

## *CHAS Issue Brief*

# Overview of Coloradans' Health Care Coverage, Access and Utilization

*Prepared for The Colorado Trust by the Colorado Health Institute*

## Abstract

Colorado policymakers and health leaders are working to expand health care coverage and access and improve the state's health care system. To do this in the most efficient, effective manner requires a solid understanding of the state's population—who has health insurance and what kind, who lacks insurance and why, where Coloradans get their health care and more. The 2011 Colorado Health Access Survey (CHAS) provides those answers. As a follow-up to the 2008-2009 Colorado Household Survey (COHS),<sup>1</sup> it also provides evidence of how Coloradans' health insurance and health care access have changed in the past few years.

More than 10,000 Colorado households were randomly selected, and telephone interviews were conducted between May 10 and August 14, 2011. The results show that 829,000 Coloradans do not have health insurance. This is a statistically significant increase from two years ago, when about 678,000 Coloradans were uninsured. When Coloradans who are "underinsured" are added, the number of individuals who either lack health insurance or find it inadequate to cover their needs rises to more than 1.5 million—one in three people.

Why Coloradans are uninsured is important to consider as policymakers implement state and national health reforms. Uninsured Coloradans point to high cost as the number one reason why they do not have health care coverage. While this factor

decreased from 88 percent to 85 percent from the 2008-2009 survey to the 2011 survey, it continues to be the leading barrier cited by Coloradans in preventing them from having insurance. Lack of access to employer-sponsored insurance is cited by about 40 percent of uninsured Coloradans, and the percentage of uninsured individuals who indicate that lost or changed jobs were the reason rose from nearly 37 percent to more than 39 percent.

Additional CHAS findings document disparities by geography, income, race and ethnicity, age and employment status. They also provide a better understanding about how Coloradans access health care, how affordable health insurance is for Coloradans, and how well they think the current health system is meeting the needs of their family. Initial findings are discussed below under "What's happening in Colorado?" Future briefs will examine additional topics and results in depth.

Current CHAS findings, plus those from the 2008-2009 survey, are creating a baseline of data by which to measure trends in subsequent years of the Colorado Health Access Survey. Information from the 2011 CHAS can help inform state leaders working to prioritize finite resources in a time of constrained budgets and address changes emanating from federal and state health care reforms.

## *About the Survey*

*CHAS is the most extensive survey of health care coverage, access and utilization in Colorado. It is a follow-up to the 2008-2009 Colorado Household Survey (COHS) and is administered every other year via a random sample telephone survey of more than 10,000 households across the state—providing detailed information that is representative of the 5 million-plus Coloradans.*

*A program of The Colorado Trust, CHAS provides information to help policymakers, as well as health care, business and community leaders, more fully understand health challenges and advance shared solutions to improve health coverage and care for Coloradans.*

*The Colorado Health Institute managed the data collection and analysis of CHAS and the baseline COHS.*

## Introduction

Good health depends on many factors, including access to quality health care. Research shows that individuals with health insurance coverage have better access to health care services and experience better outcomes than people who are uninsured.<sup>2</sup> People without health insurance are less likely to receive preventive care, are frequently diagnosed when their diseases are more advanced, tend to receive less therapeutic care and are more likely to die prematurely than individuals with insurance.<sup>3</sup>

Americans die more frequently from preventable or treatable conditions than people in 16 other industrialized, high-income countries.<sup>4</sup> The United States registered 96 preventable deaths per 100,000 people in 2006-2007, compared to 55 in France, the country with the fewest number of preventable deaths.<sup>5</sup> In Colorado, more than half of the state's 30,000<sup>6</sup> annual deaths are preventable.<sup>7</sup> The number of these deaths that can be traced to a lack of health insurance in Colorado isn't clear, however. A 2009 study estimated that people without health insurance had a 40 percent higher risk of dying prematurely than individuals with private health insurance because the uninsured individuals were not able to obtain necessary medical care.<sup>8</sup>

The uninsured and underinsured total more than 1.5 million Coloradans — more than the populations of Denver, Boulder, Fort Collins, Colorado Springs, Pueblo, Greeley and Grand Junction combined.

The lack of access to health care also takes a financial toll on Colorado's

insured residents, as well as uninsured individuals. When they do need care, uninsured individuals are more likely to visit an emergency room compared to Coloradans who are insured. This is a relatively expensive form of care. When uninsured individuals cannot pay for this care, the cost is often passed on to insured individuals through higher provider rates and ultimately premiums.<sup>9</sup>

Uninsured individuals cost the state economy as well. The *Future of Colorado Health Care: The Economic Impact of Health Care Reform in Colorado*<sup>10</sup> reported that Colorado suffered economic losses from the uninsured of between \$1.8 billion and \$3.9 billion in 2007. The losses stemmed from lost hours and years of productivity due to untreated conditions or illnesses.

The findings from the 2011 CHAS are not encouraging — more Coloradans are uninsured and are staying uninsured longer than during the 2008-2009 survey. Some other key findings indicate:

- The percentage of employed individuals lacking health insurance has risen
- Young adults in particular experienced growth in their uninsured rate, almost certainly a reflection of their high unemployment rate
- A slightly higher percentage of Coloradans don't have a usual source of care, that is, a place they normally go when they are sick or need advice about their health.

