

## Decreasing The Prevalence Of Uninsureds

### Issue

West Virginia needs to explore innovative programs in health care delivery that assists in increasing the number of individuals covered by health insurance. State leaders (business, labor, religious, community, education, etc.) need to focus on creating initiatives that will enable more businesses to offer at least a basic coverage policy. Also, these leaders should work to develop health care changes and encourage more cost-containment measures for providers of health care services that will stem the rapid increase in private-sector health care premiums in order to keep other employers from cutting or eliminating health care coverage for their employees. Both of these must be done in tandem if West Virginia is to escape the cycle it is in now and reduce the high number of uninsured individuals.

### Background

The issue of uninsureds is a complex one, as indicated by these facts:

- 1 out of 5 West Virginia adults ages 19-64, most of whom are employed, have no health insurance.
- On any given day, 133,030 working West Virginians are uninsured (18.3 percent of workforce). Nearly half have never had health insurance or have been uninsured for more than 5 years.
- For some part or all of last year the number of uninsured rose to 180,684 (25 percent).
- 110,415 (85 percent) of those currently uninsured have been uninsured for more than one year, and of those, 37.8 percent, or 41,737, have been without insurance for ten years or more.
- Although 58.0 percent of workers who make less that \$10,000 are uninsured, they are only 13.5 percent of all uninsured workers. The largest numbers of uninsured workers are those whose earnings are between \$10,000 and \$29,999 (63.7 percent).
- Eighty-one percent of West Virginia businesses employ 50 or fewer workers; of these, only 41 percent offer health insurance to employees.
- Among uninsured workers, only 27.1 percent of them worked for an employer that offered health insurance.
- 30.0 percent of uninsured workers were employed by companies that had between 10 and 49 workers. The second largest group of uninsured workers (25.2 percent) worked for employers with less than 10 employees.

The challenge of developing an affordable yet attractive coverage for this population is formidable. Using a rule of thumb that premiums and out-of-pocket expenses should not exceed 5-10 percent of household income, a couple at the 200 percent FPL level (\$25,660) would have \$1,283-\$2,566 annually or \$106-\$212 monthly to spend for premiums and cost-sharing expenses. It is unlikely that any meaningful insurance can be provided for this population without a subsidy, yet prospects for state financial support appear slim given West Virginia's constrained fiscal budget and long-term debt challenges.

Moreover, the state's capacity to affect the prevalence of the uninsured is compounded further by the facts that West Virginia has a small population that is aging, has some of the poorest health conditions and has a very low median income, and, generally, the state's business community is made up of tens of thousands of small enterprises.

## **The Chamber's Position**

The West Virginia Chamber of Commerce recognizes the importance and necessity of reducing the number of uninsured individuals – both from a societal and moral standpoint and from an economic and fiscal one. However, the Chamber urges careful study and thorough analysis in considering any state-based approach to this issue, particularly those that may involve added taxes or coverage requirements.

In general, the West Virginia Chamber of Commerce supports the following:

- An in-depth analysis of the individual and small group insurance market in West Virginia (regulatory requirements, carriers, enrollment, market share, profitability, insurer behavior, etc.) to identify whether voluntary, regulatory or a combination of solutions would be most effective in the market.
- The Chamber supports innovative initiatives that will encourage more businesses to offer at least a basic coverage policy, but these initiatives should not cause businesses that currently offer comprehensive coverage to switch or increase the cost shift for those providing coverage for their employees now. If that occurs, these costs will be shifted to others who are providing comprehensive health insurance coverage.
- The Chamber calls for the development of additional coverage options that will increase health insurance accessibility and affordability to sole proprietors in West Virginia.