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Can we close the coverage gap?

Minnesota's growing rate of uninsurance is new reason for concern

By Lynn A. Blewett, Ph.D., and Kathleen T. Call, Ph.D.

Recent reports released by the University of Minnesota about the growing number of uninsured and disparities in access to needed care for those without health insurance should be sounding an alarm among policy makers, providers of care, and citizens. Yet, surprisingly, these studies have gone largely unnoticed—in effect, swept under the rug while the business leaders and state policy makers tend to other matters.

Some of the important findings from these reports show increases in the number of uninsured, increases in the number of uninsured children, a drop in employer-based health insurance coverage, and barriers to access to needed care and preventive services for the uninsured in Minnesota. We are beginning to see dramatic shifts in health insurance coverage for Minnesotans that should put us all on notice.

An alarming increase in uninsured

The main finding that has many of us concerned is that for the first time in almost 15 years, the state of Minnesota has seen a significant increase in the number of uninsured. A study last year by the University of Minnesota and the Minnesota Department of Health showed a statistically significant increase of over 30 percent in uninsurance, from 5.7 percent to 7.4 percent, between 2001 and 2004. This translates into a total of approximately 375,000 uninsured Minnesotans. While Minnesota still has one of the lowest uninsured rates in the nation, this increase—worrisome in and of itself—threatens to move us out of that top position.

These findings are of particular concern for children, low-wage earners, and minorities. A recent Children's Defense Fund report using the same survey data shows that approximately 68,000 children (under age 18) in Minnesota lack insurance coverage. What is most distressing is that the rate of uninsurance increased significantly (from 3.9 percent to 6.8 percent between 2001 and 2004) for the youngest children (ages 5 and under). These children are at risk of missing immunizations and timely preventive and acute care services, putting them at a long-term health disadvantage compared to their insured peers.

At the same time, cuts to MinnesotaCare have contributed to an increase in the number of low-income Minnesotans without health insurance coverage. For the population living below the poverty level (nearly 10 percent of Minnesota's population), the uninsurance rate is almost three times that for all Minnesotans—21 percent do not have health insurance. This is an increase of almost 50 percent in the uninsurance rate for low-income Minnesotans between 2001 and 2004. Families with incomes between 201 percent and 300 percent of the federal poverty guidelines also experienced a significant rise in rates of uninsurance over this period.

We are also seeing an increase in the coverage gap for our populations of color. Although uninsurance among whites in Minnesota increased significantly over the four-year period (from 4.8 percent to 5.9 percent), these rates are far from the more than one-third (34 percent, double the 2001 rate of 17 percent) of Latinos in Minnesota who do not have health insurance coverage. [New federal rules requiring Medicaid recipients to prove their citizenship went into effect July 1, 2006, and may have an additional impact on Latino coverage. If Medicaid beneficiaries cannot prove citizenship, the federal government will withhold Medicaid matching funds from the state. The change will have the biggest impact on people entitled to benefits who are unable to produce the required documentation (e.g., passport, birth certificate).] Other minority groups also have uninsurance rates well above the state average of 7.4 percent, with American Indians at 21 percent and African Americans at 13 percent.

During the tumultuous years of state budget pressures in the late 1990s, Minnesota was able to keep its low uninsurance rate while other states and the nation saw significant increases. This was largely thanks to our

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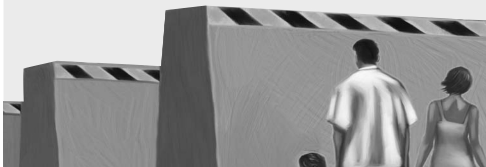
Resources on health disparities

This article cites the following reports:

- "A Profile of Minnesota Health Insurance and Access to Care." A SHADAC document created for Cover The Uninsured Week. This brief report summarizes analysis from two reports: "Health Insurance Coverage in Minnesota" and "The Coverage Gap," listed below.
- "The Coverage Gap: A State-by-State Report on Access to Care" is available at www.shadac.umn.edu/img/assets/18528/CTUW2006_TheCoverageGap.pdf.
- "Health Insurance Coverage in Minnesota: Trends from 2001 to 2004" is available in two forms: the full report and a fact sheet are available at www.shadac.umn.edu/img/assets/18528/MNAccess2004Reprt.pdf and www.shadac.umn.edu/img/assets/18528/MNAccess2004FactSheet.pdf.
- "The Road Not Traveled: Universal Children's Health Care Coverage in Minnesota" is available at www.cdf-mn.org/PDF/Road_Not_Traveled_06.pdf.



large employers, who provide a significant amount of private employer-based coverage, along with the MinnesotaCare program, which was designed to cover the working poor. Unfortunately, data from this same survey show a significant drop in employer-sponsored health insurance coverage, which declined from 68.4 percent to 63 percent between 2001 and 2004. This decrease in employer coverage was driven by a number of factors, including a decline in the percentage of employees who work for companies that offer insurance coverage and a decrease in the portion of workers eligible for coverage through their employers. However, the take-up rate among those eligible for and offered coverage stayed the same over this period of rising premiums.

