

LHIS 2007

LOUISIANA HEALTH INSURANCE SURVEY

Survey of Louisiana's Uninsured Population — Overview

From 2005 to 2007, the number of uninsured children and adults in Louisiana has been on a steady decline according to the most recent Louisiana Health Insurance Survey (LHIS).

Sponsored by the Louisiana Department of Health and Hospitals, the 2007 LHIS is the third in a series of surveys designed to provide the most accurate and comprehensive assessment of Louisiana's uninsured populations possible. Results are based on over 10,000 Louisiana households representing insurance status for over 27,000 Louisiana residents and have been weighted with the most current population estimates available.

The 2007 LHIS is of particular importance given that it reflects the most comprehensive effort since the 2005 hurricanes to gauge how changes in population shifts and post-hurricane economic growth have affected the state's uninsured populations.

Overall, the results reveal declines in the number and percent of uninsured Louisiana adults and children. In part, these declines reflect the remarkable population shifts caused by Hurricanes Katrina and Rita. The most obvious impact is the loss of state population, particularly in the New Orleans area. Less obvious is the way this population shift has affected the state's uninsured rates at a regional level. For example, the population of East Baton Rouge Parish increased by 4.7 percent. More important, however, has been the strong state economy and tight labor markets stimulated by recovery efforts. While the results reveal a number of positive trends, they also raise an important question: How sustainable are declining uninsured rates if the state economy begins to slow?

Adult uninsured rates will likely be tied directly to the state economy. The availability of Medicaid/LaCHIP should serve to protect children from any economic downturn.

The most important finding from the 2007 LHIS is the continued decline in the number of uninsured children in Louisiana. Survey results indicate there are approximately 64,355 uninsured children, down from the 2005 figure of 97,403. This represents a decrease from 7.6 percent in 2005 to 5.4 percent in 2007. While the decline in uninsured children is partly attributable to population shifts, the survey reveals that, had the population remained the same, the uninsured under 19 population would have only been slightly higher at 68,831.

Louisiana's Uninsured		
	2007	2005
Children (under 19)	5.4 %	7.6 %
Adults (19-65)	21.2%	23.4%

LHIS 2007



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To download the full version of the 2007 LHIS, please visit www.medicaid.dhh.louisiana.gov.
 For more information on this report, interested parties can call #(225) 342-6043.

Major Findings of the 2007 Louisiana Health Insurance Survey

Numbers of Uninsured Children Continue to Decline

The 2007 LHIS shows a continued decline in the number of uninsured children in Louisiana. As is illustrated in Figure 1, the percent of uninsured children has declined from 7.6% in 2005 to 5.4% in 2007, while the number of uninsured children has declined from 97,403 to 64,355. This translates into 33,048 fewer uninsured children with approximately 78,818 fewer uninsured children in the state of Louisiana since the 2003 survey, a reduction of more than 50 %.

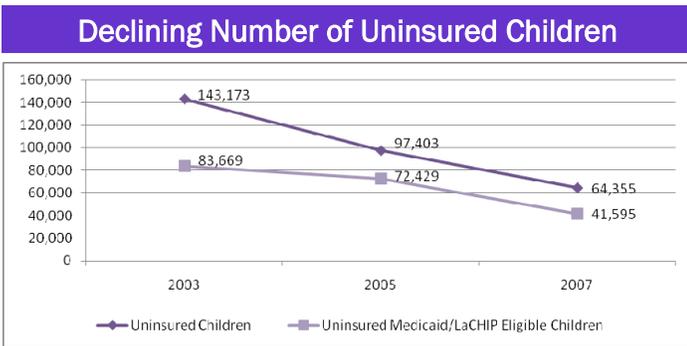


Figure 1

We see similar declines for Medicaid/LaCHIP eligible children. The percent of uninsured Medicaid/LaCHIP eligible children declined from 8.9% in 2005 to 5.5% in 2007. Since 2003, the number of uninsured Medicaid/LaCHIP eligible children has declined from 83,669 in 2005 to 41,595 in 2007.

