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UNIVERSITY of PENNSYLVANIA
Budget Model

Summary: PWBM's Interactive Health Insurance Policy State Map presents Medicare, insurance coverage, health and spending indicators focused on health insurance policy for each state. These indicators imply that the impact of any proposed changes to health insurance policy on a state will depend on labor market conditions and the age distribution of that state.

Key Points

- PWBM's new interactive health insurance policy map allows you to see how health insurance coverage, costs and outcomes differ across states.
- States with lower income and lower employment rates tend to also have lower health insurance coverage and broad measures of health outcomes.
- These differences imply that proposed changes to health insurance policies, including those proposed by presidential candidates in the 2020 election, will affect each state differently.

Health Insurance Policy Map: Indicators of the Economic Impact on Each State

Health insurance, in particular Medicare, is central to the 2020 Presidential Election debate. At $10,586 per person in 2018, the United States spent more on health care compared to other Organisation for Economic Co-operation and Development (OECD) countries. Despite spending more on health care, broad measures of health do not indicate that Americans are healthier than people in other countries. For example, life expectancy at birth is lower in the United States than the OECD average.

PWBM's interactive state-level map (Figure 1) shows insurance indicators for each state that relate to health care policy. These data-based indicators can inform debates about 2020 Presidential campaign proposals for changes to health care policy. We show insurance rates for those who are unemployed, not in the workforce, employed, retirees and children. We also examine the cost of health care premiums, per enrollee spending on Medicare, state health care spending, infant mortality and life expectancy. Hover over a state to see the percent of people in that state who do not have health insurance. Click on a state to see all of the indicators for that state, or use the drop-down menu to select the indicator displayed on the map.

The 2020 Presidential Election: Health Insurance Policy

President Trump has made changes to U.S. health policy and supports additional changes. In December of 2017 the penalty for those not purchasing health insurance was repealed and the President supports repealing the entire Patient Protection and Affordable Care Act (ACA). In addition, President Trump supports ending cost-sharing reductions for insurance companies, allowing companies to pool risk across state lines, the approval of generic drugs and efforts to reduce opioid abuse.

As of January 31, all of the Democratic candidates for President support some version of Medicare for All or a more general public option where people would be able to buy into a government insurance plan. PWBM recently estimated the economic impacts of Senator Sanders' version of Medicare for All as well as a version that simply expands Medicare as it currently exists to all. While a few of the candidates want to end private insurance, most do not believe that doing so is necessary. Additionally, a majority of the Democratic candidates support covering unauthorized immigrants under a government health plan. Finally, a majority support allowing people aged 50 to 64 to buy into Medicare and allowing Medicare to negotiate drug prices.

Figure 1: Health Insurance Policy - 2020 Presidential Election State-Level Indicator Map

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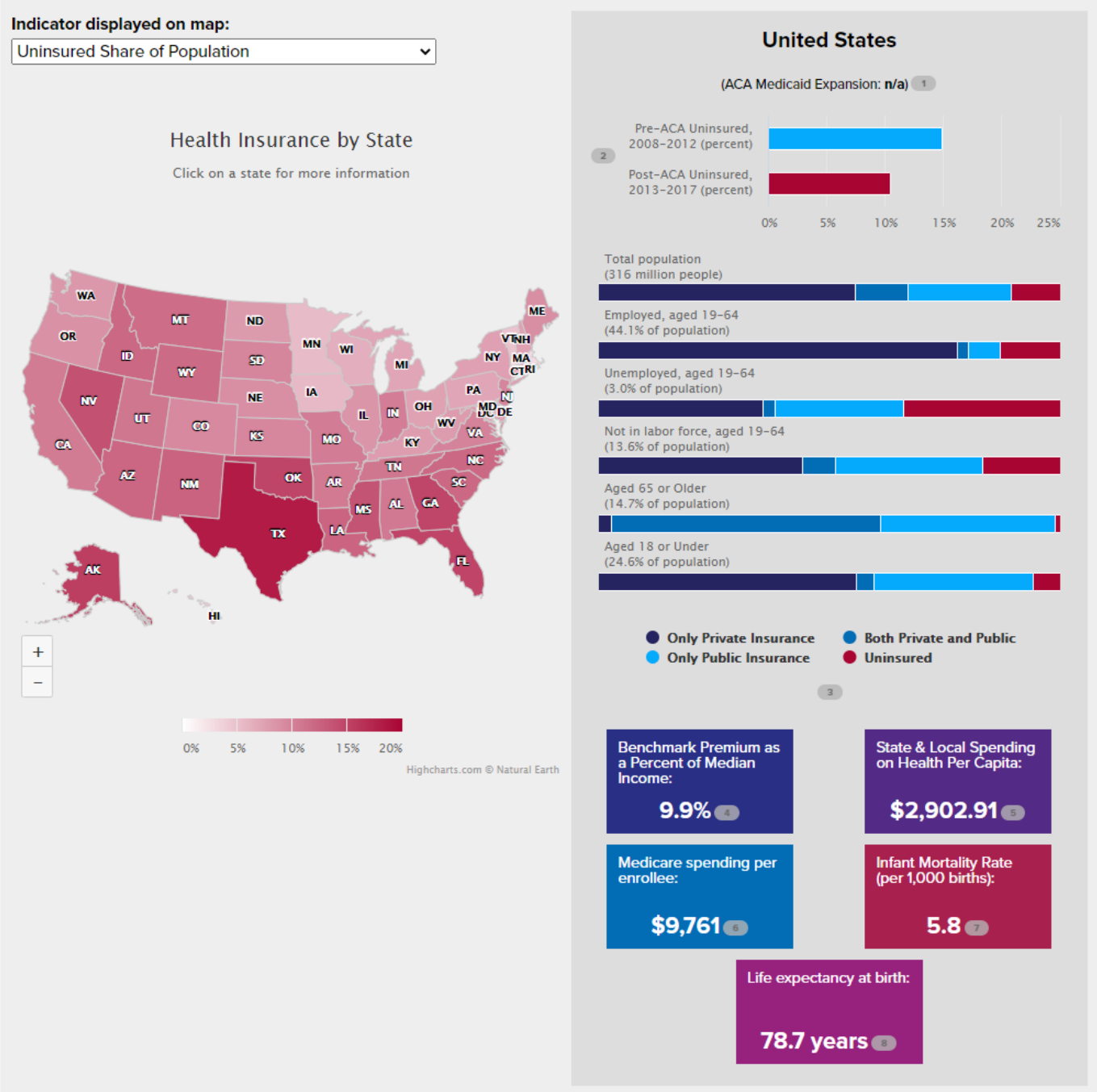

