

HEALTH CARE LANDSCAPE

December 2018

THE UNINSURED IN GEORGIA

Introduction

From 2013 to 2016, the total number of uninsured nonelderly Americans dropped from approximately 44 million to less than 28 million, representing about 10.3% of the population.[1] Of those, approximately 5.6 million are considered low income because their annual household income is less than 138% of the federal poverty level (FPL). Of these low-income uninsured, most of them are employed and most have incomes below 100% FPL. Moreover, the uninsured are more likely than their insured counterparts to encounter financial barriers to care and forego needed health services, such as checkups and vaccines.

These disparities are exacerbated in states that did not expand Medicaid under the Affordable Care Act (ACA).[2] Because of this lack of access, the uninsured are generally sicker and more expensive to treat than the insured once they access the health care system, which most often takes place at a hospital emergency department.[3] Uncompensated hospital costs for caring for the uninsured have historically been steady at 6% of operating costs[4] and have remained about the same post-ACA in states that did not expand Medicaid.[5] In Georgia, a nonexpansion state, approximately 13.7% of the nonelderly population was uninsured in 2016, compared to the national average of 10.3%.[1]

Insurance coverage is dynamic and an individual's status may change for a variety of reasons, including:

- Gaining or losing employment, thus losing or gaining eligibility for employer-sponsored coverage
- Having a change in dependent status for employer-sponsored coverage (marriage, divorce, aging out of eligibility)
- Becoming eligible or ineligible for public coverage based on age or income
- Enrolling in a private plan or failing to pay a premium for such a plan

Employer-Sponsored Insurance

There were almost 28 million uninsured in the United States in 2017, and almost 1.3 million uninsured in Georgia in the same year. Over the past decade, the total U.S. population has grown by four percentage points, and the Georgia population has grown by five percentage points. The number of individuals with private insurance in the United States is slightly higher now than 10 years ago. The number of uninsured has declined by 38 percentage points nationwide and by 22 percentage points in Georgia over the past 10 years.[6]

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[1] Kaiser Family Foundation. (2017). *Fact sheet: Key facts about the uninsured population.* Retrieved from https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/

[2] U.S. Government Accountability Office. (2018). *Medicaid: Access to health care for low-income adults in states with and without expanded eligibility.* (GAO-18-607). Washington, DC. Retrieved from https://www.gao.gov/products/GAO-18-607

[3] Scott, J. W., Havens, J. M., Wolf, L. L., Zogg, C. K., Rose, J. A., Salim, A., & Haider, A. H. (2017). Insurance status is associated with complex presentation among emergency general surgery patients. *Surgery, 161*(2), 320-328. doi:10.1016/j.surg.2016.08.038

[4] Hadley, J., Holahan, J., Coughlin, T., & Miller, D. (2008). Covering the uninsured in 2008: current costs, sources of payment, and incremental costs. *Health Affairs (Project Hope), 27*(5), w399-w415. doi:10.1377/hlthaff.27.5.w399

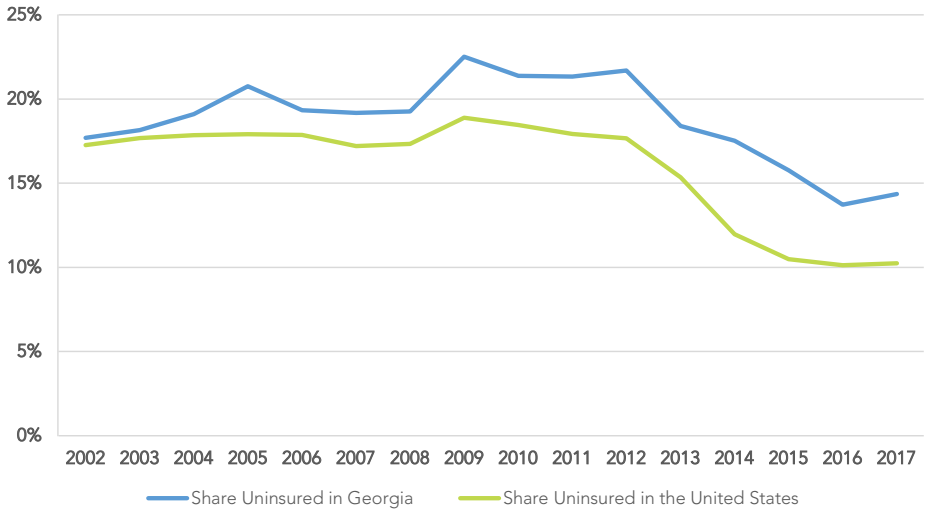
[5] Dranove, D., Garthwaite, C., & Ody, C. (2016). Uncompensated care decreased at hospitals In Medicaid expansion states but not at hospitals In nonexpansion states. *Health Affairs (Project Hope), 35*(8), 1471-1479. doi:10.1377/hlthaff.2015.1344

