

# Florida's Uninsured Population

## Demographics

- According to a 2005 U.S. Census Bureau Study, Florida ranks *third* in the nation for highest number of uninsured among the states. California is ranked first followed by Texas.
- The study found that there are *3.6 million uninsured* in Florida. Thus, 20.2% of the state's 18.1 million people are without health insurance.
- In 2004, the Agency for Health Care Administration commissioned a study titled *A Profile of Uninsured Floridians: Findings from the 2004 Florida Health Insurance Study*. The study was conducted by The University of Florida's Department of Health Services Research, Management and Policy. The charts below are from this profile:

Table 1 – Distribution of Uninsured Florida Residents Under Age 65

Race/Ethnicity:		% of Uninsured
	White Non-Hispanics	44.3
	Hispanics	31.6
	Black/African Americans	19.5
	Others	4.6
Gender:		% of Uninsured
	Male	52.8
	Female	47.2
Age Group:		% of Uninsured
	0 – 4 years	3.1
	5 – 9 years	4.6
	10 – 17 years	10.9
	18 – 24 years	15.8
	25 – 34 years	23.2
	35 – 44 years	19.8
	45 – 54 years	14.3
	55 – 64 years	8.3
Age Category:		% of Uninsured
	Children (under 19 years)	18.5
	Adults (19 – 64 years)	81.5
Employment Status of Household Members:		% of Uninsured
	At least one household member employed and, at least one worker eligible for employment-based coverage	36.1
	At least one household member employed, but no access to employment-based coverage	51.9

Everyone in household unemployed 12.0

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Income as a % of FPL:	% of Uninsured
>100% of FPL	26.9
100% FPL to 150% FPL	22.7
151% FPL to 200% FPL	16.1
201% FPL to 250% FPL	8.7
251%+ FPL	25.7

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Employment, Age 18 – 64:	% of Uninsured
Full-time	37.3
Part-time	11.9
Exclusively self-employed	13.9
Unemployed	20.9
Not in workforce	16.1

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Size of Firm, Full-time Workers:	% of Uninsured
1 – 4 employees	28.4
5 – 9 employees	13.1
10 – 24 employees	16.7
25 – 49 employees	9.6
50 – 99 employees	6.6
100 – 249 employees	6.7
250 – 499 employees	3.5
500 – 999 employees	2.3
1000+ employees	13.2

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**Consequences of High Rates of Uninsurance Include:**

- Diversion to expensive, overcrowded, Emergency Departments – the most common point of access for uninsured patients.
- Underutilization of preventive care, which causes uninsured patients that present at EDs to be more acute.
- Cost-shifting to insured individuals in order to subsidize uninsured care.
- Heightened burden on ED physicians.
- Health disparities for minorities.
- Lower quality of care for the uninsured.
- Financial bankruptcy resulting from a health crisis.

## **Goals of the Uninsured Study Group**

- Explore solutions to the problem of the uninsured in Florida.

## **Participants in the Study**

1. Dr. Andy Agwunobi (AHCA): Chair
2. Clifford Schmidt (Bureau of Medicaid Quality Management): Vice-Chair
3. Marcia Cantrell (Office of Insurance Regulation)
4. Dr. Paul Duncan (University of Florida)
5. Mel Chang (DOH Representative)
6. Ralph Gladfelter (Kathy Holtzer, Paul Belcher as alternate FHA Representatives)
7. Richard Robleto (Health Insurance Plan Representative)

## **Affordable Health Insurance Options**

- I. Assessment of existent government-sponsored health care programs:
  - i. Current coverage:
    - As a matter of federal law, Medicaid is required to cover:
      - Children 5 and under whose family incomes are at or below 133% of the Federal Poverty Level (FPL).
      - Children 6 to 18 years whose family incomes are at or below 100% of FPL.<sup>1</sup>
    - Florida Healthy Kids currently covers children between 6 to 18 years whose families are at or below 200% of FPL.
  - ii. Expansion of Children's Health Insurance Program:
    - Assess the viability of expanding existing programs such as the *Florida Healthy Kids* Program (SCHIP funding possibilities) to cover more uninsured children in Florida.
  - iii. Possible expansion options:
    - Outreach to insure all currently eligible children at or below 200% of FPL.
    - Increase coverage beyond 200% of FPL.
      - As of 2005, 14 states cover children in families with incomes greater than 200% of FPL.<sup>2</sup>
    - Cover additional groups such as: pregnant women and/or parents of eligible Medicaid and Florida Health Kids children.
      - As of 2007, 14 states used their SCHIP funding to cover 3 categories of adults: parents of Medicaid or SCHIP eligible children, pregnant women or childless adults<sup>3</sup>.