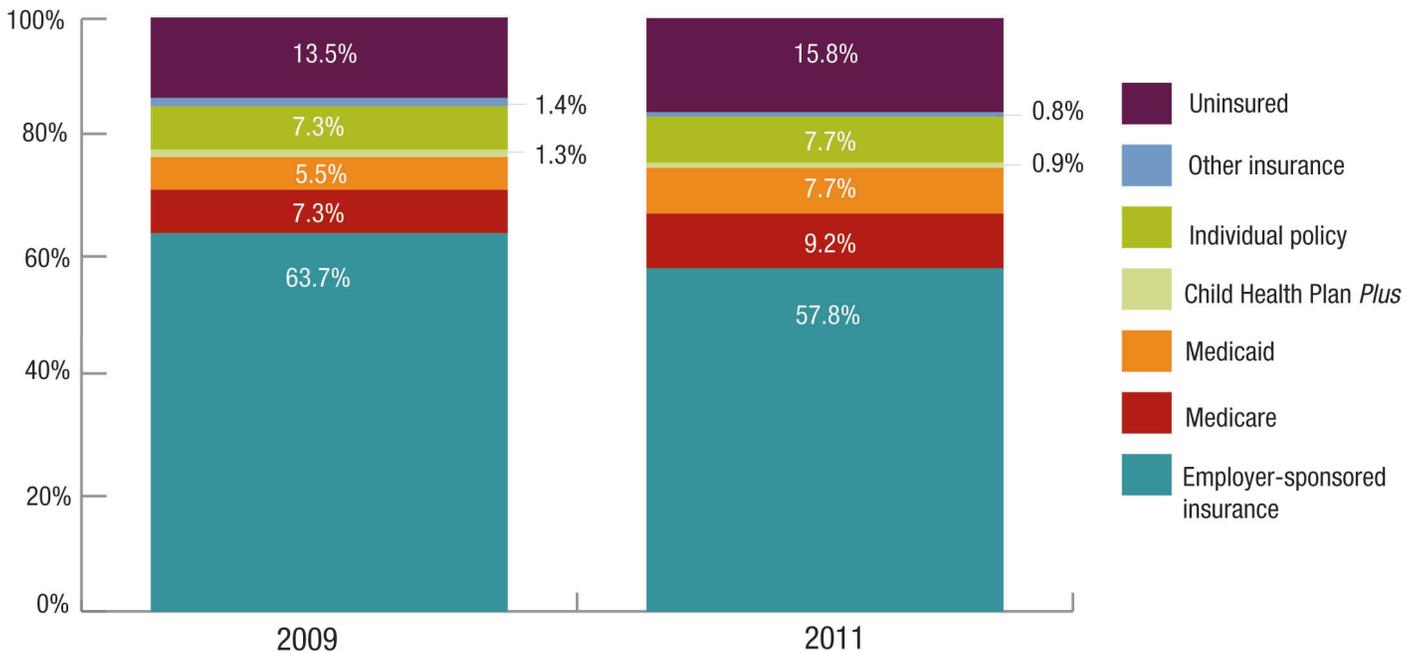
**NOTE: Unless otherwise noted, the data and analysis presented in all tables and graphs in this brief come from the 2011 Colorado Health Access Survey and/or the 2008-2009 Colorado Household Survey.**

## CHAS: What's happening in Colorado?

### *The Number of Uninsured Coloradans is Growing*

Over the past two years, the number of Coloradans without health insurance coverage has grown significantly — from 678,000 in the 2008-2009 survey to 829,000 in the 2011 survey. This increase from 14 percent to 16 percent of the population means one in six Coloradans lacks health insurance. Another 675,000 Coloradans are underinsured, meaning that their public or private health insurance coverage doesn't adequately cover the costs of medically necessary services relative to their income. These costs result in out-of-pocket expenses that exceed an insured individual's ability to pay. Together, the uninsured and underinsured total more than 1.5 million Coloradans — more than the populations of Denver, Boulder, Fort Collins, Colorado Springs, Pueblo, Greeley and Grand Junction combined.

**Graph 1. Health Insurance Coverage in Colorado**



The trend toward rising uninsured rates is reflected in findings for employer-sponsored insurance. The percentage of Coloradans with employer-sponsored insurance dropped from 64 percent in 2008-2009 to 58 percent in 2011. Another indication of the weak economy is the growth in enrollment in the Medicaid program, a health insurance program for low-income individuals. At the same time, the percentage of Coloradans who have been uninsured for 12 months or more rose from 2008-2009 to 2011. More than 60 percent of uninsured Coloradans have been without insurance for at least a year in 2011, up from 56 percent in 2008-2009.

