

## Frequently Asked Questions

### *Topic: Health Care Reform in Kansas—What Problems will be Addressed?*

#### **1) Do Kansans have access to affordable health insurance?**

Similar to other states, Kansas faces challenges in terms of health insurance availability and affordability, particularly for small employers. Over two-thirds of uninsured full time working adults in Kansas are employed by firms with less than 25 employees. For more than a decade the number of uninsured Kansans has remained static hovering around eleven percent. Past insurance reforms have had minimal impact on improving access to health insurance in Kansas. Increasingly, Kansans from various venues have expressed growing concerns about access to affordable health insurance.

A September 2003 poll of Kansas residents' views of the health care system, commissioned by the Kansas Health Institute and conducted by Harvard School of Public Health, found that 78 percent of Kansans felt that funding programs that assist small businesses in finding affordable health insurance was an extremely or very important priority for the state's health care agenda. And, when asked whether cost, quality or access was currently the most important health care issue, 38 percent of Kansans reported access to health care as the most important, compared to 48 percent for cost and 9 percent for quality.

In 2004 the Small Business Health Insurance Survey revealed increasing vulnerability in the ability of small business employers to continue providing health insurance for their employees. Kansas employers participating in this survey reported that insurance premiums had increased substantially from 2003 to 2004 with over 30 percent of firms reporting a rise in premiums of 16-25 percent and 28 percent of firms reporting premiums rising by over 25 percent. More than a fifth of the firms surveyed reported they were considering dropping coverage completely while nearly three-fifths were planning to increase employee contributions to health care costs. As demonstrated by the previous statistics, rising health care costs and a decrease in access to health care is a problem that Kansas needs to address.

#### **2) Who are the uninsured in Kansas?**

In Kansas, approximately 11 percent of the population, or nearly 300,000 people, are uninsured. Misconceptions about the uninsured are very common; for example, some believe that individuals who lack health insurance are unemployed. On the contrary, 95 percent of uninsured Kansans live in a household with at least one worker. Individuals most at-risk for lacking health insurance include young adults, individuals employed by small businesses, racial and ethnic minorities, low-income individuals, and residents of Southwest Kansas.

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Compared to other groups, young adults ages 18-34 have higher uninsured rates. Around 57 percent of individuals ages 18-34 are uninsured compared to 10 percent of Kansans ages 35-64. Another at-risk group, employees of small businesses, is disproportionately represented among the uninsured. Over 77 percent of the uninsured work for small businesses with 50 or fewer employees. Many small business employers are unable to or choose not to offer health insurance as an employee benefit.

Among racial and ethnic minorities Hispanics are more frequently lacking health insurance. Nearly 30 percent of Hispanics versus 9 percent of non-Hispanic whites in Kansas were uninsured for 2004-2005. In addition, Non-Hispanic Blacks are 1.5 times more likely to be uninsured than non-Hispanic whites with almost 15 percent uninsured during that same time period.

Income level is another predictor for being uninsured. Low-income individuals are more likely to be uninsured than higher income individuals. For individuals with annual family incomes of less than \$25,000, 22 percent were uninsured with another 13 percent uninsured for those with family incomes between \$25,000 and \$50,000.

Geographical location is a determinant of health insurance status; nearly 17 percent of Kansans living in the southwest are uninsured. Of the eight counties in Kansas with uninsurance rates at or above 18 percent, six of them are located in the southwest region. One explanation is due to this region having the largest proportion of Hispanics, whom as discussed above, have the highest percent of its population uninsured.

### **3) Besides the problem of uninsured and underinsured, why do we need health reform?**

Hospital emergency rooms have become the fallback for many uninsured individuals in this country, which has proven to be a very expensive and inefficient method of delivering health care. Today our health care system relies on a “hidden tax” where insured individuals pay for expensive emergency room treatments provided to the uninsured. From both a financial and a health perspective, the current health care system makes little sense.

Instead of investing in prevention and early treatment, people do not seek treatment until they are very ill resulting in more costly interventions. Having a health system that promotes getting people healthy and keeping them healthy would be more cost effective. A health reform plan for Kansas needs to balance the interests of both the private and public sectors in order to effectively improve the health of its residents while minimizing health care costs.

### **4) How do my individual behaviors, like smoking, impact the health care system in Kansas?**

Health behaviors affect health outcomes. Individual behaviors like smoking or lack of physical activity leads to more chronic diseases and impacts all Kansans through rising health care costs. Kansas obesity rates have steadily increased over the last decade for adolescents and adults. Obesity contributes to a number of health problems, including diabetes and heart disease. In 2003, the percent of overweight and obese adults in Kansas was over 60 percent; the percent of Kansans determined to be obese was 24 percent while 11 percent of children were overweight or obese. In addition to low consumption of fruits and vegetables, almost 26 percent of adult Kansans reported they did not participate in any leisure time physical activity. If this trend continues, by 2020, one out of four healthcare dollars will pay for obesity-related treatments.

In addition to health issues related to diet and physical activity, many Kansans continue to use tobacco. Twenty percent of adult Kansans smoke, which contributes to 3,800 deaths annually and \$180.4 million in total Medicaid expenditures. Strikingly, one in eight pregnant women residing in Kansas smoke, which results in poor birth outcomes and significant health care costs. The cost of health care has a direct correlation with chronic diseases; recent data indicate that nearly 80 percent of health care costs in Kansas are attributed to chronic diseases. As in other states, the number of Kansans who smoke and are overweight are far more likely to suffer from heart disease and cancer. Heart disease in Kansas continues to be the number one cause of death

accounting for a quarter of all deaths, many of which are preventable. Cancer is the second leading cause of mortality and accounts for 22 percent of all deaths. An estimated 45 percent of men and 41 percent of women will be diagnosed with cancer during their lifetime. Currently, more than 95,000 Kansans live with cancer. The cost of battling and succumbing to cancer has a \$1.6 billion annual impact on the Kansas economy – a cost of \$4.4 million per day. While the Kansas Health Policy Authority seeks to solve the problem of accessible health insurance and care, we must also look at making health care more affordable and promoting personal responsibility in the individual choices we make. Healthy lifestyle choices will lead to a Healthy Kansas.