[6] U.S. Census Bureau. (2018, September). 2018 Annual Social and Economic Supplement of the Current Population Survey (ASEC). Washington, DC.

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Figure 1: Trends in the Uninsured Over Time, the United States and Georgia



Source: Tabulations of the ASEC March 2018 supplements to the Census Bureau's Current Population Survey[6]

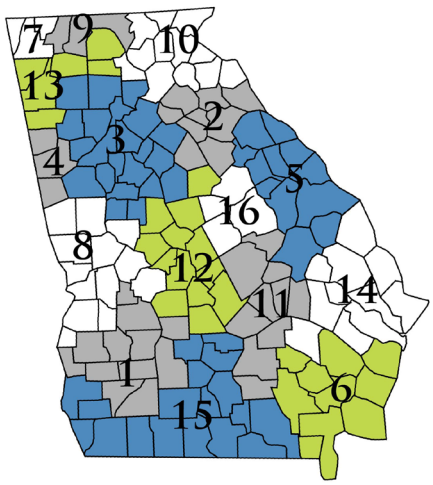
Figure 1 shows the trend in the share of uninsured since 2002 in the country and in Georgia. Since 2010, the share of uninsured has declined significantly in the country and in Georgia. Nonetheless, the share of the population in Georgia lacking coverage is consistently and significantly higher than the share nationwide. The declines in uninsured are a result of the economic recovery, with increasing rates of employment, and the provisions of the ACA that expanded both public and private coverage.

Predictors of Insurance Coverage

One of the most important predictors of whether an individual lacks insurance is their family income. This is because of the role family income plays in determining eligibility for public coverage and because among those ineligible for public coverage, low-income families are unlikely to be able to afford private insurance. Table 1 shows the percentage of individuals living in families with incomes below 138% of the FPL in the United States and in Georgia over time. As the nation has recovered from the Great Recession, there has been a small decline in the share of the low-income population nationwide and in Georgia. However, in Georgia the levels are persistently higher than levels nationwide.

Another predictor of being uninsured is living in a rural community. Rural communities tend to have more small and low-wage employers, which are less likely to offer insurance, and more low-income individuals, who are less likely to purchase private insurance. About 13% of Georgians living in nonrural areas and 17% of those living in rural communities were uninsured during 2016 and 2017.[7] However, these numbers obscure wide variations in coverage rates by region.

Figure 2: Georgia Health Insurance Markets[8]



Coverage by Region in Georgia

American Community Survey (ACS)[9] data can be used to estimate coverage by Georgia region. The ACS gathers information from almost 100,000 Georgians annually, allowing for estimates of coverage to be more accurate for smaller geographic areas. Table 1 shows the variation in uninsured rate by Georgia health insurance markets based on the map of markets in Figure 2.

