



# Issue Brief



KANSAS  
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## 2010 Update: Health Insurance in Kansas

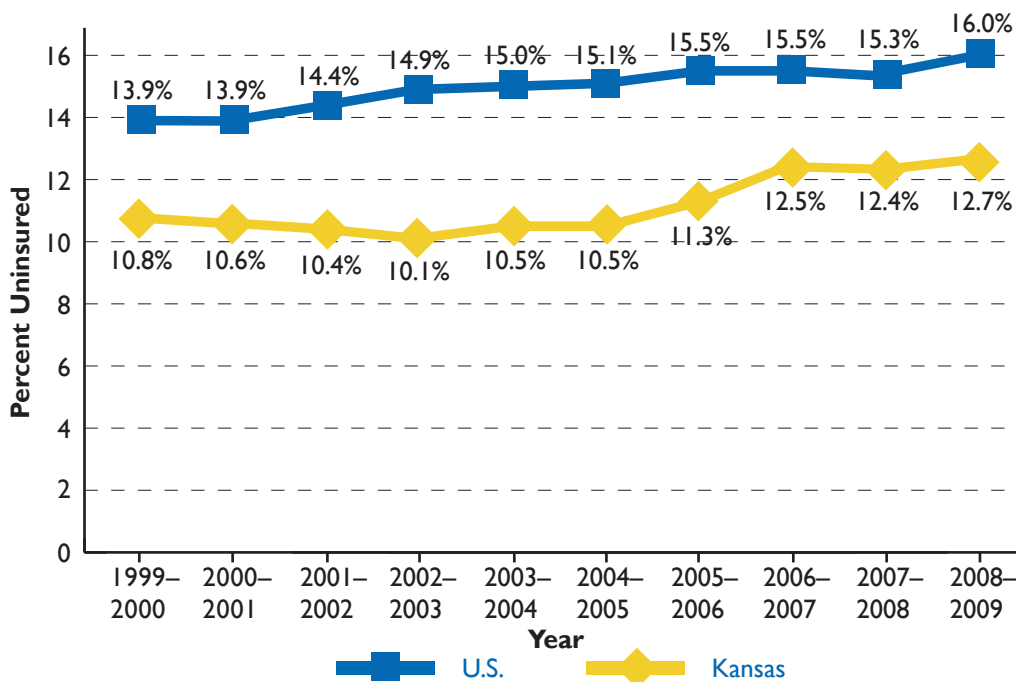
### Introduction

The percentage of Americans and Kansans living without health insurance has increased significantly during the last decade (Figure 1). Many of the provisions of the federal health reform law known as the Affordable Care Act (ACA) are intended to reverse this trend and reduce the number of uninsured Americans. Although it is several years before most of the law's requirements are scheduled to take effect — pending the outcome of numerous legal and political challenges — the number of Kansans without health insurance could drop substantially after 2014.

Understanding the makeup of uninsured Kansans, and how that is likely to change following any significant health reform, is important to developing good state policy. This issue brief reports 2008–2009 data about the insurance status

of Kansans and provides insight into how insurance coverage in Kansas is likely to change as a result of the health reforms envisioned in the ACA.

Figure 1. Percent of Population Uninsured



### Number of Uninsured Continues to Rise

In 2008–2009, the number of uninsured Kansans increased to about 347,000 and the uninsured rate for all Kansans increased to 12.7 percent. While neither of these changes is statistically significant from the previous year, they do show a continuation of the decade-long trend of more Kansans lacking insurance. Of those uninsured Kansans,

74,818 were children, who have an uninsured rate of 10.0 percent.

### Uninsured Young Adults

Young adults, age 19–25, are the most likely Kansans to be uninsured. Nearly a quarter (23.9 percent) of young adults lack health insurance

coverage (Table 1). The ACA contains certain requirements that may address the high uninsured rate among young adults. Since 2010, young adults have been able to remain on their parents’ health insurance plans until age 26, although that provision was not

in effect for the 2008–2009 data highlighted in this brief.

