



# Understanding Health Insurance in Kansas: *Who Has It, and Where Do They Get It?*

Sheldon Weisgrau, M.H.S.

## INTRODUCTION

The availability of health insurance — or lack of it — is a significant public policy issue, both nationally and in Kansas. Public opinion surveys consistently rank the availability and cost of health insurance among the most important personal issues facing Americans (Blendon and Altman, 2006).

Along with social issues (e.g., income and education), the physical environment (e.g., air

and water quality), individual behavior, and other factors, the availability of insurance and access to health care are fundamental determinants of health (Kindig, 2006). Compared to people with insurance, the uninsured are more likely to delay or go without needed medical care and report poor health status (Centers for Disease Control and Prevention, 2006). At the community level, the uninsured

place a substantial strain on health care providers. General hospitals and safety net clinics, in particular, provide services to the uninsured and often receive little or no payment for this care. A high volume of uninsured patients is associated with financial instability of local providers and, as a result, reduced services for all residents, including those who have insurance coverage (Institute of Medicine, 2004).

### ABOUT THIS SERIES

The Kansas Health Institute, with support from the Sunflower Foundation and the United Methodist Health Ministry Fund, has committed to an effort to help policymakers in Kansas better understand health insurance coverage issues in a Kansas-specific context. This brief is the first in a series of ongoing reports and updates on the topic.

Additional information and resources from this project are located on the KHI Web site at [www.khi.org/insurance](http://www.khi.org/insurance). There you will find:

- An electronic copy of this publication;
- *Health Insurance in Kansas: A Primer*, a narrated presentation describing the basics of health insurance in Kansas;

- A slide presentation and fact sheets that you can use when talking to groups about health insurance issues;
- A glossary of key health insurance terms; and
- Other useful information.

Our hope is that the information on our Web site will help you better understand health insurance and the public policy debate that surrounds it.

## OVERVIEW OF INSURANCE COVERAGE IN KANSAS

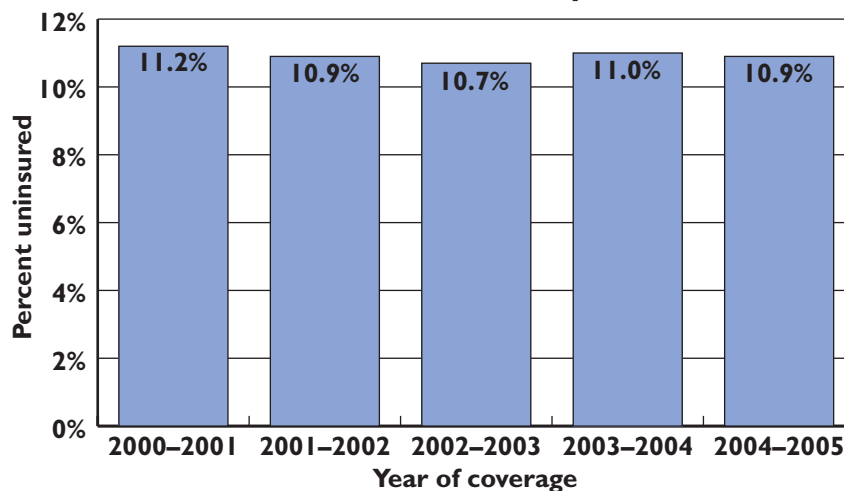
The number of Kansans with health insurance coverage has remained relatively steady for the past five years. Since 2000–2001, 2.3 to 2.4 million Kansas residents have been covered by public and private health insurance plans each year, a coverage rate of about 89 percent. Over this period, about 11 percent of the population, or approximately 300,000 Kansans each year, have been uninsured (Figure 1).

Compared to the rest of the United States, the population of Kansas is relatively well insured. The percentage of Kansans without health insurance is the ninth lowest of all states and far less than the national rate, which stood at 16 percent in 2005 and has increased steadily over the years (State Health Access Data Assistance Center, 2006). In the U.S. today, approximately 47 million people lack health insurance coverage.

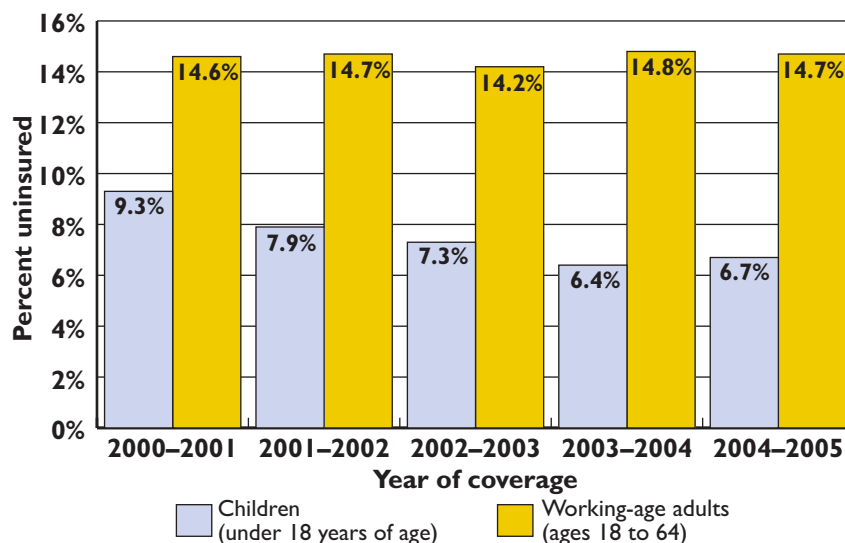
Looking behind the relatively positive picture in Kansas, however, reveals some troubling trends and disparities:

- Young adult Kansans are uninsured at high rates compared to other age groups.
- The number and rate of uninsured Kansas children increased in 2004–2005 after several years of steady declines.
- Kansans who are members of racial/ethnic minority groups are more likely to be uninsured than non-Hispanic white Kansans.
- Low-income Kansans and Kansans who live in poverty are more likely to be uninsured than higher-income Kansans.
- Most of the counties with the highest uninsurance rates in the state are located in southwest Kansas.

