

# Milestones

TO COVERAGE

the HAWAII  
Uninsured Project

More Options. Better Access. Hawaii needs it now.

Hawaii's people deserve better access to quality, affordable health care.

## Analyzing Hospital Data Provides Clues about the Uninsured

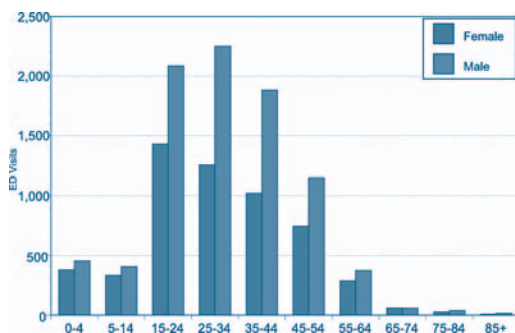
Interview with Susan Forbes, Ph.D., Chief Executive Officer, Hawaii Health Information Corporation



Hawaii Health Information Corporation (HHIC) has been active in the Hawaii Uninsured Project (HUP) since its inception under the HMSA Foundation in 1999, and continues as a key research partner through state planning grants provided by the Department of Health. Six years into her study of health insurance status in Hawaii, Dr. Forbes, along with her colleagues at HHIC and the University of Hawaii Social Science Research Institute, identifies, acquires, and analyzes data about Hawaii's uninsured population, including HHIC's data of hospital inpatient and emergency department visits by the uninsured.

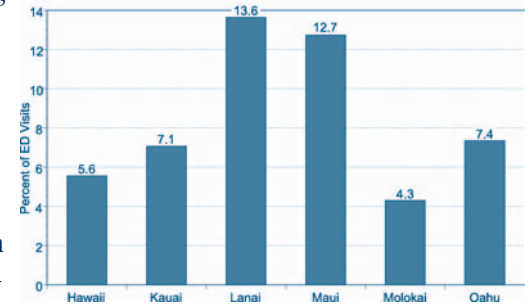
### What does emergency department data tell us about the uninsured?

The emergency department is a mirror to the community. In data from 2000-2002, between 7-8 percent of emergency department visits were by uninsured patients. As we expected,



uninsured males are the primary users of emergency department services, regardless of age. Emergency department utilization by the uninsured varies

across the islands, with Lanai and Maui having the highest levels of uninsured.



The differences in use of emergency department

services suggest that the uninsured are using the emergency departments for primary care, including being almost twice as likely to use the emergency department for "unspecified" dental disorders. Over 70 percent of infectious disease visits among the uninsured are for cellulitis and other bacterial skin infections, conditions typically treated in a physician's office or other primary care setting.

When the uninsured are admitted into the hospital, the staff helps to determine if they qualify for insurance. What we have found is that approximately one-half of these patients may qualify for some type of insurance, but for a number of reasons, have not accessed it.

### Does the number of potentially preventable hospitalizations vary by insured status?

First, it is necessary to understand what a preventable hospitalization reflects. Extensive research has been conducted nationally about conditions that are known to be treatable and manageable in the primary care setting and for which patients are often hospitalized. These conditions, as a group, are called Ambulatory Care Sensitive Conditions or preventable hospitalizations. Among the more common of these conditions are congestive heart failure, bacterial pneumonia, cellulitis, diabetes short-term and long-term complications,

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## Public-Private Partnerships Emerging in Other States

Rising health care costs are a problem for all Americans and because the costs incurred by the uninsured affect every taxpayer, states are looking at a number of options to address their uninsured populations. Here we will focus on those efforts to partner with the private sector.

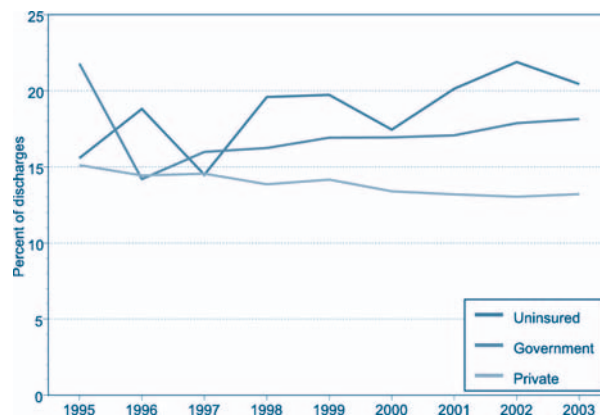
In June 2003, **CONNECTICUT** approved using its purchasing power to negotiate health plans for small-employer groups under its existing Municipal Employee Health Insurance Program. MEHIP sells a coalition of plans to small-employer groups that benefit from a larger choice of health plans than are generally available to small businesses.

**WEST VIRGINIA** passed legislation in March 2004 that established a public/private partnership between the WV Public Employees Insurance Agency (PEIA) and private insurance companies. The Small Business Plan enables more small businesses to provide coverage to their employees because private carriers have access to PEIA's lower reimbursement rates, allowing them to sell coverage that is about 20-25% below the usual market rate.

