

Getting “Illinois Covered”—It Makes Fiscal Sense

Expanding health insurance coverage through Governor Blagojevich’s proposed Illinois Covered program is a sound investment—an investment that will pay dividends for Illinois families, for Illinois businesses, and for the state’s economy as a whole.

The All Kids Initiative, already enacted by the legislature, provides a solid foundation. Building on that foundation, Illinois Covered will extend health coverage to 1.4 million uninsured adults. Together, All Kids and Illinois Covered will improve the health and productivity of Illinoisans, help bring insurance costs under control, and stimulate Illinois’s economy.



Who currently pays for health care for the uninsured?

- The uninsured pay for about 35 percent of the cost of the care they receive out of their own pockets. Most people who are uninsured are in low-income families, and they sacrifice other necessities to pay this share of their health care costs.
- A portion of the care the uninsured receive is paid for by government programs.
- The remaining amount is paid for in the form of higher insurance premiums. This remaining amount—sometimes called “uncompensated care”—is built into the rates that hospitals and doctors charge insurance plans. Insurance plans then pass this cost on to insured Illinoisans by raising health insurance premiums.

Illinoisans with job-based coverage pay more for health insurance premiums to cover the costs of care for the uninsured.

- In 2007, premiums for Illinois families with job-based coverage will be \$1,130 higher due to the cost of care for the uninsured.
- In 2007, premiums for Illinois individuals with job-based coverage will be \$408 higher due to the cost of care for the uninsured.

Expanding coverage means lower health insurance costs for Illinoisans.

- With fewer uninsured people, less money will be needed to provide care for the uninsured. This, in turn, will reduce the costs that are passed on to those who pay insurance premiums.
- In Illinois, the cost of care for the uninsured that is not paid out-of-pocket by the uninsured themselves will be about \$2.1 billion in 2007.
- If the cost of care for the uninsured in Illinois were reduced by just 30 percent, more than \$640 million could be saved in 2007 alone.

Insuring more people will increase productivity and strengthen Illinois's economy.

- State dollars that Illinois invests in expanding coverage through All Kids and Illinois Covered draw new federal money into the state—dollars that otherwise would not flow into Illinois's economy.
- Investing in All Kids and Illinois Covered will bring substantial new federal money into the state, generating nearly \$690 million in new business activity in Illinois.
- This investment will also create more than 5,800 new jobs in Illinois. These new jobs will be created in the health care sector and in other sectors as the new federal dollars circulate through the Illinois economy.
- Further, insured employees are healthier, miss fewer days of work, and are more productive when they're on the job.
- Insuring kids provides a healthy start. Ensuring access to health care improves educational attainment and increases earnings potential by 10 to 30 percent.

Facts about the Uninsured

Why are people uninsured?

- Their jobs don't offer health insurance.
- They are offered job-based coverage, but they can't afford the employee share of the premium.
- They've recently been laid off or are between jobs.

Who are the uninsured?

- Four out of five uninsured Americans are in working families.
- One out of five uninsured Americans is a child.
- Nearly nine out of 10 uninsured kids come from families where at least one parent works.
- In more than half of all two-parent families with uninsured children, both parents work.

What happens when the uninsured get sick?

- Uninsured people delay or forgo critical health care.
 - Uninsured kids are nearly five times more likely than insured children to have a delayed or unmet health care need.
 - Uninsured adults are four times more likely than insured adults to delay seeking medical care.
- Uninsured people are sicker when they seek care and are more likely to receive care at hospitals.
 - Two-thirds of care delivered to uninsured Americans is provided by hospitals.
 - Uninsured children are five times more likely than insured children to use the emergency room as a regular source of care.
 - Uninsured adults are more likely to be diagnosed with a disease at a later stage and are less likely to receive therapeutic care (e.g., drugs, surgery) than the insured.
- Uninsured people pay more for the care they receive, and they have trouble paying for this care.
 - The uninsured are often charged more for health services than people with insurance.
 - Nearly 40 percent of uninsured adults reported having problems paying their medical bills.
 - More than half of all bankruptcies are due, at least in part, to medical expenses.