

Cover Missouri Project: Report 8

Geographic Variations in Health Insurance: A Profile of Missouri



About MFH

Established in 2000, the Missouri Foundation for Health is dedicated to its mission of empowering the people of the communities we serve to achieve equal access to quality health services that promote prevention and encourage healthy behaviors. In support of its mission, the Foundation undertakes policy research to educate the public and decision makers on effective health policies that will result in long-term, positive health system change in the state of Missouri. Formulating sound health policies advances the Foundation's efforts to increase access to high quality, cost-effective preventive and curative care, especially for the uninsured, underinsured, and underserved in our service region of 84 Missouri counties and the City of St. Louis.

The Missouri Foundation for Health does not take responsibility for any analysis, errors, or omissions of fact found in this report.

Cover Missouri Project

Preface

In an effort to inform the discussion regarding practical policy options to expand health care coverage for the uninsured in Missouri, the Missouri Foundation for Health (MFH) has established the Cover Missouri Project. Under this project, MFH has engaged The Urban Institute to produce a series of papers which considers strengths and weaknesses of the current health care system in Missouri and explores options for decreasing the number of uninsured. MFH offers these studies as a means to further understand and ultimately improve access to health care coverage.

Missouri currently faces considerable challenges related to creating an equitable and comprehensive system of health care for all Missourians. In 2005, between 635,000 and 707,000 Missouri residents were without health insurance. In addition, eligibility cuts and cost-sharing changes to Missouri's Medicaid program made in 2005 increased the number of uninsured. Ultimately, these changes may shift Missouri from being one of the 12 states with the lowest uninsurance rates to being among the 12 states with the highest rates of uninsurance.

Research broadly documents the serious health and financial consequences associated with being uninsured. The uninsured live sicker and die younger than those with insurance. They forego preventive care and seek health care at more advanced stages of disease. Society then bears these costs through lower productivity, increased rates of communicable diseases, and higher insurance premiums. Those without health insurance often must choose between visiting a doctor and paying for other essentials.

This paper, "Geographic Variations in Health Insurance: A Profile of Missouri," represents the eighth in the series emerging under the Cover Missouri Project. It examines trends in health insurance coverage by geographic area and by age, ethnicity, income, and firm size. The study also analyzes differences in the types of insurance that people have in large cities compared to rural communities and small cities throughout Missouri. Finally, it draws conclusions on trends in insurance coverage from 2000 to 2004, such as statewide decreases in employer-sponsored insurance.

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About The Urban Institute

The Urban Institute is a nonprofit nonpartisan policy research and educational organization established to examine the social, economic, and governance problems facing the nation. It provides information and analysis to public and private decision makers to help them address these challenges and strives to raise citizen understanding of the issues and tradeoffs in policy making. The Urban Institute works to promote sound social policy and public debate on national priorities through gathering and analyzing data, conducting policy research, evaluating programs and services, and educating all Americans. More information about The Urban Institute may be found at www.urban.org.

Geographic Variations in Health Insurance: A Profile of Missouri

by Stephen Zuckerman, PhD, and Allison Cook, BA

Missouri has two large metropolitan areas, as well as many smaller cities, towns, and rural communities. Based on current U.S. Census data, St. Louis and Kansas City rank in the 30 largest metropolitan areas in the country.¹ However, nearly a quarter of the state's population lives outside these two metropolitan areas. Policies directed at expanding health insurance coverage affect geographic areas of the state differently. Therefore, this study explores variations in health insurance by geography and examines how policies directed at changing coverage can affect communities differently.

The type and size of an employer can differ greatly across geographic areas. Although the majority of the people in the United States have coverage through employer-sponsored insurance (ESI), employers outside of large

cities generally tend to be smaller and less likely to offer health insurance. This means people in smaller cities and rural communities who want to purchase health insurance will be more dependent on the non-group market in which costs are higher than for ESI. If these costs are high enough that insurance is unaffordable relative to family income, people outside the large cities may turn to public programs, if they are eligible, or be forced to remain uninsured.

