

COVERAGE, INSURANCE MARKET STATISTICS AND BARRIERS TO CARE IN MINNESOTA

Health Care Finance Task Force
Barriers Work Group
Sept. 18, 2015

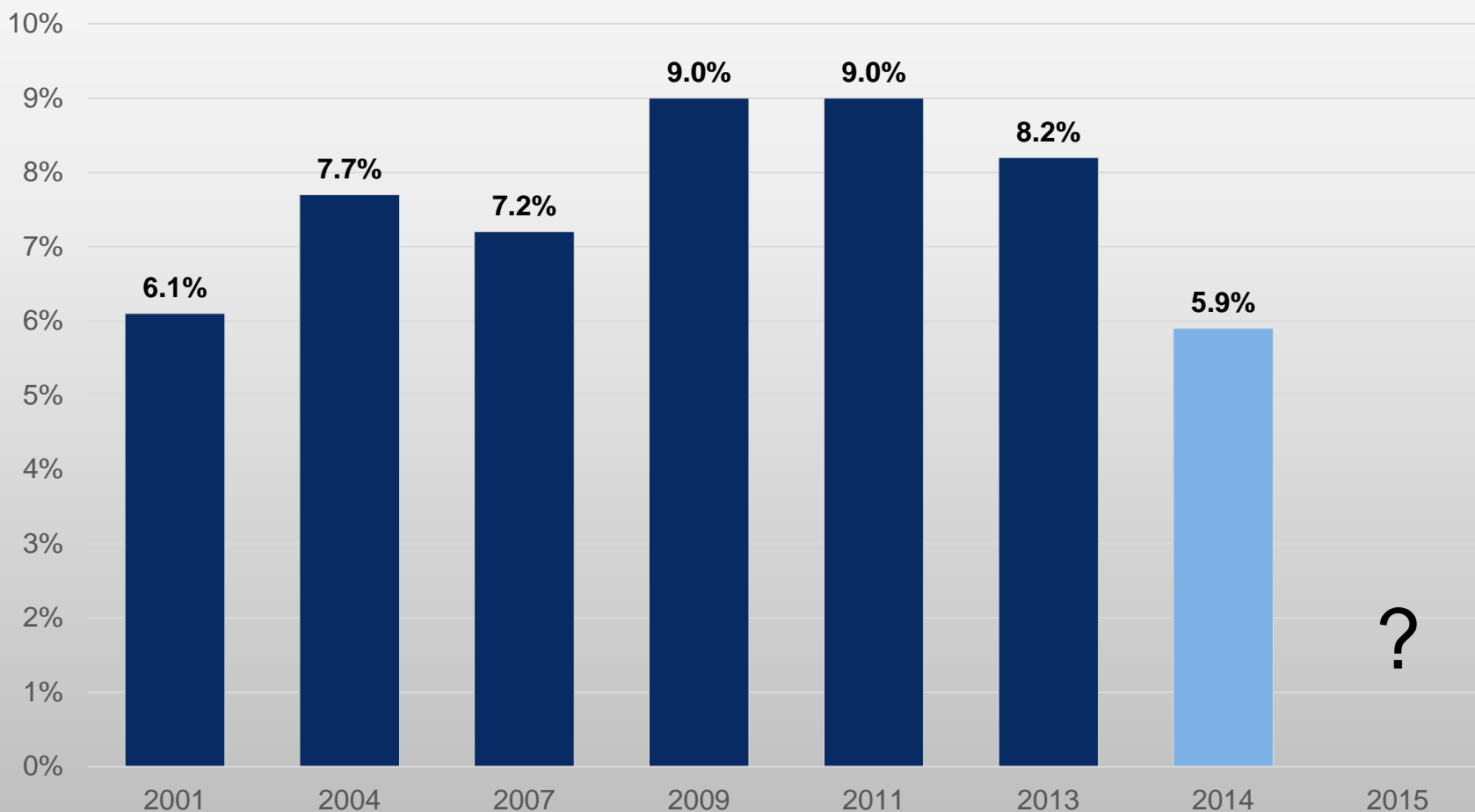
Stefan Gildemeister
Director, Health Economics Program

Overview

- Distribution of insurance coverage
- Demographics in the commercial market
 - Group/Non-group (individual market)
 - On & off MNsure
- Cost of coverage
- Cost sharing and barriers to care
- Health insurance literacy
- The perhaps most important graph in health policy
- Upcoming work from the Minnesota Health Access Survey

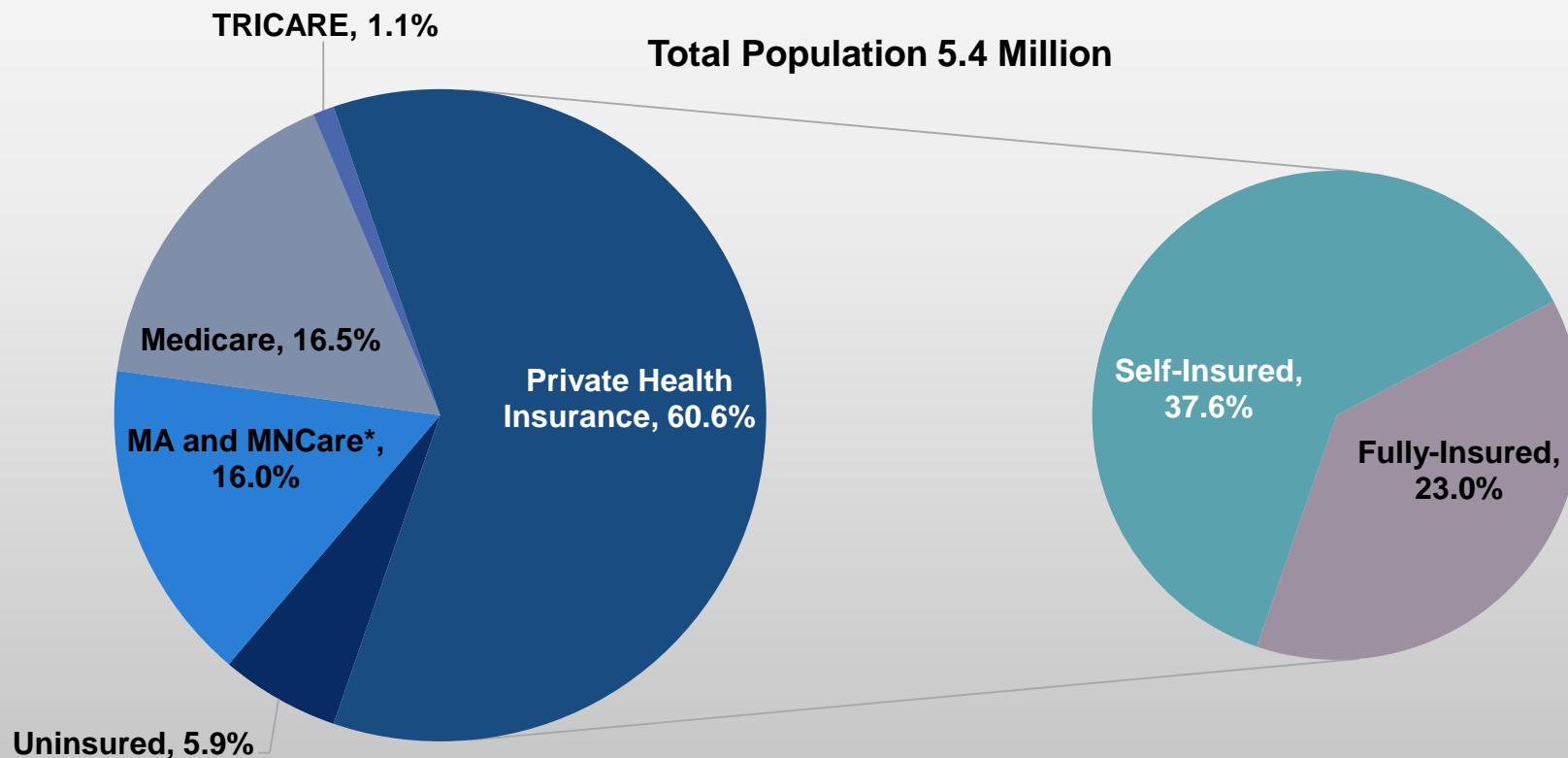
DISTRIBUTION OF INSURANCE COVERAGE

Rates of Uninsurance for Minnesota (Years with Available Data)



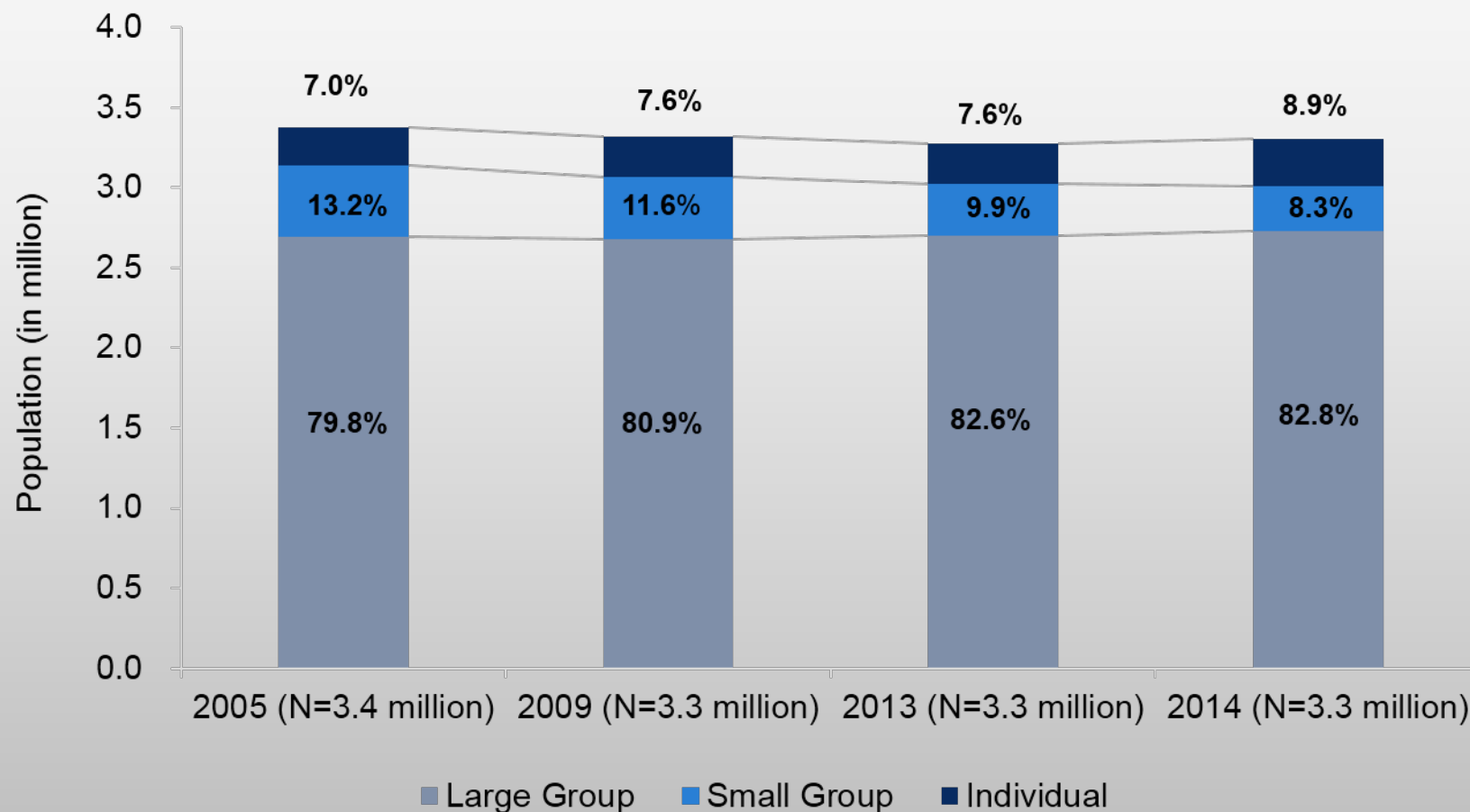
Sources: MDH/Health Economics Program and University of Minnesota/School of Public Health, MN Health Access Survey (2001-2013) and U.S. Census Bureau, American Community Survey (2014). Rates for 2004, 2009 and 2014 are statistically different from previous year shown.