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<sup>1</sup> 42 U.S.C. § 1396a(a)(10)(A)(i), (iv), (vi), (vii) (2006).

<sup>2</sup> *Children's Health Insurance*, Statement of Kathryn G. Allen, Director, Health Care, GAO-07-447T, p. 14.

- Offer premium assistance where funds from SCHIP can be used to buy child’s coverage from private insurer.
  - 9 States already have such a program in place.<sup>4</sup>

II. Evaluation of the existent Health Flex Plans:

- i. Current Approved Health Flex Plans: as of January 2007, 1,776 Floridians were enrolled in these plans<sup>5</sup>.
  - American Care, Inc.
  - Preferred Medical Plan, Inc.
  - JaxCare, Inc<sup>6</sup>.
  - JMH Health Plan
  - Vita Health Plan
- ii. Assess the viability of expanding existing plans in order to increase the enrollment levels, especially in Broward and Miami-Dade counties.

III. Other Possible Reforms:

- i. Evaluate the availability of low-cost health insurance plans that would be affordable for certain categories of uninsured (such as college students, employed but low income individuals, etc.).
- ii. Lower economic barriers to entry for low-cost insurance plans, such as:
  - Creating a sliding-scale for insurance broker fees.
  - Waiving Office of Insurance Regulation minimum plan size.
  - Eliminating plan mandates.
  - Explore the contributing factors to low enrollment in affordable insurance.
- iii. Explore **Health Savings Accounts (HSAs)** to cover preventive health care expenses. For example, the Tax Relief and Health Care Act of 2006 made employee-friendly changes to HSAs, making them more attractive, such as:
  - Allowing a one-time, penalty-free, rollover of flexible spending accounts and health reimbursement accounts.
  - Eliminating the annual plan deductible limitation on HSAs, meaning that in 2007, individuals will be able to contribute \$2,850 to an HSA and families will be able to contribute up to \$5,650, regardless of the size of their health insurance deductible.

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<sup>3</sup> GAO-07-447T, p. 21.

<sup>4</sup> GAO-07-447T, Table 2, p. 20.

<sup>5</sup> Health Flex Plan Program, Annual Report, January 2007, [http://ahca.myflorida.com/MCHQ/Managed\\_Health\\_Care/Health\\_Flex/ANNUAL\\_REPORT-FINAL\\_2007.pdf](http://ahca.myflorida.com/MCHQ/Managed_Health_Care/Health_Flex/ANNUAL_REPORT-FINAL_2007.pdf) (the report was produced jointly by the Agency and the Office of Insurance Regulation).

<sup>6</sup> JaxCare is discussed in “State Initiatives” Chart attached on page. 6.

- Permitting a one-time rollover from an IRA to a HSA.
  - Allowing employers to contribute more for lesser-compensated employees.
- iv. Develop incentives for small employers to contribute to their employees' health coverage, such as:
- Encouraging small employers to set up **payroll deductions**.
  - Subsidizing employers' contribution towards employee health coverage through a **statewide fund** (funded by hospitals, health plans, and/or local tax base).
  - Encouraging employers to contribute to employee HSAs.
- v. Promote a “**cafeteria**” **approach** which would allow uninsured people to pick individual components of coverage most suited to their needs. Types of plans included under the cafeteria approach are:
- Health Flex Plans
  - Limited Benefit Health Plans
  - Preventive care coverage
  - Catastrophic health insurance coverage
  - Hospital coverage
  - Others?
- vi. Explore availability of financial resources such as federal grants, public-private partnership grants and grants for outreach and education.

### **Joint Outreach and Information Campaign**

- I. Create, in cooperation with health plans and providers, a public information campaign, through various media, to promote health insurance coverage.
- Educating Floridians on the benefits of having health insurance.
  - Emphasizing the importance of preventive care.
  - Describing the benefits of different plans.
  - Facilitate outreach by various health insurance companies to employers to promote their plans.
- II. Promote existing and upcoming programs such as KidCare, Senior Care and Nursing Home Diversion in order to enroll the maximum number eligible, into those programs.