**Figure 1. The percentage of uninsured Kansans has been relatively stable**



**Figure 2. Working-age Kansas adults are more likely to be uninsured than children**



## AGE: THE DEMOGRAPHICS OF HEALTH INSURANCE IN KANSAS

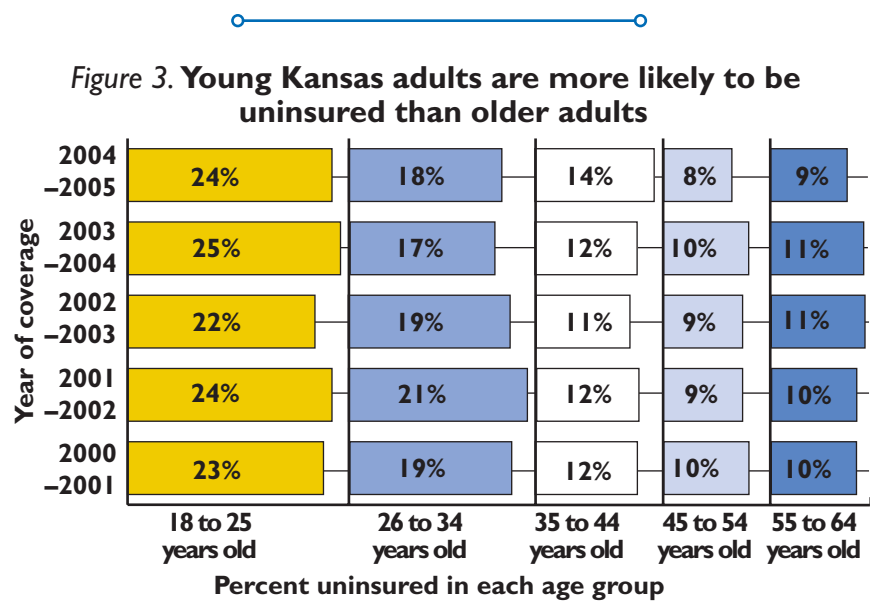
In Kansas, as in the rest of the United States, children under 18 years of age are insured at higher rates than other age groups (except for the population age 65 and above, which is almost universally insured by Medicare). If children and the elderly are not considered, the uninsurance rate of the remaining working-age adult (ages 18 to 64) population is close to 15 percent (Figure 2), considerably higher than the overall uninsurance rate of about 11 percent.

From 2000–2001 to 2004–2005, the percentage of uninsured children in Kansas declined from 9.3 percent to 6.7 percent. However, the number and percentage of uninsured children increased from 2003–2004 to 2004–2005, the first such rise in several years (Table 1). The reasons for this increase are unclear at this time. These data will be carefully assessed in coming years to determine whether they represent a new trend in the uninsurance rate for children or a brief anomaly in a continuing decline.

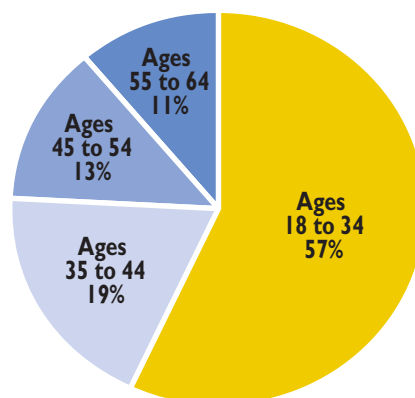
Among the working-age adult population, young adults are uninsured at relatively high rates. About one-quarter of Kansans ages 18 to 25 lack health insurance compared to about one-tenth of Kansans ages 35 to 64 (Figure 3). The 18 to 34 age group comprised more than one-half of all uninsured working-age Kansans in 2004–2005 (Figure 4).

**Table 1. The number and percentage of uninsured Kansas children (under 18 years of age) increased in 2004–2005 after several years of decline**

	2000 –2001	2001 –2002	2002 –2003	2003 –2004	2004 –2005
Number of uninsured children	61,350	53,059	51,319	44,617	46,115
Percentage of uninsured children	9.3%	7.9%	7.3%	6.4%	6.7%



**Figure 4. Young adults (ages 18 to 34) comprise more than one-half of all uninsured working-age Kansans (ages 18 to 64), 2004–2005**