Both **CALIFORNIA** and **MINNESOTA** have established purchasing pools to allow business to partner with government in leveraging the purchasing power of the state to negotiate more affordable plans. In California, PacAdvantage is a non-profit purchasing pool offering affordable health plans for businesses with two to 50 employees. Minnesota's Governor Pawlenty established the Smart Buy Health Care Purchaser Alliance based upon a recommendation from his Health Cabinet. The Alliance allows small business to join the state alliance in pursuing value reform that will reward adoption of best practices, consumer access to information, and adoption of latest information technology.

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diabetes with low-extremity amputation, uncontrolled diabetes, asthma, urinary tract infections, and chronic obstructive pulmonary disease.



The uninsured are more likely to experience a preventable hospitalization, and these hospitalizations are increasing. Charges for these hospitalizations among the uninsured are about \$12 million per year.

### Any final thoughts?

HHIC's commitment to this project is mission-driven. We exist to collect, analyze and disseminate statewide health information in support of efforts to continuously improve the quality and cost-efficiency of health care services provided to the people of Hawaii. Our underlying value is supporting the health status of the population. We believe that taking steps to provide health insurance coverage to all the people of Hawaii is a direct contribution to improving their health status.

# Voices of the Uninsured in Hawai'i

The following are excerpts from a qualitative research project conducted by University of Hawai'i researchers D. William Wood, Carol Murry, and Heather Young Leslie for the Hawai'i Uninsured Project.

To successfully address health insurance coverage issues, it is important to understand more than the numbers. As part of a federal grant to the state of Hawai'i, researchers with the University of Hawai'i Social Science Research Institute surveyed over 250 uninsured persons and health care providers throughout the State to document the demographics of the uninsured, as well as the impact of being uninsured on individuals, their families, healthcare providers and the State.

## Struggling to survive.

A common theme among those interviewed was that their circumstance, being uninsured, was not a matter of choice. Through loss of employment, illness, or other misfortunes they had lost their health insurance coverage and were not able to recover it. Some were ineligible for QUEST because of assets that they possessed; some were ineligible because of pensions or disability payments they received.

## Data Update

The U.S. Census Bureau reported in September 2004 that 45 million people in the United States are living without health insurance. In their annual *State of the States* report in January 2005, AcademyHealth of Washington, D.C released their annual ranking of states by their uninsured rates. Minnesota ranks first in the nation with only 8.2 percent uninsured while Texas ranks last with 24.6 percent uninsured. Hawai'i ranks number six, tied with New Hampshire and Vermont, at 9.9 percent uninsured.

### Uninsured Rates by State

#### 2001-2003 Average

Minnesota	8.2
Rhode Island	9.3
Iowa	9.5
Wisconsin	9.5
Massachusetts	9.6
<b>Hawaii</b>	<b>9.9</b>
New Hampshire	9.9
Vermont	9.9
Delaware	10.1
Nebraska	10.3
Connecticut	10.4
North Dakota	10.5
Maine	10.7
Pennsylvania	10.7
Kansas	10.9

Missouri	10.9
Michigan	11.0
South Dakota	11.0
Ohio	11.7
Tennessee	11.8
Virginia	12.5
Indiana	12.9
South Carolina	13.1
Maryland	13.2
Alabama	13.3
Kentucky	13.3
Utah	13.6
New Jersey	13.7
Illinois	14.0
Washington	14.3
Oregon	14.8
West Virginia	14.8
New York	15.5
Montana	16.1

North Carolina	16.1
Colorado	16.3
Georgia	16.4
Wyoming	16.5
Arkansas	16.6
Mississippi	17.0
Arizona	17.3
Idaho	17.5
Florida	17.6
Alaska	17.8
Nevada	18.3
California	18.7
Oklahoma	18.7
Louisiana	19.4
New Mexico	21.3
Texas	24.6

State of the States, AcademyHealth, January 2005.  
**Source:** Current Population Report, Income, Poverty, and Health Insurance Coverage in the United States: 2003, August 2004.



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More Options. Better Access. Hawaii needs it now.

*“I keep expecting that I’ll have a job soon that I’ll have enough hours. All I need is 20 hours a week to get insurance and I’m at these jobs where I’m almost in a position where I’ll get that.”* – Woman working part-time

## Coverage is costly.

At the same time, the possibility of purchasing private insurance was not a reality for them due to cost. They were either sporadically employed, too ill to hold down a full-time job, or were ineligible because of pre-existing conditions. For most, even though they worked at least one job, they could not afford private coverage – especially for families looking at \$600-\$800/month premiums. Even QUEST premiums were often beyond their means.

*“The company actually they gave me insurance. But just (to) cover myself. I have a family, a wife and two kids and that is not covered at all...The minimal quote they give to me is \$500 a month. I mean who can afford \$500, \$600 for insurance... (Are your children covered?)...No, nobody is covered.”*

– Insured immigrant with uninsured wife and children

*“At first it was out of your unemployment how much do you pay and there is just not that much money to cover. If it’s health insurance as opposed to making a mortgage payment, you’re going to do the mortgage first.”*

– Newly unemployed couple

## Making difficult choices.

The uninsured in the study were continually forced to make choices between necessities of life. Should they pay for insurance for their children or pay the rent? Should they take their medication as prescribed or should they try to stretch it out so that they could buy food? For many, the delay in seeking care resulted in exacerbations of already serious conditions and meant that the emergency room became their only viable source of care.