There has also been a shift in the type of Minnesota employers—away from very large firms that are more likely to offer health insurance coverage toward smaller firms that are less likely to offer coverage. The state also witnessed an increase in the proportion of the population unemployed or working in seasonal and temporary jobs—jobs less likely to come with an insurance offer.

Barriers to care

Having health insurance coverage provides a gateway to health and medical care. A recent national study of all 50 states, released as part of The Robert Wood Johnson Foundation (RWJF)–sponsored Cover the Uninsured Week, found significant barriers for the uninsured in getting the care that they need. In 2004, nearly half (46 percent) of the uninsured in Minnesota were unable to see a doctor when they needed to due to the cost of care. This rate was higher than the national average of 41 percent and significantly higher than the rates for uninsured adults in Iowa (35 percent), South Dakota (37 percent), and North Dakota (24 percent).

The study also found that two-thirds (69 percent) of uninsured Minnesota adults did not have a personal doctor or health care provider; this is higher than rates in Wisconsin at 48 percent, Iowa at 42 percent, South Dakota at 46 percent, North Dakota at 53.5 percent, and the national average of 56.8 percent. Studies show that people with a usual source of care have greater access to needed care and better health status.

In addition, many uninsured Minnesota adults went without recommended cancer screening. The rates for mammogram screening for breast cancer for uninsured Minnesota women (age 40-64) were more similar to our neighboring states—yet still, more than 40 percent of uninsured women between 40 and 64 years of age had not had a mammogram in the last two years. Over a quarter of Minnesota uninsured women (27 percent) had not had a Pap smear in the last two years, compared to 11 percent for insured Minnesota women.

Finally, 85 percent of uninsured men in Minnesota, aged 40 to 64, had not had a prostate specific antigen (PSA) test in the past two years compared to 59 percent for insured Minnesota men.

Collaborative strategies are needed

Those of us who monitor both state and national trends feel immediate steps need to be taken. Other states are pursuing local reform and moving toward public-private solutions to increase health insurance coverage:

- Maine has pursued a complex reform strategy designed to help make insurance affordable for small businesses and provide all Maine citizens access to affordable coverage.
- Massachusetts recently passed legislation requiring all citizens to have health insurance coverage and providing subsidies for low-income citizens to purchase private coverage.
- Vermont recently passed a law moving toward universal coverage through premium assistance for people with incomes under 300 percent of the federal poverty level to help them pay for either employer-sponsored insurance or the new Catamount Health Plan.

Minnesota is often considered a leader on health reform and on providing support to its citizens, yet in 2001 the state Legislature passed significant cuts to the MinnesotaCare program. While some of those cuts were restored later on, the coverage levels have never fully caught up. Last year the Legislature deadlocked on the state budget, virtually shutting down state government for six weeks. And in 2006, there was no health reform legislation. We must do better for our citizens.

Most states are pursuing public-private partnerships to shore up private employer-based coverage and are providing subsidies or support for low-wage workers. Minnesota also needs to explore collaborative efforts between public and private sector strategies. Such efforts are the foundation of Minnesota resolve and have contributed to our health and prosperity over time.

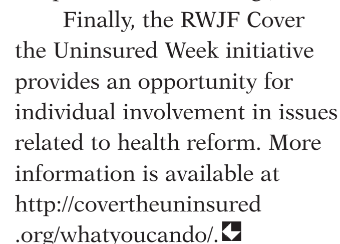
Relying on the private sector to fix public problems is a non-starter. Relying solely on the state to expand public programs ignores the fact that approximately 60 percent of working Minnesotans lack access to employer-based coverage. A combination of public-private sector initiatives will be necessary to move Minnesota back into its leadership position, to retain and promote the health of its populations.

There have been some positive strides. For example, last March the Minnesota Medical Association (MMA) convened leaders in health care, business, government, labor, and consumer advocacy to form Healthy Minnesota: A Partnership for Reform. The purpose of this group is to address health care reform issues by bringing together stakeholders to develop strategies that will win wide acceptance. The Cover All Kids Coalition of Minnesota has sponsored similar efforts in the past, encouraging dialogue and openness to change.

Another way to work toward expanding access to coverage is by exercising your right to vote in elections this November. Attending candidate forums and other political campaign events provides an opportunity to learn about candidates' positions on health care issues. To find out about candidate forums, visit the Minnesota Council of Nonprofits Participation Project Calendar at www.mncn.org/mpp/calendar.htm.

To learn more about the Minnesota Children's Health Security Act, a bill sponsored by the Children's Defense Fund that proposes to cover all of Minnesota's children, contact Carole Specktor, legislative affairs and advocacy director (651-855-1188 or specktor@ cdf-mn.org).

Finally, the RWJF Cover the Uninsured Week initiative provides an opportunity for individual involvement in issues related to health reform. More information is available at http://covertheuninsured.org/whatyoucando/.



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