

‘Significant’ coverage crisis predicted for the state

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Just last month, the U.S. Census Bureau released new figures showing a small decline in the number of uninsured Rhode Islanders between 2005 and 2006, good news after a substantial increase over the previous years.

Health Insurance Commissioner Christopher F. Koller didn't buy it – or rather, while he's willing to believe there could have been a one-year blip in the figures, he's convinced that the long-term outlook remains pretty dire.

Last Wednesday, at a discussion hosted by Rhode Island Kids Count, Koller released a report showing the share of Rhode Islanders under age 65 who are uninsured grew from 6.9 percent in 2000 to 13.3 percent in 2005 – about 119,200 people.

“If this trend were to continue unchecked,” the report says, “Rhode Island would face a significant insurance crisis, with an estimated 19.5 percent ... uninsured by the year 2010.”

Koller also pinpointed one key driver of this increase that, until now, had gotten little attention: Larger employers appear to be tightening their health insurance eligibility rules, making it harder for workers to get coverage, even if the company still generally offers it.

Using data from the Agency for Healthcare Research and Quality, Koller's team put together a chart showing that from 1997 to 2004, more than 45,000 Rhode Islanders had lost their employer-based coverage due to eligibility changes, and 86 percent of them were in groups of 50 members or more – what Rhode Island considers “large.”

Altogether, Koller noted, the share of employed Rhode Islanders who were eligible for coverage from their employers dropped from 83.4 percent to 68.9 percent, well below the national average, 78 percent, or the Massachusetts average, 76.8 percent.

As a result, the analysis shows, while in 1997, 58 percent of employed Rhode Islanders got their coverage through their workplace, by 2004, the share had declined to 49 percent.

And the majority of the people losing employer-based coverage can't afford to buy it on their own, Koller noted. Virtually all of the growth in the uninsured from 2001 to 2005, he said, was among people with incomes below 300 percent of the federal poverty line, or about \$48,600.

So how do you reverse this trend?

Expanding Medicaid – the state's RItE Care program in particular – is one possible approach, Koller said, especially since 32 percent of the uninsured already qualify for RItE Care but simply aren't enrolled. Another 46 percent of the uninsured could be covered if both children and adults up to 300 percent of the federal poverty line were made eligible.

For the remainder, about 26,600 people with incomes above 300 percent of poverty, a mandate along the lines of what Massachusetts is trying might be the answer, Koller suggested.

But while many states are working aggressively to expand coverage, in Rhode Island, “we have not yet had the political groundswell for comprehensive reform ? la Massachusetts or California,” Koller said.

RIte Care enrollment is actually declining, Kids Count policy analyst Jill Beckwith told the group, citing R.I. Department of Human Services statistics.

From June 2005 to June 2007, RIte Care base enrollment – including people who qualify solely due to their income, not because of disabilities – dropped from 119,049 to 111,681 (a 6.2-percent decline), the figures show. Among the poorest beneficiaries, those below the poverty line, enrollment declined even more, from 86,819 to 80,682 (a 7.1-percent drop).

Some of that is due to changes in Rhode Island law that have restricted eligibility for RIte Care, excluding many immigrants, for example. But tough new documentation requirements being implemented this year are accelerating the decline, noted Linda Katz, policy director for the Poverty Institute at Rhode Island College. Plus the state has imposed some of the highest premium co-pays in the nation for less-poor beneficiaries.

What RIte Care is facing, Katz said, is a “death by a thousand cuts.”

“RIte Care appears to have become a poster child for the cost of government,” agreed Edward J. Quinlan, president of the Hospital Association of Rhode Island. “I can’t understand why. There’s probably no other line item in the state budget that has been studied and had its efficiency shown more than RIte Care.”

Dr. K. Nicholas Tsiongas, who this weekend became president of the Rhode Island Medical Society, said the state had set “a fundamental precedent” in the last couple of years when it began implementing policy changes that kicked people off RIte Care and created “state-sponsored increases in the number of the uninsured.”

“It wasn’t good public policy,” he said. “It wasn’t good economics.”

Yet Senate Majority Leader M. Teresa Paiva-Weed, D-Newport, said legislators are only doing what their constituents want; Rhode Islanders have come to think of RIte Care as “welfare.”

“You get into a room like this and you’re preaching to the choir – it feels good and it sounds good,” she said. “If the governor were to propose in his next budget significant cuts to the RIte Care program, there would be sufficient votes for that to happen. That’s the reality.” •