Estimated Distribution of Minnesotans by Primary Source of Insurance Coverage, 2014



Source: MDH Health Economics Program analysis of population survey and administrative health plan data. 2014 estimate of uninsurance is from US Census Bureau, American Community Survey. MA is Medical Assistance, MNCare is MinnesotaCare.

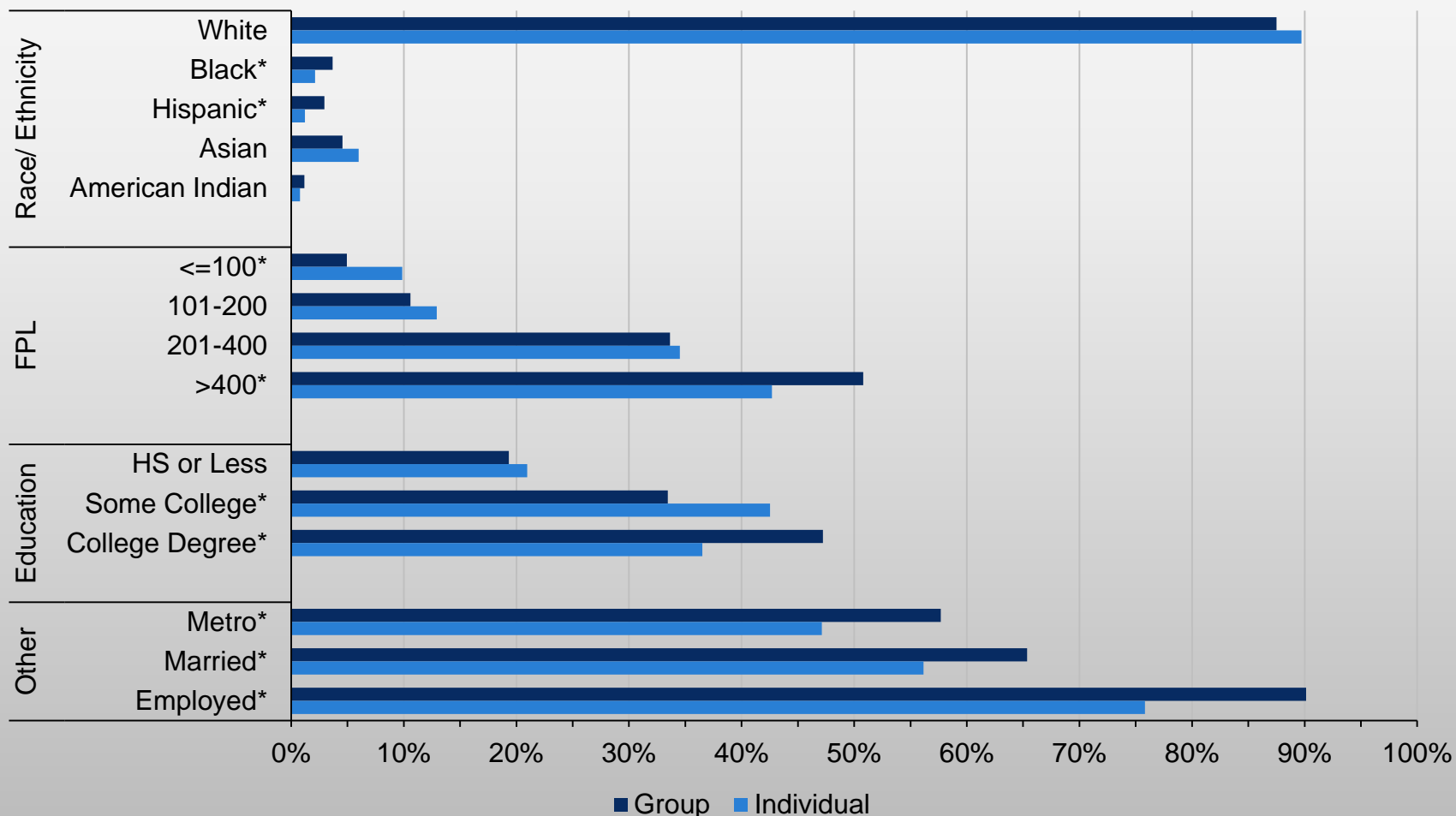
Distribution of Minnesota's Private Health Insurance Market by Market Space, Select Years, 2005 to 2014



Source: MDH Health Economics Program; aggregate population estimates are from the U.S. Census Bureau as of July 1, 2013. 2005-2013 market estimates are based on analysis of annual medical-only reports from health plan companies.

2014 market estimates are preliminary and are based on analysis of preliminary annual medical-only reports from health plan companies and the National Association of Insurance Commissioners. Excludes the high-risk pool population.

Demographic Characteristics of Group and Non-Group Insured Minnesotans (<65), 2013

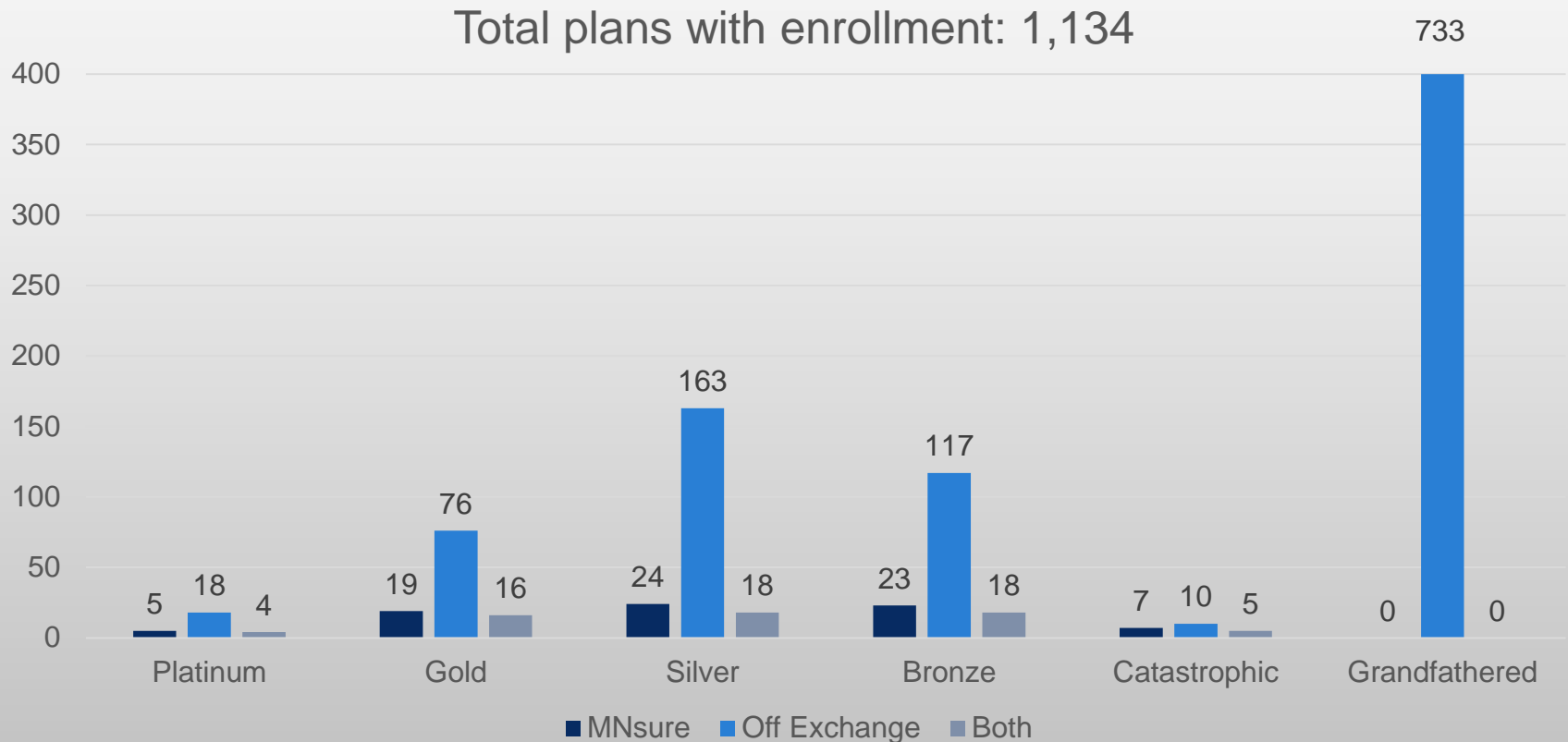


* Indicates statistically significant difference between Group and Non-Group at 95 percent level

