

Who Remains Uninsured in Colorado – and Why?

OCTOBER 2016

Colorado's insured rate is at an all-time high. More than 93 percent of Coloradans had health insurance as of 2015, according to the Colorado Health Access Survey (CHAS), a dramatic increase in coverage that largely reflects the state's all-in participation in sweeping health care reform efforts.

That's the good news.

But 353,000 Coloradans remain uncovered – roughly half equivalent to each resident of Aurora, Colorado's third largest city, not having health insurance.

Heading into the fourth open enrollment period under the Affordable Care Act (ACA), which begins on November 1, the uninsured will be a hot topic once again.

This brief addresses not only who is uninsured in Colorado, but why they remain uninsured. We have grouped them into five categories:

- The Budget Conscious
- The Life-Changers
- The Skeptical
- The Rookies
- The Unsure

Developing a clear understanding of the challenges faced by those who haven't obtained health insurance, as well as their differing motivations, will give policymakers a better idea of where health reform efforts are working and where they aren't.

It also will help outreach and enrollment experts across Colorado better target their limited resources as they work to enroll these last uninsured and to retain those who have gained insurance since the major provisions of the ACA were launched in 2014. With that goal in mind, this paper also offers potential enrollment strategies based on our analysis.

SURVEY SNAPSHOTS: A SERIES

Sticker Shock
More Coloradans Can Afford Prescriptions, but Problems Remain
JUNE 2016

The percentage of Coloradans who could not afford to fill a prescription is at a six-year low, according to an analysis of Colorado Health Access Survey (CHAS) data. The CHAS also shows that Coloradans spent less out of pocket on prescriptions in 2015 than 2013.

While health care may seem cost-prohibitive for many Coloradans, they may not realize that the cost of their prescriptions is dropping. About 27 percent of the people who could not afford to fill a prescription in 2013 were able to do so in 2015. In 2015, 15 percent of people who could not afford to fill a prescription in 2013 were able to do so in 2015.

Overall, Coloradans are spending less on prescriptions. The amount of money spent on prescriptions in 2015 was 10 percent less than in 2013.

As of 2015, 15 percent of people who could not afford to fill a prescription in 2013 were able to do so in 2015. In 2015, 15 percent of people who could not afford to fill a prescription in 2013 were able to do so in 2015.

Unfinished Business
Who are Colorado's Remaining Uninsured?
JUNE 2016

"There are historic days for health in Colorado." So began the Colorado Health Institute's report on findings from 2015 Colorado Health Access Survey (CHAS). What was so historic? The state's skyrocketing Medicaid enrollment and record-low 6.7 percent uninsurance rate.

But at the same time it can be easy to forget that more than 350,000 Coloradans still lack health coverage. The Colorado Health Institute (CHI) takes a closer look at this uninsured group in this brief.

Age and Gender

CHI's analysis shows that the majority of the uninsured are young adults, with 40 percent aged 18 to 29. The majority of the uninsured are female, with 60 percent being women.

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Happier About Health
Colorado's Mood Improves
AUGUST 2016

Coloradans are feeling better about the state's health care system these days. Three of four residents now think the system does a good job of caring for their families, according to the 2015 Colorado Health Access Survey (CHAS). That's an upward shift of more than eight percentage points from four years earlier.

Colorado's improving view of the health care system has coincided with the implementation of the Affordable Care Act (ACA) and its role in raising health insurance coverage by record levels in the state.

Even so, the positive feelings aren't shared by all.

While 70 percent of Coloradans think the state's health care system does a good job of caring for their families, 27 percent of Coloradans think the state's health care system does a poor job of caring for their families. This is a decrease from 33 percent in 2011.

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Mastering the Alphabet Soup
Health Literacy in Colorado
JUNE 2016

Sometimes policy implementation can feel a bit like a game of hide-a-hoop. And that's because many Coloradans have been added to the insurance rolls since the Affordable Care Act went into effect. This drove the uninsured rate down from 14.1% to 6.7%. While a big step to the insurance route, but this historic high in coverage presents new challenges.

