

COLORADO HEALTH ACCESS SURVEY

# Flying Solo

Why Uninsured Coloradans  
Go Without Health Insurance



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# Acknowledgments

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[coloradohealthinstitute.org/data-repository/category/colorado-health-access-survey](https://coloradohealthinstitute.org/data-repository/category/colorado-health-access-survey)

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# Flying Solo

## Why Uninsured Coloradans Go Without Health Insurance

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# Introduction

***More than 305,000 Coloradans signed up for health insurance – either Medicaid or private coverage through the state’s online marketplace – during the Affordable Care Act’s first open enrollment period despite ongoing political controversy, a great deal of public confusion and some early computer glitches.***

Now it’s on to the second round of open enrollment, which begins November 15. And the easy part may be over.

A number of reasons point to an expectation that Round Two of the Affordable Care Act (ACA) will be tougher than Round One.

- The first enrollees had the most pressing reasons to sign up. Essentially they were the low-hanging fruit, including people with pre-existing health conditions who may have been unable to get insurance before the ACA. In addition, many members of the 55- to 64-year-old age group, who would be expected to need insurance as their health worsens with age, signed up for coverage.<sup>1</sup>
- Sign-ups among the Medicaid expansion population – nearly 179,000 in six months – came in at a higher-than-expected level.<sup>2</sup> Because people can apply for Medicaid year-round, enrollment has continued to rise since the end of the first open enrollment in mid-April. Most likely, this means the number of enrollments will be lower during the 2014-15 open enrollment.
- The second open enrollment, November 15, 2014 through February 15, 2015, will be half the length of the first six-month round.
- The most resistant enrollees – those with ideological objections to the ACA as well as people who just don’t think they need insurance – remain to be convinced.

The stakes are high to enroll more of Colorado’s uninsured.

Hundreds of thousands of Coloradans remain without health insurance, leaving much room to reach the ACA goal of having most people covered. Connect for Health Colorado, the state’s health insurance marketplace, must post strong enrollment numbers to become financially independent by 2015. And many private players, including insurance companies, hospitals and physician practices, are counting on an influx of enrollees to ensure sustainability.

Data from the 2013 Colorado Health Access Survey (CHAS) help to explain why uninsured Coloradans may not have enrolled in insurance in the past. High cost remains the top reason, followed by lost coverage. The number of Coloradans indicating they don’t need health insurance doubled between 2009 and 2013, perhaps reflecting the controversy surrounding “Obamacare.”

These findings, which delve into the range of reasons, will be useful as Colorado gears up for the next round of open enrollment.

This report is part of a series highlighting the diverse data provided by the CHAS, with topics ranging from health coverage to access to care.\*

\* Note: All data, unless otherwise noted, are from the 2013 CHAS, which was fielded before many ACA provisions became effective on January 1, 2014. The 2015 CHAS will be fielded beginning in February 2015, after open enrollment closes.

# Reasons for Not Having Health Insurance

The Colorado Health Institute set out to answer these questions with the CHAS: Why are so many Coloradans still uninsured? And do the reasons vary by subpopulations and regions of the state?

The data reveal that expensive premiums are the primary reason – by far – that uninsured people do not buy health insurance.

The second reason, at 39.8 percent, is that the family member who had insurance lost their job or changed employers.

Other important reasons given by uninsured Coloradans were that they didn't need insurance or didn't know how to get it (see Figure 1).

## Reason 1. Cost

Any doubts about the importance of affordability when it comes to health insurance are answered by the CHAS. Four of five (82.0 percent) residents without coverage say it's because health insurance costs too much (see Figure 1). That translates to more than 591,000 Coloradans.

