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Health Insurance Coverage in Nebraska

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SUMMARY

- 217,100 Nebraskans lack health insurance.
- Nebraska's uninsured rate for the population younger than 65 years was 14.9%, a 67.4% increase since 2000, when it was less than 9%.
- 16 Nebraska counties had a high uninsurance rate (21%–31%).
- More than 490,000 (27.5%) of Nebraskans were covered by public health insurance (Medicare, Medicaid, military).
- In Nebraska, the number of individuals with employer-based insurance decreased by approximately 9.3% between 2000 and 2010, and the number of individuals who purchase insurance directly increased by approximately 16.0%.
- 3 insurance carriers make up 91% of the private insurance market.

Introduction

Access to affordable, high quality health insurance coverage is an ongoing health policy issue that has received significant attention at the state and federal levels. Nebraska faces this issue from the perspective of a largely rural state with a total population of 1.8 million spread over 76,800 square miles.[1] To describe the trends, characteristics, and distribution of insurance coverage across Nebraska's population, we analyzed secondary data from the US Census Bureau Current Population Survey (CPS) and the Annual Social and Economic Supplement (ASEC). We compare data for Nebraska with the Midwest region, including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, North Dakota, Ohio, South Dakota, and Wisconsin.

Exhibit 1 provides as overview of insurance coverage of Nebraska's total population in 2010. Among Nebraska's total population in 2010, approximately 217,100 people (12.0%) lacked health insurance. More than 490,000 (26.0%) were publicly insured (i.e., Medicare, Medicaid, other), and most Nebraskans (62.0%) were privately insured (i.e., employer-based or direct purchase by an individual).

Nebraska's Uninsured Population

Historically, rising health care costs and volatile economies have been shown to drive up uninsurance rates due to individuals' lack of access to health care.[2] Because most of the elderly population is covered by or is eligible for Medicare benefits, the population younger than 65 years is commonly the focus of the uninsured debate. As shown in Exhibit 2, Nebraska's uninsured rate for the population younger than 65 years was approximately 14.9% in 2010, an increase of about 67.4% since 2000 (8.9% of the total population younger than 65 years). Similar to Nebraska, the Midwest region experienced a 41.0% increase in the uninsured rate for the population younger than 65 years between 2000 (10.5%) and 2010 (14.8%).[3]