Do individuals understand their coverage enough to make the most of it? This is the question that CHI's new report on health literacy in Colorado seeks to answer. The report finds that many Coloradans have difficulty understanding the terms and conditions of their health insurance plans.

CHI's analysis shows that the majority of the uninsured are young adults, with 40 percent aged 18 to 29. The majority of the uninsured are female, with 60 percent being women.

Download the complete series at coloradohealthinstitute.org

THE REMAINING UNINSURED (2015)



THE BUDGET CONSCIOUS

People who say they can't afford health insurance

82.2%



THE LIFE-CHANGERS

People who experienced life events that impacted their coverage

14.9% Lost eligibility for Medicaid or CHP+

25.7% Lost a job, changed a job, or got a better job with higher pay

11.9% Are newly divorced, separated or had a death in the family



THE SKEPTICAL

People who say they don't want or need coverage

20.8%



THE ROOKIES

People who say they don't know how to get health insurance

14.1%



THE UNSURE

People who think their preexisting condition disqualifies them

8.7%

Painting a Portrait of Uninsured Coloradans

Coloradans are uninsured for many reasons and those reasons are not always mutually exclusive. Often, the uninsured experience a variety of barriers to getting health coverage or they have one or more rationales for not obtaining it, according to data from the CHAS.

For example, a family with a member who lost a job will be faced with decisions about finding a new source for health insurance at the same time it becomes more budget conscious. These family members may even become eligible for a public program like Medicaid, but they don't know how to go about enrolling.

This family, then, falls into three uninsured categories: Life-Changers, Budget Conscious and Rookies.

Members of a family also could be ineligible for coverage because they do not have legal documentation. But for this analysis the Colorado Health Institute (CHI) has not created a separate

category for immigrants without legal documentation, even though we estimate that they make up as much as a fifth of Colorado's uninsured population, instead including them in each category.¹ Because they are ineligible for most health insurance programs, they are not generally a target of outreach and enrollment efforts.

With the drop in the number of uninsured Coloradans, the number of Coloradans in each of these categories is declining. But rates aren't changing much. Affordability is the clearest example. Since 2009, the CHAS has consistently found that the cost of health insurance is the reason most often cited for not having coverage.

It's important to recognize that respondents could choose more than one reason for remaining without coverage. For example, the high cost of coverage is the reason most often cited for lacking coverage, but that doesn't always mean it's the only reason.

Colorado's uninsured aren't all the same, and strategies to insure them can't be one-size-fits-all.

Here's a deeper dive into each uninsured group.



THE BUDGET CONSCIOUS

People who say they can't afford health insurance.

Cost is the reason cited most often for not having health insurance. More than four of five uninsured Coloradans say insurance costs too much, putting them in the Budget Conscious category. The data show that cost is the most common reason for being uninsured across all demographic groups.

Demographic factors including gender, age, income level and geography do not affect whether affordability is a barrier for the uninsured population. In other words, all groups of uninsured Coloradans are equally likely to cite cost as a barrier to getting coverage.

The number of uninsured Coloradans falling into the Budget Conscious category has dropped as more residents get coverage. But the portion of uninsured Coloradans in this category has not changed much since 2009 despite efforts to make insurance more affordable with tax credits and other strategies.

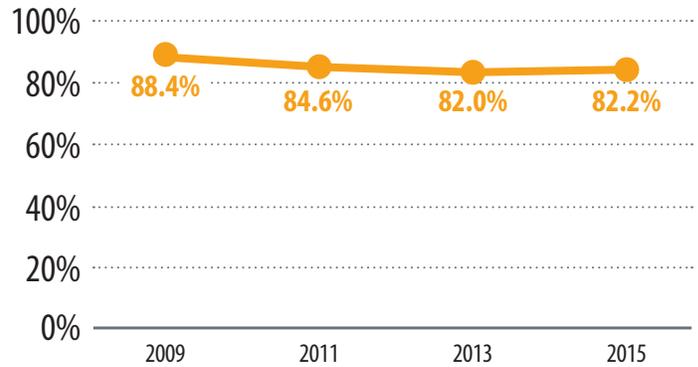
- In 2013, 82.0 percent of the 741,000 uninsured cited cost as a reason.
- In 2015, 82.2 percent of the 353,000 uninsured said health insurance cost too much.