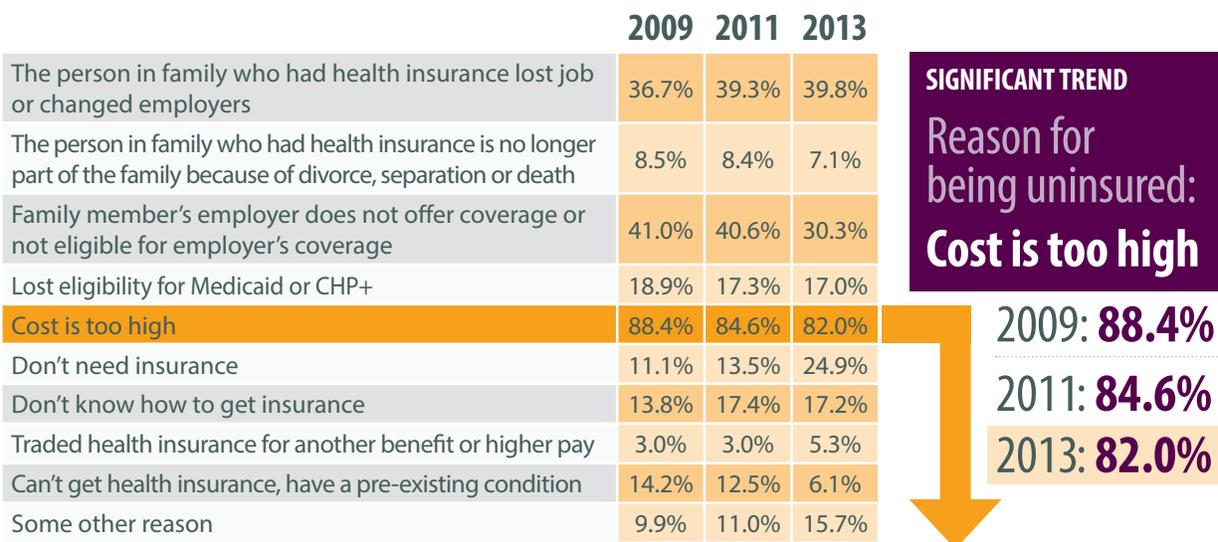
However, the proportion of the uninsured citing high costs has dropped more than six percentage points since 2009, when Coloradans were feeling the full weight of the recession (see Figure 1).

Among age groups, 71.3 percent of young adults between 19 and 29 said health insurance costs too much, compared with 82.3 percent of uninsured children, 84.0 percent of the 30- to 49-year-olds and 89.6 percent of 50- to 64-year-olds (see Figure 2).

Hispanic and white Coloradans report cost as a barrier to coverage at similar rates. Eight of 10 uninsured Hispanics (80.3 percent) cited cost compared with 84.2 percent of whites.

The CHAS found some regional differences. The three health statistics regions (HSRs) – areas created by Colorado for data comparison purposes – where the uninsured were most affected by the cost of health insurance were Douglas County (98.7 percent), Pueblo County (97.5 percent) and Jefferson County (94.7 percent). The two lowest were HSR 17 (Clear

**Figure 1. Reasons Uninsured Coloradans Report for Not Having Health Insurance, 2009-2013 (all that apply)**

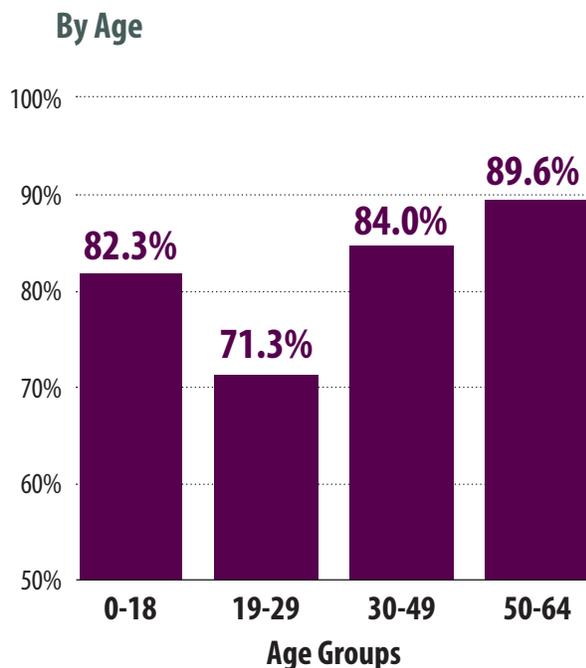


Creek, Gilpin, Park and Teller counties) at 43.8 percent and HSR 16 (Boulder and Broomfield counties) at 58.5 percent.