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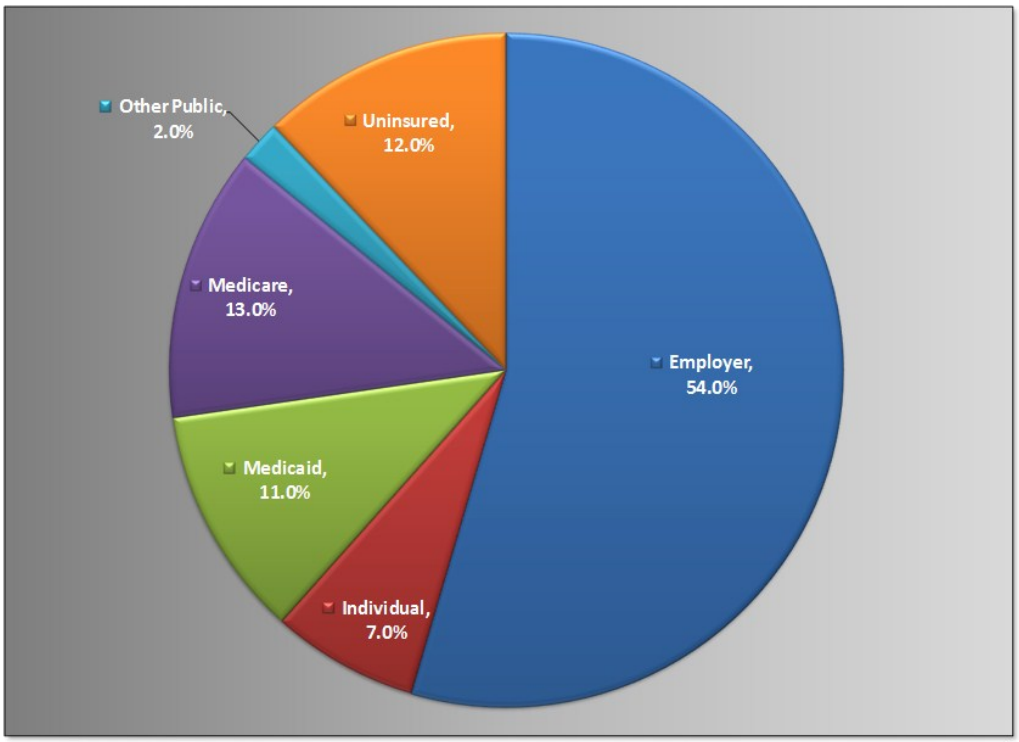
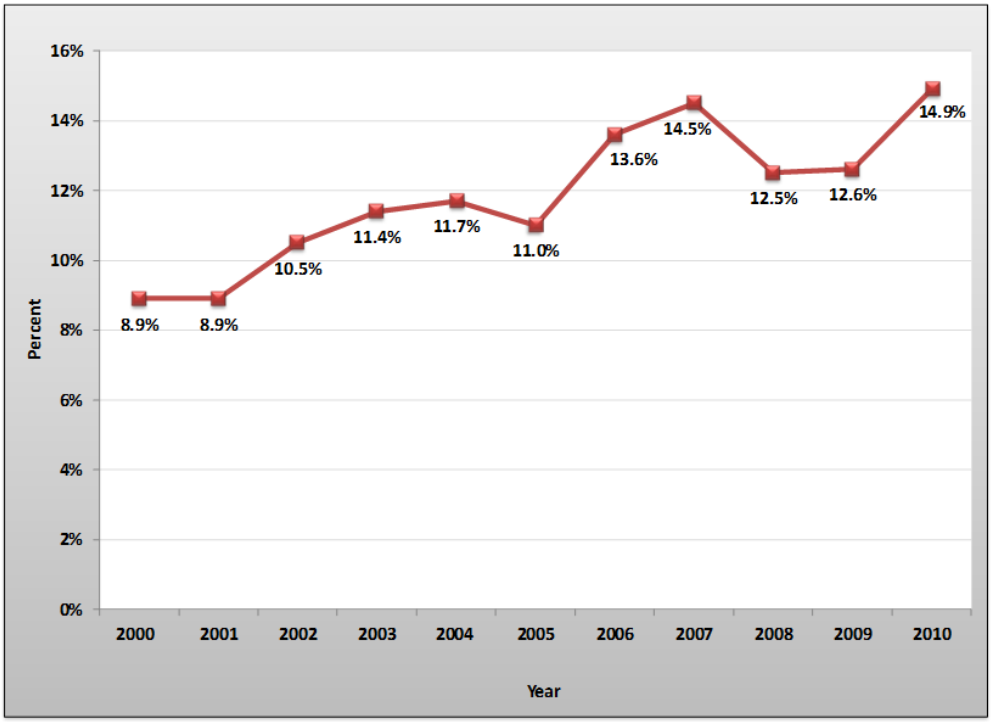
Exhibit 1. Sources of Insurance Coverage, Total Population, All Ages, Nebraska, 2009-2010



Source: Kaiser Family Foundation, State Health Facts. http://www.statehealthfacts.org/profileind.jsp?ind=125&cat=3&rgn=29. Accessed on June 26, 2012.

Exhibit 2. Percent Uninsured Population Younger Than 65 Years, Nebraska, 2000–2010



Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, Health Insurance Historical Tables - HIB Series, 2000 – 2010.

Exhibit 3 provides selected characteristics of the uninsured population and a comparison with the total population in Nebraska. Of Nebraska's total population in 2010, 12.2% were older than 65 years, 90.0% were non-Hispanic White, 5.8% were not US citizens, less than 38.0% worked full-time year-round, and close to 30.0% were below 200% of the federal poverty level (FPL). Among those younger than 18 years in Nebraska, approximately 20.1% were uninsured in 2010, much higher than in the Midwest (13.1%, total population between 0 and 17 years of age).[4] Similarly, Nebraska had a higher rate of American Indian and Alaska Natives who were uninsured (7.3%) than in the Midwest (1.6%); presumably, these uninsured American Indians were not eligible or covered by the Indian Health Service.[4] Nebraska also had a higher rate of uninsurance among non-citizens (17.1%) than in the Midwest (10.6%).[4] Among Nebraska's unemployed population in 2010, fewer were uninsured (17.9%) than in the Midwest (29.9%).[4] Among the population for whom poverty status was determined and who were either very poor or poor in 2010, approximately 50.4% of the population younger than 65 years was uninsured in Nebraska, which was lower than in the Midwest (58.9%).[4]