### Insurance Coverage Closely Follows Family Income

In Kansas and the United States as a whole, having health insurance is closely tied to family income. More than one-third (35.5 percent) of Kansans living in families below the Federal Poverty Level (FPL) — \$22,050 of annual income for a family of four in 2009 — are uninsured, compared with only 3.8 percent of those in families with income at or above 400 percent of FPL (Table 2). Among Kansas families in poverty, nearly one in four children and nearly half of young adults are uninsured (Figure 2). The ACA contains a number of provisions tied to family income designed to make insurance more affordable and reduce the ranks of the uninsured.

### Minorities More Likely to be Uninsured

In Kansas, members of minority racial and ethnic groups are more likely to be uninsured than non-Hispanic whites. More than 36 percent of Hispanic Kansans and 18 percent of non-Hispanic black Kansans lack insurance, compared with 10 percent of non-Hispanic white Kansans. The ACA includes several requirements designed to encourage people in various ethnic and racial groups to obtain health insurance. For example, explanations of insurance plan benefits must be both culturally and linguistically appropriate.

### Many Kansans Working But Uninsured

More than a third (36.3 percent) of uninsured Kansas adults are full-time workers, and another third (35.7

**Table 1. Uninsured Kansans: Age (2008–2009)**

Age	Number Uninsured	Total Population	Percent of Group That is Uninsured	Percent of Total Uninsured Population
<b>Children (age 0–18)</b>	<b>74,818</b>	<b>750,793</b>	<b>10.0%</b>	<b>21.5%</b>
Age 0–5	20,526*	237,277	8.7%**	5.9%**
Age 6–18	54,292	513,516	10.6%	15.6%
<b>Adults (age 19–64)</b>	<b>271,313</b>	<b>1,657,211</b>	<b>16.4%</b>	<b>78.1%</b>
Age 19–25	72,026	301,470	23.9%	20.7%
Age 26–34	65,206	319,296	20.4%	18.8%
Age 35–44	54,186	326,946	16.6%	15.6%
Age 45–54	52,974	400,514	13.2%	15.3%
Age 55–64	26,922*	308,985	8.7%**	7.7%**
<b>Seniors (age ≥ 65)</b>	<b>1,292*</b>	<b>326,174</b>	<b>0.4%**</b>	<b>0.4%**</b>
<b>All Kansans</b>	<b>347,424</b>	<b>2,734,178</b>	<b>12.7%</b>	<b>100.0%</b>

Notes:

Percentages and counts for subgroups may not sum to the totals because of rounding.

\*Unweighted record count <100.

\*\*Percentage calculated using a numerator with an unweighted record count <100.

**Table 2. Uninsured Kansans: Poverty Category (2008–2009)**

Poverty (Income-to-Poverty Ratio)	Number Uninsured	Total Population	Percent of Group That is Uninsured	Percent of Total Uninsured Population
Less Than 100%	127,862	359,926	35.5%	37.0%
100%–149%	50,409	258,506	19.5%	14.6%
150%–199%	42,167	260,787	16.2%	12.2%
200%–299%	57,738	513,835	11.2%	16.7%
300%–399%	31,322*	400,402	7.8%**	9.1%**
400% or More	35,808*	932,754	3.8%**	10.4%**
<b>All Kansans</b>	<b>345,306</b>	<b>2,726,208</b>	<b>12.7%</b>	<b>100.0%</b>

Notes:

Does not include unrelated individuals under age 15.

Percentages and counts for subgroups may not sum to the totals because of rounding.

\*Unweighted record count <100.

\*\*Percentage calculated using a numerator with an unweighted record count <100.

percent) work part-time or part-year. Only one in four (28.0 percent) uninsured Kansas adults are not employed.

While the reasons working Kansans do not have health insurance are complex and varied, the ACA contains provisions designed to encourage employers to offer insurance and employees to purchase insurance. For instance, small employers may be eligible to receive tax credits to help offset the expense of providing health insurance to their employees. At the same time, larger businesses — those with 50 or more employees — might be required to pay fines if they do not offer adequate and affordable health insurance to their employees.