### **Concurrent Issues**

- I. Sunset of the Personal Injury Protection legislation<sup>7</sup> on Oct. 1, 2007 – this could potentially increase the burden on health plans, Medicaid, and hospitals treating the uninsured.

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<sup>7</sup> §§ 627.730 - .7405, Fla. Stat. (2006).

- II. CS/HB 1401 – this Bill provides for an expansion of Health Flex Plan eligibility from 200% of FPL to 250% of FPL and creates a small business health insurance grant program to be administered by the Agency for Workforce Innovation → update: this bill died in the legislature in 2007.
  
- III. Incentivizing physicians to practice in Florida – Loan Repayment for Health Care Professionals → Vermont’s law authorizes awards to Vermont health care providers and educators with outstanding loans who are serving Vermonters. A condition for the loan repayment award is that recipients of the award must serve patients with Medicare, Medicaid or state health benefit coverage.
  
- IV. Legislative ideas for next session?

**LOCAL INITIATIVES FOR THE UNINSURED**

<b>Initiative Name (Location)</b>	<b>Hillsborough County Health Care Plan</b>	<b>JaxCare (Duval County, FL)</b>	<b>CareNet (Leon County, FL)</b>
<b>Eligibility Requirement(s)</b>	<p>County resident.</p> <p>No cost sharing if annual income at or below 100% of FPL.</p> <p>If annual income is more than 100% of FPL and do not qualify for any other coverage, individual is eligible for Medical Crisis Intervention Program<sup>8</sup> with copays based on income.</p>	<p>County resident, between the ages of 19 and 64.</p> <p>Family income between 150% and 200% of FPL (cost-sharing in the form of copays).</p> <p>Employed by a participating JaxCare business for the last 3 months, work at least 20 hours/week and uninsured for at least 6 months.</p>	<p>County resident under the age of 65.</p> <p>Annual income up to 200% of the FPL (cost-sharing in the form of a sliding fee scale).</p> <p>No cost-sharing if annual income is below 100% of FPL.</p>
<b>Funding Mechanism(s)</b>	Sales surtax of 0.25% authorized by § 202.055(4), Fla. Stat., for counties with a population of at least 800,000.	City of Jacksonville grant dollars, <sup>9</sup> hospital contributions, foundation grants, corporate donations, employer fees, patient enrollment fees and copays.	\$500,000 from the county's self-insurance fund, 0.06 mill additional ad valorem property tax, intergovernmental transfer of \$200,000 to acquire federal Medicaid DSH payments.
<b>Program Administration</b>	Hillsborough County Department of Health and Human Services.	JaxCare employees, United Benefits Insurance employees, and the Duval County Health Department.	Employees of Bond Community Health Centers and the Neighborhood Health Services clinics.
<b>Services</b>	<p>Case management of acute and chronic conditions</p> <p>Dental</p> <p>Diagnostics</p> <p>DME</p> <p>Family planning</p> <p>Health education/screenings</p> <p>Home health care</p> <p>Hospital-based outpatient services</p> <p>Immunizations</p> <p>Inpatient services</p> <p>Medical transportation</p> <p>Short term mental health</p> <p>Primary care</p> <p>Pharmaceuticals</p> <p>Specialty Care</p> <p>Vision</p> <p>Well-child visits</p>	<p>Ambulance services</p> <p>DME</p> <p>Emergency room</p> <p>Home Health care</p> <p>Inpatient/outpatient</p> <p>Mental health</p> <p>Outpatient hospital surgery or observation</p> <p>Primary care</p> <p>Specialty care</p> <p>Skilled nursing facilities</p> <p>Substance abuse outpatient/inpatient</p> <p>Urgent care center services</p> <p>Diagnostics</p> <p>Generic pharmaceuticals</p>	<p>Diagnostics</p> <p>DME</p> <p>Home Health Care</p> <p>Hospitalization</p> <p>Lab services</p> <p>Pathology</p> <p>Primary Care</p> <p>Radiology</p> <p>Specialty care</p> <p>Surgery</p>

<sup>8</sup> Medical Crisis Intervention cases are approved for those conditions that are expensive to treat either because of severity or because they are classified as a “chronic medical condition” (*Hillsborough County Department of Health and Social Services, 2004*).