While the decline in uninsured children is partly attributable to population shifts, had the population remained unchanged the decline in uninsured children would have been 68,831 (instead of the 64,355 reported above). More important than population shifts has been the relatively strong state economy and tight labor market since the 2005 hurricanes. As is illustrated in Figure 2, if we exclude the New Orleans region, the state

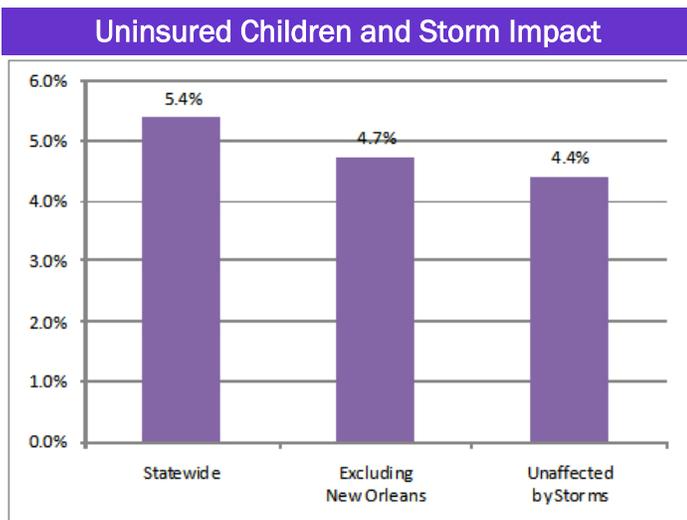


Figure 2

uninsured rate for children would have declined to 4.7%. And, if we exclude households where respondents reported being affected by the storms, the uninsured rate would have declined to 4.4%.

Medicaid/LaCHIP Shields Children from the Effects of Poverty

Figure 3 shows uninsured rates for adults and children by Federal Poverty Level (FPL). For adults, uninsured status is

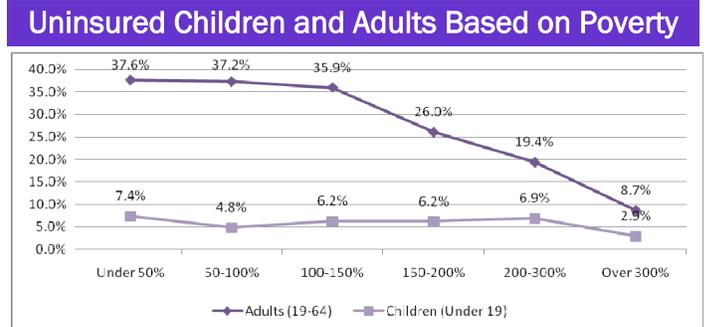


Figure 3

strongly related to measures of income and poverty. For children, these differences are much smaller and income plays a much a smaller role in determining whether a child is insured. This directly reflects on the success of Medicaid/LaCHIP in assuring health coverage for children across income groups and, in particular, assuring coverage of low-income children.

Recent legislative action has called for expanding Medicaid/LaCHIP coverage to children in households between 200-300% of FPL. As illustrated in Figure 3, the percent of uninsured children between 200-300% of FPL is higher than the percent uninsured under 200% of FPL. This is yet another reflection on the success of the Medicaid and LaCHIP programs in enrolling eligible children. Overall, 15,042 Louisiana children are uninsured and between 200-300% of FPL.

Awareness of LaCHIP Has Increased Dramatically

Since 2005, there has been a remarkable increase in awareness of LaCHIP. Among all households, awareness has increased from 43.1% in 2005 to 64.2% in 2007. We see corresponding increases in households with children and households with children under 200% of FPL. These increases likely reflect:

- (1) Efforts by the Department of Health & Hospitals to increase awareness of the program; and
- (2) Policy debates in Washington over SCHIP funding.

Awareness also increased in households with children (from 60.5% in 2005 to 77.7% in 2007) and households with children under 200% of FPL (from 66.4% in 2005 to 80.5% in 2007).

Major Findings of the 2007 Louisiana Health Insurance Survey (continued)

Fewer Louisiana Adults are Uninsured

As illustrated in Figure 4, there has been a decline in the percent and number of uninsured adults since 2005. The percent of uninsured adults declined from 24% in 2005 to 21.2% in 2007, while the number of uninsured adults declined by 108,381 from 654,729 in 2005 to 546,348 in 2007.