Source: 2013 Minnesota Health Access Survey

INDIVIDUAL & SMALL GROUP MARKET, DEMOGRAPHICS/ TRENDS

Number of Plans in the Individual Market in MN with Enrollment, 2014

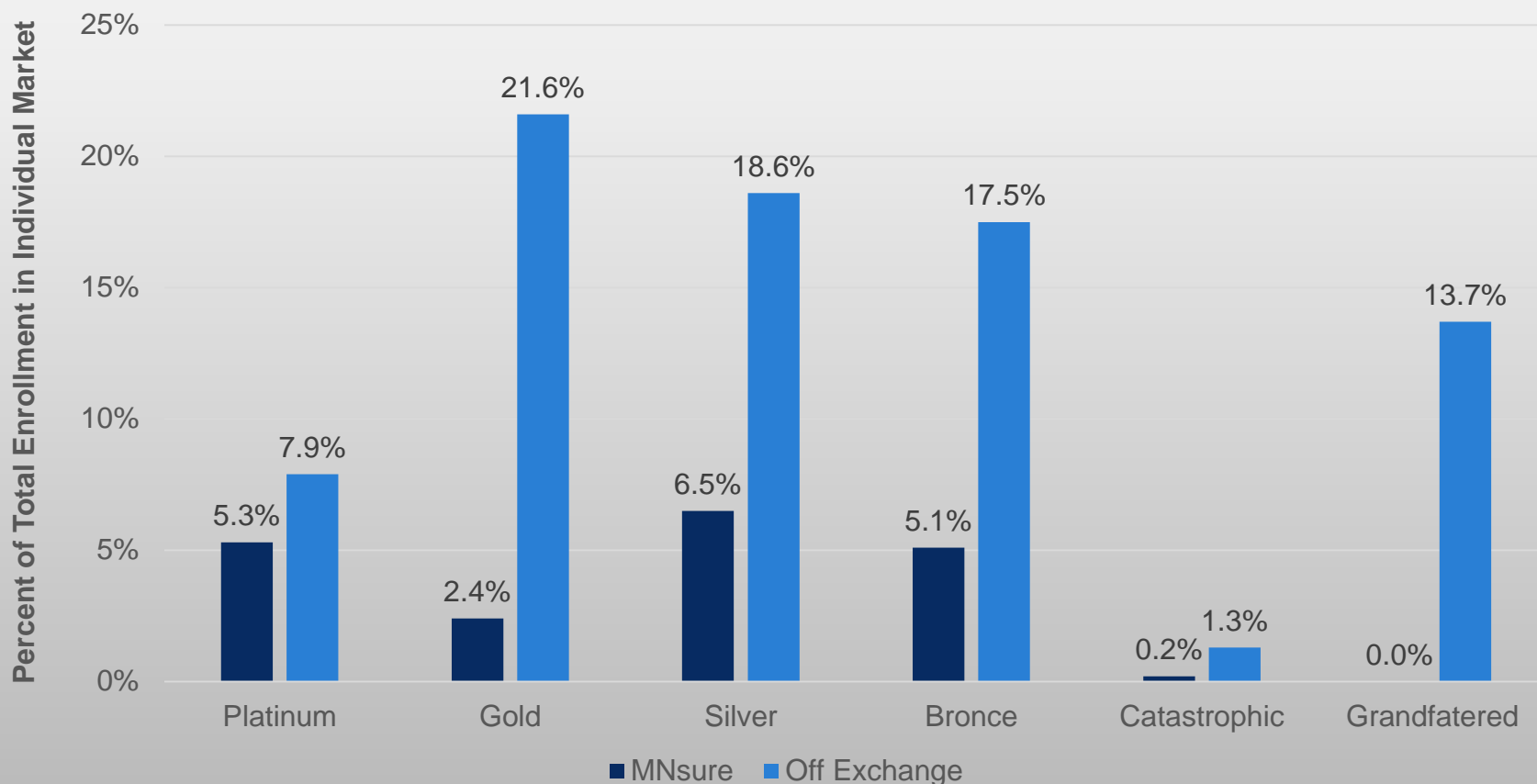


Product with multiple cost-sharing options are not counted separate; "Both" counts the number of plans that are available on MNsure, as well as off the exchange. To produce a count of total available products, MNsure and Off Exchange counts should be added and the number of product in both market spaces be subtracted

Source: MDH/Health Economics Program analysis of data from the 2015 Small Group & Individual Market Survey and Plan & Benefit Templates

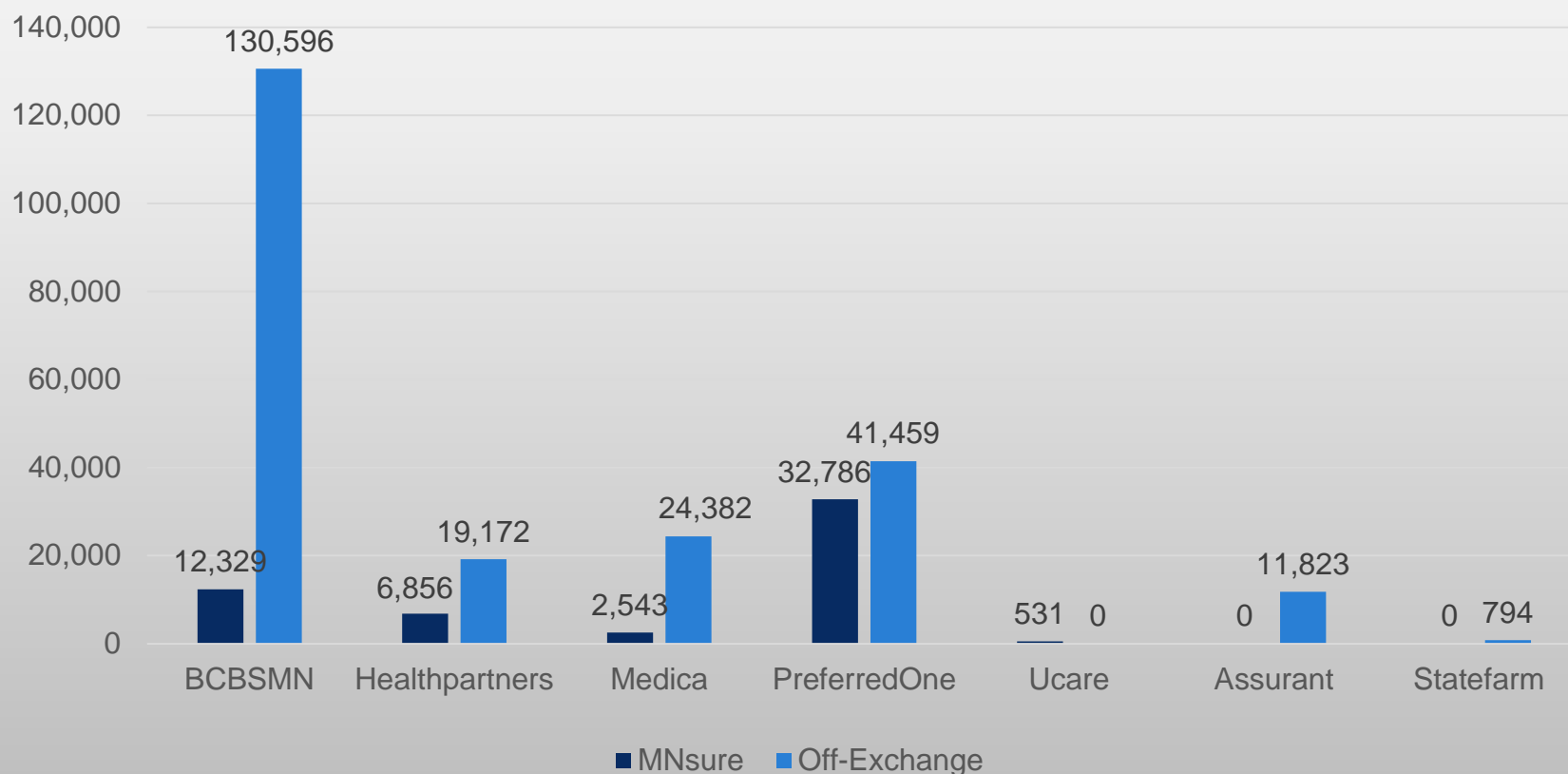
Distribution of Covered Lives in the Individual Market by AV and by Path to Coverage, 2014

MNSure Enrollment: 19.5%
 Off MNSure Enrollment: 80.5%



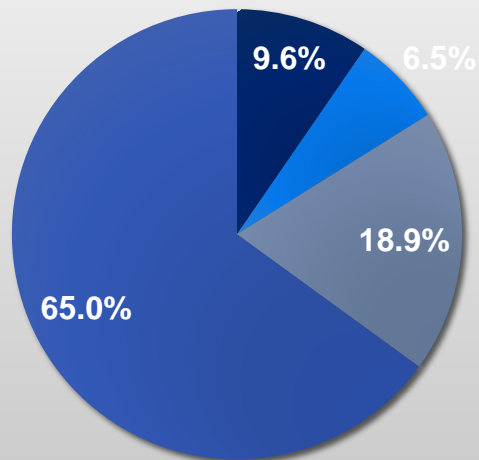
Covered Lives for Carriers Inside and Off the Exchange in the Individual Market, 2014

Individual Market 2014 Total Enrollees: 294,133



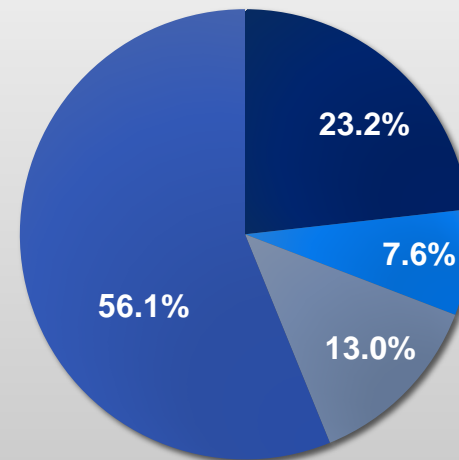
Enrollee Characteristics in Minnesota's Individual Market, 2014: Age

**MNsure
(55,000)**



■ < 18 years ■ 18 to 25 years
■ 26 to 34 years ■ 34+ years

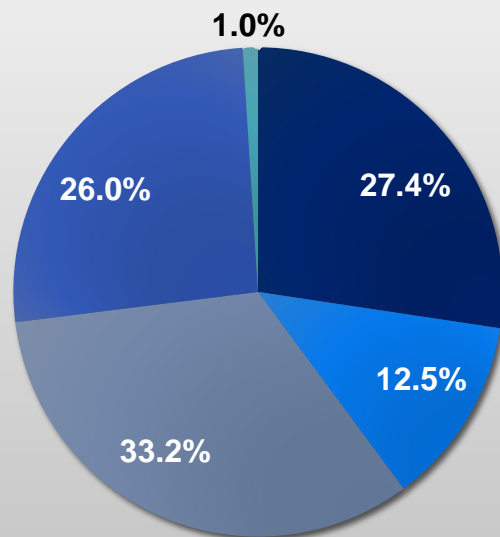
**Off Exchange
(239,000)**



■ < 18 years ■ 18 to 25 years
■ 26 to 34 years ■ 34+ years

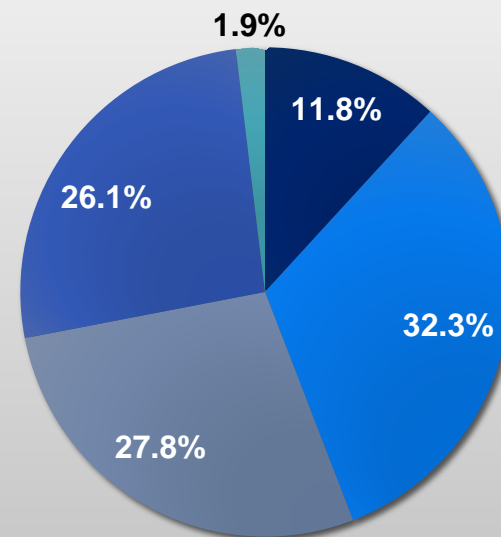
Enrollee Characteristics in Minnesota's Individual Market, 2014: Metal Level