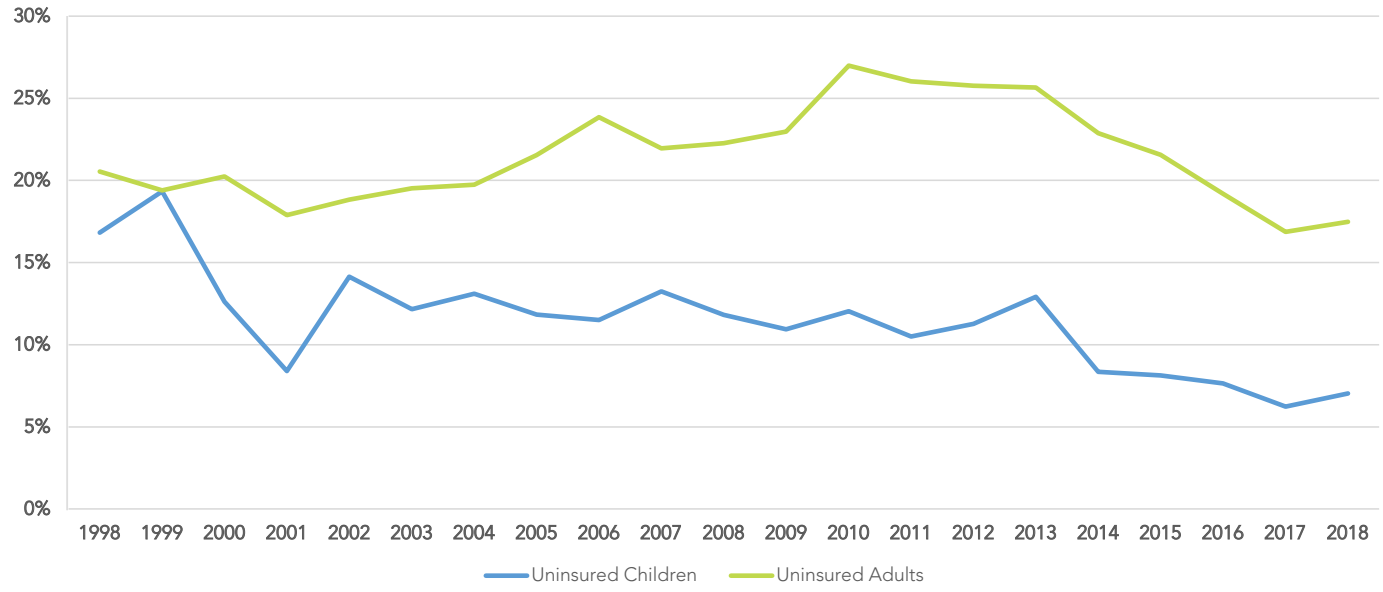
[7] U.S. Census Bureau. (2017). American Community Survey. Retrieved from https://www.census.gov/programs-surveys/acs/
[8] Office of the Insurance Safety and Fire Commissioner. (2013, March 29). Bulletin 13-EX-1. Retrieved from https://www.oci.ga.gov/ExternalResources/Announcements/Bulletin-3292013-1528.pdf
[9] U.S. Census Bureau. (2017). American Community Survey. Retrieved from https://www.census.gov/programs-surveys/acs/

Table 1: Uninsured Rates by State Insurance Region[10]

Insurance Region		Number Uninsured	Share of Nonelderly Uninsured
1	Albany and Rural South	30,876	15.6%
2	Athens and Rural North	48,934	15.3%
3	Metro Atlanta	657,256	14.3%
4	West GA/Carrolton	42,794	13.7%
5	Augusta	52,262	13.3%
6	Brunswick	35,004	16.0%
7	Chattanooga	16,762	13.6%
8	Columbus	46,524	13.8%
9	Rural North	28,986	20.6%
10	Gainesville and Rural NE	68,410	18.1%
11	Rural South Central	24,708	15.6%
12	Macon	58,052	15.6%
13	Rural North West	40,316	15.6%
14	Savannah	75,627	15.6%
15	Valdosta and Rural South	60,576	17.3%
16	Rural Central	8,907	14.5%

Markets 9 and 10 in north rural Georgia have the highest rates of uninsurance. In contrast, the Augusta market has the lowest rate of uninsurance in the state. These rates are driven in part by differences in employment characteristics and income, but also by differences in eligibility and participation rates for public coverage. Years of Georgia Health Policy Center quantitative and qualitative research supports the notion that residents of North Georgia rural communities are systematically different than those of south rural Georgia in their willingness to enroll in public programs. As shown in Figure 3, gains in coverage for children have been greater than the gains in coverage for Georgia adults over the past two decades.