### *The Effects of Cost, Unemployment and a Weak Economy*

Several reasons can explain these trends, but they all point in one general direction—finances. The weak economy, lingering unemployment and the increasing cost of health insurance combined make health insurance inaccessible to many Coloradans. Here's why:

First, the health insurance system is primarily employer-based, and Colorado experienced a loss of jobs between surveys. The unemployment rate was almost 7 percent during the 2008-2009 survey and close to 9 percent during the 2011 survey. Four in 10 uninsured Coloradans reported no access to employer-sponsored coverage and/or job loss as reasons they lacked insurance in 2011. As Coloradans lost jobs, they lost access to their health insurance unless they could afford to continue it through COBRA,<sup>11</sup> an expensive option for many Colorado households.

Second, health insurance premiums increased significantly over this period, while family income declined by nearly 10 percent. The average annual premium for family health benefits topped \$15,000 this year, up 9 percent from last year, substantially more than the increase in workers' wages.<sup>12</sup> Many families faced with tightening their budgets may have dropped their health insurance.<sup>13</sup> Meanwhile, the number of Colorado businesses in the small group market in 2010 dropped 10 percent from a year earlier.<sup>14</sup> Some Coloradans who became newly uninsured likely signed up for Medicaid. The proportion of Coloradans reporting enrollment in Medicaid rose more than two percentage points to 8 percent this year, up from 6 percent in 2009. Because Medicaid is based on family income, the caseload is sensitive to economic conditions. When an individual loses his or her job, the family income may drop low enough to make the individual and any children eligible for Medicaid.

### *Others Reasons for Lacking Insurance*

The high cost of insurance is again the major deterrent to some Coloradans gaining health insurance. Of those who are uninsured, nearly 85 percent indicated that the cost is too high. This percentage is down from 88 percent in 2009, but continues to be the leading barrier to gaining health insurance.

Among the uninsured, 17 percent reported they did not know how to get health insurance. This figure increased by several percentage points from 2008-2009 and is an important issue to consider as the Colorado Health Benefit Exchange is being developed. When implemented, the exchange will be an online marketplace for customers to shop for health insurance based on price and quality.

Having a pre-existing medical condition declined slightly as a reason for not having health insurance, from 14 percent to 13 percent. There are a number of policy developments in this area. The federal Patient Protection and Affordable Care Act (ACA) prevents companies from denying health insurance to children with pre-existing conditions. Also, a new program called GettingUSCovered offers coverage for people who have been denied insurance because of pre-existing health conditions. In addition, the provision in federal health care reform that prohibits the denial of coverage to adults with pre-existing conditions is scheduled to be implemented in 2014.

**Table 1. Reasons the Uninsured in Colorado Reported for Lacking Health Insurance**

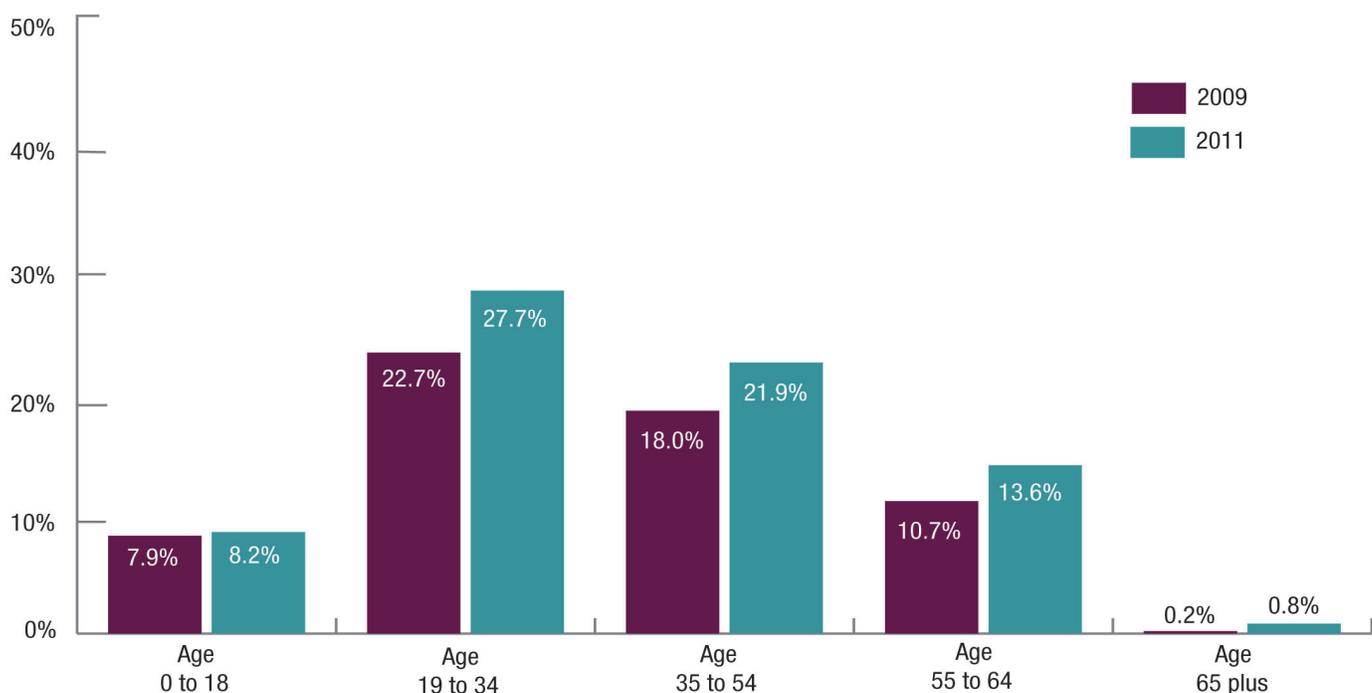
Reasons reported	2009	2011
Cost of health insurance is too high	88.4%	84.6%
Employed family member depended on for health insurance was not offered or eligible for employer's coverage	41.0%	40.6%
Employed family member depended on for health insurance lost job or changed employers	36.7%	39.3%
Do not know how to get health insurance	13.8%	17.3%
Lost eligibility for Medicaid or Child Health Plan Plus Program (CHP+)	18.9%	17.3%
Do not need health insurance	11.1%	13.5%
Have pre-existing medical condition and cannot obtain health insurance	14.2%	12.5%
Family member who had health insurance is no longer part of family	8.5%	8.4%