Even with more people becoming eligible for Medicaid and the establishment of the state-based insurance marketplace, Connect for Health Colorado, affordability clearly remains a problem.

Most Coloradans get their coverage through a large employer or public programs such as Medicaid and Medicare. But for many of the uninsured, the individual marketplace is an important option available to get coverage. And those prices are rising dramatically.

Coloradans who buy their health insurance through Connect for Health Colorado will see dramatic price increases in 2017 (see Map 1). On the Western Slope, where Coloradans already pay some of the highest premiums in the United States, rates will climb 28 percent. The state's

Figure 1. Portion of Uninsured Population Citing Cost as a Barrier

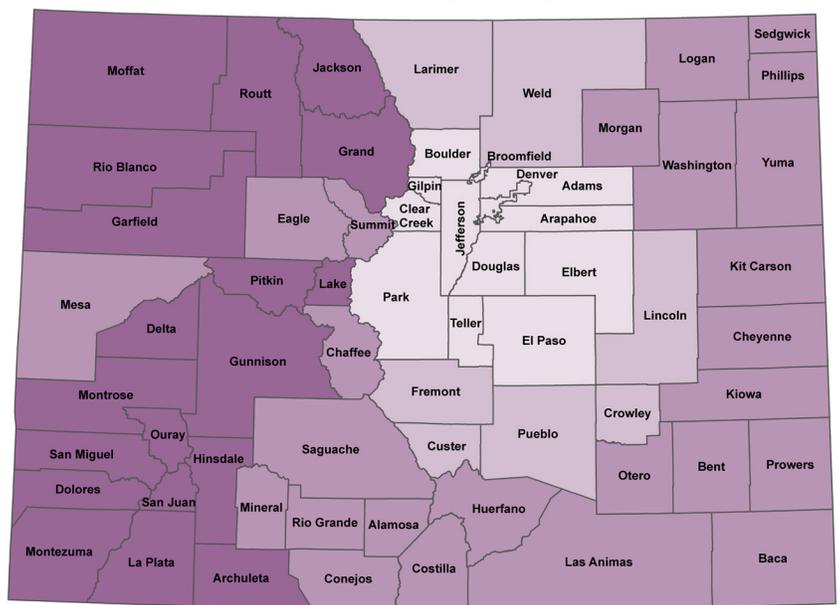


biggest increases go to the Eastern Plains, where rates will rise an average of 39 percent.

Some of these price increases can be explained by the same forces driving health care costs in general. The prices of medical care and prescription drugs are increasing. These prices are established in part through negotiation between insurers and providers. When there are fewer providers available, they may have increased leverage to negotiate higher prices with insurers.

And even with increasing prices, consumption of health care continues to increase nationwide.² Clearly, affordability is a barrier that's not going away.

Map 1. Sample Insurance Rates for Second-Lowest Cost Silver Plan for a 27-Year-Old, Sold on Connect for Health Colorado, 2017



