

Cost of Asian American & Pacific Islander Uninsured Workers in Washington

WHO ARE THE UNINSURED IN WASHINGTON?

Asian Americans, Pacific Islanders, and other racial and ethnic minorities are over represented in the number of uninsured in Washington. This leads to huge losses for Washington's population and economy in terms of shorter lives and poorer health outcomes.

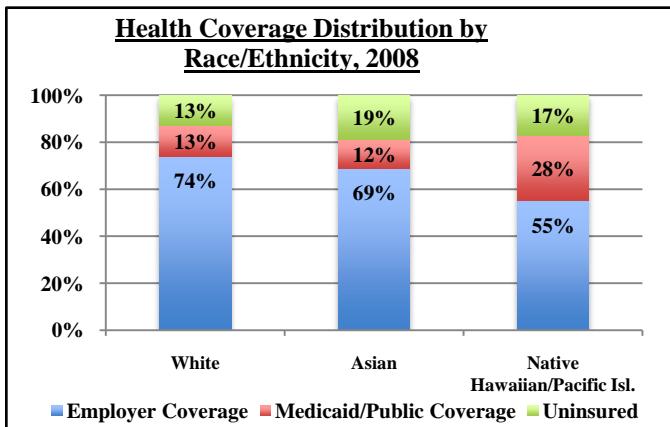
Percent Uninsured in America by Examples of Race/Ethnicity

Ethnic Group	Percent Uninsured
AAPI Overall	21%
Chinese	16%
Filipino	15%
Indian	18%
Japanese	4%
Korean	55%
Vietnamese	37%

*Families USA, 2002 Report, a sampling of populations

Almost one-third of employed Asian Americans and half of employed Native Hawaiian and Pacific Islanders nationally do not have access to employer provided healthcare coverage. This equates to almost 144,000 individuals that are employed, but not provided coverage. Thus, they have to seek out and pay for their own coverage, depend on qualifying for public coverage/assistance, or go uninsured. In 2008, another 6% of the AAPI population was unemployed without access to employer coverage.

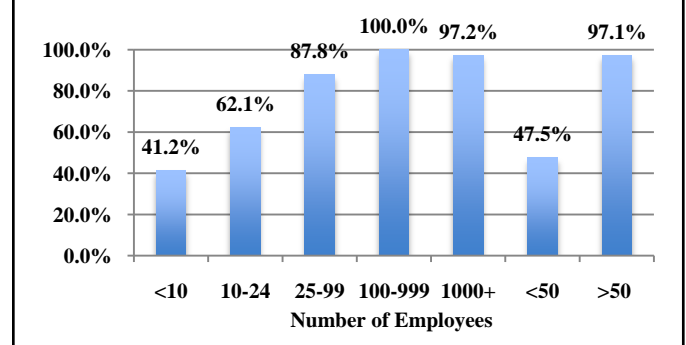
Health Coverage Distribution by Race/Ethnicity, 2008



*2009 March Supplement, CPS; Kaiser Family Foundation Analysis

Asian Americans employed by small businesses are 50% less likely to be insured than their white counterparts. But, as shown below, small firms, those with less than 50 employees, are also less than half as likely to even offer health insurance to their employees. It is likely that small firms are simply unable to provide healthcare coverage because of the costs associated with doing so.

Percentage of Firms Offering Health Insurance, 2008

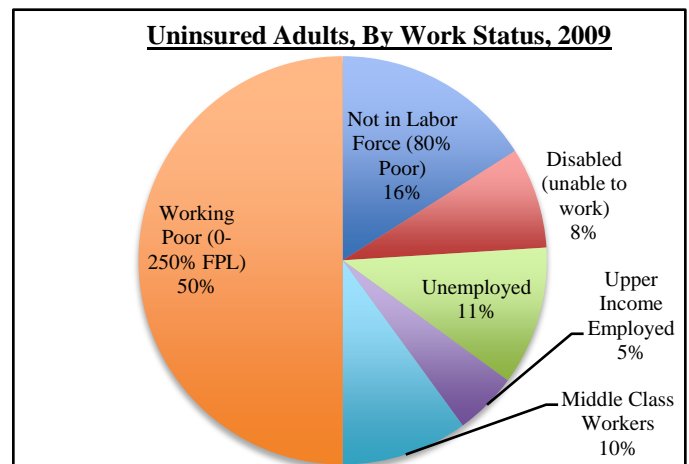


*U.S. Agency for Healthcare Research and Quality

Moreover, 88% of the uninsured are working age (19-64), 65% of the uninsured are working, and 78% of the uninsured are poor. Thus, there is also a very strong link between poverty and lack of healthcare. Half of the uninsured have incomes that are only up to 250% of the federal poverty line. The FPL is currently only \$10,830 for an individual and \$22,050 for a family of four.