<sup>9</sup> The City of Jacksonville recently announced that funding for the program would not be renewed due to the property tax reform.

## STATE INITIATIVES FOR THE UNINSURED

State Initiative	California Governor's Proposal	Massachusetts Commonwealth Care	Pennsylvania Governor's Proposal	Vermont Catamount Health
<b>Eligibility Requirement(s)</b>	All uninsured Californians (individual mandates)	Individuals: <ul style="list-style-type: none"> <li>- whose family incomes are 300% of FPL or below;</li> <li>- who are uninsured;</li> <li>- who are U.S. citizens, qualified aliens;</li> <li>- over the age of 19.</li> </ul> (individual mandate)	Cover All Pennsylvanians (CAP) program covers all residents, ineligible for Medicare/Medicaid, with a household income of: <ul style="list-style-type: none"> <li>- &lt;200% of FPL without insurance for 90 days prior to enrollment; or,</li> <li>- &gt;200% of FPL without insurance for 180 days prior to enrollment.</li> </ul> Mandatory health coverage for students in full-time baccalaureate and post-baccalaureate programs.	Available to everyone who has been uninsured for 12 months. (not an individual mandate)
<b>Funding Mechanism(s)</b>	<p><u>Individuals</u>: minimum benefit level of \$5,000 deductible with out of pocket maximums of \$7,500 per person (\$10,000 per family).</p> <p><u>Employers</u>: “play or pay” &gt;10 employees: 4% contribution of payroll towards employees’ coverage; &lt; 10 employees: exempt from “play or pay.”</p> <p><u>Providers</u>: required to pay fees on revenues (physicians pay a 2% fee and hospitals pay a 4% fee). Hospitals are required to spend 85% of revenues on patient care.</p> <p><u>Counties</u>: half the funds for safety net indigent care transferred to the state.</p>	<p><u>Individuals</u>: cost-sharing</p> <ul style="list-style-type: none"> <li>- &gt;100% FPL: copayments \$1 – generic drugs \$3 – all other drugs \$3 – for use of ED when its not an emergency</li> </ul> (cap on yearly expenditures set at \$200 for pharmacy services and \$36 for other services) <ul style="list-style-type: none"> <li>- 100% FPL to 300% FPL: premiums based on income and copayments</li> </ul> <p><u>Employers</u>: Fair Share Contribution of approximately \$295/year per employee for businesses that employ 11 or more employees (prorated for seasonal and part-time employees; makes it mandatory for employers with 10 or more</p>	<p><u>Individuals*</u>: cost-sharing &lt;300% FPL - \$10 - \$70/mo. depending on income, with reasonable co-payments for services; &gt;300% FPL – full premiums of \$280/mo. (*available to self-employed and uninsured individuals). After subsidies the average enrollee premiums are:</p> <ul style="list-style-type: none"> <li>- 100% FPL - \$10</li> <li>- 100% - 200% FPL: \$40</li> <li>- 200% - 300% FPL: \$60</li> </ul> (Enrollee must verify income every six months or upon change in income or family composition). <p><u>Employers</u>: Total employee premiums will be discounted up to 30% (\$84 less) provided the</p>	<p><u>Individuals</u>: cost-sharing via premiums. Premiums set according to a sliding scale based on income:</p> <ul style="list-style-type: none"> <li>- &lt;200% of FPL: \$60/mo.</li> <li>- 200 – 225% FPL: \$90/mo.</li> <li>- 225 – 250% FPL: \$110/mo.</li> <li>- 250 – 275% FPL: \$125/mo.</li> <li>- 275 – 300% FPL: \$135/mo.</li> <li>- &gt;300% of FPL: \$340/mo.</li> </ul> <p><u>Employers</u>: Employers pay an assessment based on the number of their employees (measured as full time equivalents) who are uninsured, exempting the first</p>