This study uses data from the 2004 and 2005 Annual Social and Economic Supplements (March Supplements) to the Current Population Survey (CPS) to describe the demographic and economic characteristics of residents of the combined St. Louis and Kansas City areas and contrast them to the rest of Missouri.² It also focuses on differences in the pattern of health insurance across these geographic areas, exploring various population subgroups, i.e., adults, children, low-income families, and workers. The purpose of this study is to show how private coverage varies by geography, the relative importance of public coverage in different areas of Missouri, and the extent to which people lack coverage altogether. Data from 2001 and 2005 March Supplements to the CPS are also used to track changes in insurance coverage across geographic areas in Missouri.

CPS numbers have been interpreted as understating enrollment in Medicaid and

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overstating the number of uninsured. However, recent evidence seems to suggest that the CPS is primarily overstating private coverage and slightly understating Medicaid coverage.³ Despite these issues, there have been relatively few changes in the CPS over time, and it remains the most widely cited source of data on trends in health insurance coverage. This paper adjusts for the underreporting of Medicaid. This adjustment has the effect of increasing Medicaid coverage to match state administrative totals and reducing private coverage and the number of uninsured. The share of the non-elderly population without health insurance coverage in 2004 fell 1.3 percent or 64,000 as a result of the adjustment.

The CPS allows respondents to report multiple types of coverage. In this analysis, a hierarchy is used in which each respondent is assigned only one type of coverage. The hierarchy is as follows:

- ESI;
- Medicaid, State Children's Health Insurance Program (SCHIP), or state coverage (the hierarchy does not distinguish between these);
- other public coverage, e.g., military, veterans, or Medicare;
- directly purchased coverage; and
- uninsured.

This paper uses income summed to the level of the health insurance unit rather than the household unit as the measure of family income. The health insurance unit includes members of the nuclear family who can be covered under one insurance policy, i.e., policyholder's spouse, children under age 19, and full-time students under age 23. This measure excludes the income of all relatives and unrelated people who may live in the household. The income of the health insurance unit more accurately reflects the income available to individuals when purchasing private insurance or when determining eligibility for public programs.

Demographic and Economic Characteristics

Table 1 reports basic demographic and economic characteristics across Missouri's geographic areas. The data show that the breakdown of the non-elderly population between adults and children is quite similar in all parts of the state. However, there are large differences in the racial and ethnic makeup of these areas. St. Louis and Kansas City are 74 percent white, while the other areas of the state are 89 percent white. Data on family incomes show that the areas outside the large cities have considerably lower incomes. In St. Louis and Kansas City, only 28 percent of the non-elderly population lives in families with incomes below 200 percent of the federal poverty level (FPL) (Appendix), compared to

39 percent of residents in the rest of the state. In fact, 21 percent of residents outside St. Louis and Kansas City live below 100 percent of FPL, versus only 14 percent in the large cities. The increased likelihood of having family income under 200 percent of FPL outside of the large cities in Missouri contributes to these areas having a lower rate of private insurance coverage (especially ESI) and a higher rate of public coverage compared to St. Louis and Kansas City.

The vast majority of people in Missouri (82%) live in families with at least one full-time worker; however, this rate varies somewhat across geographic areas of the state.

Table 1. Share of the Non-Elderly Population and Workers with Selected Characteristics by Geographic Area of Missouri, 2003-2004

	Statewide	Large Cities	Rest of State	Difference
Total Non-Elderly (in thousands)	4,856	2,835	2,021	
Age				
Children (0-18)	30.4%	31.3%	29.2%	(2.2%)
Adults (19-64)	69.6%	68.7%	70.8%	2.2%
Family Income				
Under 200% of FPL	32.3%	27.7%	38.9%	11.2% ^a
<100% of FPL	17.1%	14.4%	20.9%	6.5% ^a
100-199% of FPL	15.2%	13.2%	18.0%	4.7% ^a
≥200% of FPL	67.7%	72.3%	61.1%	(11.2%) ^a
Race/Ethnicity				
White	80.6%	74.4%	89.4%	15.1% ^a
Non-White	19.4%	25.6%	10.6%	(15.1%) ^a
Family Work Status				
Full-Time	81.9%	84.2%	78.7%	(5.5%) ^a
Only Part-Time	7.1%	6.5%	7.9%	1.4%
Non-Workers	11.0%	9.3%	13.5%	4.1%
Total Workers (in thousands)	2,790	1,650	1,140	
Workers by Firm Size				
<25 Workers	27.5%	24.8%	31.5%	6.7% ^a
25-999 Workers	30.7%	29.4%	32.6%	3.2%
≥1,000 Workers	41.8%	45.8%	35.9%	(9.8%) ^a

^a Indicates difference between geographic areas is statistically significant (at the 95% confidence level).

