

Health Reform: A Closer Look

Families USA • May 2010

Help for Residents of Hawaii with Pre-Existing Conditions

In March, the President signed an historic package of health reforms into law. The new law offers critical protections for the millions of Americans who have pre-existing conditions today—as well as for those who are healthy now but who may develop a health problem as they grow older. As a result of health reform, no American with a pre-existing condition will be denied coverage, charged a higher premium, or sold a policy that excludes coverage of essential health benefits simply because he or she has a pre-existing condition.

On May 6, Families USA released a new report, *Health Reform: Help for Americans with Pre-Existing Conditions*, which was designed to take a closer look at the number of Americans with diagnosed pre-existing conditions who, absent reform, would be at risk of being denied coverage in the individual insurance market. The uninsured and those who do not have access to job-based coverage are at greatest risk, but even those who now have coverage at work could be at risk if they lose or leave their jobs and have to find coverage in the individual market.

Our analysis does not include every condition that may lead to a denial of coverage, nor does it capture every person with a pre-existing condition that would likely result in higher premiums or excluded benefits. Further, this analysis cannot capture the uninsured and underinsured Americans who, lacking a way to pay for care, do not seek treatment and whose health conditions, therefore, remain undiagnosed. Because people with low incomes and racial and ethnic minorities are disproportionately represented among the uninsured and underinsured, they are likely to be undercounted in our analysis.

To better understand the effect that health reform will have on these people, Families USA commissioned The Lewin Group to quantify the number of Americans who are diagnosed with conditions that commonly lead to denials of coverage. That report contains national data, as well as a detailed discussion of the methodology, and it is available online at www.familiesusa.org. This new fact sheet presents state-specific data that mirror the national data in *Health Reform: Help for Americans with Pre-Existing Conditions*.

One in Five Residents of Hawaii Is at Risk of Denial of Coverage

- Approximately 198,000 residents of Hawaii under the age of 65 have a pre-existing condition that, absent reform, could lead to a denial of coverage by an insurance company (see Table 1).
- This means that, without health reform, nearly one in five non-elderly residents of Hawaii (19.0 percent) is at risk of being denied coverage.

Table 1. Residents of Hawaii under Age 65 Diagnosed with A Pre-Existing Condition that Could Result in a Denial of Coverage

Population under 65*	1,045,000
Population under 65 With a Pre-Existing Condition	198,000
Percent of Population under 65 With a Pre-Existing Condition	19.0%

* Data are for the non-institutionalized, non-Medicare-eligible population.

Pre-Existing Conditions: A Problem that Grows with Age

- Individuals in every age group are affected by pre-existing conditions that, absent reform, could lead to a denial of coverage (see Figure 1, and Table 2 on page 3). However, those who are older are much more likely to have such a condition, as follows:
 - In Hawaii, more than one in seven young adults aged 18 to 24 (14.5 percent) has a pre-existing condition that could lead to a denial of coverage.
 - More than one-quarter of Hawaii adults aged 45 to 54 (27.5 percent) have a pre-existing condition that could lead to a denial of coverage.
 - Nearly two in five Hawaii adults aged 55 to 64 (38.0 percent) have a pre-existing condition that could lead to a denial of coverage.
- Adults aged 45 to 64 account for only 29.4 percent of the non-elderly Hawaii population, but they make up approximately half (49.9 percent) of state residents with pre-existing conditions.
 - This phenomenon is most pronounced among adults aged 55 to 64. Adults in this age group account for only 13.2 percent of the non-elderly Hawaii population, but they make up more than one in four (26.4 percent) of those state residents with pre-existing conditions.

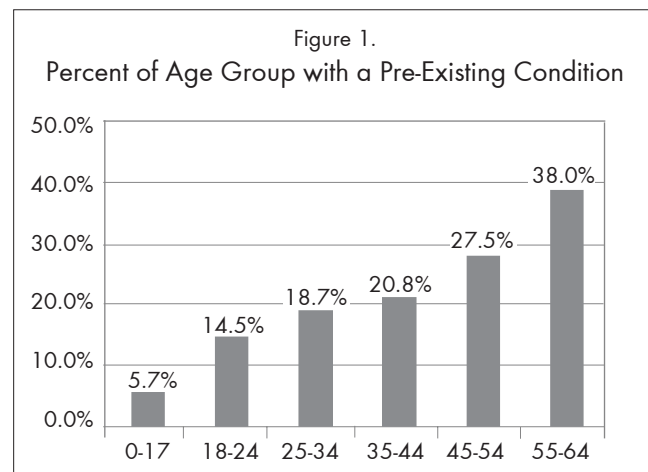


Table 2. Residents of Hawaii under Age 65 Diagnosed with a Pre-Existing Condition that Could Result in a Denial of Coverage, by Age

Age Group	Number in Age Group*	Number in Age Group with a Pre-Existing Condition	Percent of Age Group with a Pre-Existing Condition	As a Percent of Non-Elderly People with a Pre-Existing Condition
0-17	287,100	16,500	5.7%	8.3%
18-24	112,900	16,400	14.5%	8.3%
25-34	176,100	32,900	18.7%	16.6%
35-44	161,600	33,600	20.8%	16.9%
45-54	169,300	46,500	27.5%	23.5%
55-64	137,800	52,300	38.0%	26.4%
Total**	1,045,000	198,000	19.0%	100.0%

*Data are for the non-institutionalized, non-Medicare-eligible population.

