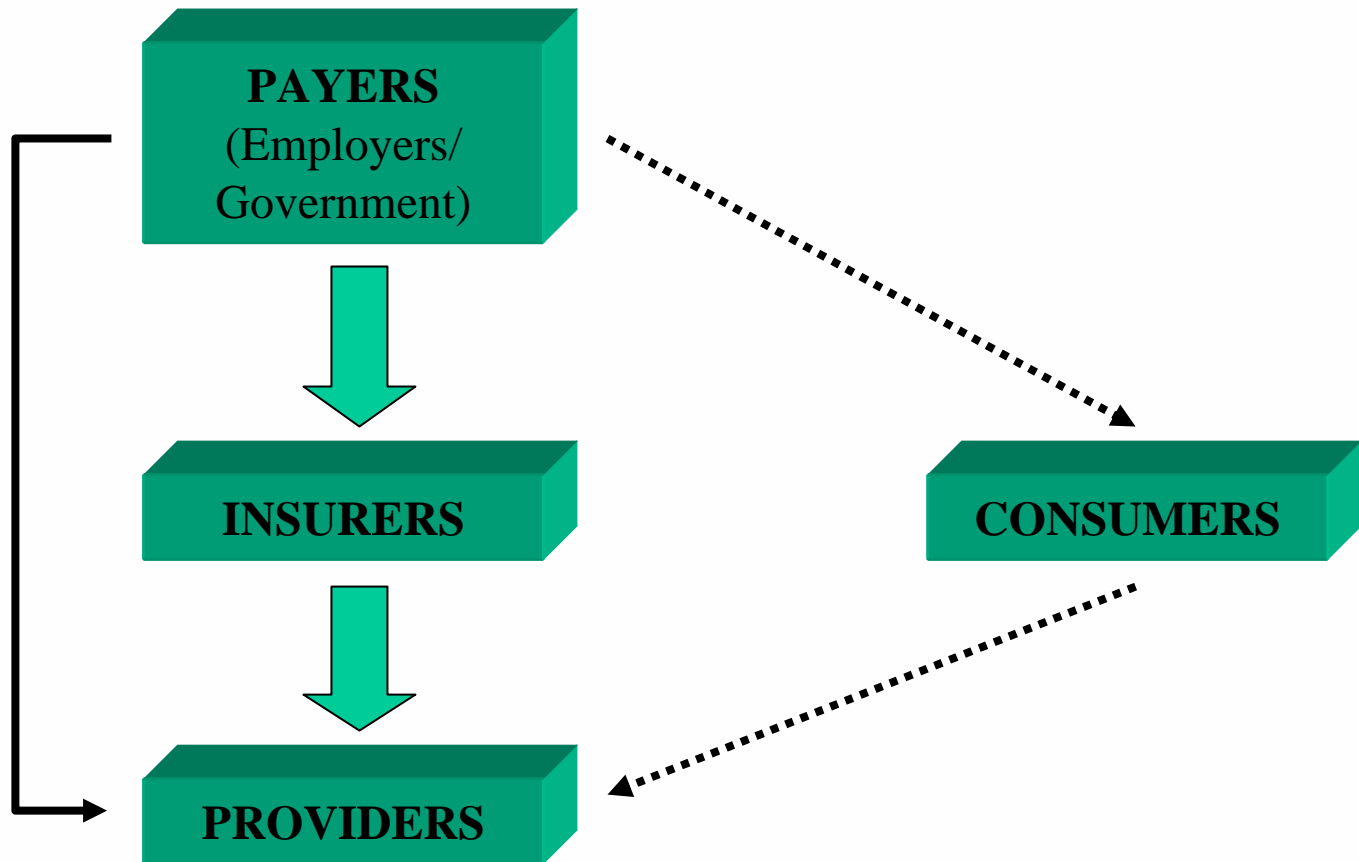


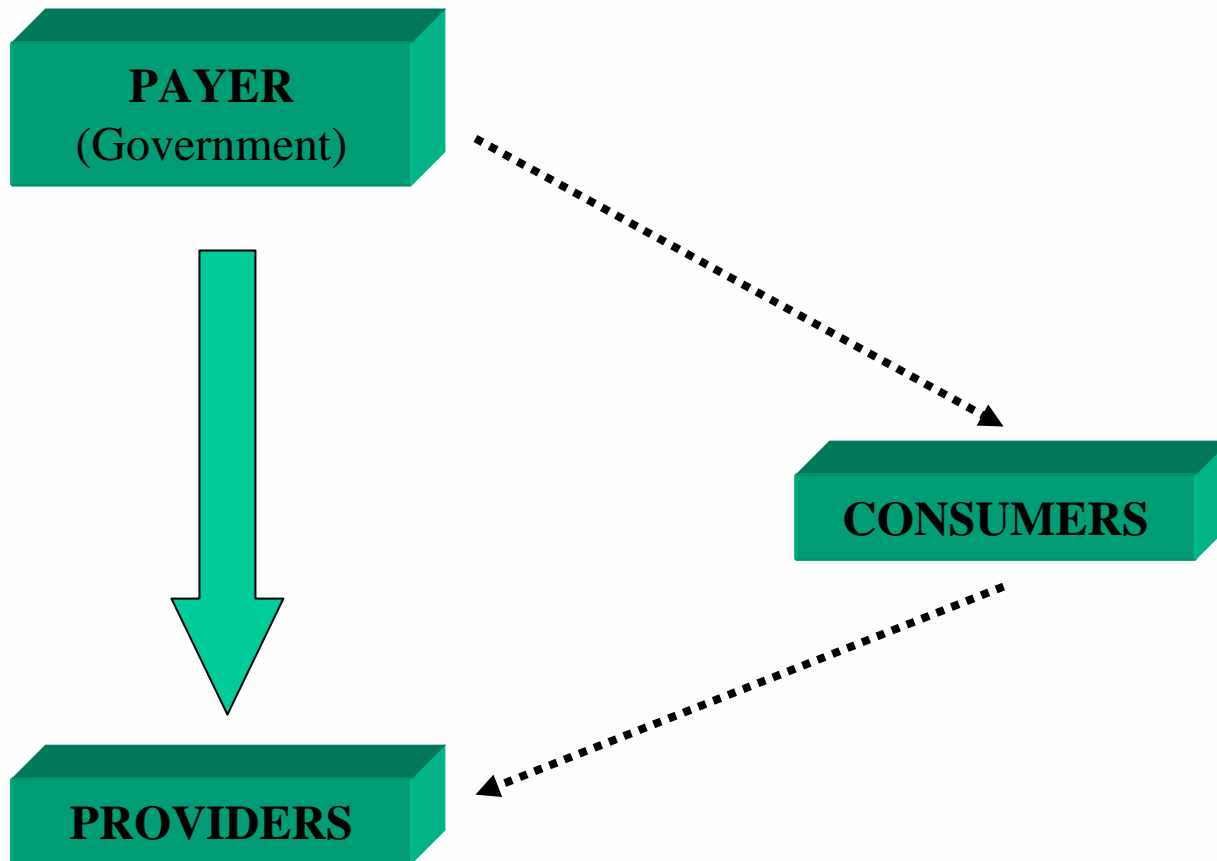
Thinking Outside the Box on State Health Reform

