for instance, that Medicare and Social Security retirement face enormous unfunded liabilities in which the government may not deliver the benefits it has promised. Further, if health care reform as it is being considered today in Washington includes subsidies to pay for the coverage of low-income persons it means higher taxes for some or greater budget deficits.

The other option would focus any health reform initiative on only those 18 to 64 year olds with incomes below 200 percent of poverty, allowing SCHIP to cover the young and Medicare to cover the elderly. This alternative reduces the number of uninsured to a more manageable 20.8 million or 6.9 percent of the total population. Mayo Research Institute estimates that finding year-round full-time jobs above the 200-percent of poverty threshold for the 16.5 million who work at jobs which do not provide that kind of steady employment could reduce the number of uninsured to 15.1 million.

The second option carries with it five benefits. First, it targets the uninsured who are needy. Second, it is likely to dramatically reduce poverty: Census data indicate that only 2.6 percent of everyone working year round, full time are classified as poor. Third, by providing steady, good-paying jobs this option in effect would make health insurance more affordable. Fourth, it likely would add less to any budget deficit because it makes fewer persons eligible for public subsidies. Fifth, it maintains health insurance coverage as a choice rather than making it an obligation.

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