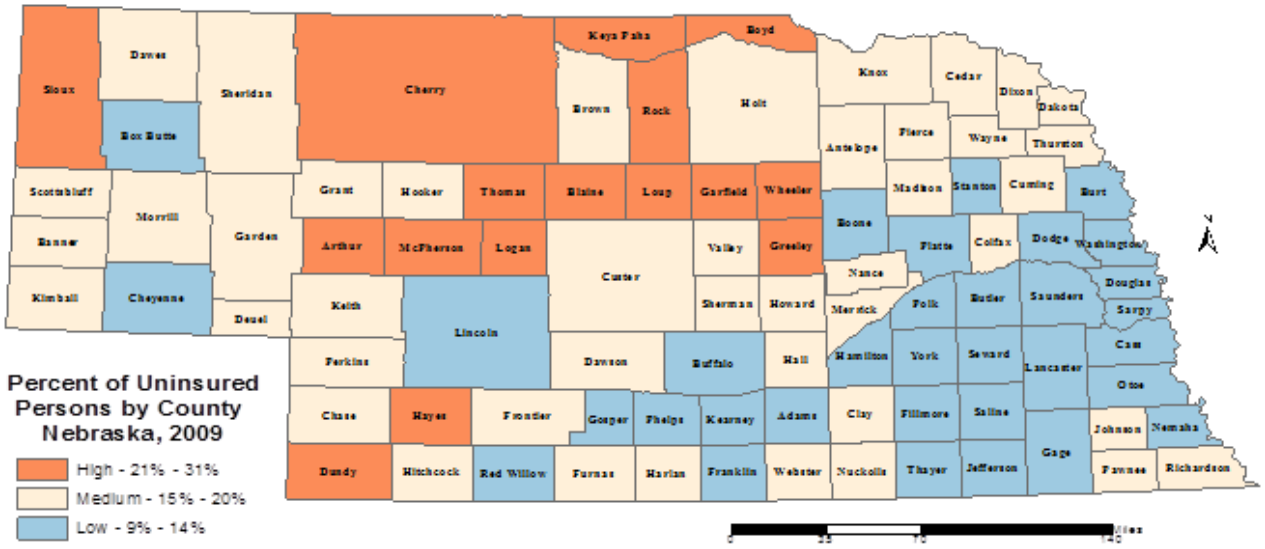
Exhibit 3. Selected Characteristics of the Uninsured Population Younger Than 65 Years, Nebraska, 2010

	Uninsured < 65 years		Total Population	
Characteristic	**No. (1,000s)**	**%**	**No. (1,000s)**	**%**
Age				
00–17 years	47	20.1%	458	25.6%
18–64 years	187	79.9%	1,111	62.1%
65–80+ years			219	12.2%
Ethnicity				
Non-Hispanic	177	75.6%	1,592	89.0%
Hispanic	57	24.4%	196	11.0%
Race				
White alone	191	82.0%	1,608	90.0%
Black or African American alone	12	5.2%	76	4.2%
American Indian and Alaska Native alone	17	7.3%	45	2.5%
Asian alone, Native Hawaiian and Other Pacific Islander (NHOPI) alone, or Asian/NHOPI	12	5.2%	38	2.1%
Two or more races	1	0.4%	21	1.2%
Citizenship Status				
Native	181	77.4%	1,635	91.4%
Naturalized Citizen	13	5.6%	49	2.7%
Not a Citizen	40	17.1%	104	5.8%
Employment Status				
Worked full-time year-round	76	32.5%	680	38.0%
Worked less than full-time year-round	77	32.9%	376	21.0%
Did not work	42	17.9%	350	19.6%
Under 15 years (not working age)	39	16.7%	382	21.4%
Poverty Status (% below poverty level)				
Below 100%	110	26.2%	182	10.2%
100% to below 200%	145	34.5%	319	17.9%
200% to below 300%	83	19.8%	350	19.6%
300% to below 400%	35	8.3%	265	14.8%
400% and above	47	11.2%	671	37.5%

Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2011.