**Mnsure
(55,000)**



■ Platinum ■ Gold ■ Silver ■ Bronze ■ Catastrophic

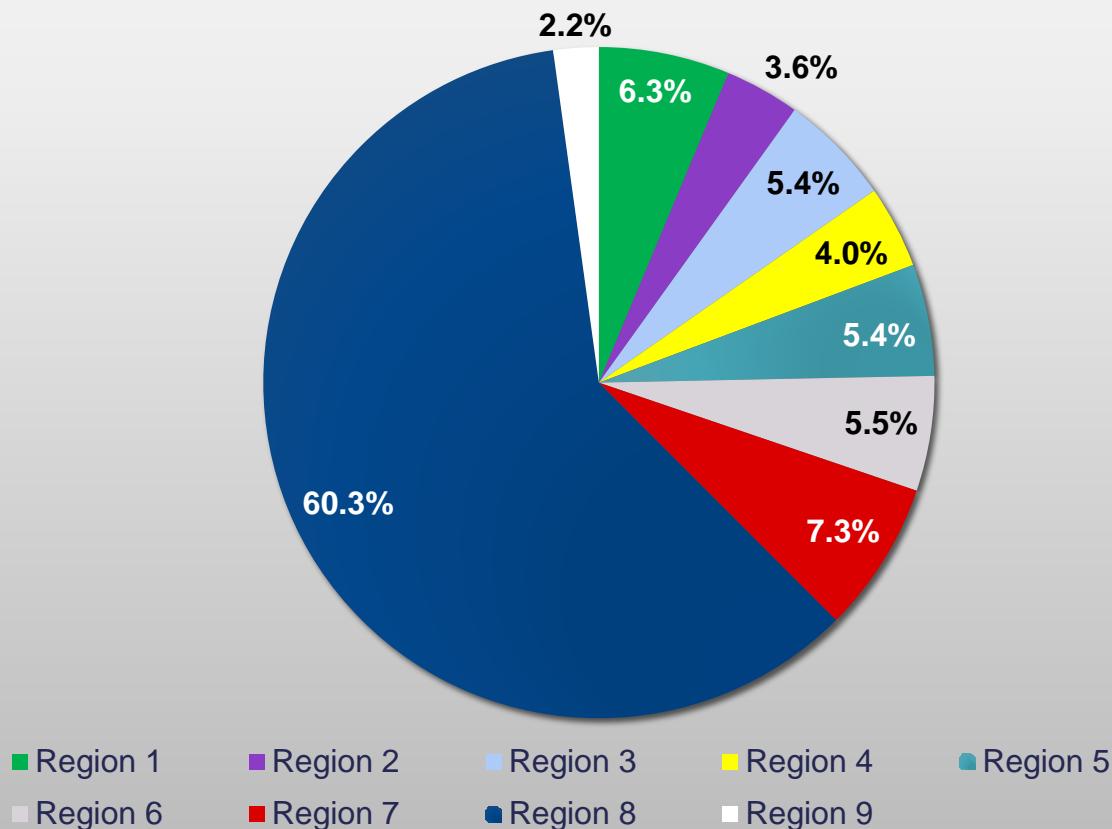
**Off Exchange
(199,000)**



■ Platinum ■ Gold ■ Silver ■ Bronze ■ Catastrophic

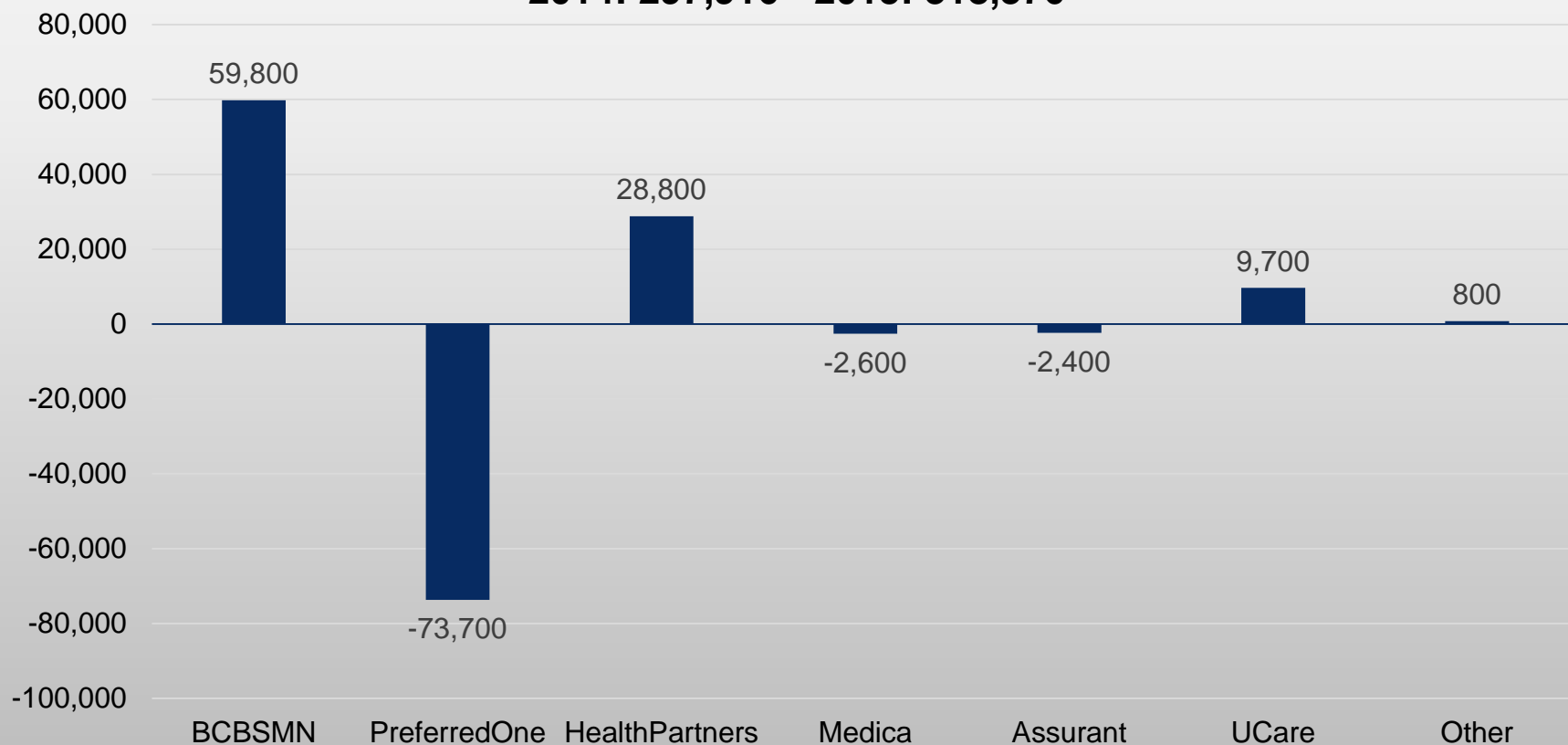
Enrollee Characteristics in Minnesota's Individual Market – Rating Regions

2014 Enrollment by Rating Region



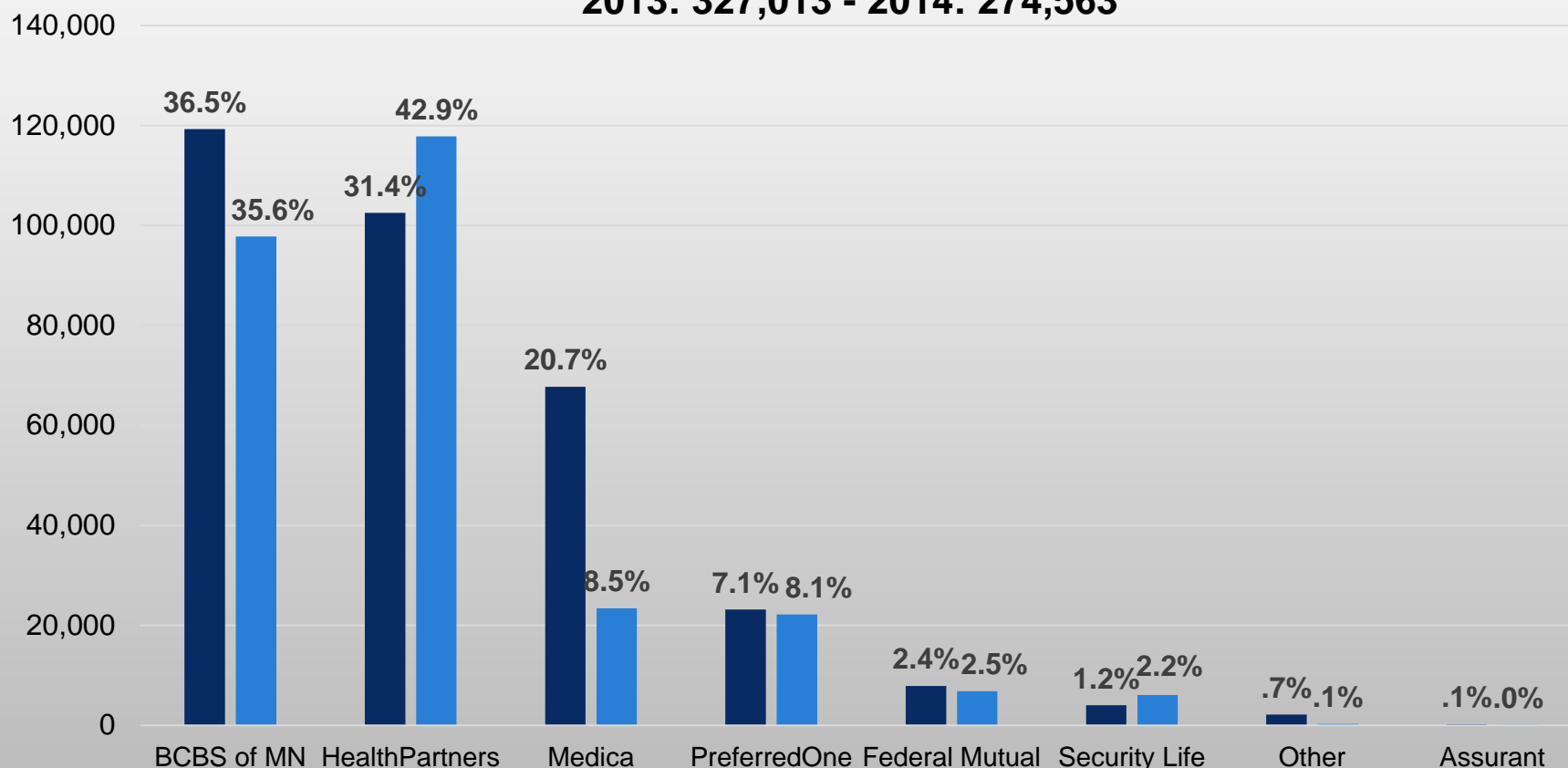
Changes in Covered Lives by Carrier in Minnesota's Individual Market (Second Quarter, 2014/15)