	<p><u>Health plans</u>: guarantee coverage to all Californians and must spend 85% of premiums on patient care.</p> <p><u>Federal programs</u>: expansion of coverage under Healthy Families to children in families with incomes of 300% of FPL, expansion of MediCal for legal residents up to 100% of FPL  <b>Total Estimated Cost - \$12 billion.</b></p>	<p>employees to offer pre-tax “cafeteria plans” to their employees.</p> <p><u>Health Plans</u>: merges non-group and small group markets to reduce premiums by 25%; enables HMOs to offer coverage plans that are linked to Health Savings Accounts; allows young adults to be covered by their parent’s insurance two years after the loss of their dependent status or until they are 25 (whichever occurs first); 19 to 25 year olds will be eligible for low-cost products through the Connector.</p> <p><u>Federal programs</u>: expansion of coverage under MassHealth to children in families of 300% of FPL.</p>	<p>employer:</p> <ul style="list-style-type: none"> <li>- Has not offered health insurance to their employees for at least the 180 days leading up to enrollment;</li> <li>- Enrolls at least 75% of employees who work 20 hours or more per week;</li> <li>- Pays at least 65% of the discounted premium (roughly \$130); and</li> <li>- Establishes program for employee to pay his premium share, together with any other CAP or Cover All Kids premiums, with pre-tax dollars.</li> <li>- Fair Share Assessment – Employers who do not provide health care coverage will be assessed a percentage of their payroll. (Year 1 - first 50 employees exempt from assessment).</li> </ul> <p>Redirect of existing funds for uncompensated care into the program.</p> <p><u>Health Plans</u> – allow optional coverage of children under 30 to be covered by their parent’s policy.</p>	<p>eight FTEs in fiscal years 2007 and 2008, six FTES in 2009, and four FTES in and after 2010.</p> <p><u>Taxes</u>: increase in tobacco taxes.</p> <p><u>Federal programs</u>:  A chronic care management program will be instituted in the Medicaid programs to ensure that low-income Vermonters receive the best quality care when they need it.</p> <p>Overall reduction in premiums using Medicaid \$.</p>
<b>Program Administration</b>	<p><u>Purchasing pool</u>: individuals must contribute to the purchasing pool on a sliding scale dependent on income.</p> <p><u>Counties</u>: responsible for the care of adult undocumented indigent population.</p>	<p><u>Commonwealth Health Insurance Connector</u>: facilitates the purchase of low-cost products, allows part-time and seasonal workers to combine employer contributions.</p>	<p><u>CAP Fund</u> - account of deposits from general appropriations, federal government or other sources, deposits required under state law, fair share tax, upon implementation, those returns on CAP.</p>	<p>The Commission on Health Care Reform is charged with monitoring health care reform and will report on a plan to increase health care coverage to ensure universal access no later than 2011.  The Health Access Oversight</p>

				Committee continues oversight Medicaid initiatives, including the employer-sponsored insurance program.
<b>Services</b>	Subsidized products incorporate “Healthy Action Incentive/Rewards Program,” which all health plans are required to offer; state-sponsored public health efforts to reverse obesity trends and continue smoking cessation efforts.	Covered services include: <ul style="list-style-type: none"> <li>• inpatient services;</li> <li>• outpatient services and preventive care;</li> <li>• prescription drugs;</li> <li>• inpatient and outpatient mental health and substance abuse services;</li> <li>• emergency care; and,</li> <li>• vision care</li> </ul>	Covered services include: preliminary and annual health assessments; emergency care; inpatient and outpatient care; prescription drugs, medical supplies and equipment; emergency dental care; maternity care; skilled nursing, home health and hospice care; chronic disease management; preventive and wellness care; and behavioral health services.	<p>Focused on prevention and management of chronic conditions such as diabetes or asthma (ex. Payment to provider based on quality and disease management).</p> <p>Covered services include primary care, preventive and chronic care, acute episodic care, and hospital services.</p> <p>Reimbursement for medical services equal to 10% above cost.</p> <p>Starting October 1, 2007, clinically recommended immunizations are provided to all Vermonters at no cost.</p>

Sources:

- Governor Schwarzenegger's Plan: "Stay Healthy California" available at <http://www.calhealthreform.org/content/view/25/32/>
- Massachusetts Passes Universal Health Care Package "An Act Providing Access to Affordable, Quality, Accountable Health Care", National Conference of State Legislators available at <http://www.ncsl.org/programs/health/massoverview.htm>
- 2006 HEALTH CARE REFORM INITIATIVES—THE DETAILS available at [http://www.leg.state.vt.us/HealthCare/2006\\_Health\\_Care\\_Constituent\\_Information\\_Sheet.htm](http://www.leg.state.vt.us/HealthCare/2006_Health_Care_Constituent_Information_Sheet.htm)
- Summary of Legislation, Rx for PA Program website available at <http://www.rxforpa.com>.