The distribution of the uninsured population across Nebraska is depicted in Exhibit 4. In 2009, 16 Nebraska counties had a high uninsurance rate and 33 counties had a low uninsurance rate. Of Nebraska's 9 urban counties (Cass, Dakota, Dixon, Douglas, Lancaster, Sarpy, Saunders, Seward, and Washington)[5] in 2009, only 2 had medium uninsurance rates, while the rest had low insurance rates. In 2009, 38 of the 39 Nebraska counties defined as frontier (<7 people per square mile),[6] had high uninsurance rates.

Exhibit 4. Distribution of Uninsured Population Younger Than 65 Years, Nebraska, 2009



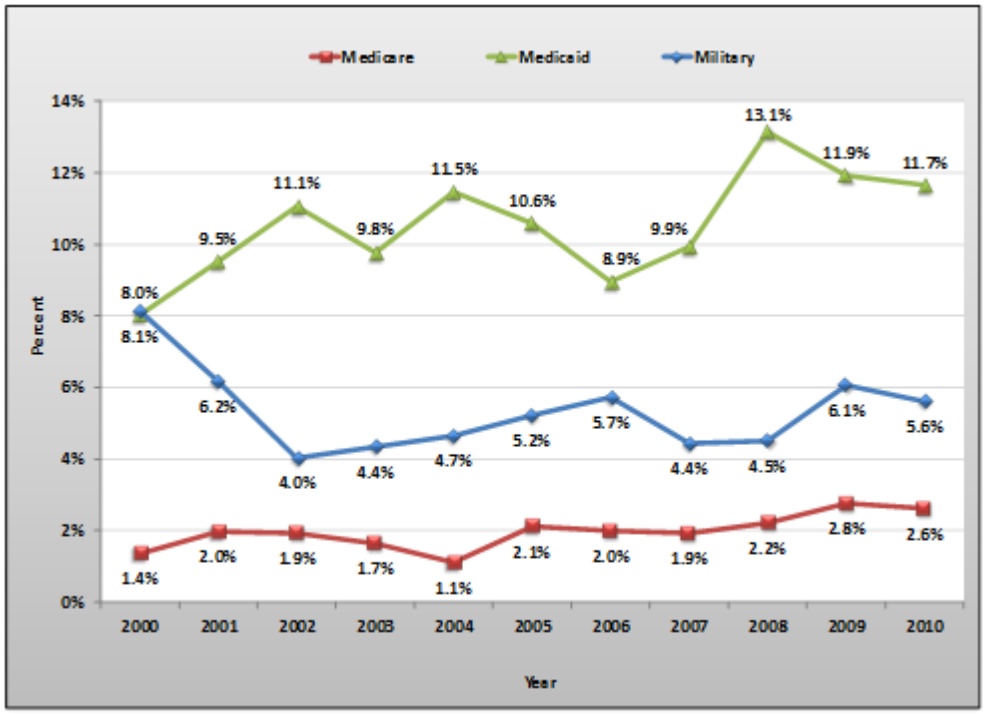
Source of data: 2009 Health Insurance Coverage Status, Uninsured Only, in Nebraska, for those younger than 65 years, all income levels, and both sexes; US Census Bureau Small Area Health Insurance Estimates. Accessed March 1, 2012.

Exhibit 4 produced by Department of Health Services Research and Administration, Center for Health Policy, 2012. Cartography by Nicole Vanosdel, Medical Geographer, UNMC College of Public Health, Department of Health Services Research and Administration, 2012.