Uninsured people want coverage that is affordable, accessible, equitable, flexible, understandable, and uninterrupted. Coverage brings the uninsured confidence to send their child on a field trip, to walk into a hospital or clinic with dignity, to know that society will recognize their value when they need help, to know that when disaster strikes they will not lose their home, car, savings, or their health, and that they will receive the same care as anyone else.

## Coverage is confidence.

*“Being self-employed, nobody is picking up the slack, nobody is picking up the coverage so no work, no money, cannot afford health insurance.”*

– Small business owner

## National Expert Highlight: Donna Cohen Rosen

CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, DC

On March 17, Donna Cohen Ross, Director of Outreach for the Center on Budget and Policy Priorities, addressed The Hawai'i Uninsured Project's leadership group and provided current information about the national landscape related to Medicaid. Her message was clear and unequivocal – the nation's governors must work with the Bush administration to address the current Medicaid crisis. States alone will not be able to tackle this issue; there needs to be a national solution to ensure that the numbers of uninsured don't continue to grow.



Donna Cohen Ross and HUP Leadership Group Chair Susan Au Doyle

Cohen Ross noted that the national Children's Health Insurance Program has been successful in enrolling eligible children and in keeping children enrolled in the face of declining private sector coverage. She further noted Hawaii's recent success through

the partnership of Hawai'i Covering Kids with the Department of Human Services, in enrolling 9,210 eligible children in 2004.

According to the Center, more than 11.5 million children in the U.S. have no health insurance, mostly because their families can't afford it. But, for about 4.7 million of these children — more than 40 percent — comprehensive coverage is available for free already through the Medicaid program.

Cohen Ross directs Start Healthy, Stay Healthy, a national effort to enlist government agencies, health and human services providers, community-based organizations and institutions and others to help families enroll their children in free and low-cost health insurance programs. The project also provides technical assistance to state child health officials, nonprofit groups and others on policies and procedures to simplify children's health coverage enrollment and renewal processes. Cohen Ross joined the Center's staff after twelve years as a child advocate in New Jersey.

### *Hawai'i to Participate in Health Insurance Simulation*

By Tenaya Jackman and David Sakamoto  
STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

Early this summer, the State Health Planning and Development Agency and the Hawai'i Uninsured Project will bring legislators, policy makers, health care providers, businesses, unions, employees, and other community members together in small groups to take part in a new simulation exercise called Choosing Healthplans All Together (CHAT). In a fun, interactive format, CHAT teaches the participants what goes into creating a health insurance plan and the trade-offs that must be made in an era of rapidly escalating costs and limited resources.

CHAT was developed in 1999 by researchers at the University of Michigan School of Medicine and the National Institutes of Health. To play the "game," each participant receives a limited number of markers to "spend" on different categories of health services such as dental care, hospital care, drug coverage, mental health and primary care. Varying levels of access, convenience, and co-payment also determine the number of markers required. Since there are more options than markers, the participants must select the services they value the highest. Each CHAT group then has to reach consensus in designing a

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common benefits package, a process requiring negotiation and compromise. Finally, a Health Event Lottery presents real world medical scenarios (illnesses and accidents) to illustrate the cost consequences participants will face, depending on the coverage decisions they made.

CHAT sessions provide valuable insight into the complexities of providing health insurance to a broad population. As efforts intensify to find a way to extend health coverage to the uninsured in Hawaii, the results of these sessions will allow people to better understand and make decisions about health insurance coverage.

## MISSION

### To ensure health coverage access to all who need it.

Working in partnership with researchers and the community, the project is an educational resource to support policy-makers as they develop workable plans that will cover the uninsured. The project also aims to raise awareness and improve understanding of the problem's magnitude and the consequences of a large uninsured population.

The Hawai'i Uninsured Project is a program of the Hawaii Institute of Public Affairs, an independent, nonpartisan and nonprofit organization dedicated to elevating Hawaii's public decision-making process through sound public policy analysis, fact-based research and community .

This newsletter is supported in part by funding from The Robert Wood Johnson Foundation, awarded to the State of Hawaii Department of Health.

The issues of health coverage access can only be solved by a coordinated effort of all segments of our community. Our ohana represents a strong, broad and growing alliance.

## THE LEADERSHIP GROUP

### Hawai'i State Department of Health Project Leader

Aloha United Way  
Benefit Plan Consultants  
Chamber of Commerce of Hawaii  
Hawai'i Community Foundation  
Hawai'i Covering Kids  
Hawaii Employers Council  
Hawaii Health Information Corporation  
Hawaii Hotel & Lodging Association  
Hawaii Pacific Health  
HMSA  
Hawai'i Primary Care Association  
Hawai'i State Department of Human Services  
Hawai'i State Department of Labor & Industrial Relations  
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