**Total Enrollment Estimate:
2014: 297,916 - 2015: 318,376**



Changes in Market Share in Minnesota's Small Group Market, by Carrier (2013/2014)

Total Enrollment Estimate
2013: 327,013 - 2014: 274,563

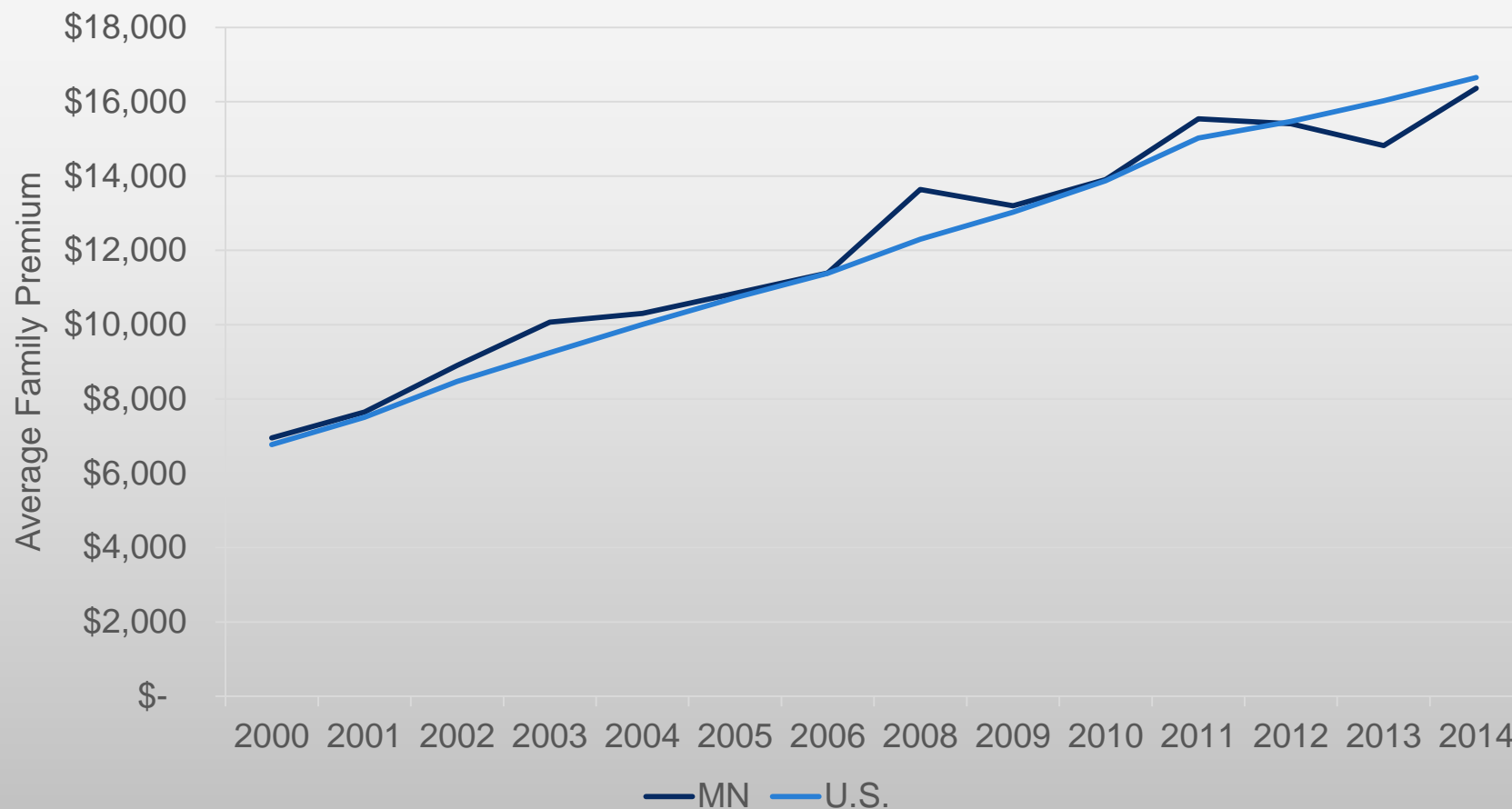


Forthcoming Analysis of the Individual and Small Group Markets

- Analysis of Changes in Enrollment and Benefit
 - Cost-sharing
 - Distribution of average claims
 - Trend in average actuarial value
- Relative risk across markets and products (one-time)
- Some detail currently not easily available:
 - Socio-demographic information, e.g., race, ethnicity and acculturation
 - Patterns of utilization on/off relative to benefit design and cost sharing characteristics
 - Prior coverage status and the degree of transitions
 - Information on covered lives by life events and renewal dates
 - Impact of cost sharing on use
 - Degree of concordance of coverage across members of families

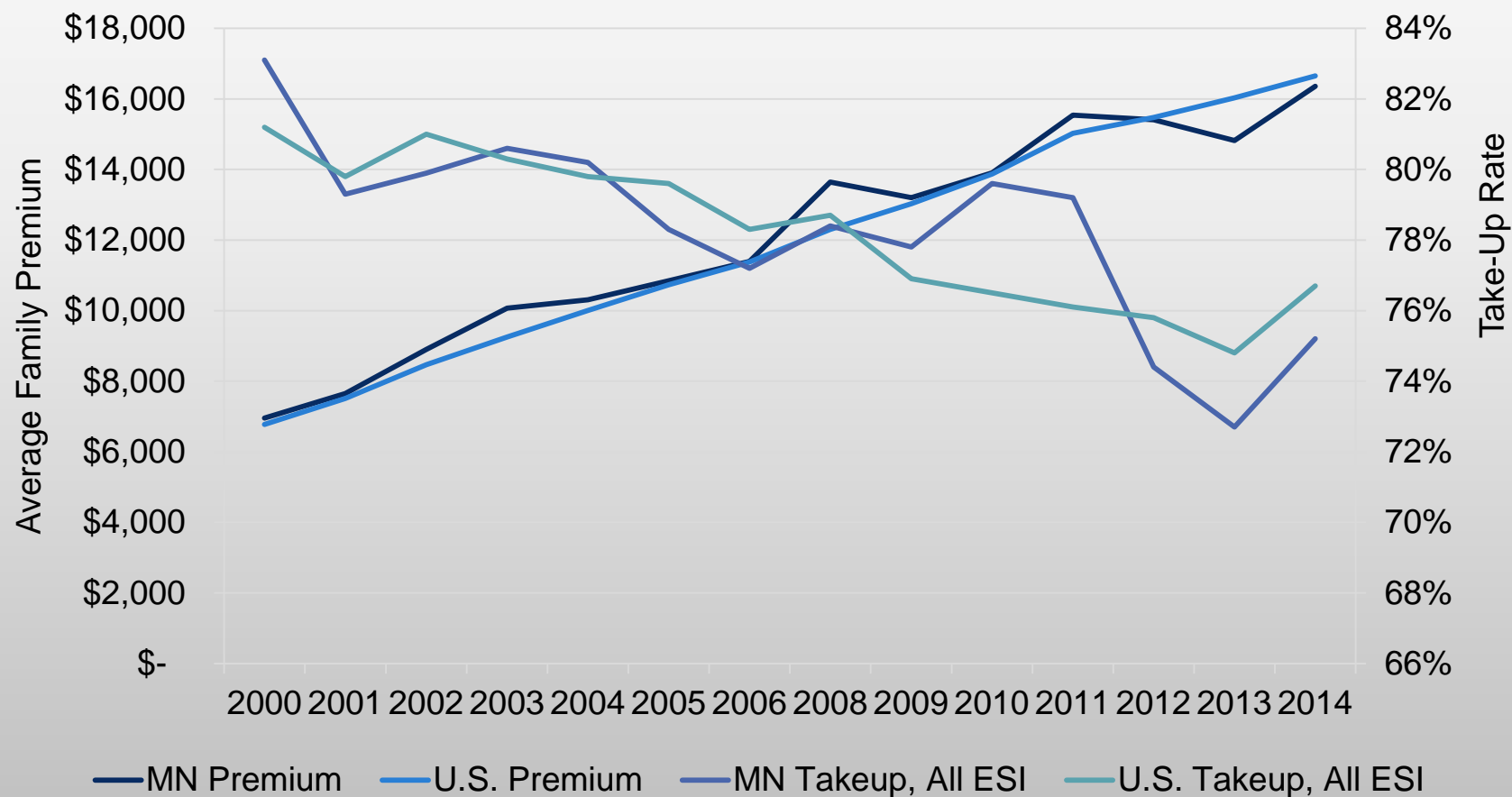
COST OF COVERAGE

Average Total Family Premium Per Enrolled Employee, All Private Sector Establishments



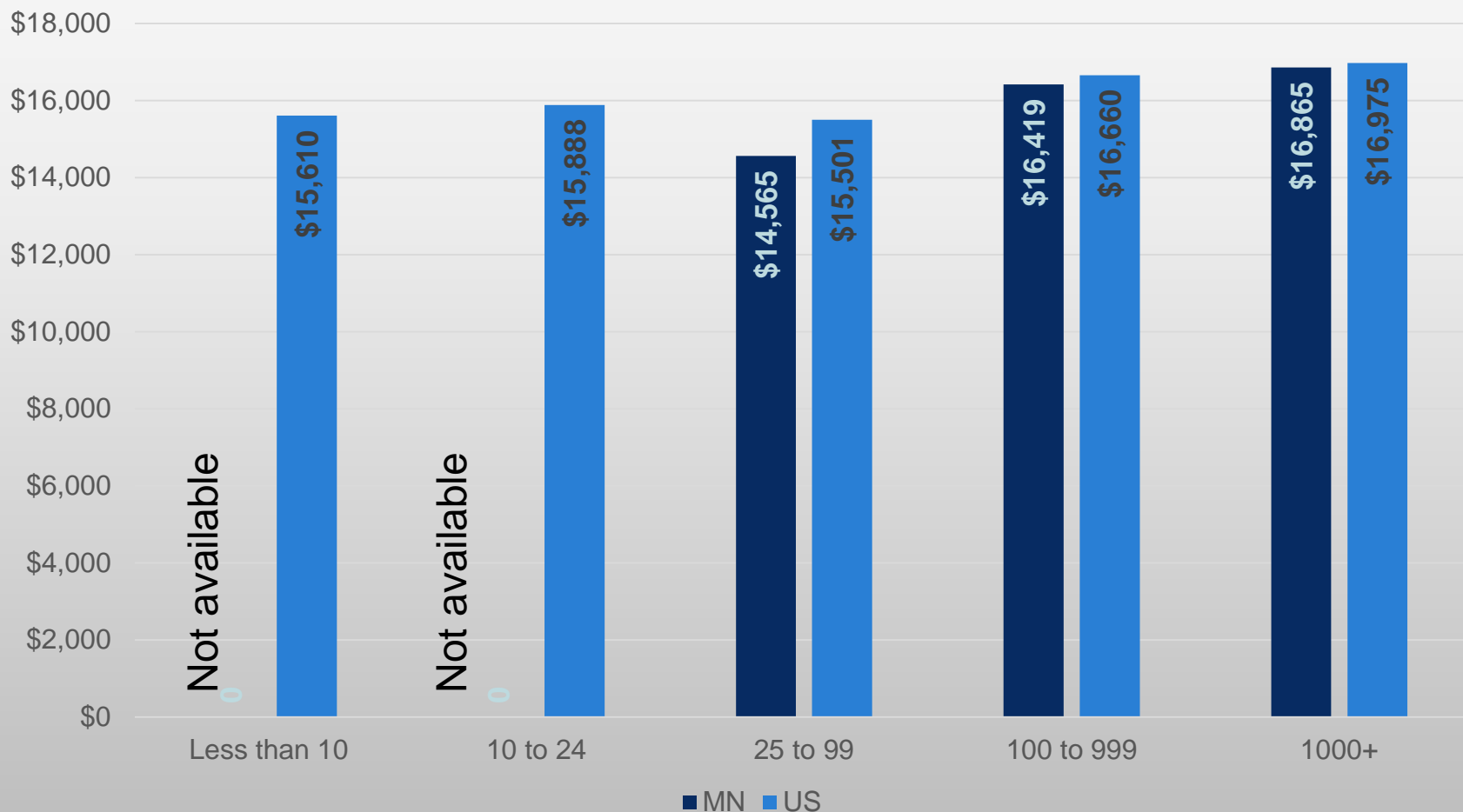
Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Information based on enrolled employees at private-sector establishments that offer health insurance. Data not available for 2007. MN and U.S. premiums are not statistically significant. "Take-up" is the percentage of *eligible* employees who enroll in health insurance.

