

States Health Coverage Gains and Budget Challenges

The economic downturn has affected state budgets. So far, 29 states are facing budget shortfalls in 2009 making additional health reform or sustaining current gains challenging.

The October/November 2008 issue of the Commonwealth Fund report “States in Action: Innovations in Health Care” looks at health coverage gains and how the current economic downturn will affect state budgets and states’ ability to continue or initiate health reforms.

The report looks at the August Census Bureau’s health insurance data to assess coverage gains in states from 2006-07.

Some of the things highlighted in the report are:

States in the Northeast and Upper Midwest have the highest rate of coverage, with 90-95% covered. States in the South and Southwest have the lowest range of coverage (75-84%). Large populated states (CA, FL, PA, NC, and Texas) tend to have coverage below the national average (National Average is 84.7%). Of the largest states, only Pennsylvania covers more than 90% of its population and of the smallest states only Alaska’s coverage rate (81.7 percent) is below the national average.

Nationally, health insurance coverage is out-pacing wage growth; causing some employers to cut back on benefits, require greater cost sharing by employees, or drop coverage. The drop in employer-base coverage was offset by government gains in health insurance coverage, including Medicare, Tricare, and Medicaid.

Since the 2007 Census data were collected, the economic down-turn has many states expecting to face budgetary shortfalls in 2009. However, despite expected short-falls in 2009, states that have enacted legislation to increase coverage for the uninsured in 2009 strive to continue as planned by using Medicaid as a building block to expand coverage and financing. Examples of states that are continuing to pursue coverage expansions are Indiana, New Jersey and Illinois.

The report is available at

http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=712243&#feature

The Census Bureau Press Release is available at http://www.census.gov/Press-Release/www/releases/archives/income_wealth/012528.html and report *[Income, Poverty, and Health Insurance Coverage in the United States: 2007](#)*.

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