Public Insurance

The overall number of both Medicare and Medicaid beneficiaries fluctuated significantly between 2000 and 2010. Those fluctuations can be attributable to economic recessions and periods of high unemployment rates, a growing elderly population, and several periods of federal program expansion (i.e., the Medicare Modernization Act of 2003, Medicare Part D, the transition of Medicaid drug benefits of dual eligibles to Medicare, etc.).[7] From 2000 to 2010, the Medicare population older than 65 years increased by approximately 17,000 beneficiaries. Similarly, the Medicaid population younger than 65 years also increased, but much more significantly, with an approximate increase of 63,000 beneficiaries. While the total number of Medicaid beneficiaries among the Nebraska population younger than 65 years increased over time (from 8.0% in 2000 to 11.7% in 2010, a 46.3% increase), the number of Medicare and military beneficiaries remained relatively stable (Exhibit 5). This rate is much lower than in the Midwest region, with approximately a 98.8% increase since 2000.[3]

Exhibit 5. Percent Publicly Insured by Coverage Type, Population Younger Than 65 Years, Nebraska, 2000–2010



Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, Health Insurance Historical Tables - HIB Series, 1999–2010.

Note: The Medicare population is representative of people aged 65 years and older, persons below the age of 65 with disabilities, and people with end stage renal disease (permanent kidney failure requiring dialysis or transplant).

Selected characteristics of Nebraska Medicare beneficiaries are presented in Exhibit 6. In 2009-2010, 43.0% of Nebraska's Medicare beneficiaries were either poor or very poor. Average annual Medicare spending per enrollee grew 7.4% between 1991 and 2009, to about $9,138 per enrollee.[8] There were 41,643 dual eligibles in 2008, representing about 17.0% of Medicaid beneficiaries. As of February 2010, most Medicare beneficiaries (152,223 beneficiaries or 55.0%) had prescription drug coverage through stand-alone prescription drug plans. As of 2011, the Medicare Advantage plan penetration rate was about 11.5%.

Exhibit 6. Selected Characteristics of Nebraska Medicare Beneficiaries

Characteristics	No.	%
Distribution of Medicare Beneficiaries by Eligibility Category[1]		
Aged	235,581	86.3%
Disabled	37,395	13.7%
Distribution of Medicare Beneficiaries by Age[2,3]		
19–64 years	38,400	15.0%
65–74 years	116,100	45.0%
75–84 years	73,900	29.0%
85+ years	25,700	10.0%
Medicare Beneficiaries by Federal Poverty Level[3,4]		
Under 150%	27,900	11.0%
100 – 149%	40,900	16.0%
150 – 199%	42,000	16.0%
Over 200%	146,700	57.0%
Average Annual Percent Growth in Medicare Spending per Enrollee[5]		7.4%
Dual Eligible Beneficiaries[6]		
Partial Dual Eligibles	3,969	10.0%
Full Dual Eligibles	37,674	90.0%
Aged and Disabled Dual Eligibles as a Percent of Total Medicaid Beneficiaries[6]		
All Dual Eligibles as a % of Medicaid Beneficiaries		17.0%
All Dual Eligibles as a % of Aged and Disabled Medicaid Beneficiaries		70.0%
Distribution of Medicare Beneficiaries with Creditable Prescription Drug Coverage[7]		
Beneficiaries in stand-alone prescription drug plans	152,223	55.0%
Beneficiaries in Medicare Advantage prescription drug plans	26,481	10.0%
Beneficiaries in employer plans taking retiree drug subsidies	21,804	8.0%
Other prescription drug coverage	44,002	16.0%
Beneficiaries with known creditable drug coverage	244,510	88.0%
Medicare Advantage Enrollment (No.) and Plan Penetration (%)[8]	28,771	11.5%

Source: Kaiser Family Foundation, State Health Facts, 2012. http://www.statehealthfacts.org/profileind.jsp?cat=6&rgn=29&cmprgn=1. Accessed on June 18, 2012.

Notes:

[1]Data are from 2009; Medicare beneficiaries are enrolled in Part A (covers specified inpatient hospital services, post-hospital skilled nursing care, home health services, and hospice care for aged and disabled individuals who meet the eligibility requirements) and/or Part B (pays for a portion of the costs of physicians' services, outpatient hospital services, and other related medical and health services for voluntarily insured aged and disabled individuals).

[2]Data are from 2009 to 2010; percentages may not sum to 100% due to rounding and the exclusion of a small percentage of Medicare enrollees younger than 19 years.

[3]Includes beneficiaries dually enrolled in Medicare and Medicaid.

[4]Data are from 2009 to 2010; percentages may not sum to 100% due to rounding.

