

How Will Association Health Plans Affect Minority Health? *Separating Fact from Fiction*

Who Are the Uninsured, and How Serious Is the Problem?: An Overview

One of the nation's most pressing health care problems is the alarmingly high number of uninsured Americans. Over 45 million Americans are uninsured. Uninsurance is a particularly serious problem for racial and ethnic minorities, who are disproportionately more likely than whites to lack health care coverage.

- More than one in three (35 percent) Hispanics, one in four (27 percent) American Indian/Alaska Natives, nearly one in five (19 percent) Asian Americans, and one in five (20 percent) African Americans are uninsured, compared to roughly one in 10 (12 percent) whites.
- Three in five (60 percent) non-elderly Hispanics, and more than four in 10 (43 percent) non-elderly African Americans, were uninsured for all or part of 2002 and 2003.
- While they accounted for roughly 12 percent of the total U.S. population, African Americans represented 17 percent of all people under the age of 65 who were uninsured for all or part of 2002 and 2003.
- While they represented roughly 14 percent of the total U.S. population, Hispanics accounted for 27 percent of all people under the age of 65 who were uninsured for all or part of 2002 and 2003.

Insurance coverage facilitates access to regular monitoring and health care treatment. Uninsured individuals are therefore less likely to receive screenings, timely diagnoses, and treatments for acute or chronic conditions, which clearly has a negative impact on their health. Because racial and ethnic minorities are disproportionately more likely than whites to lack health insurance, and because they are disproportionately less likely to receive adequate, timely health care services and treatments, these racial and ethnic differences in access to health care directly contribute to the racial and ethnic health disparities that plague the health care system.

Association Health Plans: A Real Solution or an Empty Promise?

The Administration, aware of the nation's uninsurance problem, has put forth several proposals to expand health coverage. One proposal is Association Health Plans (AHPs). Association Health Plans are designed to encourage small businesses and the self-employed to band together to plan and purchase health insurance coverage. The idea is that, by banding together, small businesses and the self-employed could *theoretically* leverage their size and resources—in much the same way that large employers are able to—to get better prices for health insurance coverage. When framed in this manner, AHPs seem like a promising solution to the uninsured. However, the likely effects that AHPs will have on the health and health care of uninsured racial and ethnic minorities reveal that AHPs are little more than an empty promise.

The Truth about How AHPs Will Affect Uninsured Racial and Ethnic Minorities

There are several compelling arguments for why Association Health Plans will likely have a negative impact on the health and health care of the uninsured, more than half of whom are racial and ethnic minorities:

First, the type of health care coverage offered through AHPs will not be subject to important state consumer protection laws or appeal rights. This means that, under AHPs, there will be no state laws that prevent discrimination based on health status, ensure solvency, require that core services (such as maternity care) be covered, and provide appeal rights to patients when care is denied. Furthermore, because racial and ethnic minorities often are concentrated in certain geographic areas, AHP insurers could easily exclude them from coverage by “redlining” selected neighborhoods.

Second, AHPs could offer less expensive health coverage with fewer benefits—the kinds of plans that would only be attractive to healthier workers. But because racial and ethnic minorities overall are less healthy than whites and are disproportionately afflicted with chronic conditions that require regular health care, a less expensive and skimpier benefits package may very well cause health problems down the road.

Third, AHPs can be designed to be attractive only to small business with the healthiest employees, leaving less healthy workers to pay even higher premiums because they have to remain in traditional health plans. As noted above, racial and ethnic minorities overall are less healthy than whites. For example, African American and Latino adults (aged 18 years and older) are disproportionately more likely than whites to suffer from chronic conditions such as heart disease, cancer, asthma, depression, diabetes, high blood pressure, obesity and anxiety. Since racial and ethnic minorities overall are less healthy than other populations, AHPs would be unattractive to them because they have the potential to actually raise premium costs.

For more information on Families USA's Minority Health Initiatives, contact Rea Pañares, Director of Minority Health Initiatives or Briana Webster-Patterson, Program Manager at minorityhealth@familiesusa.org or 202-628-3030