### Enrollment Strategies

- Communicate the full range of insurance options to those without insurance. This may increase awareness of lower-cost options, including public insurance, private coverage on the marketplace with tax credits and lower cost-sharing and high deductible plans that protect against catastrophic events.
- Explore policy options that are likely to drive down health care costs. Cost-sharing – which can include co-payments, deductibles and co-insurance – is increasingly viewed as a useful tool for managing growing health care costs, particularly among healthy populations. A number of payers are exploring different ways of reimbursing providers that may result in lower health care costs. These options include bundled payments, reference pricing and global capitation.

**Figure 2. Percentage of Uninsured Who Say the Cost is Too High**



- Promote competition among carriers and providers by building on existing efforts to increase transparency. When individuals have objective information to choose carriers and providers based on price and quality, competition is likely to increase.

### Reason 2. Lost Coverage

Life-changing events, such as a new baby, a divorce or a lost job, can affect health insurance eligibility and lead to “churn” – becoming insured or uninsured over the course of a year. Lost coverage is the second most common reason Colorado’s uninsured report for not having coverage.

Four of 10 (39.8 percent) say they are uninsured because the person in their family who had health insurance lost a job or changed employers. About 17.0 percent say that they are uninsured because they lost eligibility for Medicaid or CHP+. And 7.1 percent lost insurance when the insured family member died or there was a divorce or separation.

Churn is nothing new and the state has begun exploring ways to address the issue. Colorado now allows children to be continuously enrolled in Medicaid for 12 months instead of having to be recertified each month. The state expects that this will impact more than 535,000 children in Colorado.<sup>3</sup>

Even so, provisions in the ACA could potentially contribute to churn. For example, tax credits are available for low-income purchasers with incomes above the Medicaid eligibility cut-off point, but Medicaid eligibility for adults is determined monthly and the tax credits are determined annually.

### Enrollment Strategies

- Educate consumers about situations that could change their eligibility for public insurance or tax credits. Make sure that they know about the life events that could make them eligible for special enrollment consideration through the state insurance

marketplace.

- Streamline eligibility systems and align eligibility determination between Medicaid and the marketplace.

### Reason 3. Don't Need Insurance

The percentage of uninsured Coloradans who say they don't have health insurance because they don't need it more than doubled between 2009 and 2013, increasing from 11.1 percent to 24.9 percent, the most dramatic change among the reasons cited.

Is this a reaction against "Obamacare" and its individual mandate requirement that most people must buy health insurance? A reflection of public attitudes toward the health care system? Or do uninsured Coloradans feel it's a worthwhile gamble, deciding that the cost of coverage outweighs the benefits?

Are there racial or gender differences? Do younger Coloradans feel differently than their older counterparts? What about different parts of the state?

CHAS data suggest some answers.

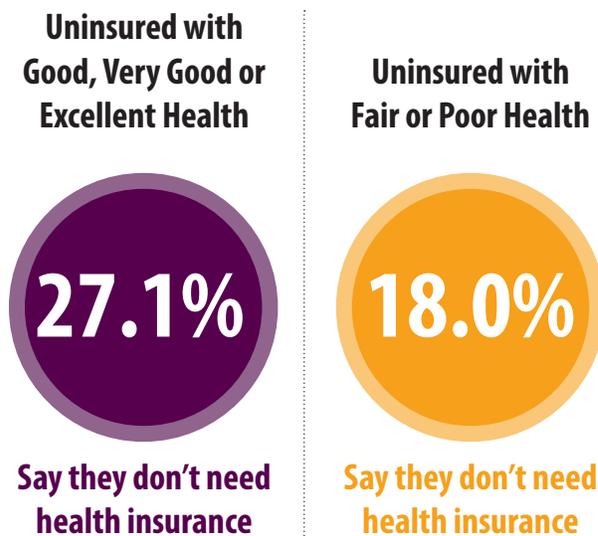
More than one of three uninsured Hispanics say that they don't need health insurance (34.4 percent) compared with 18.5 percent of whites and 16.6 percent of blacks.

Males were almost twice as likely as females to say they don't need health insurance. Approximately 30.8 percent of uninsured males fell into the "don't need" category compared with 16.7 percent of uninsured females.

Better health appears to factor into the belief that health insurance isn't necessary.