[5]Data are from 1991 to 2009 and reflect Medicare spending on personal health care services and products (hospital care, physician services, nursing home care, prescription drugs, etc.). Numbers may not add to totals because of rounding.

[6]Data are from 2008; dual eligibles are individuals entitled to Medicare who are also eligible for some level of Medicaid benefits. Full dual eligibles qualify for full Medicaid benefits, including long-term care provided in both institutions and in the community, as well as for prescription drugs. For this group, Medicaid may also pay Medicare premiums and cost sharing. Partial dual eligibles are not eligible for full Medicaid benefits but may receive assistance with some or all of their Medicare premiums and cost sharing.

[7]Data are from February 2010; the Medicare Modernization Act of 2003 added Medicare Part D beginning January 1, 2006, which included two types of private plans: stand-alone prescription drug plans (PDPs) for beneficiaries in the traditional fee-for-service program or a Medicare Advantage prescription drug plan, such as a health maintenance organization (HMO) plan or a preferred provider organization (PPO) plan.

[8]Data are from 2011 and include coordinated care plans (HMOs, provider-sponsored organizations, and local PPO contracts), PPO demonstration plans (relevant through 2005), cost plans, private fee-for-service (PFFS) plans, regional PPOs, and other demonstration contracts.

Characteristics of publicly insured persons in Nebraska younger than 65 years are provided in Exhibit 7. A lower percentage of unemployed people were publicly insured in Nebraska (25.2%) than in the Midwest (33.7%).[4] Similarly, among Nebraska's population younger than 65 years for whom poverty status was determined and who were either very poor or poor, more than half (53.4%) were publicly insured, a lower percentage than in the Midwest (67.2%).[4]

Exhibit 7. Characteristics of the Publicly Insured Population Younger Than 65 Years, Nebraska, 2010

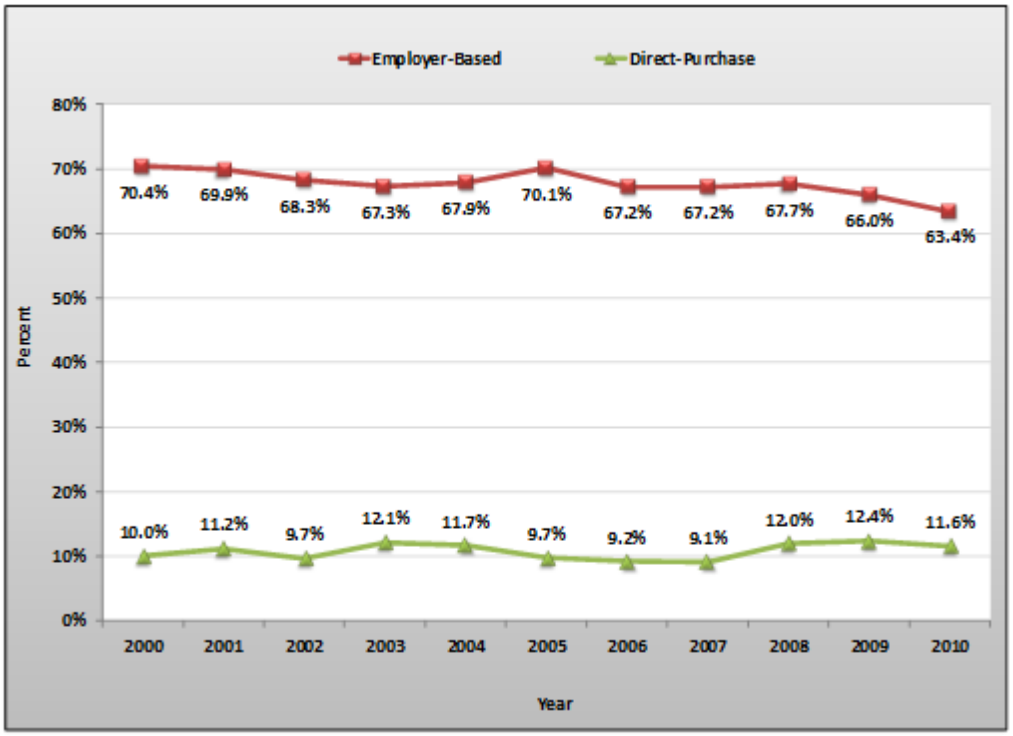
Characteristic	No. (1,000s)	%
Age		
00–17 years	139	49.30%
18–64 years	143	50.70%
Hispanic/Latino Origin		
Non-Hispanic	225	79.60%
Hispanic	58	20.40%
Race		
White alone	226	79.80%
Black or African American alone	33	11.70%
American Indian and Alaska Native alone	14	5.10%
Asian alone, Native Hawaiian and Other Pacific Islander (NHOPI) alone, or Asian/NHOPI	3	0.90%
Two or more races	7	2.50%
Nativity		
Native	267	94.40%
Naturalized citizen	5	1.80%
Not a citizen	11	3.80%
Work Experience in Last 12 Months		
Worked full-time year-round	47	16.80%
Worked less than full-time year-round	39	13.60%
Did not work	71	25.20%
Under 15 years (not working age)	125	44.30%
Income-to-Poverty Ratio		
Below 100%	62	21.90%
100% to below 200%	89	31.50%
200% to below 300%	54	19.10%
300% to below 400%	27	9.70%
400% and above	50	17.90%

