

The Healthy Maryland Initiative: Good for Maryland's Economy

Expanding coverage through the Healthy Maryland Initiative is a sound investment. During 2004-2005, 778,220 Marylanders were uninsured—137,340 of them were children. Covering kids and parents through Medicaid will improve the health and productivity of Marylanders, help bring insurance costs under control, and stimulate Maryland's economy.

Expanding coverage means lower health insurance costs for Marylanders

- With fewer uninsured people, less money will go toward providing care for the uninsured. This, in turn, will reduce the costs that are passed on to those with insurance.
- In Maryland, the cost of care for the uninsured that was not paid out-of-pocket by the uninsured themselves was nearly \$713 million in 2005. By 2010, this cost will grow to nearly \$1 billion.
- If the cost of care for the uninsured in Maryland was reduced by just 10 percent, nearly \$100 million could be saved in 2010 alone.

Investing in Medicaid is economically sound

- Every dollar that Maryland invests in Medicaid coverage draws new federal money into the state—dollars that otherwise would not flow into Maryland's economy.
- Investing in the Healthy Maryland Initiative will bring substantial money into the state, generating millions of dollars in business activity and creating thousands of jobs.

Insuring more people will increase productivity and strengthen Maryland's economy

- 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.

Who currently pays for care for the uninsured?

- The uninsured pay for about 35 percent of the cost of care they receive out of their own pockets.
- About 20 percent of the cost of care for the uninsured is paid for by government programs.
- The remaining amount—\$29 billion nationally in 2005 and \$43 billion by 2010—is paid for in the form of higher insurance premiums.

What does this mean for people with insurance?

- The cost of care for the uninsured (known as “uncompensated care”) is built into the rates that hospitals and doctors charge to those who are privately insured.
- Insurance plans then pass the cost of care for the uninsured on to Marylanders by raising health insurance premiums.
- In Maryland, health insurance premiums for families with job-based coverage were \$948 higher in 2005 to cover the costs of uncompensated care. That figure will rise to \$1,510 by 2010.
- In Maryland, health insurance premiums for individuals were \$332 higher in 2005 to cover the costs of uncompensated care. That figure will rise to \$506 by 2010.

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 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 delivered 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 problems paying their medical bills.
 - More than half of all bankruptcies are due, at least in part, to medical expenses.