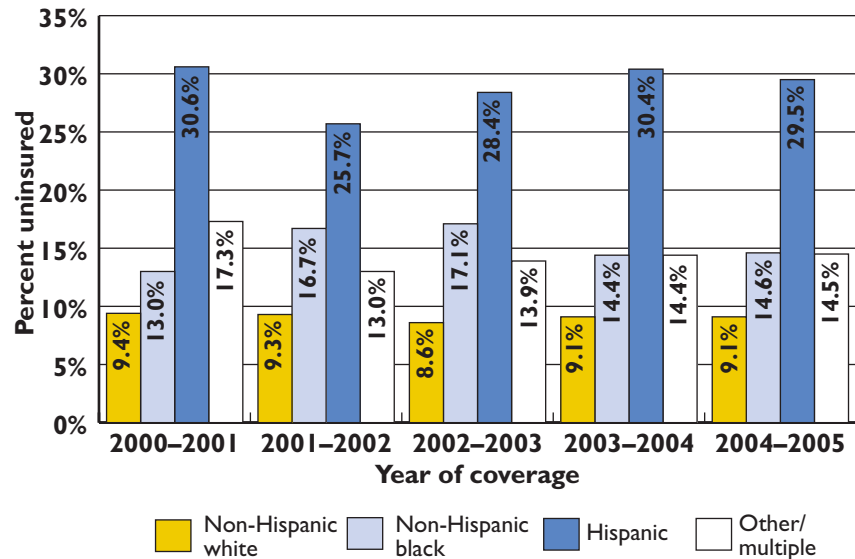


## RACE & ETHNICITY: THE DEMOGRAPHICS OF HEALTH INSURANCE IN KANSAS

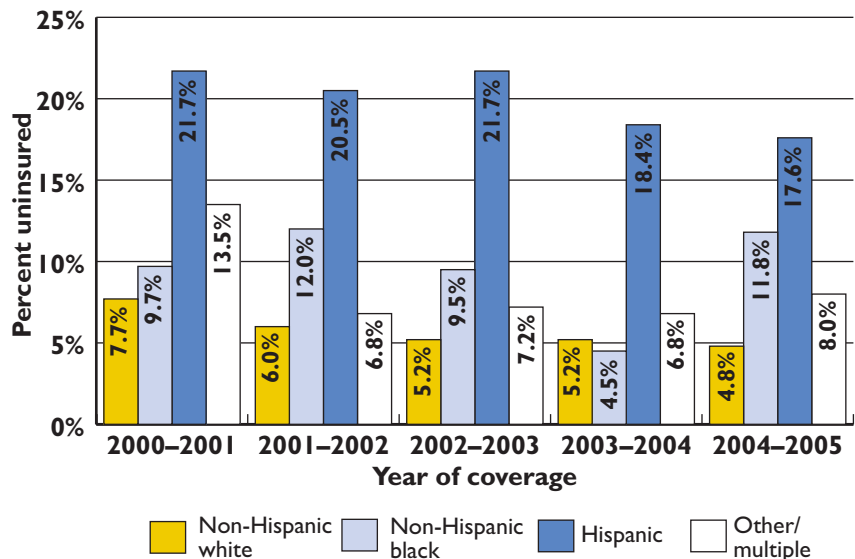
Insurance coverage rates vary greatly by race/ethnicity.<sup>1</sup> The state's low overall uninsurance rate is largely a function of the relatively high coverage rate of the non-Hispanic white population. The uninsurance rate for this group has been below 10 percent for many years. In contrast, Hispanic Kansans consistently are uninsured at rates close to 30 percent, three times the uninsurance rates of non-Hispanic white residents of the state. Hispanics are the fastest growing racial/ethnic group in Kansas, so improving upon the state's uninsurance rate will depend, in part, on increasing the rate of coverage in this population. Non-Hispanic blacks and Kansans of other and multiple races/ethnicities are about one-and-a-half times more likely to be uninsured than non-Hispanic whites (Figure 5).

Racial/ethnic minority children in Kansas also are more likely to be uninsured than non-Hispanic white children. Although the overall proportion of Kansas children who are uninsured has declined since 2000–2001, an Hispanic child is still three times more likely than a non-Hispanic white child to be uninsured (Figure 6).