\* Note: Totals exceed 100% because respondents could choose more than one reason.

## Impact of Uninsurance on Individuals

Understanding exactly who is uninsured and why is important for informing policy decisions in Colorado. Age is one important consideration when looking at the uninsured population. Health care needs, of course, change over one's life span, as does access to and affordability of health insurance. The following table summarizes Coloradans' insurance status by age.

**Graph 2. Uninsured Rates in Colorado by Age**



### Age

Young working-age adults, between 19 and 34, have the highest uninsured rate. Their uninsured rate rose from 23 percent in 2008-2009 to around 28 percent in 2011. These data mirror the unemployment rate, which is highest among 20- to 24-year-olds, and then drops for each age grouping of 25- to 34-year-olds, 35- to 44-year-olds and 45- to 54-year-olds.<sup>15</sup> The youngest workers also tend to work seasonally or part time or for small companies that do not offer health insurance benefits. CHAS found increases in uninsurance across the board for adults 19 and older, a manifestation of the weak economy/high unemployment scenario that has worsened since the previous survey.

### Ethnicity and Race

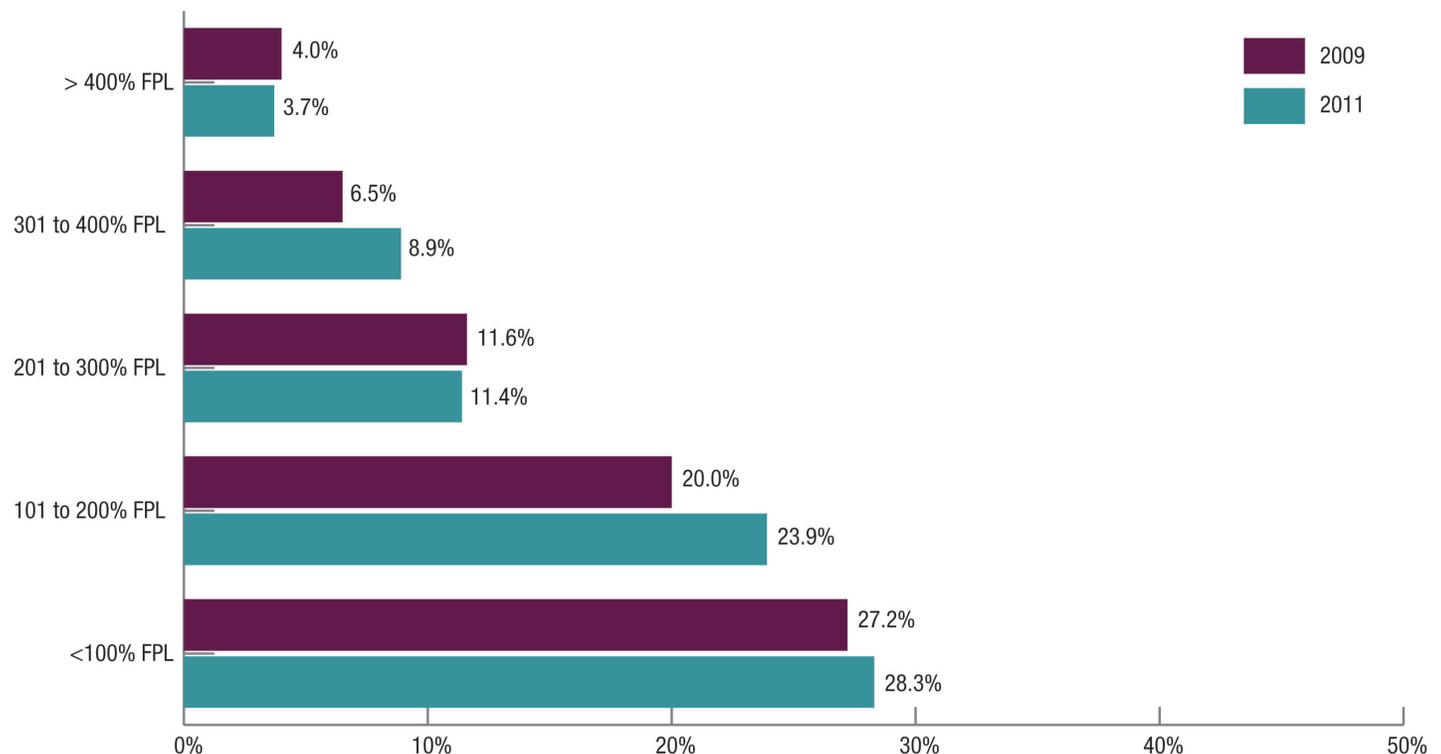
Examining health insurance coverage by racial and ethnic groups is also important because of significant health disparities between these groups in Colorado. All CHAS respondents were asked their race and whether they were of Hispanic/Latino ethnicity. In its analysis of the data, CHI combined these responses into mutually exclusive race and ethnicity categories representing the largest groups in Colorado: Hispanic, non-Hispanic black, non-Hispanic white.