The Affordable Care Act: Before and After

The ACA was passed into law in 2010. However, some provisions were not implemented until later years. For example, health insurance exchanges were not implemented until 2014. In addition, individual states can choose if and when to expand Medicaid eligibility to 138 percent of the poverty line. The estimated portion of the U.S. population with health insurance coverage has increased from 85.1 percent in 2008-2012 to 89.5 percent in 2013-2017. In Nevada, California and Oregon, coverage was up by more than seven percentage points. Although health insurance coverage rates increased in all states, several states with small increases of 1 to 2 percent either already had high coverage rates (such as Massachusetts) or did not expand Medicaid (such as Maine and North Dakota).

Health Insurance Coverage

Overall, the majority of Americans (56 percent) receive health insurance from private providers. In addition, 22 percent rely on public health coverage exclusively, and 12 percent have a combination of private and public coverage. In general, states that expanded Medicaid tend to have higher coverage rates than states that did not. Also, states with lower median household income tend to have lower coverage rates.

Working-Age Adults

Most insured people who are of working age (ages 19-64) receive health insurance coverage from private providers. The states with the highest rates of private coverage for working-aged people are North Dakota (83 percent), Hawaii (81 percent) and Nebraska (81 percent). These states also rank near the top for employment rates. In contrast, the states with the lowest levels of private coverage for working-age people are New Mexico (60 percent), Mississippi (65 percent) and West Virginia (66 percent). These states also rank near or at the bottom for household income and employment rates. Not surprisingly, states with less private coverage tend to have higher levels of public coverage.

Health insurance coverage is related to employment status. Of people who are working-age, only 13 percent of employed people are uninsured compared to 34 percent of unemployed people.

Most employed people receive private health insurance. The states with the highest private health insurance coverage for working-age employed people are Hawaii (86 percent), North Dakota (85 percent) and Nebraska (84 percent). The states with the lowest private coverage are New Mexico (70 percent), Texas (75 percent) and Florida (75 percent). Working-age employed people with the highest public health insurance rates are in New Mexico (17 percent), Vermont (16 percent) and Massachusetts (14 percent). The states with the lowest levels of public health coverage are Utah (5 percent), Kansas (5 percent) and Nebraska (5 percent). States with higher employment rates tend to have more private coverage and less public coverage, likely because many employers offer access to employer-provided health insurance.

Working-age unemployed people tend to be more reliant on public health insurance. The states where unemployed people have the highest coverage rates are Massachusetts (89 percent), the District of Columbia (DC) (87 percent) and Vermont (84 percent). In those states about half of unemployed people have public health insurance. In contrast, in states where unemployed people have the lowest coverage, Oklahoma (47 percent), Mississippi (49 percent) and Texas (49 percent), less than one in five have public coverage. The pattern is similar for working-age people who are not in the workforce.