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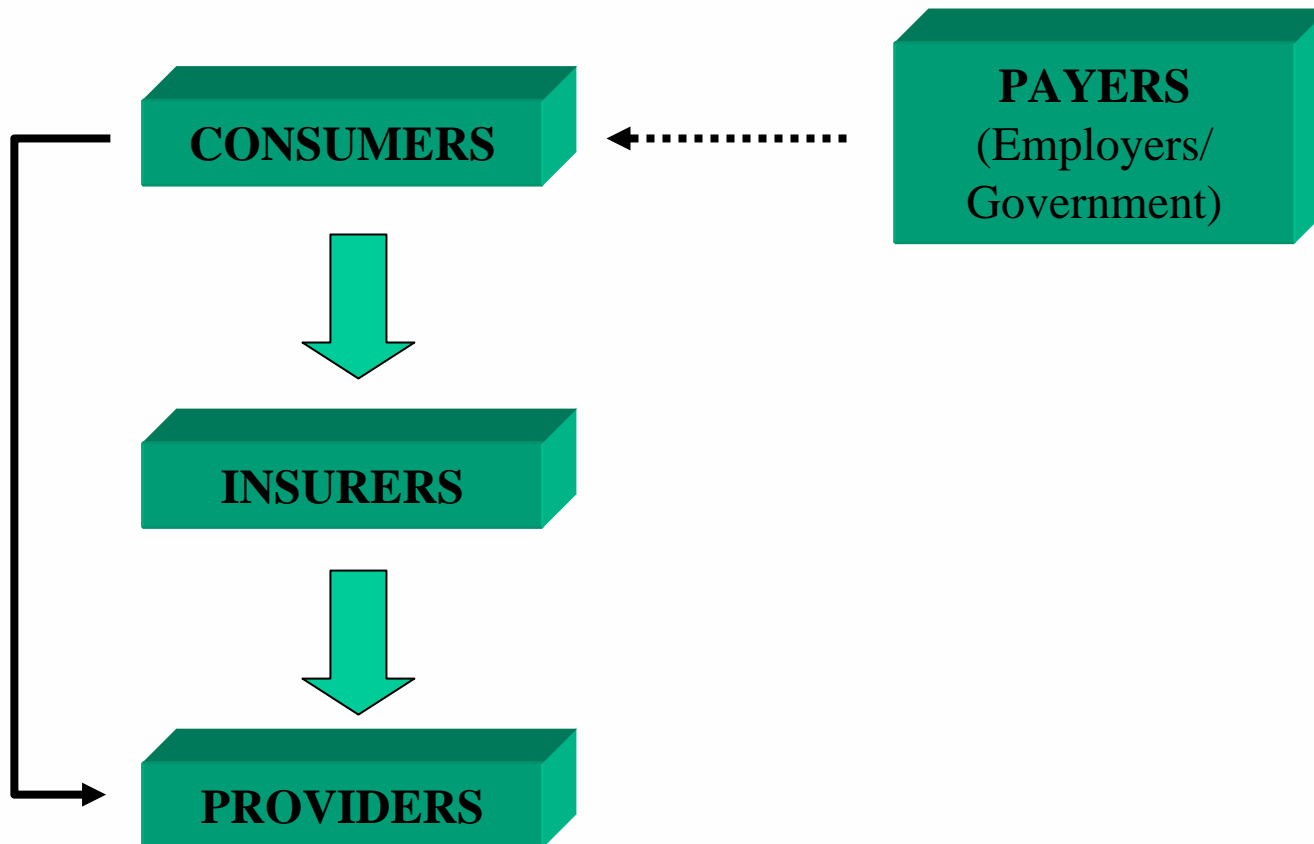
Payer-Centered System



Single-Payer System



Consumer-Centered System



Coverage Instability Problem

Coverage Patterns of Uninsured (48 month period)	Number (millions)	Share	Potential to Solve
Repeatedly uninsured	28.2	33%	Easiest (62%)
One coverage gap	24.4	29%	
Transition in or out of coverage	17.2	20%	Varied
Temporary coverage	4.8	6%	Hardest (18%)
Always uninsured	10.1	12%	
TOTAL	84.8	100%	

Source: 1996-1999 SIPP data as reported in: P. F. Short and D. R. Graefe, "Battery-Powered Health Insurance? Stability In Coverage Of The Uninsured," *Health Affairs* 22, no.6 (2003): 244-255.

Implications

“The overarching implication of these data is that stability merits consideration as an explicit and important goal of coverage reforms.”

“Continuity of coverage is also likely to facilitate continuity of care.”

“One can imagine arrangements where employers might sometimes contribute to the cost, when a person’s employment situation warrants, without actually administering the coverage.”

P. F. Short and D. R. Graefe, “Battery-Powered Health Insurance? Stability In Coverage Of The Uninsured,” *Health Affairs* 22, no.6 (2003): 244-255.

Subsidy Implications

Coverage Patterns of Uninsured (48 month period)	Income as % of FPL			
	<100	100-199	200-399	400+
Repeatedly uninsured	8.0%	12.1%	10.1%	3.0%
One coverage gap	4.5%	7.1%	11.5%	5.7%
Transition in or out of coverage	3.3%	6.7%	7.4%	2.9%
Temporary coverage	1.2%	2.4%	1.7%	0.4%
Always uninsured	2.7%	5.4%	3.0%	0.8%
Little or none = 41%		Some = 43%		Substantial = 16%

Conclusions

- The more people that never lose coverage, the fewer the uninsured.
- Covering the remaining ‘hard to insure’ becomes easier and cheaper.
- More stable health care financing is the precondition for realigning system incentives toward better value and outcomes.