Nearly three of 10 uninsured Coloradans (27.1 percent) who rated their general health as good, very good or excellent said they don't need health insurance, about nine percentage points higher than those who rated their health as fair or poor. Interestingly, this means that 18.0 percent of people who say they are in fair or

**Figure 3. Percentage of Uninsured Who Say They Don't Need Health Insurance**



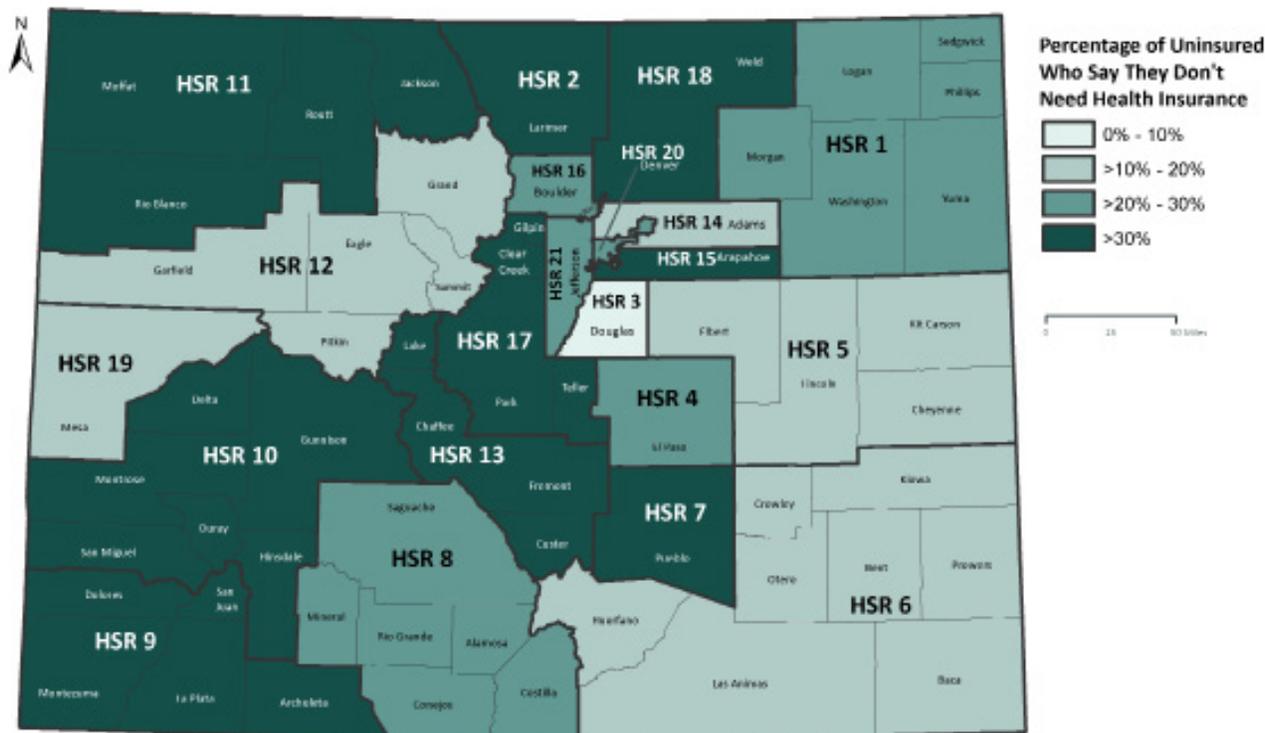
poor health report that they don't need health insurance (see Figure 3).

Still, a good number of the uninsured who feel they don't need insurance sought health care. About 35 percent of those in this group saw a health care provider in the year before the survey was administered. And nearly 11 percent of the "don't need" group visited the emergency department during that time period.

CHAS data challenge the notion that young adults between 19 and 29 have the highest uninsured rates because of their perceived "invincibility." In fact, the proportion of young adults who say they don't need health insurance (29.0 percent) is not statistically different than children or the 30- to 49-year-old age group.

There is dramatic regional variation across Colorado (see Map 1). Only about two percent of uninsured residents of Douglas County said they don't need health insurance. On the opposite side of the state, in the region that includes Delta, Gunnison, Hinsdale, Montrose, Ouray and San Miguel counties, about 40 percent of the uninsured said they don't need insurance.