Note: Large Cities = Kansas City and St. Louis; Rest of State = smaller cities and rural communities. Excludes persons aged 65 and older and those in the Armed Forces.

Source: The Urban Institute, 2005. Based on data from March Supplements to the Current Population Surveys, 2004 and 2005.

In the large cities, 84 percent of people are in such families compared to 79 percent in the rest of the state. Additionally, workers in the large cities are more likely to work for large employers and less likely to work for small employers than workers in other areas of the state. In St. Louis and Kansas City,

46 percent of workers are employed in firms with 1,000 or more employees; while only 36 percent of workers in the rest of the state are employed in such large companies. Because these very large firms are more likely to have employees with ESI, people living outside the large cities have a lower rate of ESI coverage.

Insurance Coverage Variations Among Adults and Children

Table 2 shows variances in Missouri's insurance coverage across geographic areas, and by age, for the non-elderly population.

Residents of the large metropolitan areas are much more likely to have ESI than residents in other areas of the state, 71 percent versus

Table 2. Health Insurance Coverage of the Non-Elderly by Geographic Area of Missouri, 2003-2004

	Statewide	Large Cities	Rest of State	Difference
All Non-Elderly				
Employer	65.8%	71.2%	58.1%	(13.2%) ^a
Medicaid and State	14.9%	11.6%	19.5%	8.0% ^a
Champus/Medicare	2.0%	1.5%	2.7%	1.3% ^a
Private Non-Group	5.0%	4.3%	6.1%	1.8% ^a
Uninsured	12.3%	11.4%	13.6%	2.2% ^b
All Children				
Employer	61.5%	67.8%	52.1%	(15.7%) ^a
Medicaid and State	29.0%	23.9%	36.8%	12.8% ^a
Champus/Medicare	0.6%	0.5%	0.8%	0.3%
Private Non-Group	3.3%	2.8%	4.1%	1.3%
Uninsured	5.5%	5.0%	6.3%	1.3%
All Non-Elderly Adults				
Employer	67.6%	72.8%	60.5%	(12.3%) ^a
Medicaid and State	8.7%	5.9%	12.4%	6.5% ^a
Champus/Medicare	2.6%	1.9%	3.5%	1.6% ^a
Private Non-Group	5.8%	5.0%	6.9%	1.9% ^b
Uninsured	15.3%	14.4%	16.6%	2.3%

^a Indicates difference between geographic areas is statistically significant (at the 95% confidence level).

^b Indicates difference between geographic areas is statistically significant (at the 90% confidence level).

Note: Large Cities = Kansas City and St. Louis; Rest of State = smaller cities and rural communities. Excludes persons aged 65 and older and those in the Armed Forces.

Source: The Urban Institute, 2005. Based on data from March Supplements to the Current Population Surveys, 2004 and 2005.

58 percent. This deficiency in ESI outside of the large cities is partially offset by higher rates of privately purchased coverage, Medicaid and SCHIP, and other public coverage (Champus/TRICARE and Medicare). The difference in Medicaid/SCHIP is particularly large, with about 20 percent of the non-elderly population outside of the large cities covered versus 12 percent in St. Louis and Kansas City. However, the overall uninsurance rate is still significantly higher outside of St. Louis and Kansas City, 14 percent versus 11 percent.

Large cities also have a higher rate of ESI than the rest of the state for both children and adults, although the ESI rate is lower for children than adults in both areas of the state. The most dramatic difference in insurance

coverage between adults and children relates to Medicaid/SCHIP coverage. First, the Medicaid/SCHIP coverage rate is much higher for children than adults, as would be expected given eligibility rules for this coverage. Second, the extent of Medicaid/SCHIP coverage among children outside the large cities is sufficiently high so as to almost fully offset the lower rate of ESI. The result is that the uninsurance rate for children is low and does not vary much across different areas of the state. For adults, on the other hand, Medicaid only partially offsets the low rate of ESI outside the large cities. However, adults have higher rates of privately purchased coverage and other public coverage outside the large cities. As a result, the remaining difference in uninsurance rates across areas is not significant.