There were no significant changes in the uninsured rates by race and ethnicity between 2008-2009 and 2011. Coloradans who identified their ethnicity as non-Hispanic white continue to make up the majority of the uninsured at 58 percent, followed by Hispanics at 33 percent. Delving deeper, CHAS found that Hispanics are more likely to be uninsured than non-Hispanic whites and non-Hispanic blacks.

### Income

Studies repeatedly demonstrate that income is closely associated with insurance status.<sup>16</sup> Approximately 28 percent of Coloradans with incomes under 100 percent of the federal poverty level (FPL) (\$10,890 for an individual) lack health insurance. Individuals and families with incomes above the FPL have a greater likelihood of being insured. If fully implemented, the Affordable Care Act will offer subsidies to help individuals with family incomes between 134 percent and 400 percent of the FPL (\$14,483-\$43,560) purchase health insurance.

**Graph 3. Uninsured Rates in Colorado by Income as a Percentage of Federal Poverty Level**

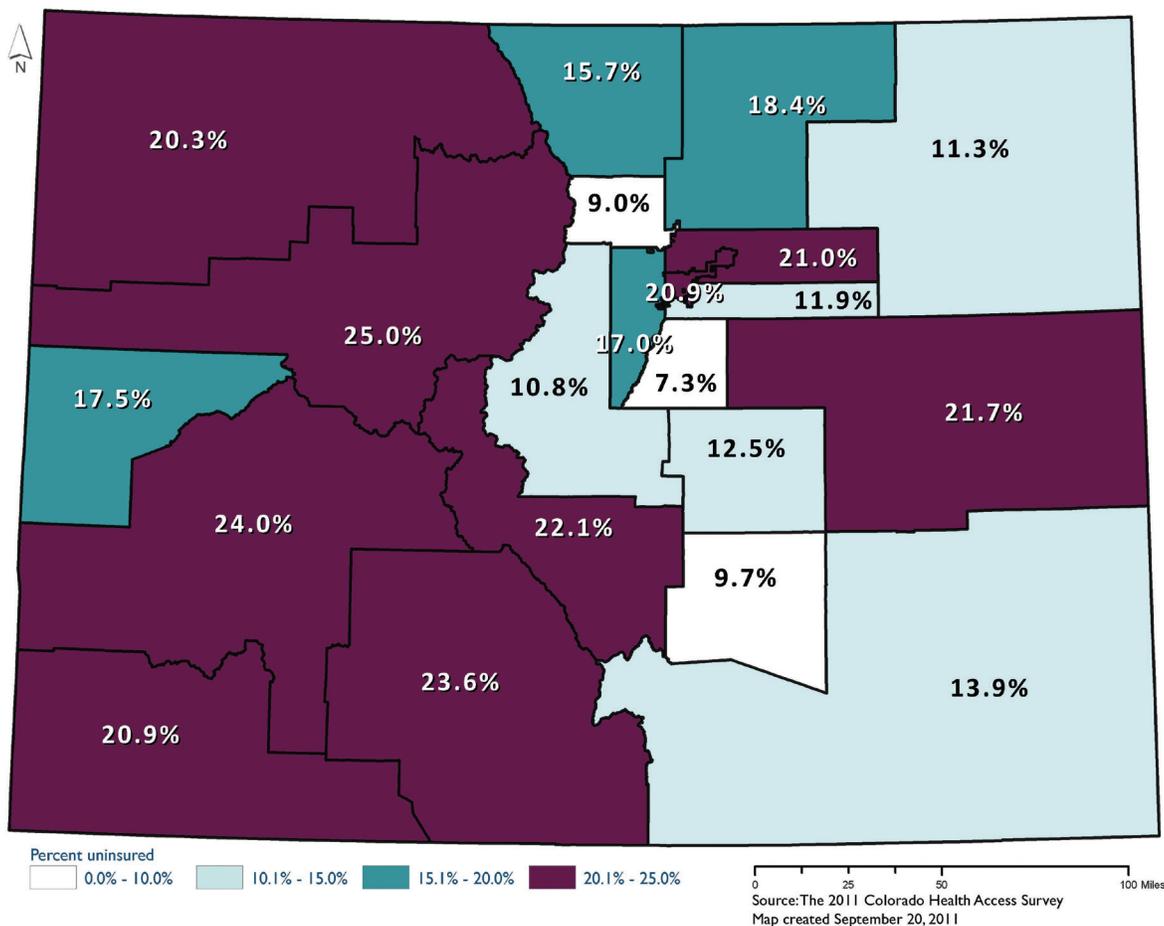


Households between 101 percent and 200 percent of the FPL experienced the highest percentage point growth in uninsurance rates (4%) between the 2008-2009 and 2011 surveys. Four-person households in this income range have between \$22,570 and \$44,750 of annual income in 2011. Employment status, affordability of coverage and availability of insurance through employers may have affected this increase.