Map 1. Percentage of Uninsured Who Say They Don't Need Health Insurance



Map prepared July 15, 2014 by the Colorado Health Institute

Source: 2013 Colorado Health Access Survey

Arapahoe County has 30,000 uninsured residents who said they don't need insurance, the highest number in this category.

Nearly half of the uninsured who say they don't need health insurance feel the health care system is not meeting the needs of their families (49.4 percent). This is higher than the Colorado average of 30.9 percent. Still, more than half (50.6 percent) of those who say they don't need insurance report that the health care system does meet the needs of their families.

Although the CHAS doesn't test this, it is possible that pushback to health reform accounts for some of the increase in the proportion of people who said they don't need coverage. Whether this changes will, in large part, depend on how the ACA plays out in the coming years.

### Enrollment Strategies

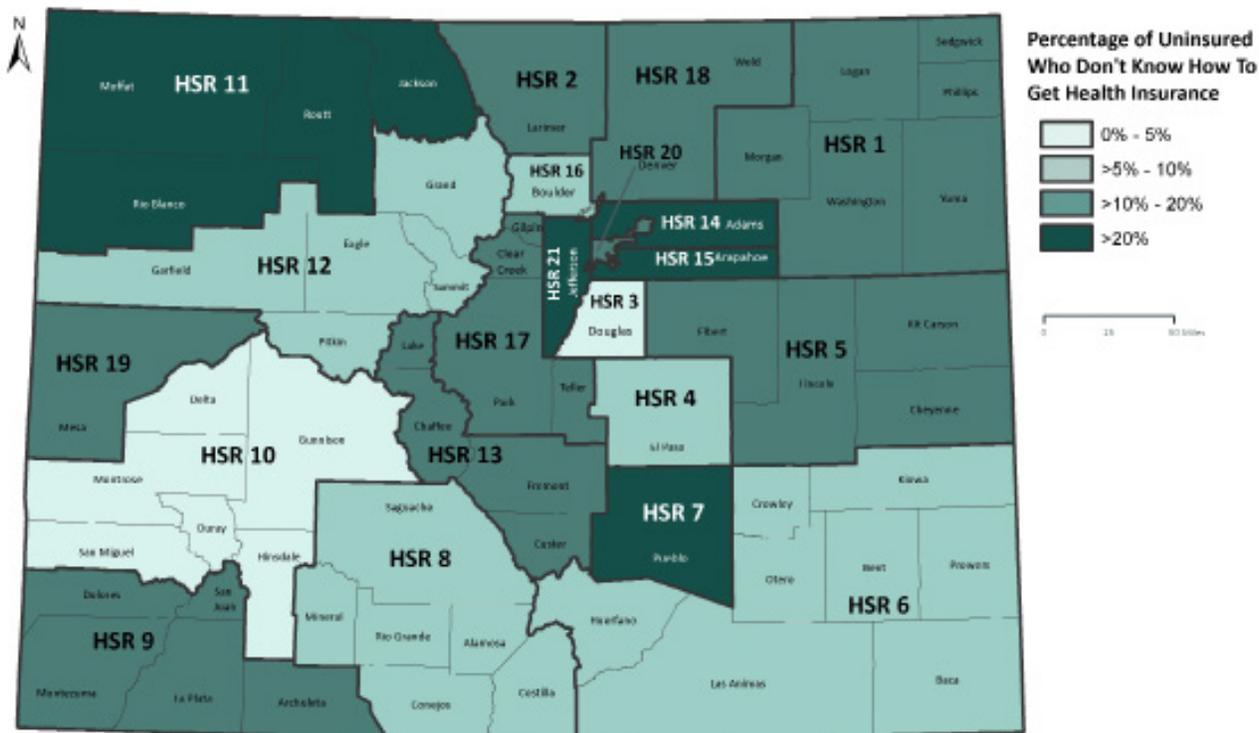
- Educate uninsured Coloradans about the risks of being uninsured – both financial and health-related – so that they can make informed decisions.
- Encourage carriers to tailor their insurance plans to fit the needs of different populations. Diversifying insurance products may add value for people with varying health and economic situations.