Insurance Coverage Variations by Income and Ethnicity

The major role that Medicaid/SCHIP coverage plays in geographic variation of health insurance can be seen within the low-income non-elderly group (Table 3). There are no significant differences in rates of ESI, privately purchased, or other public coverage across geographic areas for low-income non-elderly individuals within Missouri. However, the Medicaid/SCHIP coverage rate is about

11 percentage points higher outside the large cities (47% versus 36%) for this group. As a result, the low-income uninsurance rate is actually about 5 percentage points lower in areas outside St. Louis and Kansas City, 20 percent versus 25 percent. The higher income group is very limited in its eligibility for Medicaid/SCHIP coverage. For areas outside the large cities, where a lower rate of ESI

Table 3. Health Insurance Coverage of the Non-Elderly by Family Income, Race, and Geographic Area of Missouri, 2003-2004

	Statewide	Large Cities	Rest of State	Difference
Family Income				
<200% of FPL				
Employer	27.2%	29.1%	25.4%	(3.7%)
Medicaid and State	41.2%	35.8%	46.5%	10.7% ^a
Champus/Medicare	3.5%	3.4%	3.6%	0.1%
Private Non-Group	5.5%	6.7%	4.3%	(2.4%)
Uninsured	22.6%	25.0%	20.2%	(4.8%) ^b
≥200% of FPL				
Employer	84.2%	87.4%	78.9%	(8.5%) ^a
Medicaid and State	2.3%	2.3%	2.3%	0.0%
Champus/Medicare	1.3%	0.7%	2.2%	1.5% ^a
Private Non-Group	4.8%	3.4%	7.2%	3.8% ^a
Uninsured	7.4%	6.2%	9.4%	3.2% ^a
Race				
White				
Employer	69.0%	76.7%	60.1%	(16.5%) ^a
Medicaid and State	12.9%	8.2%	18.4%	10.3% ^a
Champus/Medicare	1.9%	1.1%	2.8%	1.7% ^a
Private Non-Group	5.5%	4.7%	6.3%	1.5%
Uninsured	10.7%	9.3%	12.4%	3.0% ^a
Non-White				
Employer	52.0%	55.4%	40.5%	(15.0%) ^a
Medicaid and State	23.0%	21.4%	28.6%	7.2%
Champus/Medicare	2.5%	2.6%	2.3%	(0.3%)
Private Non-Group	3.3%	3.0%	4.4%	1.3%
Uninsured	19.1%	17.5%	24.2%	6.7%

^a Indicates difference between geographic areas is statistically significant (at the 95% confidence level).

^b Indicates difference between geographic areas is statistically significant (at the 90% confidence level).

Note: Large Cities = Kansas City and St. Louis; Rest of State = smaller cities and rural communities. Excludes persons aged 65 and older and those in the Armed Forces.

Source: The Urban Institute, 2005. Based on data from March Supplements to the Current Population Surveys, 2004 and 2005.

exists, this results in a higher rate of uninsurance.

The data available for this study limit analysis of the role that race and ethnicity play in influencing geographic variation in health insurance coverage. The overall pattern of lower ESI coverage outside of St. Louis and Kansas City, which is partially offset by a higher rate of Medicaid/SCHIP coverage, is seen among whites (Table 3). Geographic patterns among non-whites are harder to analyze because there are relatively

fewer non-white residents outside the large cities. For non-whites, a lower rate of ESI coverage is observed outside of the large cities, but no other differences in coverage show statistical significance. Numerically, the data for non-whites show that Medicaid/SCHIP does not sufficiently offset the lower rate of ESI coverage outside the large cities, leaving a higher uninsurance rate for this population. However, there is not statistical significance in these estimates and, therefore, it is hard to draw strong conclusions.