** Numbers do not add to total because of rounding.

Children and Young Adults with Pre-Existing Conditions

- While the percentage of Hawaii children and young adults who have a pre-existing condition that could lead to a denial of coverage is low relative to older residents of Hawaii, a substantial number of children and young adults are affected.
 - In Hawaii, 16,500 children under the age of 18, and 16,400 young adults aged 18 to 24, have a pre-existing condition that could lead to a denial of coverage.

Every Income Group Is Affected

- People of every income group have pre-existing conditions that, without health reform, could lead to a denial of coverage (see Table 3 on page 4). By income group, we see the following trend:
 - The lowest-income residents of Hawaii are the most likely to have such a condition, with more than one in five (21.4 percent of) individuals in families with incomes below 100 percent of the federal poverty level (less than \$25,360 for a family of four in 2010) affected.
 - Approximately 19.5 percent of residents of Hawaii in families with incomes between 100 and 199 percent of poverty (\$25,360-\$50,720 for a family of four in 2010) have such a condition.
 - Approximately 18.6 percent of residents of Hawaii in families with incomes at or above 200 percent of poverty (\$50,720 or higher for a family of four in 2010) have such a condition.

Table 3. Residents of Hawaii under Age 65 Diagnosed with a Pre-Existing Condition that Could Result in A Denial Of Coverage, by Income

Family Income Relative to the Federal Poverty Level	Number in Income Group*	Number in Income Group with a Pre-Existing Condition	Percent of Income Group with a Pre-Existing Condition	As a Percent of Non-Elderly People with a Pre-Existing Condition
<100%	93,000	19,900	21.4%	10.1%
100-199%	144,200	28,100	19.5%	14.2%
≥ 200%	807,500	150,200	18.6%	75.8%
200-399%	353,400	63,600	18.0%	32.1%
≥ 400%	454,200	86,600	19.1%	43.7%
Total**	1,045,000	198,000	19.0%	100.0%

* Data are for the non-institutionalized, non-Medicare-eligible population.

** Numbers do not add to total because of rounding.

- While the lowest-income residents of Hawaii are slightly more likely to be affected by pre-existing conditions, middle-class and higher-income residents of Hawaii (those in families earning more than 200 percent of poverty, or \$44,100 for a family of four in 2010) make up more than three-quarters (75.8 percent) of those with pre-existing conditions that could lead to a denial of coverage.

Every Racial and Ethnic Group Is Affected

- People of every racial and ethnic group have pre-existing conditions that, absent reform, could lead to a denial of coverage (see Table 4 on page 5). By race and ethnic group, we see the following trend:
 - In Hawaii, more than one-quarter (28.0 percent) of whites (non-Hispanic) have a pre-existing condition that could lead to a denial of coverage.
 - More than one in five (22.7 percent of) American Indians and Alaska Natives has such a condition.
 - More than one in five (21.9 percent of) African Americans (non-Hispanic) has such a condition.
 - Nearly one in five Native Hawaiians and other Pacific Islanders (19.1 percent) has such a condition.
 - Nearly one in six Hispanics (16.0 percent) is affected.
 - More than one in seven Asian Americans (15.2 percent) has a pre-existing condition that could lead to a denial of coverage.

Table 4. Residents of Hawaii under Age 65 Diagnosed with a Pre-Existing Condition that Could Result in A Denial Of Coverage, by Race or Hispanic Origin

Racial or Ethnic Group	Number in Group *	Number in Group With a Pre-Existing Condition	Percent of Group With a Pre-Existing Condition	As a Percent of Non-Elderly People with a Pre-Existing Condition
American Indian/Alaska Native	18,400	4,200	22.7%	2.1%
Asian	446,400	68,000	15.2%	34.3%
Black, non-Hispanic	24,700	5,400	21.9%	2.7%
Hawaiian/Pacific Islander	277,000	53,000	19.1%	26.7%
Hispanic	86,000	13,800	16.0%	7.0%
White, non-Hispanic	192,300	53,800	28.0%	27.2%
Total **	1,045,000	198,000	19.0%	100.0%

* Data are for the non-institutionalized, non-Medicare-eligible population.

** Numbers do not add to total because of rounding.

Our analysis is based on the number of residents of Hawaii who are *diagnosed* with a pre-existing condition that could lead to a denial of coverage. The analysis did not control for disparities in access to care and in the delivery of care that may result in lower rates of diagnosed disease among certain racial and ethnic minority groups. For a more in-depth examination of this point, please see the Discussion on page 6 of the national report, available online at www.familiesusa.org.

Source for all tables: Estimates based on pre-existing conditions diagnosed or treated in 2007, prepared by The Lewin Group for Families USA (see the Technical Appendix in the national report for details).

Acknowledgments

This report was written by:

*Christine Sebastian
Health Policy Analyst
Families USA*

and

*Kim Bailey
Senior Health Policy Analyst
Families USA*

and

*Kathleen Stoll, Deputy Executive Director,
Director of Health Policy
Families USA*

The following Families USA staff assisted in the preparation of this report:

Ron Pollack, Executive Director

Cheryl Fish-Parcham, Deputy Director, Health Policy

Claire McAndrew, Health Policy Analyst

Jonay Foster, Wellstone Fellow

Peggy Denker, Director of Publications

Ingrid VanTuinen, Senior Editor

Nancy Magill, Senior Graphic Designer

Tara Bostock, Publications Associate

Colleen Haller, Editorial Assistant

*These state fact sheets are available online at
www.familiesusa.org.*