### Reason 4. Don't Know How to Get Insurance

Nearly one of five uninsured Coloradans (17.2 percent) reported they don't know how to get health insurance. That translates to 125,000 people.

Adams County has the highest rate (36.0 percent) and the greatest number of uninsured residents

Map 2. Percentage of Uninsured Who Say They Don't Know How to Get Health Insurance



Map prepared July 15, 2014 by the Colorado Health Institute

Source: 2013 Colorado Health Access Survey

(25,000) who say they don't know how to get health insurance (see Map 2).

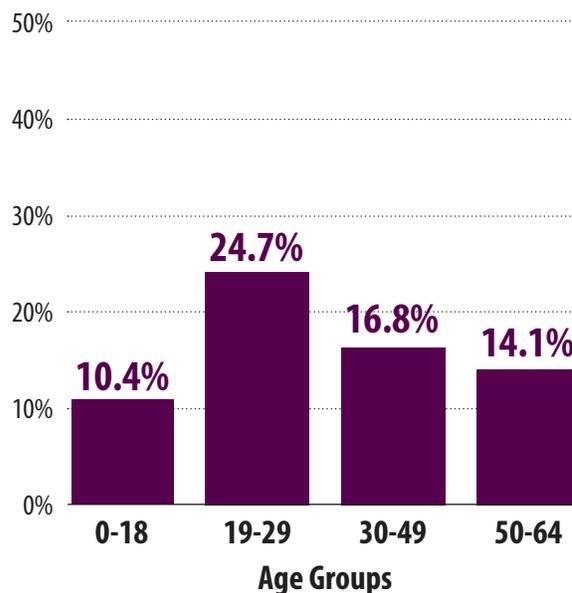
People who are uninsured for long periods may have more difficulty navigating the system and finding the right plan than those who have had brief gaps in coverage. CHAS data show that 19.3 percent of those who have been uninsured for three or more years say that they don't know how to get coverage compared with 10.8 percent of people who have been uninsured for less than one year.

Young adults are most likely to report not knowing how to get coverage (see Figure 4). Nearly one of four (24.7 percent) between the ages of 19 and 29 cited this reason. Many in this age group may be new to buying health insurance.

Racial and ethnic minorities, regardless of age, are disproportionately represented among the population that doesn't know

Figure 4. Percentage of Uninsured Who Say They Don't Know How to Get Health Insurance

By Age



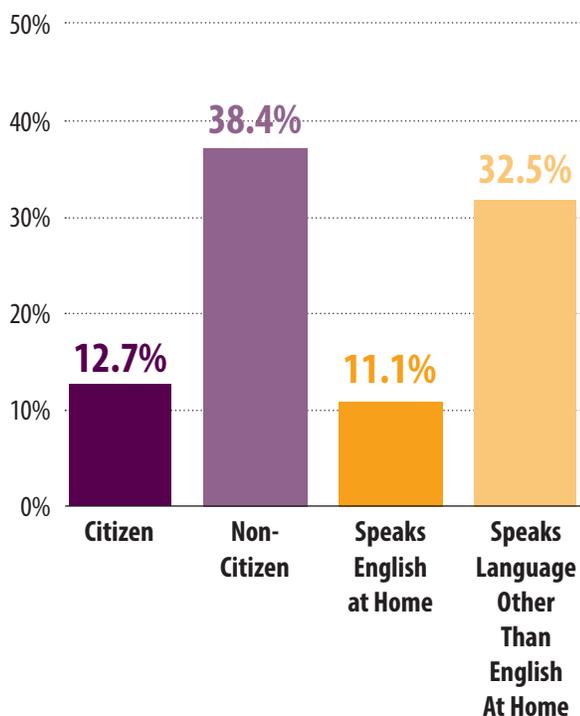
how to get insurance - more than one of four uninsured Hispanics (26.8 percent) report this reason compared with 8.3 percent of uninsured whites. This is consistent with national data, which indicate that Hispanics are generally less familiar with health insurance than other racial or ethnic groups.<sup>4</sup>

Uninsured Coloradans who speak a language other than English at home have a particularly difficult time navigating the health insurance system (see Figure 5). One of three (32.5 percent) said they don't know how to get health insurance compared with 11.1 percent of uninsured English-speakers.

