

Office of Performance Evaluations

News Release: Health Care Costs

July 12, 2007

(BOISE) On Thursday, Idaho legislators received two reports that were commissioned as part of a study to identify ways to expand health insurance coverage and health care services for the uninsured. In 2005, about one in six non-elderly people in the state did not have health insurance. The reports, prepared by Mathematica Policy Research, Inc., of Washington, DC, describe Idaho's uninsured and discuss options other states have used to address this population. Lawmakers will use the information as they consider ways to better serve the uninsured.

The reports combine information from a variety of sources to provide the most comprehensive picture available of Idaho's uninsured. In 2005, between 16 and 18 percent of Idaho's nonelderly population was uninsured. Three groups were identified as having particularly high rates of uninsurance: young adults between ages 18 to 24 (38 percent), adults with annual incomes below \$25,000 (43 to 49 percent), and unemployed adults (51 percent). The rate of uninsurance was lower among children (10 percent), due in part to the availability of coverage through Medicaid and the State Children's Health Insurance Program (SCHIP).

The majority of non-elderly Idahoans receive health insurance through an employer-sponsored plan. In 2004, 61 percent of Idaho residents under 65 received coverage through an employer. Despite rapid growth in premium costs, the proportion of Idaho workers with coverage through their employer remained relatively stable from 1998 to 2004. However, part-time employees, workers in low-wage firms, and employees in firms with fewer than 10 employees were less likely to participate in employer-sponsored health plans than were other employees.

The most common reason cited for being uninsured was the cost of insurance premiums. Overall, researchers report that employer-sponsored health insurance premiums in Idaho rose 74 percent between 1998 and 2004. The employees' share of premium costs grew even more dramatically, rising 142 percent during this period while wage growth averaged just 20 percent.

The reports provide information on a broad range of state programs that have been enacted or proposed throughout the country. Options discussed include programs to make market-based coverage more affordable, programs that increase the availability of low-cost health care services, and comprehensive reforms of the health care system. The researchers highlight a number of health care options that may warrant further study for use in Idaho:

- Expanding eligibility for the SCHIP program
- Establishing a "mini-COBRA" law that would provide continuation of coverage for those in small businesses that are exempt from COBRA provisions
- Creating a purchasing pool for small businesses
- Raising public awareness of recent law changes that allow young adults to remain covered under their parents' health insurance.

The study, requested by the legislative Health Care Task Force, is being overseen by the non-partisan Office of Performance Evaluations under the direction of the Joint Legislative Oversight Committee (JLOC). The Legislature appropriated \$250,000 for the 5-part study. Three additional reports examining Idaho's health care spending, both public and private, and the factors that drive health care costs are scheduled for release in October. Members of JLOC and Health Care Task Force plan to meet again with consultants following completion of the remaining reports.

The Joint Legislative Oversight Committee has eight members and is equally divided between the two political parties and the two chambers of the Legislature. The committee is co-chaired by Senator Shawn Keough (R) of Sandpoint and Representative Margaret Henbest (D) of Boise.

The Health Care Task Force is an ongoing special committee comprised of legislators from both houses. The task force, which has been instrumental in the establishment of a number of programs for the uninsured including the Access Card Program and the High-Risk Reinsurance Pool, is chaired by Senator Dean Cameron (R) of Rupert and Rep. Gary Collins (R) of Nampa.