Children and the Aged

Children are insured either through their parents' private health insurance or public health insurance and have higher coverage rates than working-age adults. The largest public health insurance programs for children are the Children's Health Insurance Program (CHIP), State Children's Health Insurance Programs (SCHIP) and Medicaid. Overall, 56 percent of children have private health insurance exclusively, 39 percent have public health insurance and 6 percent are uninsured. However, coverage varies across the country. For example, in Texas, 11 percent of children lack health insurance, while in Massachusetts, this figure is only 1 percent. States that did not expand Medicaid have more children who are uninsured and higher infant mortality.

Nearly all people (99 percent) aged 65 or older have health insurance coverage because they are eligible for Medicare. Still, a majority (58 percent) of those aged 65 or older have private health insurance in addition to public coverage and a few (3 percent) have only private coverage. States that have higher median incomes

tend to have higher rates of private health insurance coverage for the aged and longer life expectancies at birth.

Health Insurance Premiums

Marketplace average benchmark premiums show that health insurance premiums are more costly in some states than in others. Health insurance premiums took up the largest share of median income (about 17 percent) in Nebraska, Wyoming and Oklahoma. On the other hand, premiums were only around 6 percent of median income in DC, Minnesota and Massachusetts.

State & Local Government Spending

State and local government spending on health makes up more than one-quarter of total state and local government budgets. In 2016, state and local governments spent more than $917 billion dollars on health care, which is about $2,023 per capita. The state with the highest spending per capita, DC, spent more than three times as much as the state with the lowest, Nevada. Generally, states that expanded Medicaid tend to have higher state and local government spending on health per capita. In 2016, 11 of the 14 states that did not expand Medicaid spent less than average on health per capita.

Medicare Spending Per Enrollee

Medicare spending varies across the country. In general, more is spent on Medicare per enrollee in the South and Southwest, compared to other regions. The states that have the highest Medicare spending per enrollee are Florida ($11,187), Texas ($11,297) and Louisiana ($11,542). On the other hand, the states with the lowest Medicare spending per enrollee are Alaska ($7,042), Hawaii ($6,690) and Oregon ($7,510). Medicare spending per enrollee is higher in states that did not expand Medicaid eligibility.

Indicators of Health

Infant mortality is an indicator of general health and access to health care, particularly for women and children. The states with the lowest infant mortality rates (per 1,000 births) are DC (3.9), New Hampshire (4.2) and California (4.2). The states with the highest infant mortality rates are Mississippi (8.6), Arkansas (8.2), Oklahoma and Tennessee (7.7). States with higher infant mortality rates tend to be the states with lower median household income.

Life expectancy at birth is also an indicator of general health and access to care. Hawaii (82 years), California (81 years), Minnesota (81 years) and New York (81 years) had the longest life expectancies while Mississippi (75 years), West Virginia (75 years) and Alabama (76 years) had the shortest. In general, states with more people who lack health insurance have shorter average life expectancies. In addition, states where health insurance premiums are a larger share of median income tend to have shorter life expectancies. Finally, states with higher median incomes also had longer life expectancies.

To summarize, health insurance coverage, costs, spending and outcomes depend on the labor market conditions and the age distribution of each state. States with lower incomes and lower employment rates have lower levels of health insurance coverage and worse health outcomes in terms of infant mortality and life expectancy. Older people and children generally have higher levels of public health insurance coverage than do working-age people.

Sarah Kim, Eaton Lin, Dylan Moskowitz, Christine Park & Michelle Wan produced this analysis under the direction of Kimberly Burham. Mariko Paulson created the visualization.

Related Reading at PWBM:

- Senator Sanders' Medicare for All (S.1129): An Integrated Analysis
- Medicare for All: Comparison of Financing Options

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1. Source: Kaiser Family Foundation, 2020 Status of State Medicaid Expansion Decisions. ↩
2. Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates, 2013-2017 American Community Survey 5-year Estimates. ↩
3. Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates. ↩
4. Sources: Kaiser Family Foundation analysis of data from Healthcare.gov, state rate review websites, state plan finder tools and CMS analysis of rate changes in the benchmark silver plan. October 2018 and U.S. Census Bureau, 2017 American Community Survey 5-Year Estimate ↩
5. Source: U.S. Census Bureau, 2016 State & Local Government Finance Historical Datasets and Tables. ↩
6. Source: Centers for Medicare and Medicaid Services, 2017 CMS Chronic Conditions Warehouse. ↩
7. Source: Center for Disease Control and Prevention, 2017 Infant Mortality Rates by State. ↩
8. Source: Kaiser Family Foundation analysis of data from the National Center for Health Statistics, 2011-2015 National Vital Statistics. ↩