**Figure 5. Racial/ethnic minority Kansans are more likely to be uninsured than non-Hispanic whites**



**Figure 6. Racial/ethnic minority Kansas children are more likely to be uninsured than non-Hispanic white children**

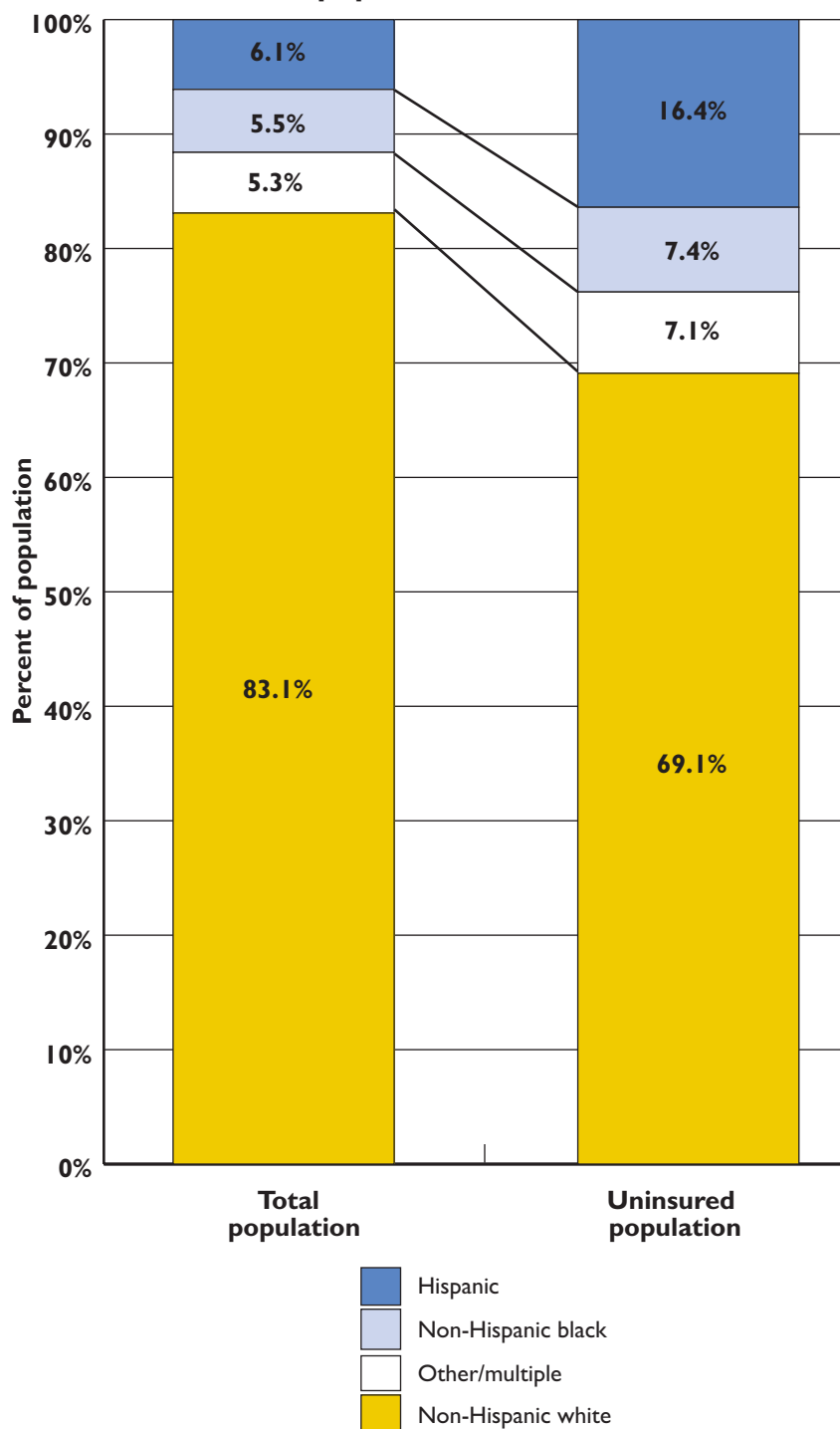


<sup>1</sup> Racial and ethnic categories are not mutually exclusive. Hispanics, for example, can be either black or white. Racial and ethnic categories used in the CPS are non-Hispanic whites, non-Hispanic blacks, Hispanics of any race, and other, which includes American Indian or Alaska native, Asian, native Hawaiian or other Pacific Islander, and people of multiple races/ethnicities (DeNavas-Walt et al., 2006). There may also be some Hispanics included in the “other” category as many Hispanics self-select into this racial category (Kimminau and Satzler, 2005).

There are several reasons for the relatively high uninsurance rate of Hispanics. Many Hispanics, particularly immigrants, work in low-wage jobs, in small firms, and in the labor, service, or trade industries, which are less likely to offer health benefits than other businesses. Immigrants who qualify for public insurance coverage such as Medicaid, or have children who qualify for Medicaid or the State Children's Health Insurance Program (SCHIP), are often reluctant to enroll out of fear that they will be deported or declared ineligible for citizenship. These fears, although often unfounded, have caused a decline in the number of immigrant families enrolled in public insurance programs (Alker and Urrutia, 2004).

Another way to highlight the disparities in insurance coverage is to compare the racial/ethnic composition of the uninsured population to the state's total population. For example, in 2004–2005, Hispanics made up 16.4 percent of the uninsured population, but only 6.1 percent of the total population. Non-Hispanic blacks were 7.4 percent of the uninsured and 5.5 percent of the total and Kansans of other races/ethnicities were 7.1 percent of the uninsured and 5.3 percent of the total. In contrast, non-Hispanic whites made up 69.1 percent of the uninsured, but 83.1 percent of the state's total population (Figure 7).

**Figure 7. Racial/ethnic minority Kansans are uninsured at rates disproportionate to their presence in the population, 2004–2005**



## INCOME & POVERTY: THE DEMOGRAPHICS OF HEALTH INSURANCE IN KANSAS

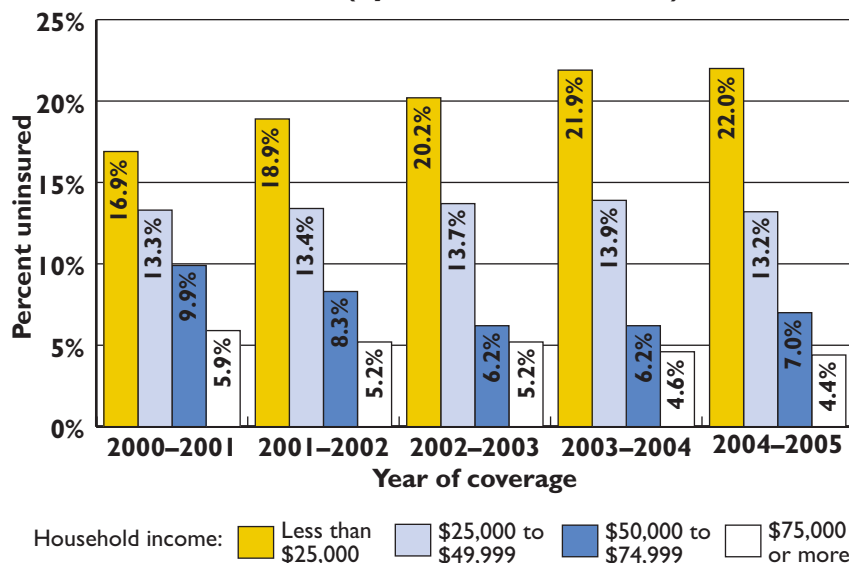
The probability of having health insurance rises with income level. Kansans with low incomes (household income less than \$25,000) are about five times more likely to be uninsured than Kansans with high incomes (household income of \$75,000 or more). In addition, uninsurance rates have been climbing in the lowest income group and declining in the highest income group (Figure 8).

The same relationship is true of poverty level. Families living below 100 percent of the federal poverty level (FPL) are uninsured at rates close to six times that of families living at or above 300 percent of FPL (Figure 9).

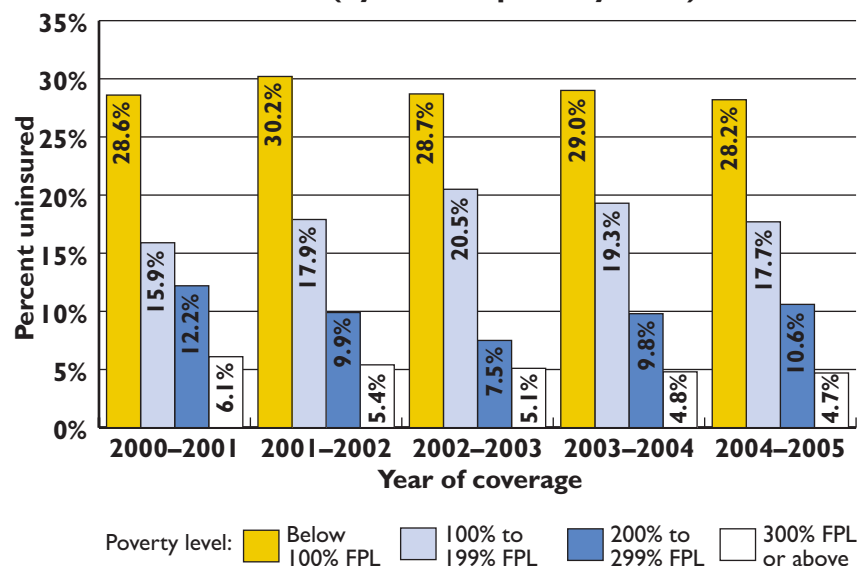
Uninsurance among Kansas children follows these same income/poverty relationships. As household income increases, the proportion of uninsured children decreases (Figure 10).