Source: US Census Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2011.

Private Insurance

Between 2000 and 2010, the percentage of Nebraska's total population younger than 65 years with employer-based health insurance decreased, while the percentage of individuals who purchased a health insurance policy directly slightly increased. Specifically, the number of individuals with employer-based insurance decreased by approximately 9.3% between 2000 and 2010, and the number of individuals who purchased insurance directly increased by approximately 16.0%. In comparison, the number of individuals with employer-based insurance in the Midwest region decreased by approximately 14.1%, and the number of individuals who purchased insurance directly increased by approximately 2.1%.[3]

Exhibit 8. Percent Privately Insured by Coverage Type, Population Younger Than 65 Years, Nebraska, 2000–2010



Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, Health Insurance Historical Tables - HIB Series, 1999–2010.

Characteristics of privately insured persons younger than 65 years are provided in Exhibit 9. A lower percentage of unemployed people were privately insured in Nebraska (10.0%) than in the Midwest (15.0%).[4] Similarly, among Nebraska's population younger than 65 years for whom poverty status was determined and who were either very poor or poor, approximately 15.7% were privately insured, a lower percentage than in the Midwest (about 16.1%).[4]

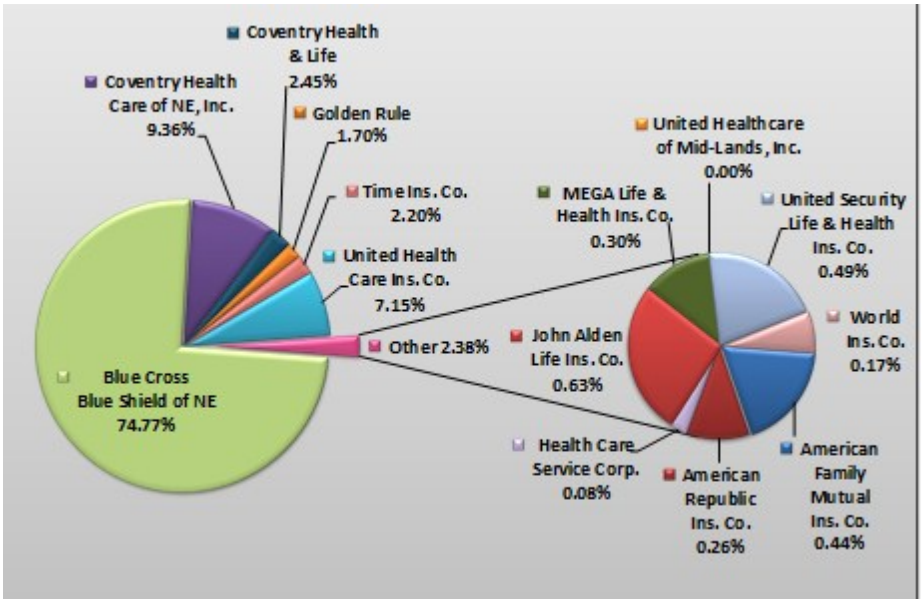
Exhibit 10 provides a snapshot of the private insurance market in Nebraska in 2011. Three insurance carriers owned approximately 91.3% of Nebraska's private insurance market; Blue Cross Blue Shield of Nebraska had the highest share, with 74.8%.

