



Toward Evidence-Based Health Care Reform

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VT Is Fourth Lowest State for Impact of Uninsured on Premiums

Welcome to "Toward Evidence-Based Health Care Reform," a periodic e-memo providing facts, figures, examples and analysis of current issues in health care reform in Vermont. The memo is written by Jeanne Keller, Keller & Fuller, Inc., and sponsored by BRS, Inc., a member organization providing a range of services and support to Vermont's small businesses. For more about BRS, please visit our website: [LINK](#)

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Families USA, a leading national proponent of a single-payer health plan, recently published a study that, in their words, "quantifies, for the first time, the dollar impact on private health insurance premiums when doctors and hospitals provide health care to uninsured people." Paying a Premium: The Added Cost of Care for the Uninsured (Families USA Publication No. 05-101, 2005) states that in Vermont the impact of the "cost shift" for the uninsured on family premiums for employer-sponsored health insurance coverage is \$372 per year; the impact on individual coverage is estimated at \$143 per year. **These figures rank Vermont as the fourth lowest state for cost impact of the uninsured on premiums.**

By comparison, the impact on family premiums in New Mexico is \$1,875, in West Virginia \$1,796 and in Texas \$1,551 and the national average impact is \$922. The impact on individual premiums is highest in the same states: \$726 in New Mexico, \$660 in West Virginia and \$341 on average. The impact in Vermont, in other words, is 58% below the national average for family premiums, and 60% below the average for individual premiums. According to the study, the differences among states are a result of several factors:

- The number of uninsured in a state, which is a function of demographics, efforts by employers to provide coverage, and eligibility requirements for the state's Medicaid program.
- Dollars available from federal, state and local programs to offset uncompensated care
- Availability of "safety net providers" (example given: community health centers) Cost of services in a state Aggressiveness of debt collection by providers.

The entire study is posted on the Families USA website: [LINK](#)