



Health Reform: A Closer Look

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Help for Tennesseans 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 Four Tennesseans Is at Risk of Denial of Coverage

- Approximately 1,275,000 Tennesseans 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, one in four non-elderly Tennesseans (25.1 percent) is at risk of being denied coverage.

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

Population under 65*	5,070,000
Population under 65 With a Pre-Existing Condition	1,275,000
Percent of Population under 65 With a Pre-Existing Condition	25.1%

* 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 Tennessee, less than one in five young adults aged 18 to 24 (17.5 percent) has a pre-existing condition that could lead to a denial of coverage.
 - Nearly two in five Tennessee adults aged 45 to 54 (39.3 percent) have a pre-existing condition that could lead to a denial of coverage.
 - More than half of Tennessee adults aged 55 to 64 (51.4 percent) have a pre-existing condition that could lead to a denial of coverage.
- Adults aged 45 to 64 account for only 28.0 percent of the non-elderly Tennessee population, but they make up nearly half (49.3 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 11.3 percent of the non-elderly Tennessee population, but they make up nearly one in four (23.1 percent) of those state residents with pre-existing conditions.

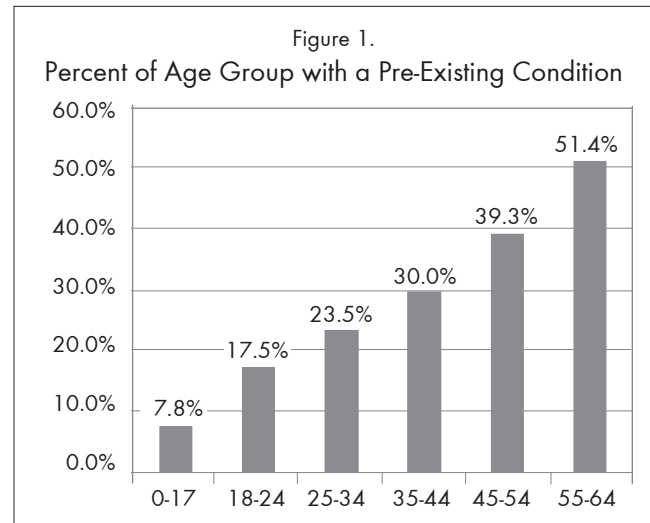


Table 2. Tennesseans under Age 65 Diagnosed with a Pre-Existing Condition that Could Result in a Denial of Coverage, by Age

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	1,466,300	115,000	7.8%	9.0%
18-24	558,500	97,700	17.5%	7.7%
25-34	815,900	191,600	23.5%	15.0%
35-44	807,300	241,900	30.0%	19.0%
45-54	848,400	333,500	39.3%	26.2%
55-64	573,700	294,900	51.4%	23.1%
Total**	5,070,000	1,275,000	25.1%	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 Tennessee children and young adults who have a pre-existing condition that could lead to a denial of coverage is low relative to older Tennesseans, a substantial number of children and young adults are affected.
 - In Tennessee, 115,000 children under the age of 18, and 97,700 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 Tennesseans are the most likely to have such a condition, with more than one-quarter (28.1 percent) of individuals in families with incomes below 100 percent of the federal poverty level (less than \$22,050 for a family of four in 2010) affected.
 - Approximately 25.4 percent of Tennesseans in families with incomes between 100 and 199 percent of poverty (\$22,050-\$44,100 for a family of four in 2010) have such a condition.
 - Approximately 24.4 percent of Tennesseans in families with incomes at or above 200 percent of poverty (\$44,100 or higher for a family of four in 2010) have such a condition.

Table 3. Tennesseans 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%	777,200	218,200	28.1%	17.1%
100-199%	985,300	250,400	25.4%	19.6%
≥ 200%	3,307,600	806,100	24.4%	63.2%
200-399%	1,636,100	407,000	24.9%	31.9%
≥ 400%	1,671,500	399,100	23.9%	31.3%
Total**	5,070,000	1,275,000	25.1%	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 Tennesseans are slightly more likely to be affected by pre-existing conditions, middle-class and higher-income Tennesseans (those in families earning more than 200 percent of poverty, or \$44,100 for a family of four in 2010) make up nearly two-thirds (63.2 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 Tennessee, American Indians and Alaska Natives are the most likely to be affected, with more than one-third (34.9 percent) having a pre-existing condition that could lead to a denial of coverage.
 - More than one-quarter (26.3 percent) of whites (non-Hispanic) have such a condition.
 - Nearly one-quarter (23.2 percent) of African Americans (non-Hispanic) have such a condition.
 - Nearly one in six Hispanics (16.0 percent) is affected.
 - More than one in 10 Asian Americans (10.8 percent) has a pre-existing condition that could lead to a denial of coverage.

Table 4. Tennesseans 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	39,900	13,900	34.9%	1.1%
Asian	71,500	7,700	10.8%	0.6%
Black, non-Hispanic	882,100	204,900	23.2%	16.1%
Hawaiian/Pacific Islander	***	***	***	***
Hispanic	243,500	39,100	16.0%	3.1%
White, non-Hispanic	3,825,900	1,007,100	26.3%	79.0%
Total **	5,070,000	1,275,000	25.1%	100.0%

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

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

*** Due to small sample size, data on Hawaiians/Pacific Islanders are not reportable.

Our analysis is based on the number of Tennesseans 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).

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