Average Total Family Premium Per Enrolled Employee, All Private Sector Establishments, continued



Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Information based on enrolled employees at private-sector establishments that offer health insurance. Data not available for 2007. MN and U.S. premiums are not statistically significant. "Take-up" is the percentage of *eligible* employees who enroll in health insurance.

Average Total Family Premium Per Enrolled Employee, All Private Sector Establishments (2014)



Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Information based on enrolled employees at private-sector establishments that offer health insurance. Data not available for 2007. MN and U.S. premiums are not statistically significant.

*Data not available due to small sample size.

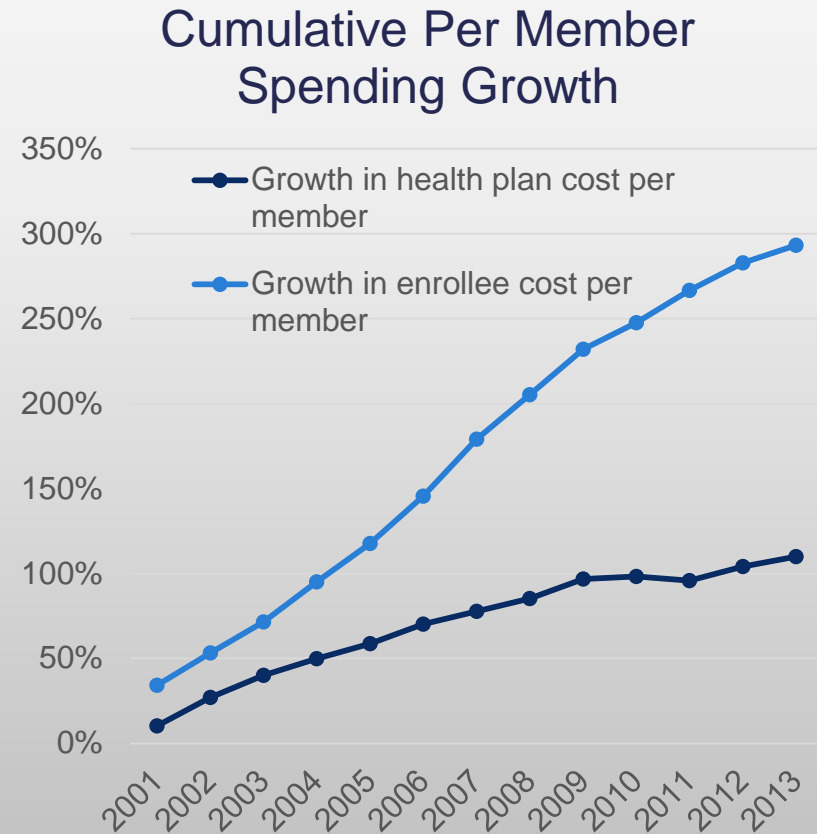
COST SHARING & BARRIERS TO CARE

Cost Sharing: Purpose & Evidence

- Compelling early evidence suggests cost sharing reduces health care use, generally w/o adverse effects;
- But, both necessary, as well as unnecessary services are affected by cost sharing;
- High cost sharing affects lower-income individuals disproportionately (it represents a greater share of income);
- Newer studies show:
 - Low-income people in poor health are more likely to suffer adverse effects
 - People w/higher income who have chronic diseases are likely to be affected by the financial burden associated with cost sharing
- There is evidence showing that targeted cost-sharing – higher rates for some services and lower for others – can be effective in reducing cost

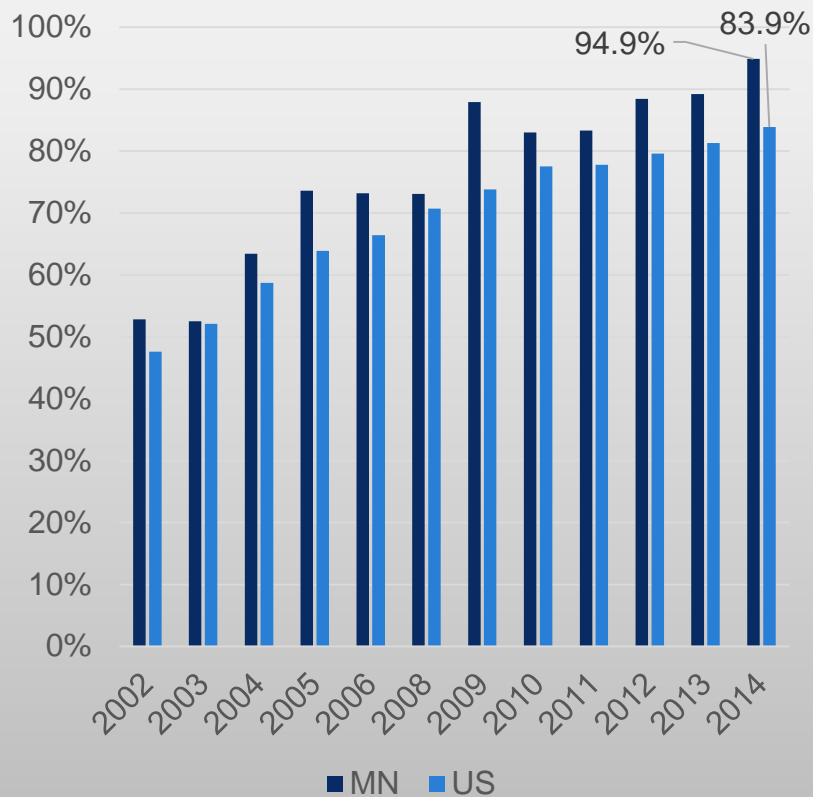
Cost Sharing in MN's Commercial Market

- Enrollees in insurance coverage bear a greater share of health spending
- The share paid for by *enrollees* has grown nearly two and a half times faster than the share paid for by *health plans*
- In 2000, enrollees were responsible for 10.2 percent of spending; in 2013 it was 17.5 percent



Trends in Deductibles in Private Sector Establishments

Employees in Health Plans with Deductible



Average Family Deductible

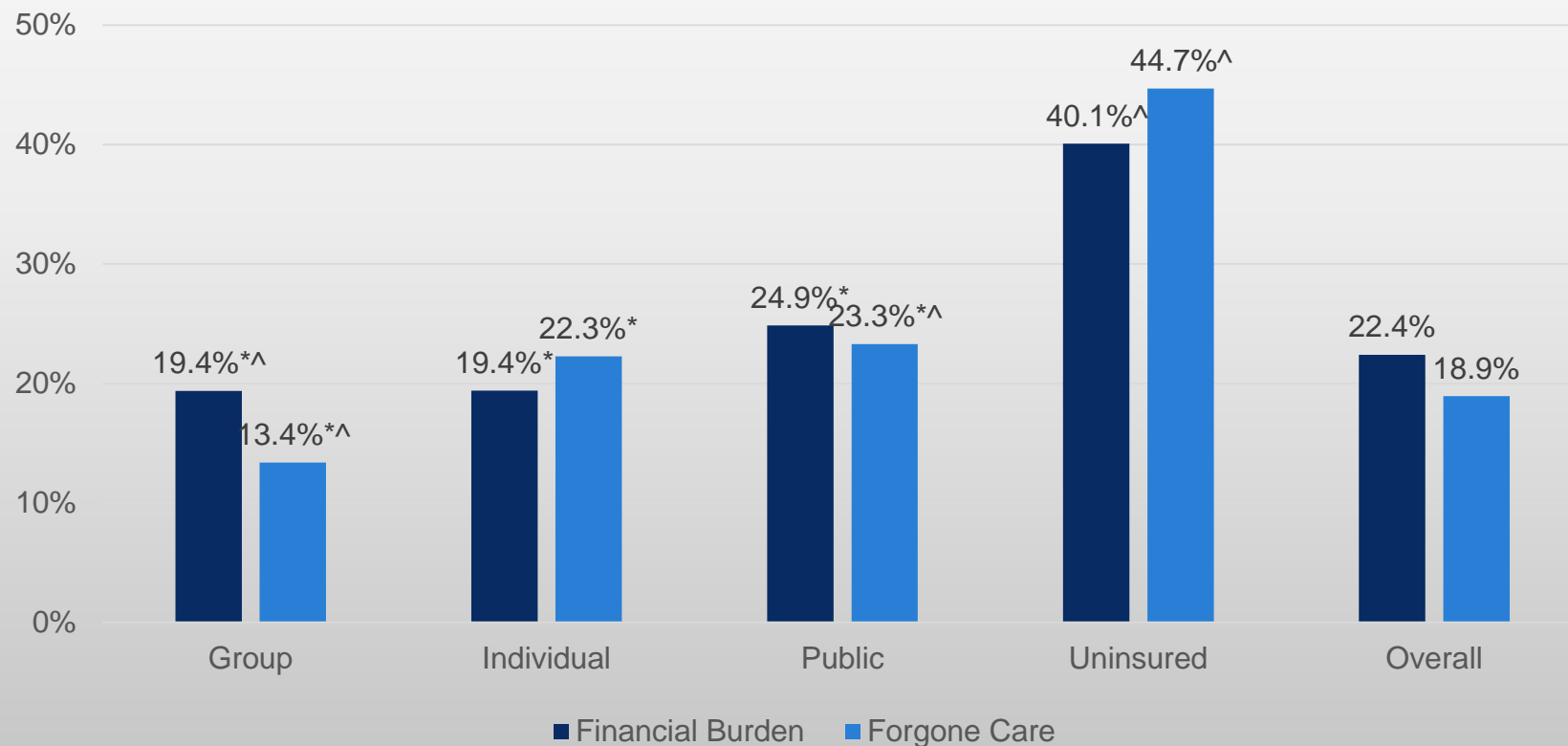


Underinsurance in Minnesota?