Insurance Coverage Variations by Firm Size

There are two factors related to labor market characteristics that contribute to the low rate of ESI coverage outside of the large cities (Table 4). The first, as mentioned above, is that a smaller share of workers outside of St. Louis and Kansas City are employed by very large firms. However, the large differential in ESI coverage between the large cities and the rest of the state is also related to the large geographic differential in ESI coverage for workers at small firms in Missouri. In St. Louis and Kansas City, 64 percent of workers at small firms have ESI coverage – roughly equal to the overall ESI coverage rate for Missouri. However, only 42 percent of

workers at small firms outside the large cities have ESI coverage. Nationally, CPS data show that the difference in ESI coverage rates between Metropolitan Statistical Areas (MSA) and non-MSA areas for workers in small firms is much narrower. Additionally, overall ESI coverage rates tend to vary primarily because non-MSA areas tend to have fewer very large firms. Non-group private and Medicaid/SCHIP coverage does offset some of the geographic gap in ESI for workers in small firms in Missouri; however, the uninsurance rate for these workers is still higher outside the large cities.

Insurance Coverage Variations by Income, 2000 and 2004

Table 5 shows that patterns of insurance coverage changed significantly between 2000 and 2004. In addition, these changes have not occurred uniformly across geographic areas within the state. In St. Louis and Kansas City, the decline in ESI coverage for all non-elderly was smaller than in other areas of the

state. As a result, the geographic gap in rates of ESI coverage has widened. Although the Medicaid/SCHIP coverage rate expanded in both areas (as well as some gains in other public coverage outside the large cities), the uninsurance rate increased significantly across the state.

Table 4. Health Insurance Coverage of Non-Elderly Workers by Firm Size and Geographic Area of Missouri, 2003-2004

	Statewide	Large Cities	Rest of State	Difference
All Workers				
Employer	73.7%	77.7%	68.0%	(9.7%) ^a
Medicaid and State	5.2%	3.9%	7.0%	3.2%
Champus/Medicare	1.1%	0.8%	1.6%	0.8%
Private Non-Group	5.5%	4.7%	6.6%	1.8%
Uninsured	14.5%	12.9%	16.8%	4.0%
Firm Size				
<25 Workers				
Employer	53.8%	64.3%	41.8%	(22.5%) ^a
Medicaid and State	6.6%	4.3%	9.2%	4.8% ^b
Champus/Medicare	2.7%	2.0%	3.4%	1.4%
Private Non-Group	11.1%	8.5%	14.2%	5.7% ^b
Uninsured	25.8%	20.8%	31.4%	10.6% ^a
25 to 999 Workers				
Employer	77.1%	75.5%	79.2%	3.7%
Medicaid and State	6.3%	5.1%	7.9%	2.8%
Champus/Medicare	0.3%	0.1%	0.5%	0.4%
Private Non-Group	4.1%	5.7%	2.0%	(3.8%) ^a
Uninsured	12.2%	13.6%	10.5%	(3.1%)
1000+ Workers				
Employer	84.3%	86.3%	80.7%	(5.6%) ^b
Medicaid and State	3.4%	2.8%	4.4%	1.5%
Champus/Medicare	0.8%	0.6%	1.0%	0.4%
Private Non-Group	2.8%	2.1%	4.1%	2.0%
Uninsured	8.7%	8.2%	9.8%	1.7%

^a Indicates difference between geographic areas is statistically significant (at the 95% confidence level).

^b Indicates difference between geographic areas is statistically significant (at the 90% confidence level).

Note: Large Cities = Kansas City and St. Louis; Rest of State = smaller cities and rural communities. Excludes persons aged 65 and older and those in the Armed Forces.

Source: The Urban Institute, 2005. Based on data from March Supplements to the Current Population Surveys, 2004 and 2005.

Although there are similar geographic patterns of change in coverage for the non-elderly from 2000 to 2004, this masks significant differences across income groups. Among low-income residents of St. Louis and Kansas City, the ESI rate fell from about 40 percent in 2000 to 26 percent in 2004. In other words, low-income residents of these two large cities were more likely to have ESI coverage than people in other areas of the state in 2000, but by 2004 the ESI

coverage rate for low-income residents was similar throughout the state. This drop-off in ESI coverage for low-income residents in St. Louis and Kansas City was partially offset by an increase in Medicaid/SCHIP coverage. However, the uninsurance rate for low-income residents of the large cities did increase from 2000 to 2004. Outside of the large cities, patterns of insurance coverage among low-income residents changed very little over this period. Nonetheless, in these