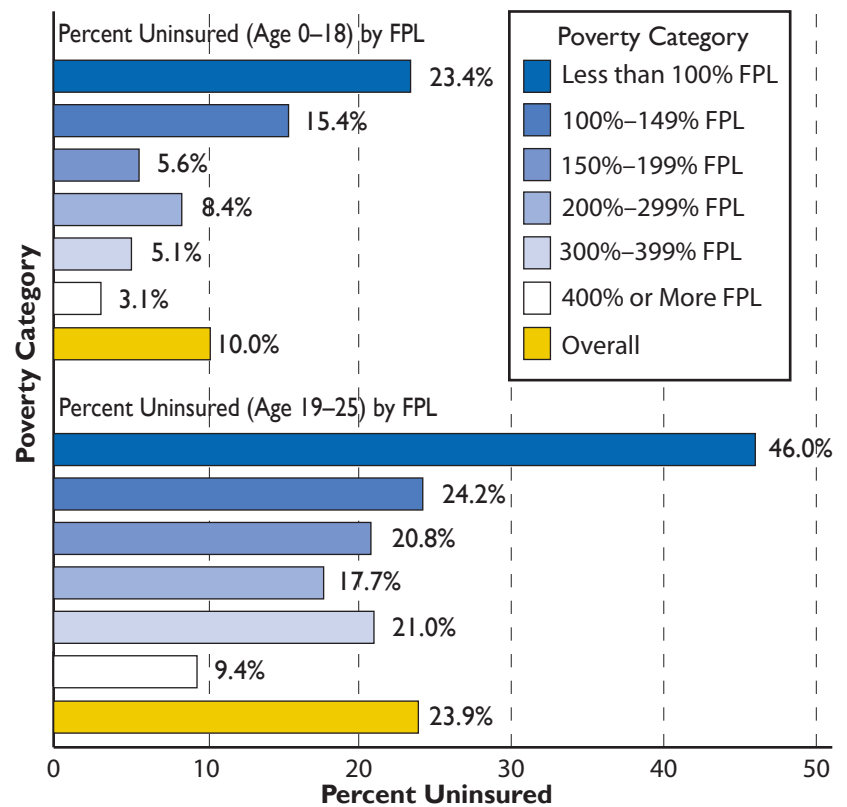
It remains unclear how employers, both large and small, will respond to these various incentives and penalties. It is likely that some, perhaps many, small employers will stop offering health insurance coverage altogether and instead will send their employees to purchase health insurance through the exchanges to be established in each state. These exchanges will function as online marketplaces where small employers and individuals can select among many available health insurance plans offered by private insurers.

### Less Employment-Based Coverage

Two out of every three Kansans age 19–64 (66.2 percent) get their health insurance through an employer, slightly higher than the national average of 61.8 percent. The percent of non-elderly adult Kansans getting their insurance through an employer, however, has declined substantially over the last decade. Since 2000–2001, the percentage of Kansans age 19–64 with employment-based insurance has dropped by more than 5 percent, a decline similar to the national trend over the same timeframe (Figure 3).

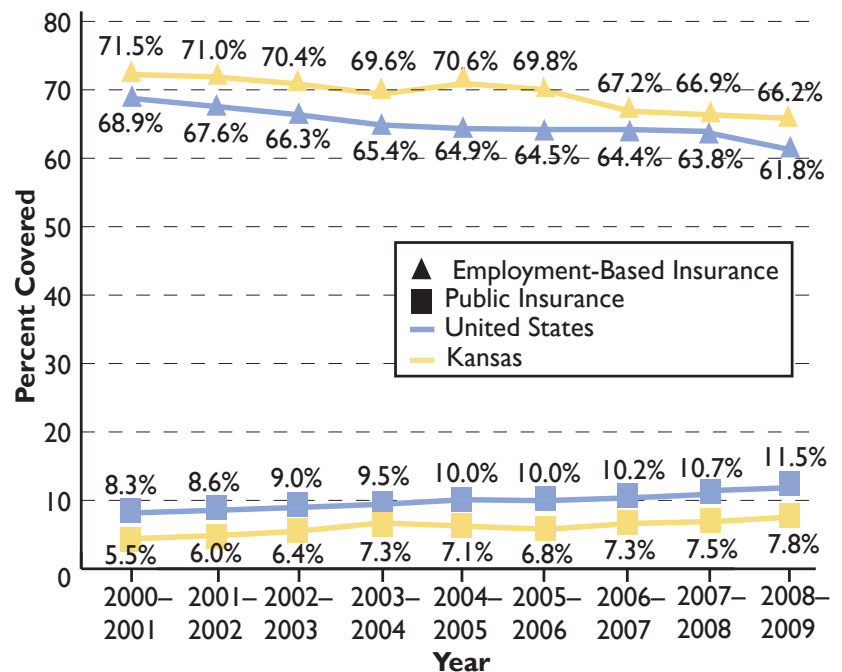
At the same time, the proportion of non-elderly adult Kansans covered by publicly funded insurance has increased, from 5.5 percent in 2000–2001 to 7.8 percent in

**Figure 2. Percent of Children and Young Adult Kansans in Each Poverty Category Who Are Uninsured (2008–2009)**



Note: Not all differences between poverty categories are statistically significant.