- Concept has been used to assess what percent of the population has coverage that exposes them to high financial risk
- Underinsured are more likely to:
 - Have problems paying medical bills & hold medical debt
 - See their financial security affected
 - Forgo needed medical care or do not fill prescription
- Requires:
 - Information on income & (net) cost-sharing
 - Agreement on what level of financial exposure is inappropriately high
- Minnesota has not historically estimated this figure

FINANCIAL BURDEN & FORGONE CARE IN MN

Percent of All Minnesotans Who Experience Financial Strain Due to Health Care Costs (2013)



Financial Burden: If a person reported having problems paying medical bills, having to set up a payment plan with a clinic to cover medical bills, or had trouble paying for food, rent or other basic bills due to medical costs in the past year.

Forgone care: A person reported they did not get dental care, routine medical care, specialist medical care, mental health care, or fill a prescription because of the cost in the past year.

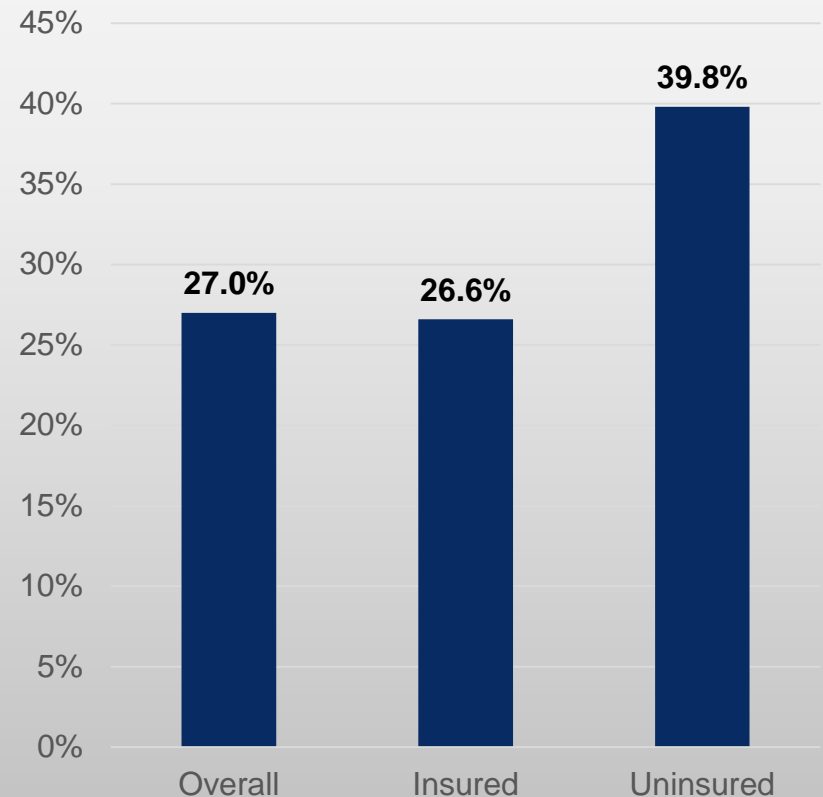
*Indicates statistically significant difference from Uninsured at the 95% level

[^]Indicates statistically significant difference from Overall at the 95% level

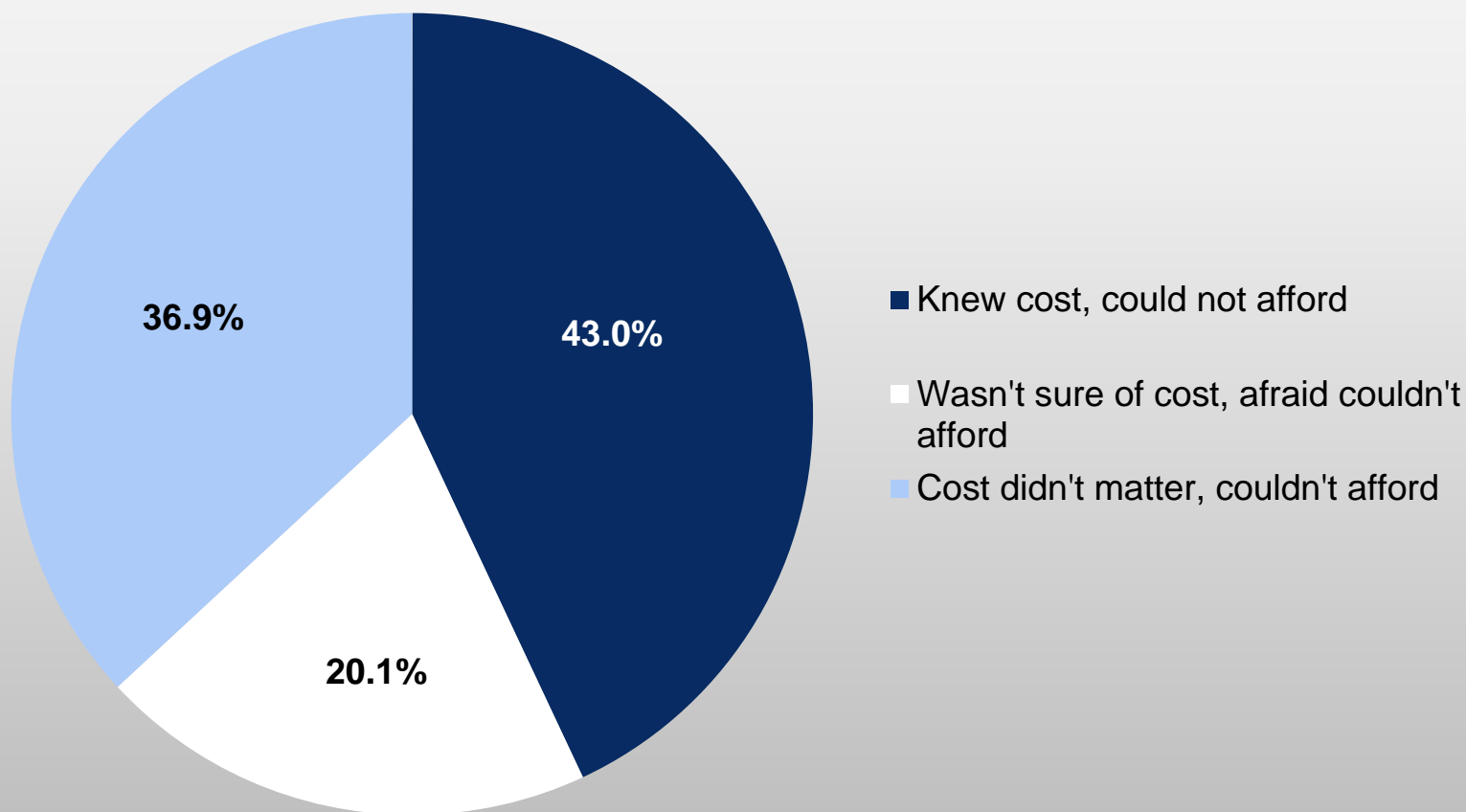
Source: Minnesota Department of Health, 2013 Minnesota Health Access Survey.

Percent of Non-elderly Adults Who Have Forgone Care (2014)

Despite the substantial increase in the number of Minnesotans w/ health insurance in 2014, about 900,000 adults reported they “did not get some type of needed health care due to cost”

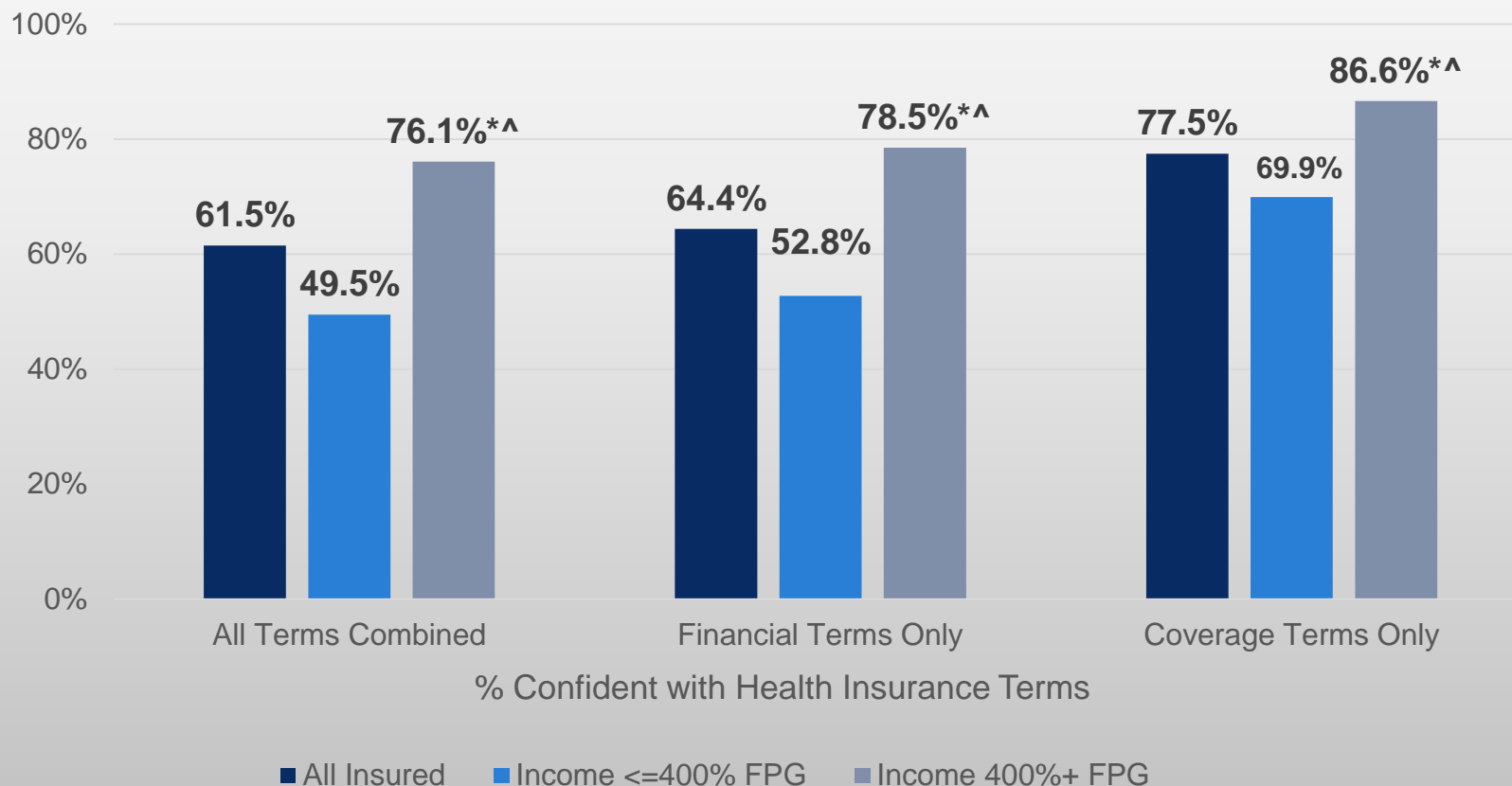


Perception of Cost Among Non-elderly Adults Who Have Forgone Care (2014)



HEALTH INSURANCE LITERACY

Health Insurance Literacy: Insured Minnesotans Non-elderly Adults



¹ Financial terms include premium, deductible, copayments, coinsurance and maximum annual out-of-pocket spending.