This chart also shows increases in the proportion of uninsured children in both the lowest and highest income groups from 2003–2004 to 2004–2005. This indicates that these income groups are responsible for the overall increase in the rate of uninsured Kansas children during this period. While a high rate of uninsurance among low-income children is not surprising, the reasons for the increase in uninsured high-income children are not clear at this time.

**Figure 8. Low-income Kansans are more likely to be uninsured (by household income)**



**Figure 9. Low-income Kansans are more likely to be uninsured (by federal poverty level)**



Similar to the income level data, as poverty level increases, the proportion of uninsured children increases as well (Figure 11).



Figure 10. Low-income Kansas children are more likely to be uninsured (by household income)

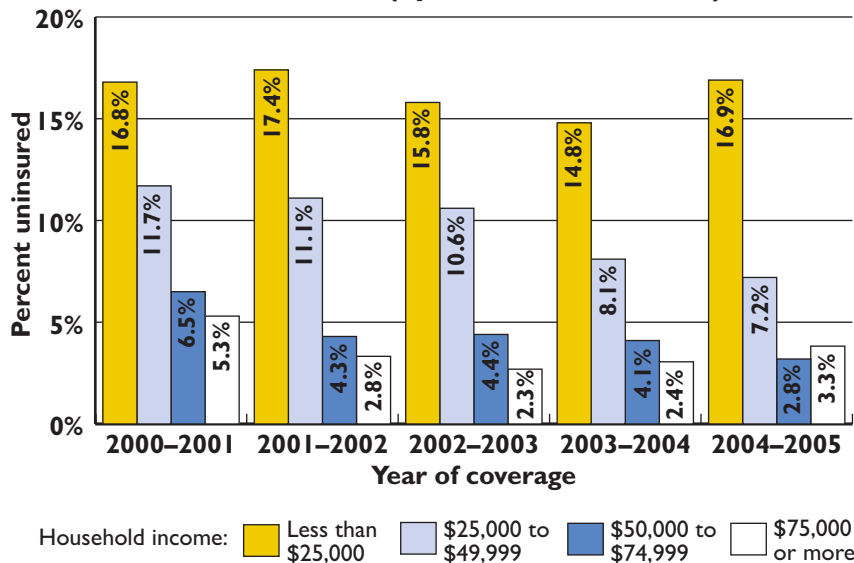
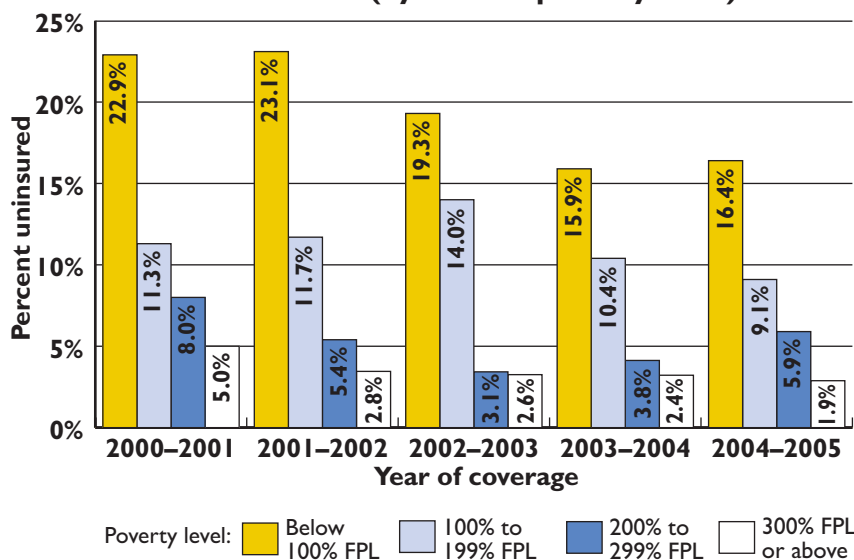


Figure 11. Low-income Kansas children are more likely to be uninsured (by federal poverty level)



#### FEDERAL POVERTY LEVEL

The federal poverty level (FPL) is the minimum amount of income that a family needs for food, clothing, transportation, shelter and other necessities, as determined by the U.S. Department of Health and Human Services. FPL varies according to family size and is annually adjusted for inflation. The 2007 federal poverty guidelines are shown in the table below.

Number in family	100% FPL	200% FPL	300% FPL
1	\$10,210	\$20,420	\$30,630
2	\$13,690	\$27,380	\$41,070
3	\$17,170	\$34,340	\$51,510
4	\$20,650	\$41,300	\$61,950
5	\$24,130	\$48,260	\$72,390
6	\$27,610	\$55,220	\$82,830
7	\$31,090	\$62,180	\$93,270
8	\$34,570	\$69,140	\$103,710

Source: Federal Register, 2007.

## SOURCES OF HEALTH INSURANCE IN KANSAS

Most Kansans obtain health insurance at their workplace (or the workplace of a spouse or parent/guardian). For others, employment-based coverage is not available, so they purchase insurance directly in the private non-group market. In addition, publicly financed insurance programs are available for those who are eligible, through the Medicare, Medicaid, and SCHIP programs. Sources of health insurance and the percentage of Kansans covered by each category in 2004–2005 are displayed in Figure 12.

Children are covered much more extensively by the Medicaid and SCHIP programs than adults. More than one in five Kansas children are covered by these programs (Figure 13).

Expansion of the Medicaid and SCHIP programs has been largely responsible for the increase in health insurance coverage rates among children since the late 1990s (SCHIP was created as part of the Balanced Budget Act of 1997). During this time, the number of children covered by other health insurance plans has fluctuated somewhat, but the number enrolled in Medicaid and SCHIP has steadily increased (Figures 14 and 15).