Incomes this low inevitably lead to many other hardships, and this tough situation is only exacerbated by a lack of healthcare and coverage. When faced with illnesses, not only do individuals lose wages, they must also make the tough economic decision of whether or not to seek medical treatment; a decision that could destroy them financially, but could also be essential to ensuring their long-term health and welfare.

Uninsured Adults, By Work Status, 2009



*Washington Office of Insurance Commissioner

As shown to the left, the rates among racial and ethnic groups can vary dramatically. A more thorough data system that accounted for these differences would be beneficial to Washington and the AAPI community.

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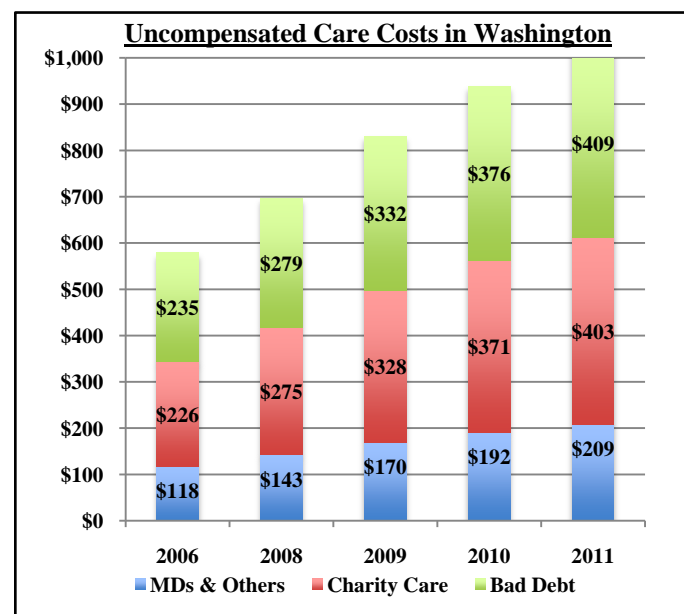
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THE COSTS OF HEALTHCARE AND UNINSURED WORKERS

In 2004, Washington spent a total of \$31.6 billion on healthcare, which breaks down to \$5,092 per person or 12.6% of the state GDP. Additionally, the cost of an employer-based family healthcare plan increased by over 220% between 1997 and 2006. As the cost to insure individuals and families rises, so too does the cost to the states—both for providing public coverage and for other, not so obvious costs.

The Washington State Office of the Insurance Commissioner (OIC) released a report that describes the “invisible costs” of the uninsured. These costs are based on the amount of care that is provided, but is never paid for. Necessarily, the provision of these services still comes with significant costs, but instead of receiving payment from individuals or their insurance, the providers simply have to absorb these costs.



*Washington State Office of the Insurance Commissioner, 2009 Report

That cost is then passed on to the consumers and businesses that do purchase coverage. In 2009, the invisible cost passed on to each insured family was an additional \$917. For individual workers, the OIC estimates the additional cost passed on was \$457.

Three general areas have been identified that are negatively impacted by large numbers of uninsured individuals and families:

Access to Health Services – Hospitals are more crowded because uninsured often delay care until a medical condition becomes a crisis and because uninsured often use the emergency room as a primary care provider of last resort. This reliance and overuse also limits community access to and availability of hospital based inpatient and outpatient care. Finally, the costs of uncompensated healthcare are shifted to businesses and individuals within the community in the form of increased premiums, which some are unable to afford. This exacerbates the issue of the uninsured.

Local and State Economies – The healthcare sector is a key part of local economies, and hospitals often serve as economic anchors in rural communities. Increased spending or cuts in spending can have direct effects on these communities. Because the number of uninsured and the costs of healthcare are increasing so rapidly, and the economy is suffering, the state is faced with a tough decision: continue providing the funds that allow access to healthcare facilities and support local communities, or cut those funds to balance the budget?

Public and Community Health – Areas with a high percentage of uninsured need a greater number of and additional types of public health services. With state budgets already strained, this diverts money from other broad preventative efforts like immunizations, education, and environmental health.

OTHER TANGIBLE COSTS TO WASHINGTON

It is estimated that Washington lost between \$2.4 billion and \$7.4 billion in 2009 due to uninsured workers and the poor health and shorter life span that accompanies the uninsured.

Moreover, a U.S. Senate policy committee recently released a report that also cites decreased productivity based on uninsured workers with manageable conditions like depression, migraines, and asthma, who are unable to access necessary prescription drugs.

There is little or no data available on the exact impact that the uninsured have on the Washington economy, but the impact is certainly large and avoidable. By providing coverage or helping individuals to obtain coverage, Washington could help to eliminate the invisible costs of the uninsured, reduce the strain on local economies, health care industries, and communities, and increase worker productivity by allowing more employees access to preventative and vital health care services.