Figure 3: Uninsured Adults and Children in Georgia, 1997-2017



Source: Tabulations of the ASEC March 2018 supplements to the Census Bureau's Current Population Survey[6]

[10] U.S. Census Bureau. (2016). Small Area Health Insurance Estimates Program. Retrieved from https://www.census.gov/programs-surveys/sahie.html

The Cost of the Uninsured

Total health spending for care for the uninsured is estimated to be $2.7 billion in 2017 or about 3.6% of total health care expenditures in Georgia. Of that amount, hospital uncompensated care costs in Georgia are estimated to be $1.6 billion. This has proven to be a particular burden for rural hospitals, which spend an even greater percentage of their operating expenses on uncompensated care than more urban hospitals, making them financially vulnerable. Critical access hospitals are at most risk since they often operate with a negative operating margin.[11]

Uncompensated care costs and the resources to fund it vary by insurance region in Georgia. These costs as a percentage of the region's total family income vary considerably between urban and rural areas. Hospital uncompensated care costs as a percentage of total regional family income in north rural Georgia is more than twice what it is in Atlanta. Uninsured individuals' limited access to care results in increased hospital admissions among those with certain health conditions. The cost of admissions for diabetes, mental health issues, and care associated with substance use disorders are estimated in Table 2 by insurance region.

Table 2: Uninsured Impatient Costs*,[12]

Insurance Region		Diabetes	Substance Use Disorders	Mental Health
1	Albany and Rural South	$7,447,010	$396,334	$189,044
2	Athens and Rural North	$8,191,714	$1,426,801	$676,999
3	Metro Atlanta	$82,215,022	$18,766,395	$16,100,000
4	West GA/Carrolton	$5,063,969	$554,867	$277,041
5	Augusta	$6,255,491	$2,833,785	$1,076,405
6	Brunswick	$9,085,356	$713,400	$232,132
7	Chattanooga	$446,821	$39,633	$35,597
8	Columbus	$10,574,758	$554,867	$341,494
9	Rural North	$2,234,104	$317,067	$341,997
10	Gainesville and Rural NE	$6,404,431	$1,545,701	$494,048
11	Rural South Central	$3,127,745	$554,867	$675,826
12	Macon	$8,042,774	$3,685,902	$3,679,634
13	Rural North West	$8,340,654	$753,034	$242,249
14	Savannah	$16,383,428	$1,842,951	$674,680
15	Valdosta and Rural South	$6,851,252	$891,751	$323,257
16	Rural Central	$1,489,403	$277,434	$88,898
Total	Georgia	$182,153,931	$35,154,788	$25,449,301

*Costs are estimated from national sources, including data from the Agency for Healthcare Research and Quality and the American Diabetes Association.

Conclusion

The burden of a large, persistent group of uninsured Georgians is widespread. Those without insurance experience financial vulnerability associated with high medical bills and delays in primary and preventive care, resulting in worse health outcomes. Those with health insurance experience higher costs because of the uncompensated care provided to the uninsured. Some communities with vulnerable providers experience the consequences of loss of service lines or an entire hospital, and the public pays for uncompensated care through taxes and higher premiums.

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[11] Reiter, K. L., Noles, M., & Pink, G. H. (2015). Uncompensated care burden may mean financial vulnerability for rural hospitals In states that did not expand Medicaid. *Health Affairs (Project Hope), 34*(10), 1721-1729. doi:10.1377/hlthaff.2014.1340

[12] Agency for Healthcare Research and Quality. (2016). Healthcare Cost and Utilization Project State Inpatient Database: Georgia. Retrieved from https://www.hcup-us.ahrq.gov/db/state/siddbdocumentation.jsp. Agency for Research Health and Quality. (n.d.) Prevention Quality Indicators. Retrieved December 3, 2018 from https://www.qualityindicators.ahrq.gov/modules/pqi_overview.aspx. American Diabetes Association. (2018). Economic costs of diabetes in the U.S. in 2017. *Diabetes Care, 41*(5): 917-928. Retrieved from https://doi.org/10.2337/dci18-0007