### Geography

CHAS is designed to report regional variations in uninsurance, as well as state rates. To ensure adequate sample sizes, CHAS used the 21 Health Statistics Regions (HSRs), which are geographic regions developed by the Colorado Department of Public Health and Environment for public health planning services.<sup>17</sup> This breakdown showed varied uninsurance rates across the state, with the highest concentration in the western region (see Map 1). The high number of small employers and seasonal workers could have contributed to these larger numbers along the Western Slope. Only Mesa County showed an uninsured rate of less than 20 percent among the western counties.

**Map 1. Uninsured Rates and Population in Colorado, Health Statistics Regions, 2011**

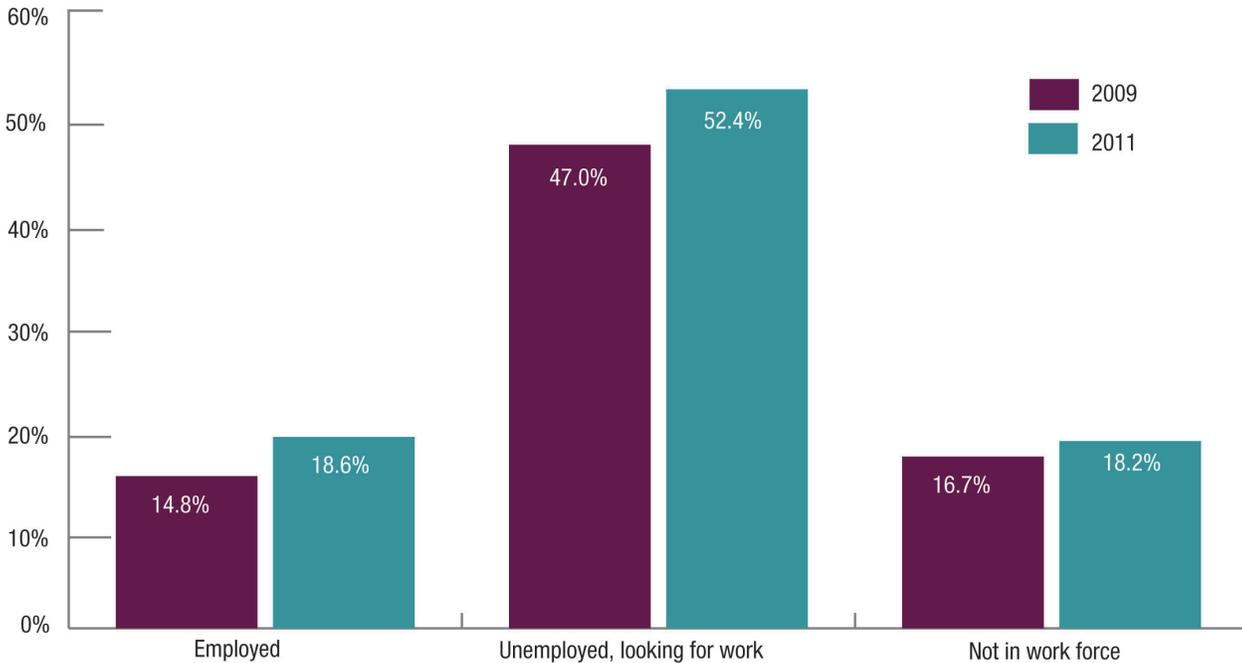


More Coloradans are “chronically uninsured.” The 2011 CHAS shows that more than 60 percent of uninsured Coloradans have been without health care insurance for at least a year, up from 56 percent in 2008-2009.

### Employment Status

While most Coloradans receive health insurance through their employers, a significant number of employed individuals remain uninsured. In fact, among employed Coloradans, almost one in five workers is uninsured, up four percentage points since the 2008-2009 survey. Furthermore, more than half of unemployed Coloradans reported having no health coverage in 2011, much higher than the state average of 16 percent uninsured.

**Graph 4. Uninsured Rate for Working Adults in Colorado, Ages 19-64, by Employment Status**



## Impact of Uninsurance on Health Care Utilization

Using data from the 2008-2009 COHS and the U.S. Census Bureau, the Colorado Health Institute estimated that more than 540,000 currently uninsured Coloradans will be covered after implementation of state and national health care reforms.<sup>18</sup> It is likely that many of these individuals will have a pent-up demand for health care that may strain the current health care workforce. Many uninsured people may have complex health needs as a result of not having received care at the appropriate time.<sup>19</sup>

### Emergency Room Usage

An insurance card does not guarantee access to health care, however. Anecdotally, Coloradans who have health insurance may have had trouble finding care, particularly those enrolled in Medicaid or Medicare.<sup>20</sup> A major benefit of CHAS is its ability to move beyond insurance status and ask Coloradans about their access to needed health care services and where they received care.