Figure 12. Sources of health insurance for Kansans, 2004–2005

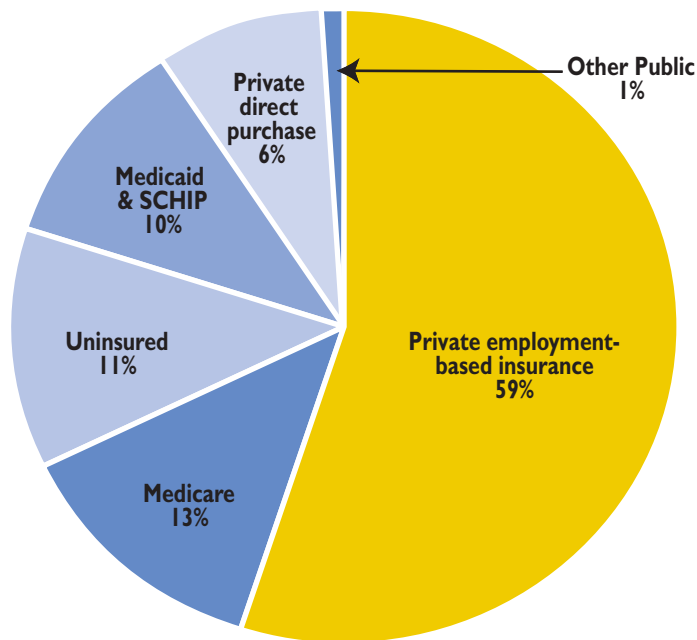
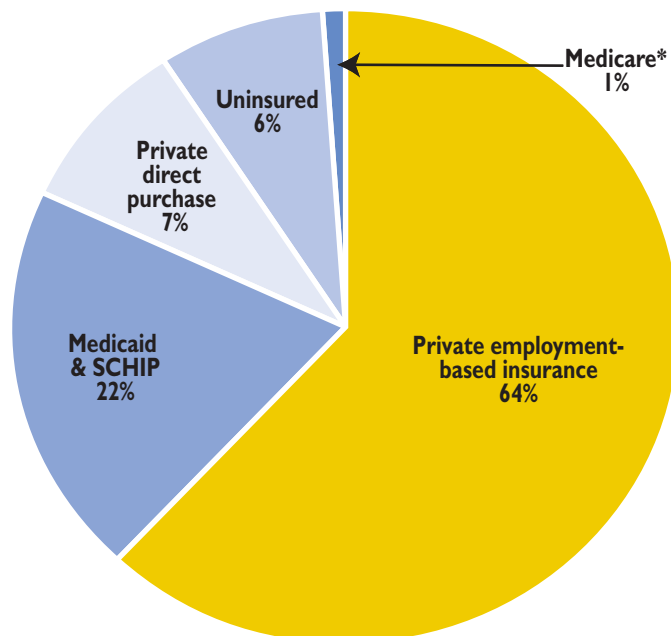


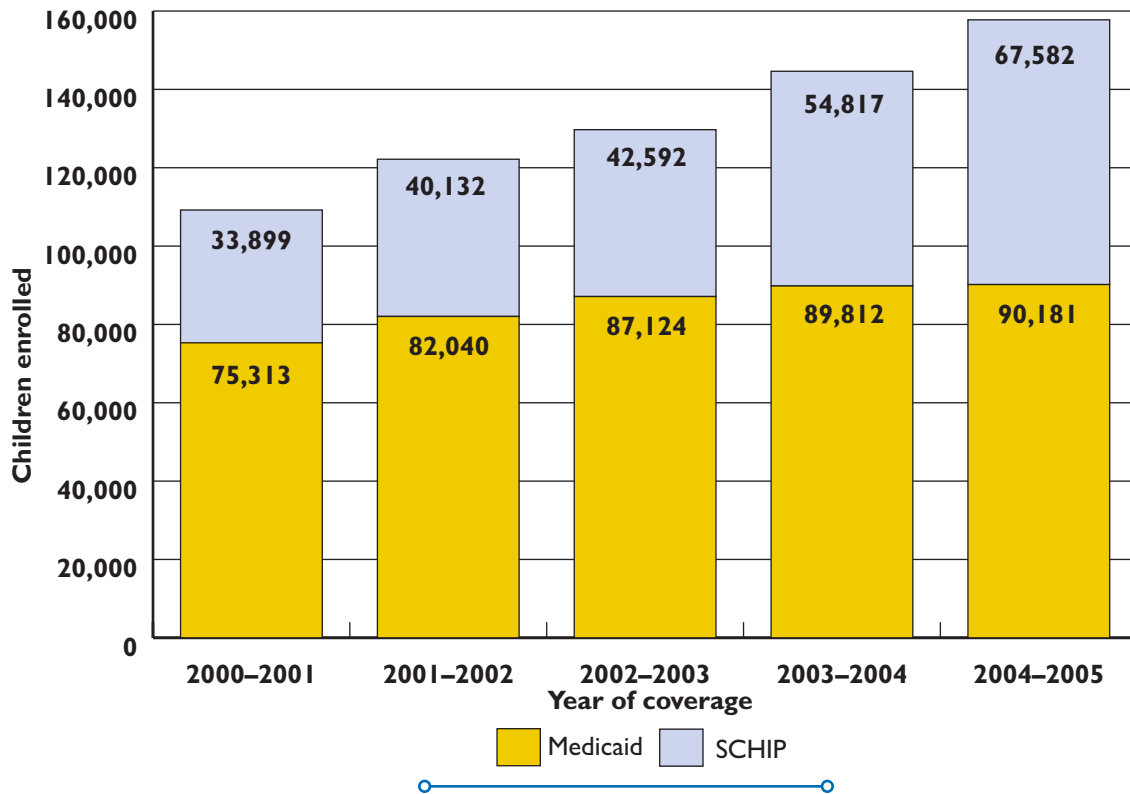
Figure 13. Sources of health insurance for Kansas children, 2004–2005