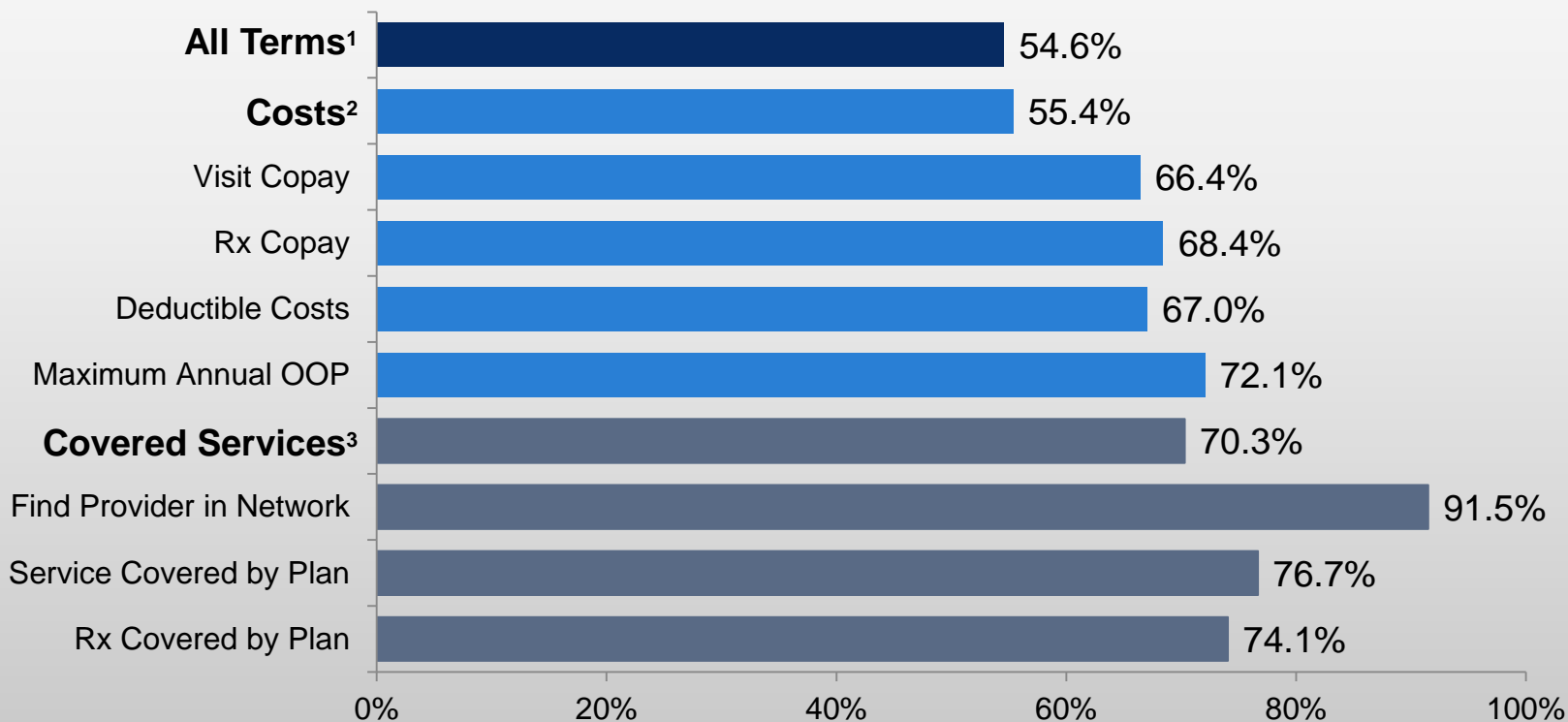
² Coverage terms include provider network and covered services.

* Indicates statistically significant difference from Income less than or equal to 400 percent FPG at 95 percent level

^ Indicates statistically significant difference from All Insured at 95 percent level

Source: Minnesota Department of Health, Health Reform Monitoring Survey-MN, September 2014

Confidence in Ability to Navigate Insurance Coverage: Insured Minnesotans, Non-elderly Adults



¹ Percent of people who were confident in their ability to perform basic health insurance tasks.

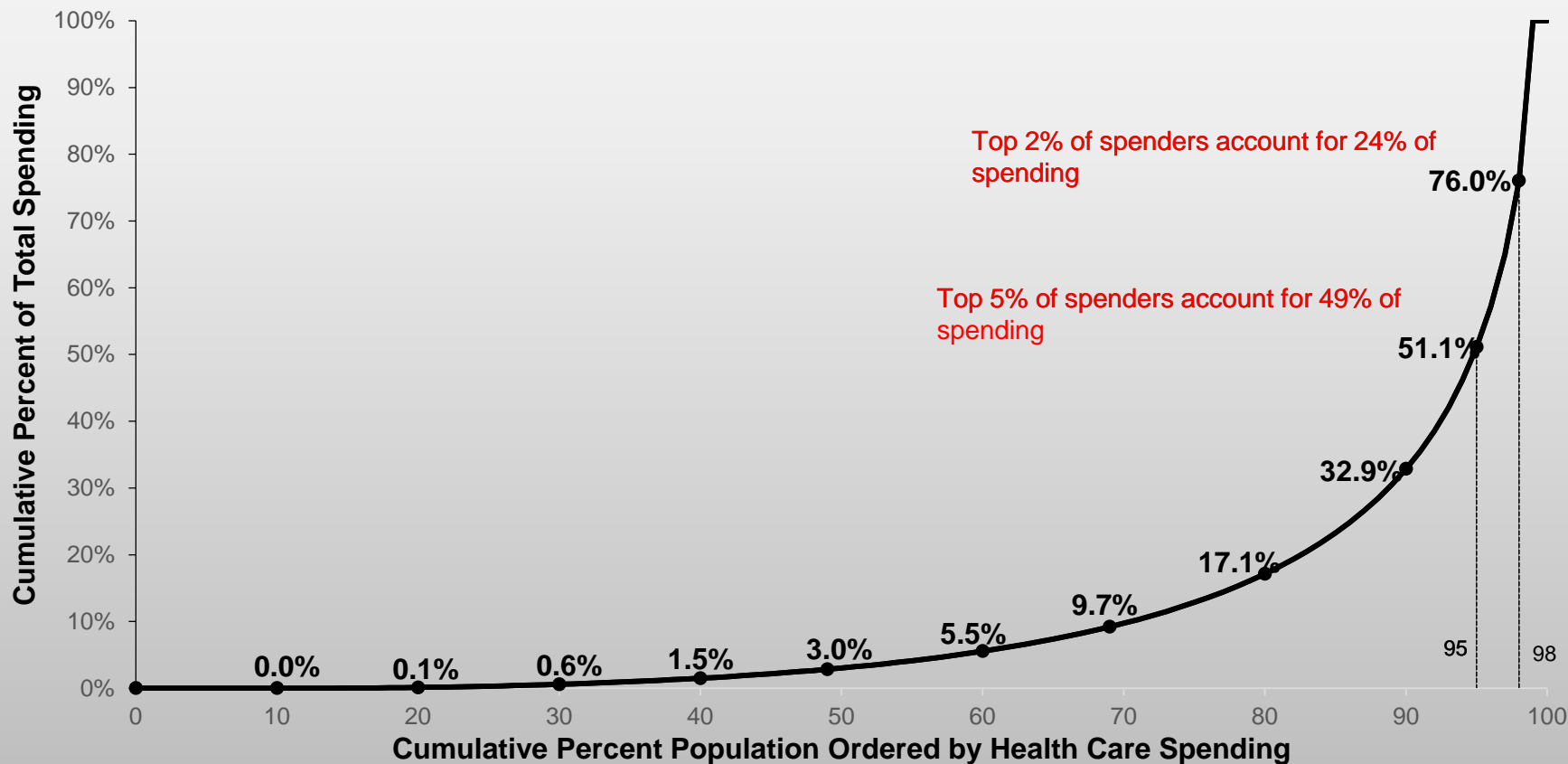
² Costs terms include figuring out the amount of a copay for a visit (Visit Copay); the amount of a copay for a prescription (Rx Copay); which costs will go toward the annual deductible (Deductible Costs); and the maximum out-of-pocket costs in a given year (Maximum Annual OOP). People who reported being confident in their ability to determine all four amounts are included in the Costs percent.

³ Covered services terms include finding a provider in your health plans network (Find Provider in Network); determining if a service is covered by your plan (Service Covered by Plan) and determining which prescription drugs are covered by your plan (Rx Covered by Plan). People who were confident in their ability to do all three of these are included in the Covered Services Navigation percent.

Source: Minnesota Department of Health, Health Reform Monitoring Survey-MN, September 2014

The Perhaps Most Important Graph in Health Policy

Minnesota Health Spending is Concentrated Among the Highest Spenders
 (Minnesota Residents with Insurance Coverage, 2012)



THE UNINSURED & 2015 MN HEALTH ACCESS SURVEY

Additional Upcoming Information from the 2015 MNHA Survey (Due in early 2016)

- Cost sharing
 - Prevalence of high deductible health plans and employer contributions to HSAs
 - Factors influencing ability to afford health insurance coverage
 - Satisfaction with how health insurance protects against high medical bills
- Barriers to insurance
- Barriers to care
 - Financial burden and forgone care due to medical costs
 - Access to financial institutions and the internet
- Health insurance literacy and navigation
 - Understanding of health insurance terminology

Additional Information from the Health Economics Program Available Online

- [Health Economics Program Home Page](http://www.health.state.mn.us/health/economics)
www.health.state.mn.us/health/economics
- **Publications**
www.health.state.mn.us/divs/hpsc/hep/publications/index.html
- [Health Care Market Statistics \(Chartbook Updates\)](http://www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html)
www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html
- [Interactive Health Insurance Statistics](https://pqc.health.state.mn.us/mnha/Welcome.action)
<https://pqc.health.state.mn.us/mnha/Welcome.action>

Contact the Health Economics Program at:
651-201-3550 or health.hep@state.mn.us