The emergency room is where uninsured and other vulnerable populations often seek health care services. It is also a relatively expensive place to receive care. CHAS data showed that use of hospital emergency rooms rose between 2008-2009 and 2011. Twenty-eight percent of Coloradans visited an emergency room at least once in the 12 months preceding the 2011 survey, up from 24 percent two years ago. This figure includes individuals with no usual source of care, as well as those who do have a place they typically go for health care, such as a physician’s office. People with no usual source of care were more likely to use an emergency room for health care, however.

Nearly eight in 10 Coloradans who went to an emergency room for care in the 12 months before the 2011 survey did so because they sought care after normal operating hours at a doctor’s office or clinic. More than six in 10 reported they were unable to get an appointment at a doctor’s office or clinic as soon as they wanted or needed it.



### *The Number of Underinsured Coloradans also is Increasing*

CHAS found that the number of underinsured Coloradans increased to 671,000 in 2011 from 650,000 in 2008-2009. The percentage of underinsured has remained constant at 12.8 percent<sup>21</sup>. More than 60 percent of underinsured Coloradans reported obtaining their health coverage from employer-sponsored insurance, which was similar to the 2008-2009 findings.

Underinsurance is defined as having public or private health insurance coverage that does not adequately cover the costs of medically necessary services relative to family income, resulting in out-of-pocket expenses that exceed an insured individual's ability to pay. This definition sets the threshold of affordability at 5 percent of annual income for households living below 200 percent FPL, and 10 percent of annual income for all others<sup>22</sup>.

**Table 2. Underinsured in Colorado**

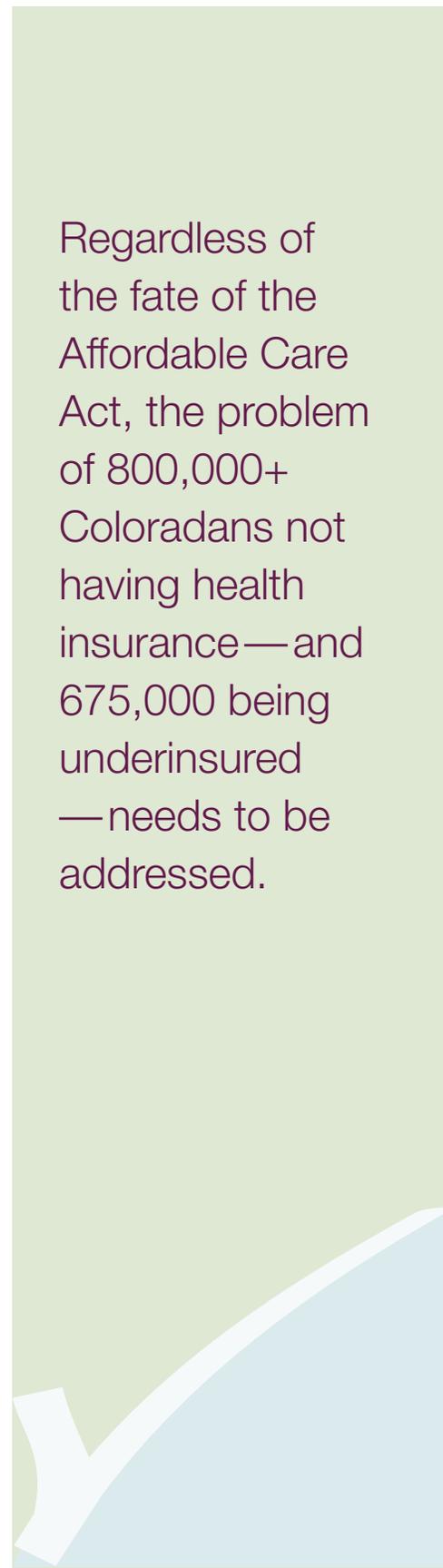
Underinsured	2009	2011
Number	649,632	671,401
Percent	13.0%	12.8%

## Urgency of Addressing Health Access in Colorado

Regardless of the fate of the Affordable Care Act, the problem of 800,000+ Coloradans not having health insurance—and 671,000 being underinsured—needs to be addressed. Colorado has made progress in implementing state-level programs and legislation that are echoed and emphasized in national reform. In 2010, the Colorado General Assembly passed a number of bills guaranteeing additional services for insured Coloradans—mammography, additional cancer treatments and contraception, for example.

An issue that needs further analysis is that of affordability. The 2011 CHAS included a question that asked respondents if they were able to pay anything for low-cost health insurance and, if so, how much they were willing to pay. One in five uninsured Coloradans said they could pay nothing. Of those who said they could pay something, six in 10 reported they were willing to pay \$100 a month or less. The Colorado Health Institute will conduct further analyses of CHAS data to learn more about the issue of affordability.