Declining Number of Uninsured Adults

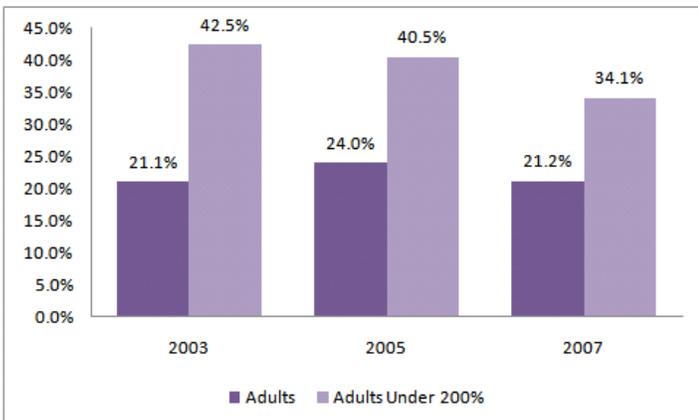


Figure 4

Since 2005, the percent of uninsured adults under 200% of federal poverty has also declined from 40.5% to 34.1%. In terms of raw numbers, this translates into a decrease from 438,921 to 368,744 uninsured adults under 200% FPL.

Population Loss and Uninsured Adults

As with children, population loss is at best a partial explanation for this change. Had the population remained constant, the adult uninsured population would have declined by 77,653 to 577,076 uninsured adults. Population loss does, however, play an important role in the New Orleans region and the New Orleans region looms large in the statewide totals.

Percent of Uninsured Adults and Storm Impact

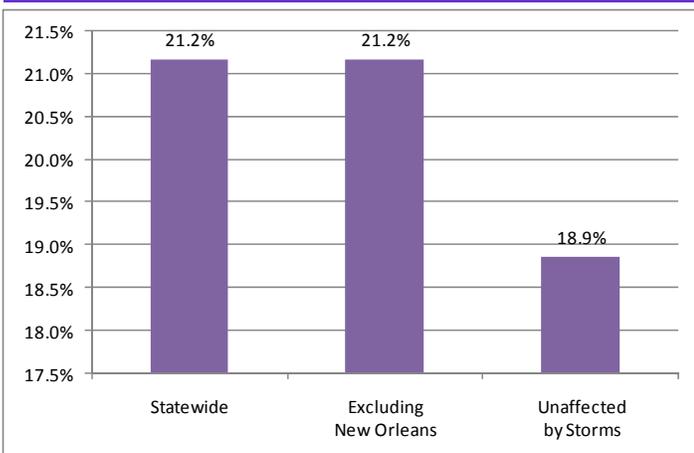


Figure 5

Relative to 2005, there are 52,451 fewer uninsured adults in the New Orleans region, accounting for nearly half (48.4%) of the total change in the number of uninsured adults statewide. Had the population of the New Orleans region remained constant, we would have expected the number of uninsured adults in the region to decline by 12,267.

As illustrated in Figure 5, if we exclude the New Orleans region from the statewide totals, we find no significant change in the uninsured rate. However, if we exclude respondents who reported being affected by the storms, the percent of uninsured adults declines to 18.9%.

The Recovery Economy and Employer Sponsored Insurance

Declines in uninsured rates for both children and adults correspond with increases in employer provided coverage. This is illustrated in Figure 6. Since 2005 we have seen increases in the percent of children (from 36% in 2005) and adults (up from 46% in 2005) covered through employer-sponsored insurance. Presumably, this reflects the strength of the Louisiana economy and a relatively tight labor market.

Increase in Employer-Sponsored Insurance

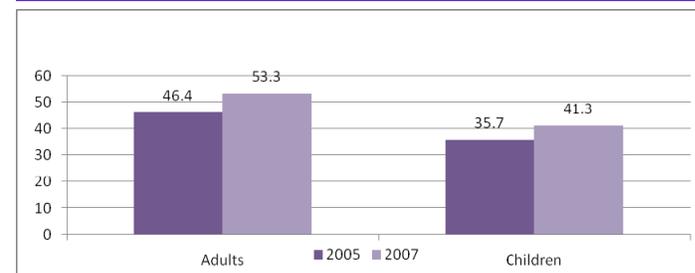


Figure 6

Should the Louisiana economy slow, we would expect to see additional children enrolled in the Medicaid/LaCHIP program but only marginal changes in overall uninsured rates. For adults, in contrast, we would expect an economic downturn to significantly and adversely affect uninsured rates. While one should be careful not to overstate this result, it does not appear that the availability of Medicaid/LaCHIP has “crowded out” private coverage for children.

Demographic of Louisiana’s Uninsured

Uninsured status is correlated with race, income, poverty, education, and age, such that the uninsured are more likely to be African American, poorer, less educated, and younger. Female adults and male children are more likely to be insured, but the gender-based differences are small (less than a percentage point).