Source: Connect for Health Colorado





THE LIFE-CHANGERS

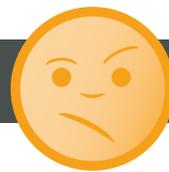
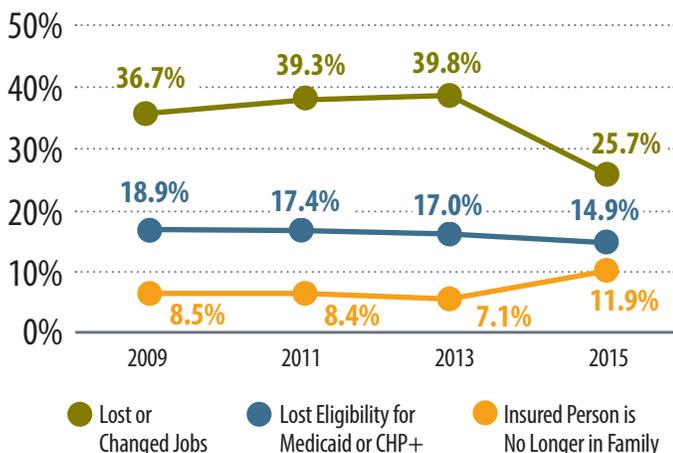
People who experienced life events that impacted their coverage.

Losing a job or finding a new one. Getting married or divorced. Experiencing a big change in income, either more or less. Losing a family member to death.

All of these life events can make a difference in health insurance coverage for the Life-Changers group:

- **Losing a job or changing employment:** 25.7 percent of the uninsured say a lost job or change in employment is the reason they don't have coverage. This rate dropped 14 percentage points from 39.8 percent in 2013. People citing this reason are almost three times as likely to be unemployed as the rest of the uninsured.
- **Becoming ineligible for a public coverage program:** 14.9 percent of the uninsured say they are no longer eligible for Medicaid or Child Health Plan Plus (CHP+), probably because their income increased. This percentage dropped two points, falling from 17.0 percent in 2013. Those who report losing public coverage are more likely to be children or young adults compared with the other uninsured. They are also more likely to be either employed or not in the workforce.
- **Losing access to coverage provided by a family member:** 11.9 percent of the uninsured lost their health insurance through a divorce, a separation or a death in the family. This population tends to be a bit more urban (94.7 percent) than the other uninsured (81.2 percent).

Figure 2. Portion of Uninsured Population Experiencing Changes that Impact Their Insurance Coverage



THE SKEPTICAL

People who don't want coverage or say they don't need it.

More than one of five uninsured Coloradans (20.8 percent) say they don't need coverage. Some members of this group say this is because their health is good or because they oppose coverage for political reasons. This is down from a peak of 24.9 percent in 2013.

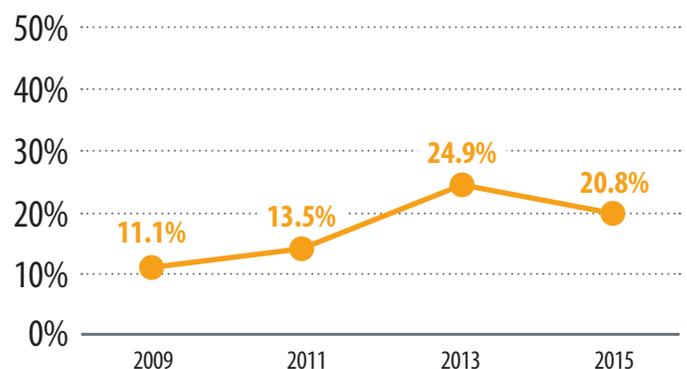
Compared with the rest of the uninsured, this group is more likely to have a job, to earn more money, to speak English at home and to live in an urban area.

- 20.4 percent have annual incomes of more than four times the federal poverty level (FPL) while just nine percent of the rest of the uninsured report income that high. For a household of four, that's \$97,000 a year.
- 10.5 percent speak Spanish at home compared with 26.0 percent of the other uninsured.
- About four of five (82.8 percent) are employed compared with 69.4 percent of the other uninsured.
- Nine of 10 (88.9 percent) live in an urban area compared with 81.1 percent of the other uninsured.

More than half of the Skeptical (55.2 percent) say they don't need coverage because they disagree with Obamacare. 2015 was the first time this question was asked, so no information is available for trending.

About 18.4 percent are between the ages of 19 and

Figure 3. Portion of Uninsured Population Saying They Don't Need Health Insurance



29, an age group that has come to be known as the “young invincibles” because it is thought that many see themselves as too healthy to need insurance. The data suggest there are other reasons, including the fact that young people are less likely to be offered insurance through their employer.