CHAS will be conducted every other year through at least 2017. The Colorado Trust will continue to release additional information and in-depth analysis from the 2011 CHAS data—in the form of issue briefs and other reports—throughout 2012 and 2013 until data from the next CHAS are available. CHAS is designed to serve as a scientific method of tracking change over time, providing more reliable information than single-point snapshots. To learn more about CHAS, please visit [www.COHealthAccessSurvey.org](http://www.COHealthAccessSurvey.org).



Regardless of the fate of the Affordable Care Act, the problem of 800,000+ Coloradans not having health insurance—and 675,000 being underinsured—needs to be addressed.

Emergency room use increased over the past two years, suggesting that access to care has declined in Colorado.

## Methodology

The 2011 CHAS is a program of The Colorado Trust. Colorado Health Institute (CHI) managed the data collection and analysis of CHAS.

The survey was conducted via a random-digit-dialing, computer-assisted telephone interview by Social Science Research Solutions, an independent research company between May 10 and August 14, 2011. A representative sample of 10,352 households participated in the survey.

Of the 10,352 interviews, 1,214 were conducted with respondents who owned only a cell phone. This compares with a representative sample of 10,090 households surveyed from November 12, 2008, through March 13, 2009, for the 2008-2009 COHS. (NOTE: The name was changed for the 2011 survey and will remain the Colorado Health Access Survey in future surveys.) In the 2008-2009 survey, 400 interviews were conducted with respondents who owned only a cell phone.

Interviews were stratified by 21 HSRs in Colorado to ensure adequate representation within each of them. These are the 21 health statistics regions developed by the Colorado Department of Public Health and Environment for public health planning purposes. Regions with sufficient numbers of African American households were oversampled to ensure an adequate sample of African Americans comparable to their proportion in the Colorado population.

Survey data were weighted to 1) adjust for the fact that not all survey respondents were selected with the same probability, and to 2) account for gaps in coverage in the survey frame. Because of this weighting process, CHI refers to the people who answered the questions as "respondents." But when discussing results, which have been weighted to the Colorado population, CHI refers to "Coloradans."

# Endnotes

- 1 The Colorado Department of Health Care Policy and Financing sponsored the 2008-2009 Colorado Household Survey, which was funded by The Colorado Trust.
- 2 Wilper, A. (2009). "Health Insurance and Mortality in U.S. Adults." *American Journal of Public Health*.
- 3 Wilper, A. (2009). "Health Insurance and Mortality in U.S. Adults." *American Journal of Public Health*.
- 4 Nolte, E, and M McKee. (2011). "Variations in Amenable Mortality—Trends in 16 High Income Nations," Commonwealth Fund.
- 5 Nolte, E, and M McKee. (2011). "Variations in Amenable Mortality—Trends in 16 High Income Nations," Commonwealth Fund.
- 6 Colorado Health Information Data Set (COHID) and Colorado Death Certificate Database, 2006.
- 7 Colorado Health Information Data Set and U.S. Preventive Services Task Force, 2006.
- 8 Wilper, A. (2009). "Health Insurance and Mortality in U.S. Adults." *American Journal of Public Health*.
- 9 Aetna. "The uninsured." <http://www.aetna.com/about-aetna-insurance/public-policy-perspectives/uninsured.html>
- 10 New America Foundation and the University of Denver's Center for Colorado's Economic Future.
- 11 COBRA is a federal law that gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances.
- 12 2011 Employer Health Benefits Survey, Kaiser Family Foundation/Health Research and Educational Trust.
- 13 Doty, M, Collins, C., Nicholson, J., and Rustgi, S. "Failure to Protect: Why the Individual Insurance Market is Not a Viable Option for Most U.S. Families." The Commonwealth Fund. July 2009.
- 14 "2010 Colorado Small Group Market Activity and Rating Flexibility Report." Colorado Department of Regulatory Agencies, Colorado Division of Insurance. May 2011.
- 15 Bureau of Labor Statistics.
- 16 "Income, Poverty, and Health Insurance Coverage in the United States: 2010." Current Population Reports. United States Census.
- 17 HSRs are aggregations of counties developed by the Colorado Department of Public Health and Environment.
- 18 "Uninsured Coloradans: Who will be newly covered under health care reform? Who will remain uninsured?" Colorado Health Institute. January 2011.
- 19 Institute of Medicine. "A Shared Destiny: Effects of Uninsurance on Individuals, Families and Communities." March 2003. <http://www.iom.edu/-/media/Files/Report%20Files/2003/A-Shared-Destiny-Community-Effects-of-Uninsurance/Uninsured4final.pdf>.
- 20 "2010 Colorado Safety Net Specialty Care Assessment: Final Report." Colorado Health Institute. March 2011.
- 21 In December 2011, CHI identified that a small number of records were mistakenly assigned "insured" status when respondents indicated the Colorado Indigent Care Program (CICP), which provides a portion of reimbursement to providers serving uninsured Coloradans. The correction of this error did not affect uninsured estimates, but decreased the previously published underinsured rate from 13.0 to 12.8.
- 22 Schoen, C. et al., "Insured but Not Protected: How Many Adults are Underinsured?" *Health Affairs* 24 (2005): w289-w302. (Published online June 2005).

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