Considerably larger differences emerge when we examine race, but only among adults. Over a quarter of African Americans (28.4%) are uninsured compared to 17.6% of Caucasians. These

Major Findings of the 2007 Louisiana Health Insurance Survey

differences are more muted among children as 5.2% of African-American children and 3.9% of Caucasians are uninsured. The uninsured percentages for both African American and Caucasian children have decreased relative to 2005 when 7.9% of African Americans and 6.4% of Caucasians reported having no insurance. The smaller difference for children reflects the success of the Medicaid/LaCHIP program in that state coverage limits some of the consequences of inequality that serve to disadvantage minority children.

Income and poverty reflect similar patterns. As in previous surveys, we find clear relationships between income and insurance status for adults, but much less clear relationships for children. Education is likewise associated with uninsured status as less educated respondents are considerably more likely to report being uninsured. Age is a factor as well, with young children among those least likely to be uninsured thanks in large part to the prevalence of Medicaid and LaCHIP. Less than 5% of children ages 0-5 are uninsured, while 28.6% of young adults (ages 22-29) and 15% of older adults (ages 55-64) are uninsured.

Uninsured Parents

As part of the 2007 LHIS, surveyors sought to ascertain the uninsured status of parents. Numbers reported only include parents as adults with children in households. Parents with children not in the household are not included. In addition, the report was also limited in the ability to identify parents in families within households (for example, the report does not distinguish if a brother or sister has moved into the home).

Uninsured Parents – Totals and By Poverty Level

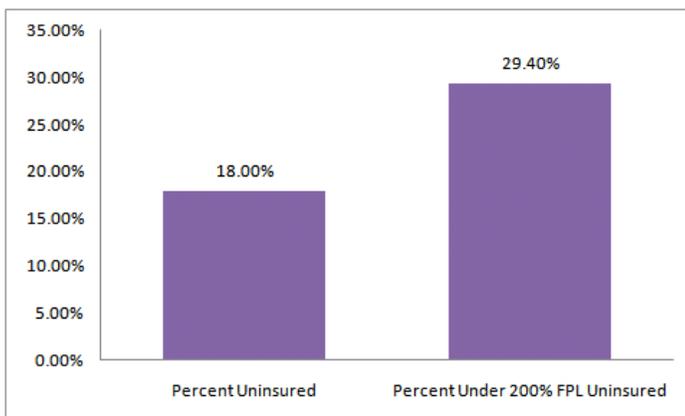


Figure 7

With those caveats in mind, Figure 7 shows that 18% of parents are uninsured and 29.4% of parents under 200% of FPL are uninsured. This translates to 225,262 uninsured identified parents throughout the state and 168,543 uninsured parents under 200% FPL.

Survey Methodology

LHIS gauges uninsured status through a household level approach in which individual respondents are asked to report on health insurance status of each member of the household. To assure accurate reporting, initial respondents are screened to ensure they are the most knowledgeable person in the household regarding family health care and health insurance. Respondents are then asked to identify all members of the household and answer a series of questions to determine if members of the household are covered by particular types of insurance, including employer sponsored insurance, purchased insurance, Medicaid, Medicare, or through the military. Respondents are asked to verify uninsured status for any individual not identified as having any form of coverage. Only household members who are identified as not having any form of coverage are included in the final estimates of the uninsured.

The initial sampling was designed to generate responses from 10,000 Louisiana households, with at least 65 from each parish and 800 from each DHH region. To assure adequate sampling of minority and poor residents, an over sample of 1,000 respondents was also conducted from telephone prefixes where the median income was below the statewide median and where the minority population was 30% or greater. Because of the large population shifts in the New Orleans area, an oversample of 500 households from Orleans Parish was also put into place.

The sampling design weighted the probability of being selected for the final sample based on parish. To account for this, the sample was adjusted for sampling differences across parishes. Specifically, the sampling weight was constructed as the parish population divided by the number of individuals sampled in each parish. To account for differences among population segments, the data was also weighted based on demographic characteristics where sample estimates did not closely mirror census estimates.

One final adjustment was made to account for the Medicaid bias. A long line of empirical research has demonstrated that Medicaid recipients often misreport their insurance status, most often as uninsured. In this situation, estimates of uninsured populations are biased upward while Medicaid population estimates would be biased downward. The method of adjustment is improved over the 2005 estimates in that it accounts for misreporting on an individual basis, rather than an aggregate adjustment. The 2005 method is consistent with other research practices for misreporting, while the 2007 method reflects a step forward in this area. Methodology details are available in the full report by Barnes, Goidel and Terrell (2007).