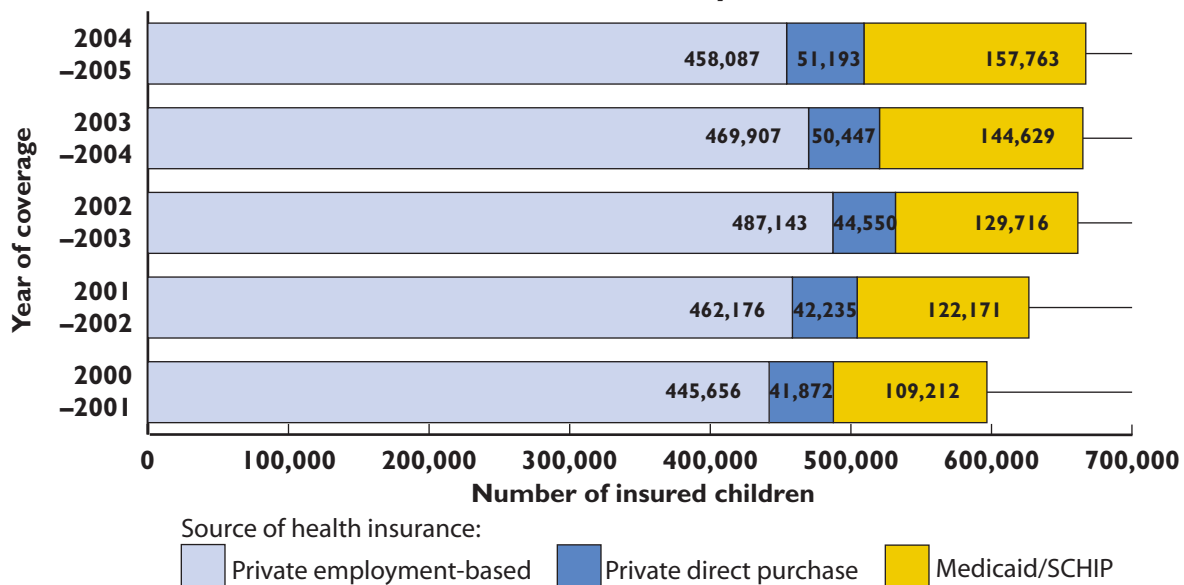
\*Although primarily a program for the elderly, Medicare also covers a small number of children with chronic renal disease and amyotrophic lateral sclerosis (i.e., Lou Gehrig's disease).



**Figure 14. The number of Kansas children enrolled in Medicaid and SCHIP has grown**



**Figure 15. Recent decrease in the number of Kansas children covered by private health insurance accompanied by an increase in the number covered by Medicaid/SCHIP**



## HEALTH INSURANCE IN KANSAS COMMUNITIES

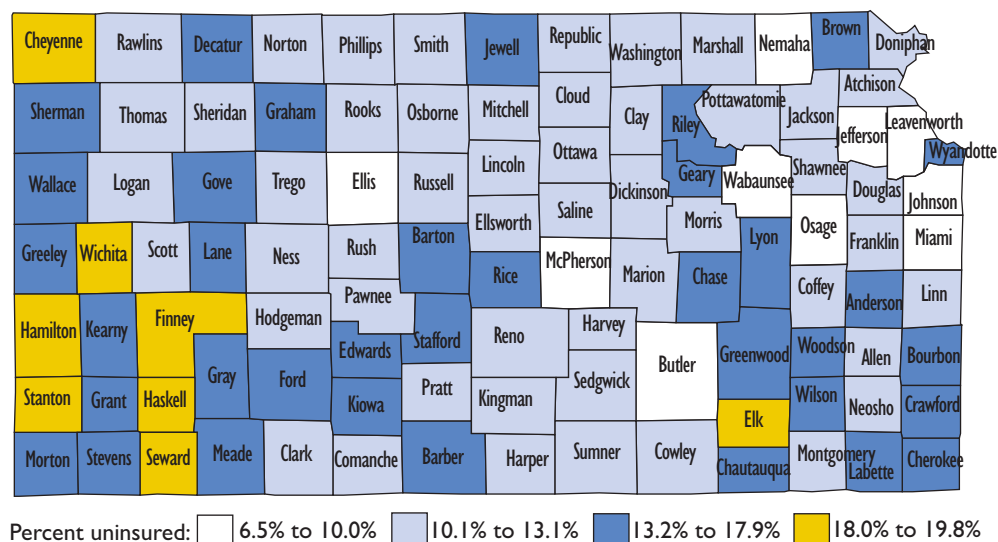
In 2005, the U.S. Census Bureau first published estimates of health insurance coverage for every county in the U.S. The Small Area Health Insurance Estimates (SAHIE) program models county-level insurance coverage by combining 2000 census and ASEC data with administrative records from other sources, such as aggregated federal tax returns, food stamp participation records, and Medicaid participation records (U.S. Census Bureau, 2005). These data, although now seven years old, provide insight into patterns of coverage and areas of the state with relatively high (and low) rates of uninsurance.

According to SAHIE, eight Kansas counties had uninsurance rates of 18 percent or above in 2000. These counties were:

- Elk (19.8 percent uninsured),
- Seward (19.5 percent),
- Finney (19.3 percent),
- Stanton (19.0 percent),
- Cheyenne (18.4 percent),
- Hamilton (18.2 percent),
- Wichita (18.2 percent), and
- Haskell (18.1 percent).

In contrast, the following ten counties had uninsurance rates of

**Map 1. Percent of county population without health insurance coverage, 2000**



10 percent or below:

- McPherson (6.5 percent),
- Johnson (7.5 percent),
- Miami (8.2 percent),
- Jefferson (8.7 percent),
- Leavenworth (9.4 percent),
- Wabaunsee (9.5 percent),
- Nemaha (9.8 percent),
- Butler (9.9 percent),
- Ellis (9.9 percent), and
- Osage (10 percent).