In fact, young Coloradans are no more likely than other adults to say they don’t need coverage.³

Meanwhile, many of the Skeptical may not actually be opposed to having coverage, either. They may already have access to health care, perhaps through a program such as the Colorado Indigent Care Program (CICP), which provides discounted health care services to low-income people and families. More than 58,000 low-income Coloradans received discounted health care services through the CICP in fiscal year 2014-15.⁴

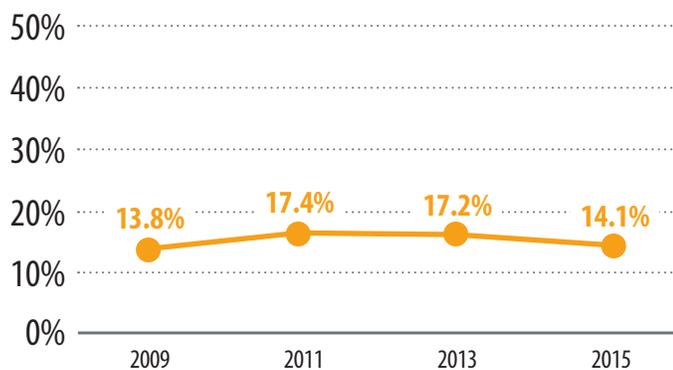


THE ROOKIES

People who say they don’t know how to get health insurance.

14.1 percent of the uninsured say they do not know how to obtain health insurance. These are the Rookies. Often, they lack health insurance literacy, according to research.⁵ These Rookies may be the long-term uninsured, and know little about the ACA and the possibility of tax credits and other assistance to make insurance more affordable. They may feel overwhelmed by the new choices facing them.

Figure 4. Portion of Uninsured Population Saying They Do Not Know How to Get Coverage



In Colorado, about 40.1 percent of the Rookies speak Spanish at home, double the 19.5 percent of Spanish speakers in the rest of the uninsured population.

Other than language, the Rookies don’t differ significantly from the rest of the uninsured. Demographic factors including gender, age, education, income level and geography do not affect whether the uninsured population knows how to obtain coverage.



THE UNSURE

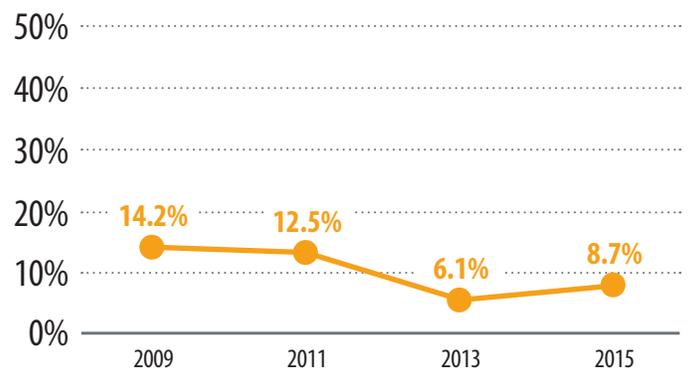
People who think their preexisting condition disqualifies them.

The ACA has prohibited insurers from denying coverage to anyone based on their health for almost three years now. This means that even consumers with such health conditions as asthma, diabetes or cancer may now obtain insurance, and at a cost comparable to other consumers. Nevertheless, almost one of 10 uninsured Coloradans say they don’t have insurance because of a preexisting health condition.

The data offer some clues about the Unsure that could be an opportunity for more targeted education campaigns.

For example, 69.7 percent of the Unsure are Hispanic, about double the rate of the remaining uninsured. About 58.5 percent speak Spanish at home, three times the rate of the remaining uninsured. And the Unsure are about twice as likely to live in rural areas.

Figure 5. Portion of Uninsured Population Saying Their Preexisting Condition Excludes Them



* Prior to January 2014, consumers with preexisting conditions were excluded from affordable coverage.