Exhibit 9. Characteristics of the Privately Insured Population Younger Than 65 Years, Nebraska, 2010

Characteristic	No. (1,000s)	%
Age		
00–17 years	305	26.50%
18–64 years	845	73.50%
Hispanic/Latino Origin		
Non-Hispanic	1,062	92.40%
Hispanic	88	7.60%
Race		
White alone	1,065	92.60%
Black or African American alone	36	3.10%
American Indian and Alaska Native alone	16	1.40%
Asian alone, Native Hawaiian and Other Pacific Islander (NHOPI) alone, or Asian/NHOPI	21	1.80%
Two or more races	13	1.10%
Nativity		
Native	1,070	93.00%
Naturalized citizen	27	2.40%
Not a citizen	53	4.60%
Work Experience in Last 12 Months		
Worked full-time year-round	557	48.40%
Worked less than full-time year-round	231	20.10%
Did not work	115	10.00%
Under 15 years (not working age)	247	21.50%
Income-to-Poverty Ratio		
Below 100%	55	4.80%
100% to below 200%	125	10.90%
200% to below 300%	224	19.50%
300% to below 400%	204	17.80%
400% and above	540	47.00%

Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2011.

Exhibit 10. Private Insurance Market Share by Insurer, Nebraska, 2011



Source: Nebraska Department of Insurance, Health Insurance Exchange Planning Overview and Recommendations, 2011.

Note: Market share is defined as total earned premiums by each individual insurer.

Conclusion

More than 217,000 Nebraskans are without health insurance. A majority of the uninsured population is above the poverty threshold (FPL <100%), a third work less than full-time year-round, and 40,000 are not US citizens. Uninsurance rates are high in Nebraska's rural-frontier counties, where a disproportionate share of the population is living in poverty, un/under-employed, and less healthy.[9] However, Nebraska is doing better than its peers in the Midwest on most measures of health insurance, possibly due in part to low unemployment levels and to state efforts to expand insurance coverage.

The state involvement in health insurance revolves largely around the Medicaid program and care provided at community health centers, clinics, and critical access hospitals. Nebraska meets minimum federal Medicaid standards for coverage, including <200% FPL eligibility requirement for children and <100% FPL eligibility requirement for adults.[10] Nebraska has also taken additional measures to increase coverage for targeted vulnerable populations by increasing eligibility for pregnant women (<185% FPL) and women with cancer (<225% FPL).[10] Another example of Nebraska's efforts to increase insurance coverage is the Nebraska Comprehensive Health Insurance Pool (NECHIP), a high-risk pool insurance program designed to increase access to health insurance coverage to people who were rejected by insurance carriers for pre-existing conditions.[10] Nebraska's 6 community health centers served 63,033 patients through 27 delivery sites in 2010; 57% of the patients served by the community health centers were uninsured, and 50% were from rural areas.[11] In addition, Nebraska has about 65 critical access hospitals and 132 certified rural health clinics currently operating throughout the state.[12]

There is a need for additional policies that would assist persons to participate in the health insurance market. The Affordable Care Act of 2010 (ACA) has provisions that would increase participation in the insurance market, including guaranteed issue, allowing children to stay on their parent's health insurance through age 26, and the establishment of health insurance exchanges. A health insurance exchange could create a larger, more robust risk pool from which insurance may be purchased, and potentially drive down costs while increasing access. The ACA also has a provision to expand Medicaid eligibility for individuals younger than 65 years from the current eligibility level (100% FPL) to 133% FPL (or 138% after applying a standard 5% "income disregard").[13-14] The recent Supreme Court decision indicated that state participation in the expanded Medicaid program was optional rather than mandatory. Nebraska will need to weigh the costs and benefits of adding thousands of new Medicaid beneficiaries.

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[14]New eligibility requirements can be found in ACA (111-148) provisions §2001 and §10201, and HCERA (111-152) provisions §1004 and §1201.

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Conflict of Interest

None.

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The views expressed herein are those of the authors and do not necessarily reflect the views of collaborating organizations or funders, or of the Regents of the University of Nebraska.

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