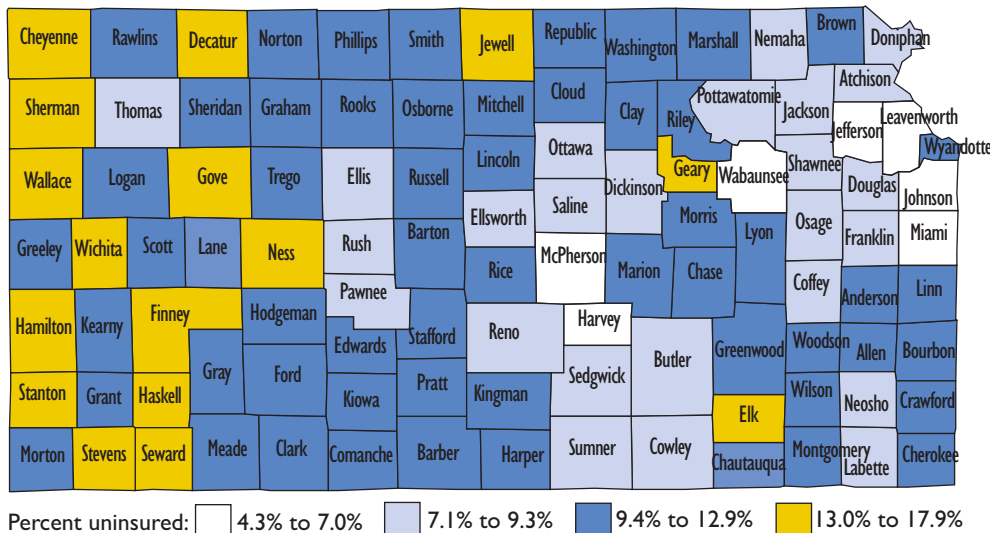
A total of 30 of the 105 Kansas counties had uninsurance rates at or below the 2000–2001 state rate of 11.2 percent.

As shown in Map 1, most Kansas counties which had the highest uninsurance rates (18 percent and above) were located in the western part of the state, with a particularly high concentration in southwest Kansas. This also is the area of the state

with the largest proportion of Hispanic residents, the racial/ethnic group with the highest rate of uninsurance. There are 10 Kansas counties in which people of Hispanic origin account for more than 20 percent of the total population. Nine of these are located in southwest Kansas. In Seward and Finney Counties, which had among the highest uninsurance rates in the state, Hispanics make up more than 40 percent of the total population (Rural Policy Research Institute, 2006). Most of the counties which had the lowest uninsurance rates (10 percent and below) were located in northeast Kansas.

Uninsurance *rates* reflect the proportion of each county's population that lacked health insurance coverage. These rates do not, however, directly provide

**Map 2. Percent of county children (less than 18 years old) without health insurance coverage, 2000**



information about the counties which had the highest *numbers* of uninsured residents. For example, 19.8 percent of Elk County residents were uninsured, the highest rate of all Kansas counties. Because of the small population of Elk County, however, this high rate represented only about 625 people. In contrast, McPherson County, which had an uninsurance rate of only 6.5 percent, the state's lowest, had about 1,800 uninsured residents.

Counties which had relatively high numbers of uninsured in 2000 included Sedgwick, with about 59,400 uninsured residents, or 13 percent of the population; Johnson, with about 34,700 uninsured residents, 7.5 percent of the population; Wyandotte, with about 28,500 uninsured residents, 17.9 percent

of the population; and Shawnee, with about 18,600 uninsured residents, 11.1 percent of the population. Except for Wyandotte, these counties were not among those which had the highest rates of uninsurance, but were the counties with the largest populations. Together, about 45 percent of the state's uninsured residents lived in these four counties.

The relatively high rate of insurance coverage among children also was reflected in the county data. Forty-five Kansas counties had child uninsurance rates of 10 percent or less. No counties had child uninsurance rates above 18 percent and only six were at 15 percent or above. A total of 32 Kansas counties had child uninsurance rates at or below the 2000–2001 state rate of 9.3 percent (Map 2).

Map 2 clearly shows the disparity in insurance coverage rates between eastern and western Kansas. Thirteen of the 16 counties which had child uninsurance rates of 13 percent and above in 2000 were located in the western third of the state. In contrast, all seven counties which had child uninsurance rates below 7 percent were located in the eastern half of

Kansas. Five of these seven counties were in northeast Kansas.

As with overall uninsurance, the counties which had the most uninsured children were those with the largest populations, not the highest rates of uninsurance. Sedgwick, Johnson, Wyandotte, and Shawnee Counties were each home to more than 3,000 children without health insurance in 2000. Of these, only Wyandotte County, at 12.7 percent, had a child uninsurance rate above 8.8 percent. On the other hand, Cheyenne, Elk, Decatur, Gove, Jewell, and Wichita Counties had a combined total of only about 700 uninsured children in 2000. Fifteen percent or more of the children in each of these six counties were uninsured, the highest child uninsurance rates in the state.

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### ABOUT THE DATA

Unless otherwise noted, all data presented in this report are based on information collected in the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS). The CPS is a monthly employment and economic survey conducted by the U.S. Census Bureau. Survey respondents are drawn from about 50,000 U.S. households representing the civilian non-institutionalized population and military personnel who live in a household with at least one civilian adult. Each March, the CPS asks respondents about their income, poverty, and health insurance status during the previous year. These data are reported annually and are the most widely used source for health insurance coverage information. The CPS has been conducted regularly for more than 50 years (DeNavas-Walt et al., 2006).

Most of the data in this report are presented as two-year averages to enhance statistical validity. About 3,500 Kansas residents are surveyed each year for the ASEC (DeNavas-Walt et al., 2006).



### KANSAS HEALTH INSTITUTE

212 SW Eighth Avenue, Suite 300  
Topeka, Kansas 66603-3936  
(785) 233-5443

[www.khi.org](http://www.khi.org)

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The Kansas Health Institute is an independent, nonprofit health policy and research organization based in Topeka, Kansas. Established in 1995 with a multiyear grant from the Kansas Health Foundation, the Kansas Health Institute conducts research and policy analysis on issues that affect the health of Kansans.

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