Table 5. Health Insurance Coverage of the Non-Elderly by Family Income and Geographic Area of Missouri, 2000-2004

	Statewide			Large Cities			Rest of State		
	Coverage Distribution Within Income Category			Coverage Distribution Within Income Category			Coverage Distribution Within Income Category		
	2000	2004	Difference	2000	2004	Difference	2000	2004	Difference
All Incomes (millions of people)									
Employer	4,765.9	4,891.1	125.1 (282.7) ^c	2,765.7	2,874.3	108.6 (72.9)	2,000.2	2,016.8	16.5 (209.8) ^c
Medicaid and State	71.9%	64.2%	(7.6%) ^a	76.2%	70.7%	(5.4%) ^a	65.9%	55.0%	(10.9%) ^b
Champus/Medicare	11.5%	15.4%	3.8% ^a	8.6%	11.9%	3.3% ^a	15.6%	20.3%	4.6% ^a
Private Non-Group	1.1%	2.1%	1.0% ^c	1.0%	1.3%	0.3%	1.2%	3.3%	2.1% ^a
Uninsured	5.8%	5.1%	(0.6%)	5.7%	4.3%	(1.4%)	5.8%	6.2%	0.4%
	9.7%	13.1%	3.4% ^a	8.5%	11.7%	3.2% ^a	11.4%	15.2%	3.7% ^a
<200% of FPL	1,280.5	1,610.7	330.1^c	631.4	788.8	157.4^c	649.1	821.9	172.8^b
Employer	34.0%	26.4%	(7.6%) ^a	39.0%	25.6%	(13.4%) ^b	29.2%	27.2%	(1.9%)
Medicaid and State	38.7%	41.4%	2.7%	33.6%	38.7%	5.1%	43.7%	44.1%	0.4%
Champus/Medicare	2.5%	3.8%	1.3%	3.4%	3.3%	0.0%	1.6%	4.2%	2.6% ^b
Private Non-Group	6.5%	5.6%	(0.9%)	7.6%	7.1%	(0.5%)	5.5%	4.1%	(1.4%)
Uninsured	18.3%	22.8%	4.5% ^b	16.5%	25.3%	8.8% ^a	20.0%	20.3%	0.3%
≥200% of FPL	3,485.4	3,280.4	(205.0)^d	2,134.3	2,085.5	(48.8)	1,351.1	1,194.9	(156.2)^c
Employer	85.8%	82.8%	(3.0%) ^a	87.1%	87.8%	0.7%	83.6%	74.1%	(9.5%) ^a
Medicaid and State	1.6%	2.6%	1.0% ^b	1.2%	1.8%	0.6%	2.1%	3.9%	1.7%
Champus/Medicare	0.6%	1.3%	0.7% ^b	0.3%	0.5%	0.2%	1.0%	2.7%	1.7% ^b
Private Non-Group	5.5%	4.9%	(0.6%)	5.2%	3.3%	(1.9%) ^b	6.0%	7.7%	1.8%
Uninsured	6.6%	8.4%	1.8% ^b	6.2%	6.5%	0.4%	7.3%	11.6%	4.3% ^a

^a Indicates change in percent of people is statistically significant (at the 95% confidence level).

^b Indicates change in percent of people is statistically significant (at the 90% confidence level).

^c Indicates change in numbers of people is statistically significant (at the 95% confidence level).

^d Indicates change in numbers of people is statistically significant (at the 90% confidence level).

Notes: Large Cities = Kansas City and St. Louis; Rest of State = smaller cities and rural communities. Excludes persons aged 65 and older and those in the Armed Forces. Data have been reweighted to adjust for Medicaid undercount. 2000 population totals are weighted to match the 2001 American Community Survey. Source: The Urban Institute, 2005. Based on data from March Supplements to the Current Population Surveys, 2001 and 2005.

areas, the ESI coverage rate among higher-income residents fell significantly and, due to almost no significant changes in other types of coverage, the rate of uninsurance

grew. In St. Louis and Kansas City, patterns of insurance coverage among higher-income residents remained virtually unchanged between 2000 and 2004.

