

Impact of the Democratic Presidential Candidates Health Care Plans on the Uninsured in Missouri¹

The Missouri Foundation for Health is committed to seeking solutions to the problem of uninsurance and underinsurance in Missouri. As a part of that commitment, the Foundation has produced a number of papers analyzing both the size of the problem and the costs of solving it. As was indicated in an earlier report, the most likely scenario for dealing with the uninsured is a combination of existing and new programs. Each of the current Democratic candidates for nomination has detailed a plan which represents such a combination.

Their proposals differ in scope, complexity and cost. Most analysis of those plans has been focused at the national level. The impact on a specific state has rarely been determined.

This brief paper presents an estimate of the number of uninsured Missouri residents likely to receive health insurance coverage under the Democratic Presidential contenders' health care plans. A detailed discussion of each plan has been compiled by the Commonwealth Fund, and is available on their web site at www.cmwf.org. The Foundation plans to continue monitoring potential effects of health coverage proposals on Missourians and will provide additional reports as the national election picture narrows to two candidates.

The estimated number of uninsured is based on the most recent counts derived from the March 2003 Current Population Survey. Nationally, there were an estimated 43.6 million uninsured, with 43.3 million of them under age 65. The most recent data for Missouri estimate that 646,012 residents under age 65 were uninsured during 2002.

Each of the candidates' health care plans phase in at different times. Some plans, such as Senator Lieberman's proposal, would be fully phased in by 2013. Others, such as Governor Dean's plan, start for all eligibles in 2005. Thus, the estimated number of newly insured represent an estimate of the newly insured when each plan is fully implemented.

The estimated numbers of newly insured, as well as the new federal funding flowing into the state over the next ten years are summarized in Table 1. A more detailed set of estimates is presented in Table 2.

¹ This brief paper is based on research performed for the Missouri Foundation for Health by Kenneth E. Thorpe, Robert W. Woodruff Professor of Health Policy and Management at Emory University's Rollins School of Public Health. Dr. Thorpe's previous work for the Foundation includes *Health Expenditures in Missouri* and *A Universal Health Plan for Missouri*.

Table 1. Newly Insured and Federal Costs of the Presidential Candidates' Health Care Plans in Missouri, Summary

Candidate	Newly Insured, All Plan Provisions		Federal Spending, 2004-2013
	#	% Of Uninsured	
Senator John Kerry	410,940	63.6%	\$13.1 Billion
Governor Howard Dean	473,530	73.3%	\$13.9 Billion
General Wesley Clark	498,950	77.2%	\$11.5 Billion
Senator John Edwards	333,777	51.7%	\$ 8.6 Billion
Senator Joseph Lieberman	495,135	76.6%	\$11.1 Billion

The Democratic candidates' proposals on average would extend health insurance coverage to at least 52 percent of the uninsured—over 333,000. The most generous plan, the one developed by General Clark, would extend coverage to over 77 percent of the uninsured—nearly 500,000 of the estimated 646,000 uninsured.

Federal Spending

The Democratic proposals would result in a substantial increase in federal spending on health care in Missouri. The rise in federal spending would replace some private and state funding of care for the uninsured. In addition, the health insurance plans offered by each candidate would result in a small overall increase in health care spending in the state.²

At the “lower” end, Senator Edwards' proposal would provide the state with an additional \$8.6 Billion in federal support over the next ten years. At the higher end, Governor Dean's plans would provide an infusion of federal dollars totaling \$13.9 Billion over the next ten years

Table 2 presents a more detailed set of estimates that include the number of newly insured nationally (now using the March 2003 data) as well as the newly insured for individual components of each plan. It is important to recognize, however, that in virtually all the Democratic proposals the uninsured would be eligible for multiple programs. I have assumed that the uninsured would enroll in the program with the largest federal subsidy, and therefore the lowest cost to them. Since each plan varies in terms of who is eligible, by income, and age, it is not possible to compare some elements of the health plans across proposals. For instance, some of the plans would provide federal assistance to the recently unemployed to purchase COBRA coverage. However, many of those eligible for COBRA would likely enroll in the expanded State-Children's Health Insurance Programs (SCHIP) that provide coverage to adults through 275% (Clark) or 300% (Lieberman) of poverty. Other plans that offer less generous SCHIP subsidies may have more enrollees in the COBRA program, increasing its cost.

² The increase in health care spending assumes the proposals would not result in significant reductions in the administrative costs.

Table 2. Estimated Newly Insured Persons in Missouri Under the Presidential Candidates Health Care Plans

Candidate	Proposal	Newly Insured
Senator Kerry	Enroll uninsured but eligible Medicaid and SCHIP children	72,415
	Enroll parents of currently eligible Medicaid and SCHIP children	105,725
	Enroll single adults and childless couples up to 100% of poverty	83,970
	Federal premium assistance for small employers	41,160
	Federal premium assistance (provisions to receive reinsurance payments)	34,575
	COBRA subsidies	29,635
	Federal Employee Health Benefit Program (FEHBP) buy-in for those aged 55-64	13,825
	Individual income-related premium cap	29,635

Candidate	Proposal	Newly Insured
Governor Dean	Families and Children Health Insurance Program	370,045
	Universal Health Benefits Program	73,695
	COBRA Buy-In	29,790
	TOTAL	473,530

Candidate	Proposal	Newly Insured
General Clark	Mandate coverage of children and young adults to age 22	183,425
	Expand coverage to adults under 150% poverty	205,188
	Expand coverage to adults between 150% and 275% of poverty	84,385
	Individual purchasing pool buy-in	17,875
	COBRA subsidies	8,077
	TOTAL	498,950

Candidate	Proposal	Newly Insured
Senator Edwards	Mandated coverage for children and young adults to age 21	126,025
	Subsidies for adults through 250% of poverty	177,582
	COBRA subsidies	16,065
	Medicare buy-in	14,105
	TOTAL	333,777

Candidate	Proposal	Newly Insured
Senator Lieberman	Expand SCHIP to age 25 and 300% of poverty (includes Medikids)	216,390
	Medicaid expansion for adults to 150% of poverty	155,895
	Expand coverage to adults between 150 and 250% of poverty	68,010
	Small business buy-in and COBRA subsidies	54,840
	TOTAL	495,135

Finally, Table 3 presents the most recent estimates concerning the number of uninsured in the state of Missouri. During 2002, and estimated 646,000 residents under age 65 were uninsured.

Table 3. Number of Uninsured By Age and Income in Missouri, 2002

Income As Percent of Poverty	Children aged 0-18	Adults aged 19-64	Total
Under 150%	46,550	252,138	298,688
151-200%	9,856	71,458	81,314
201-250%	6,758	57,106	63,864
251-275%	1,434	16,099	17,533
276-300%	7,991	19,104	27,095
300+	10,175	147,344	157,519
Total	82,764	563,249	646,012