Nearly 40 percent (38.4 percent) of uninsured Coloradans who are not U.S. citizens said they don't know how to get coverage compared with 12.7 percent of uninsured citizens.

**Figure 5. Percentage of Uninsured Who Say They Don't Know How to Get Health Insurance**

**By Citizenship and Language**



The CHAS does not ask about documentation status, so we do not know how many uninsured noncitizens are in the U.S. legally. People without legal documentation are not eligible for public health insurance and can't purchase coverage through Connect for Health Colorado.

**Enrollment Strategies**

- Encourage local communities to continue to develop customized outreach and education strategies. This includes delivering culturally and linguistically appropriate health insurance information.
- Simplify enrollment communications.
- Expand efforts to streamline the enrollment process.
- Leverage existing lines of communication with enrollees in other public programs. The state did this last year when it sent letters directing more than 45,000 adults who receive Food Assistance to the Program Eligibility and Application Kit, a website where they can check whether they are eligible for Medicaid.<sup>5</sup>

**Other Reasons for Being Uninsured**

In 2013, about 6 percent of the uninsured reported that they couldn't get coverage because of a pre-existing condition. We expect this percentage to drop to near zero by the 2015 survey because of the ACA provision prohibiting insurers from rejecting a coverage application from someone because of a pre-existing condition.

Finally, nearly 16 percent of the uninsured listed unspecified "other" reasons for not having coverage.

**Conclusion**

Health care leaders in Colorado and across the nation are finalizing their strategic plans to maximize enrollment during the ACA's second open enrollment period.

CHAS data will be useful in tailoring strategies to increase health insurance literacy, address sticker shock and explain the benefits of coverage to people who don't think they need it.

The data also establishes an important baseline. Comparing results from the 2013 CHAS with those of the 2015 survey will provide insight into the impacts of state and federal health reforms on the uninsured in Colorado.



## Methods

The CHAS is an extensive survey of health care coverage, access to health care and use of health care in Colorado. It is administered every other year through a random sample telephone survey of more than 10,000 households across the state. The 2013 CHAS is a follow-up to surveys in 2008-09 and 2011. The CHAS provides detailed information that is representative of all Coloradans.

The Colorado Health Institute – a nonpartisan institute focusing on data, information and analysis supporting health care policy decisions – manages the survey. It is funded by The Colorado Trust, a health equity foundation. Its vision is that all Coloradans have fair and equal

opportunities to lead healthy, productive lives regardless of race, ethnicity, income or where we live.

### **The Research Question**

CHI set out to answer this research question: Why are so many Coloradans still uninsured? Do subpopulations across the state differ in why they are uninsured?

### **The Data**

The CHAS asks uninsured participants a series of reasons they might be uninsured and asks them to comment yes or no for each reason.

**Among those who said they were uninsured, reasons why they don't have health insurance**

- A** The person in family who had health insurance lost job or changed employers
- B** The person in family who had health insurance is no longer part of the family because of divorce, separation or death
- C** Family member's employer does not offer coverage or not eligible for employer's coverage
- D** Lost eligibility for Medicaid or the Child Health Plan *Plus* (CHP+)
- E** Cost is too high
- F** Don't need insurance
- G** Don't know how to get insurance
- H** Traded health insurance for another benefit or higher pay
- I** Can't get health insurance, have pre-existing condition
- J** Some other reason (specify)

<sup>1</sup> Connect for Health Colorado. Metrics. (October 1 – April 15). <http://connectforhealthco.com/news-events/metrics/>.

<sup>2</sup> Ibid.

<sup>3</sup> Colorado Department of Health Care Policy and Financing. Medicaid and CHP+ To Provide 12 Months of Coverage For Kids. March 4, 2014.

<sup>4</sup> Health Reform Monitoring Survey. <http://healthaffairs.org/blog/2014/03/18/why-are-hispanics-slow-to-enroll-in-aca-coverage-insights-from-the-health-reform-monitoring-survey/>

<sup>5</sup> Colorado Department of Health Care Policy and Financing. At a Glance. <https://www.colorado.gov/pacific/sites/default/files/At%20a%20Glance%20February%202014%20Newsletter.PDF>



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