Outreach and Enrollment Strategies

Enrollment strategies can be tailored to meet the needs of the uninsured population. This analysis highlights the need for strategies that are personalized and focused on consumers' knowledge gap.

Make it timely and personal.

- The open enrollment period is a critical window for sharing information with the remaining uninsured. Now is the time to get information and support to consumers who are actively shopping for insurance.
- Historically, consumers who get in-person assistance are about twice as likely to enroll as those who attempted online enrollment without help.⁶ Personalized efforts, including in-person assisters, as well as text message programs, email and phone call reminders, as well as community-based outreach are effective strategies.
- Make sure that consumers understand that many of these resources are available free of charge.
- Social media outreach campaigns have proven useful. The Centers for Medicare & Medicaid Services (CMS) and stakeholders will launch the 2017 Open Enrollment period with a youth-focused campaign for “#HealthyAdulting.”⁷ A similar campaign in Colorado aimed at college campuses could be successful.
- Stories about the consequences of going uninsured can be powerful motivators.

Know the audience.

- Make resources available in Spanish. Uninsured Coloradans who do not know how to get insurance, or think they are excluded from coverage due to a preexisting condition, are more likely to speak Spanish at home. Providing materials in Spanish, as well as ensuring that in-person assisters speak Spanish, will be critical to meeting the needs of this group.
- Messaging should be tailored to common concerns of the remaining uninsured. Our analysis shows that this could include explaining the variety of financial support available, and making in-person help available to help consumers navigate the marketplace.

- Many uninsured Coloradans believe they don't need coverage because they are healthy. However, when they do make contact with the health system, this represents an opportunity to check for Medicaid or CHP+ eligibility.
- Employers and HR directors may be the first to know when an employee is going through a life transition. Educating employers may position them to provide information about other health coverage options if employer-based insurance isn't available.

Give the power of knowledge.

- A 2014 survey conducted by Enroll America on health insurance literacy found that marketplace enrollees who had more information about the ACA were more likely to retain their coverage.⁸ This is particularly relevant for efforts aiming to keep coverage for Coloradans who already have it. Efforts could be targeted to those at risk of losing coverage due to changes in their job or family, such as the Life-Changers.
- But the survey also showed that sharing definitions of health insurance terms and concepts did not motivate people to take action. A more effective approach could be first sharing information on financial support, and then dealing with more detailed issues in person.
- Online plan comparison tools, such as the Connect for Health Colorado marketplace, give consumers a look at premiums, but also some of the less anticipated costs of coverage like deductibles and cost sharing mechanisms like co-pays. These can be useful tools.
- A portion of uninsured Coloradans may believe that they don't need health insurance because they already have access to care — maybe through an emergency room, urgent care, a retail clinic or a safety net clinic that serves the uninsured. It is important to ensure that this group understands the benefits of coverage — and how and where to use it.
- Understand the power of word-of-mouth. Hearing about coverage programs from a trusted friend or family member may be the strongest motivator.

By Alex Caldwell, Policy Analyst, Colorado Health Institute

Endnotes

- ¹The Colorado Health Institute (2015). Higher Rate of Eligible Coloradans Are Getting Health Coverage. Available at: http://www.coloradohealthinstitute.org/uploads/downloads/2015_EBNE_Fact_Sheet.pdf
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CHAS Analysis:

<http://www.coloradohealthinstitute.org/key-issues/detail/health-coverage-and-the-uninsured/colorado-health-access-survey-1>

CHAS Data:

coloradohealthinstitute.org/data-repository/category/colorado-health-access-survey

About the Colorado Health Access Survey

The CHAS is the premier source of information on health insurance coverage, access to health care and use of health services in Colorado. Every other year since 2009, more than 10,000 households in the state complete the telephone interview, which is administered in both English and Spanish. For the 2015 survey, 10,136 interviews were completed on both cell phones and landlines between March 2 and June 26. Visit www.coloradohealthinstitute.org for more analyses, data and information about the survey.



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