**Figure 3. Percent of Kansas Adults Age 19–64 Covered by Employment-Based or Public Insurance**



Note: These estimates include those respondents who also reported more than one form of insurance during the year.

## More Information

### About the Data

The Census Bureau intends for the Current Population Survey (CPS), which has been used to produce annual estimates of health insurance coverage since 1980, to be used to estimate the number and percentage of people who were uninsured for the preceding calendar year. KHI estimates are two-year averages based on the 2001 to 2010 Annual Social and Economic Supplements to the CPS.

### About the Brief

This publication is based on work done by Ivan S. Williams, M.B.A. Other contributions were made by Suzanne Cleveland, J.D.; Susie Fagan; Duane Goossen, M.P.A.; Cheng-Chung Huang, M.P.H.; Jim McLean; Cathy McNorton and Robert F. St. Peter, M.D. This document is available online at [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 multi-year grant from the Kansas Health Foundation, the Kansas Health Institute conducts research and policy analysis on issues that affect the health of Kansans.

KANSAS HEALTH INSTITUTE  
212 SW Eighth Avenue, Suite 300  
Topeka, Kansas 66603-3936  
Telephone (785) 233-5443  
Fax (785) 233-1168  
[www.khi.org](http://www.khi.org)

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2008–2009. A similar increase was seen for the United States as a whole. Similar trends were seen for children covered by employment-based and publicly funded insurance during this time period. These trends are likely to accelerate even more under the Medicaid expansions included in the ACA.

There is an active debate about which came first: the decrease in employment-based insurance coverage or the expansion of publicly funded insurance. Certainly there is some “crowd out” of private insurance, including coverage through an employer, when publicly funded insurance is made available. Nonetheless, it is likely that the uninsured rate in Kansas and the United States would have increased even more sharply in the face of decreasing employment-based insurance over the last decade if publicly funded insurance had not expanded.

## Insurance Coverage Likely to Change Under ACA

In 2014, the ACA expands Medicaid eligibility to cover all legal residents with annual family incomes at or below 133 percent of FPL, or \$29,726 for a family of four. In Kansas, this expansion primarily will affect non-disabled adults, who currently are eligible only if they have children and their annual family income is below 27 percent of FPL (\$6,035 for a family of four). Non-disabled adults without children are not currently eligible for Medicaid in Kansas regardless of income. The Medicaid eligibility expansion slated for 2014 will significantly increase the number of Kansans covered by Medicaid. Enrollment is projected to grow by as many as 130,000 Kansans from the more than 300,000 currently covered.

One of the most controversial aspects of the ACA is the requirement that essentially all Americans obtain insurance coverage or face the possibility of financial penalties. Kansas and 25 other states are participating in a federal lawsuit challenging the constitutionality of this individual mandate, and a Supreme Court ruling is expected in 2012.

Along with the mandate to get insurance, the ACA contains provisions designed to help make health insurance more affordable for some Kansans with incomes too high to be eligible for Medicaid. For example, the ACA provides tax credits and cost-sharing subsidies to individuals in families earning less than 400 percent of FPL who purchase coverage through an insurance exchange. Nearly 90 percent of uninsured Kansans fall between 133 percent and 400 percent of FPL and could benefit from these subsidies. Small businesses may be eligible for tax credits to help them with the cost of insurance obtained through an insurance exchange for their employees.

## Conclusion

Considering the uncertainty surrounding political and legal challenges to the ACA, changes in the Kansas Medicaid program proposed by the Brownback administration and projections for the federal deficit and state revenues, it is clear that insurance coverage and health care in Kansas will change significantly in the years ahead. Tracking and understanding where Kansans get their health insurance and how that coverage is funded are important issues for state policymakers charged with keeping Kansas economically competitive and fiscally sound.