Data Discussion

The data presented here come from the period immediately before the Medicaid eligibility cuts implemented in 2005. During the 2000 to 2004 time period, Medicaid was the most important source of insurance coverage for low-income residents of Missouri. This program, along with SCHIP, also had a significant impact on geographic differences in coverage in the state. Not only did areas outside of St. Louis and Kansas City have a larger share of their overall population living in low-income families, those with low incomes were more likely to participate in public coverage programs. One reason for this is that a greater share of the population outside the large cities was living below 100 percent of FPL, and was less likely to have access to ESI. This indicates that the 2005 cutback in Medicaid eligibility had a disproportionately greater effect among residents of Missouri's small cities and rural communities.

Since Medicaid and SCHIP are not coverage options for most people with incomes above 200 percent of FPL, geographic differences in coverage for this group are largely driven by differences in ESI. The share of higher income people with ESI is lower outside the large cities because there are fewer large businesses, and workers at small firms are much less likely to have ESI coverage. This lower rate of ESI is partially offset by other

types of coverage among this higher income group. For example, higher income individuals outside the large cities are about twice as likely to have non-group coverage. However, because non-group coverage is more costly than ESI, the need to rely more heavily on non-group coverage imposes an economic burden on people living in small cities and rural communities. In addition, despite attempts to offset the lower rate of ESI coverage with non-group coverage, the uninsured rate for people with higher incomes in these areas is still about 50 percent higher than in St. Louis and Kansas City.

From 2000 to 2004, overall insurance coverage deteriorated throughout Missouri, despite the fact that Medicaid coverage grew significantly. Health insurance provided through employers fell in all areas, but the decline was greatest in St. Louis and Kansas City for low-income residents and outside these large cities for higher income individuals. Although Medicaid was able to partially buffer the loss of ESI for low-income residents of St. Louis and Kansas City, the uninsurance rate still increased. Not surprisingly, although higher-income individuals outside the large cities picked up some non-group coverage, it was not sufficient enough to prevent the uninsured rate from rising.

Conclusion

The information in this study shows that across geographic areas in Missouri there are differences in the types of employers people work for, the incomes they earn, and the racial and ethnic mix of the population that are reflected in the mix of health insurance coverage. Small cities and rural communities have less ESI coverage, and because of low-income levels, more non-urban families have coverage through Medicaid and SCHIP. Even among low-income families, a greater percentage of people who live outside the

large cities are enrolled in public coverage programs than are enrolled in St. Louis and Kansas City. This implies that, although Medicaid provides a potentially vital source of coverage for all low-income families, it is especially important for people in small cities and rural communities. These regions are more likely to be affected by the reductions in program eligibility that took place in 2005 or any future reductions in Medicaid eligibility that may occur.

Appendix. 2004 Federal Poverty Levels (FPL)*

Family Size	Annual Income		
	100% FPL	200% FPL	300% FPL
1	\$9,310	\$18,620	\$27,930
2	\$12,490	\$24,980	\$37,470
3	\$15,670	\$31,340	\$47,010
4	\$18,850	\$37,700	\$56,550
5	\$22,030	\$44,060	\$66,090
6	\$25,210	\$50,420	\$75,630

*These apply to the 48 contiguous states and the District of Columbia.

ENDNOTES

¹ U.S. Census Bureau. Accessed Jan. 10, 2006. www.census.gov/population/www/estimates/metropop/PopTable04.csv.

² Health insurance data collected on the CPS is considered current to the year of data collection. We refer to the data used in this paper by the year it was collected, while the Census Bureau refers to the data by the year it was released.

³ K Call et al, “Uncovering the Missing Medicaid Cases and Assessing Their Bias for Estimates of the Uninsured,” *Inquiry*, 38.4 (2001/2002): 396-408; and K Call, “Cumulative Evidence: The Impact of Response Error on Survey Estimates of Uninsurance” (presentation at State Health Access Data Assistance Center Conference), May 5, 2005.

Cover Missouri Project Publications

The Cover Missouri Project includes a series of reports and fact sheets produced in early 2006. All materials are available online at www.mffh.org. Printed fact sheets and reports are available while supplies last. For more information about the Cover Missouri Project, contact the MFH Health Policy staff at info@mffh.org or toll-free at 1-800-655-5560.



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