

# VIRGINIA'S UNINSURED:

POLICY BRIEF  
DECEMBER 2013

## The Struggle to Choose in the Health Insurance Marketplace



NEARLY ONE IN FIVE VIRGINIANS LACK HEALTH INSURANCE

### WHO ARE VIRGINIA'S UNINSURED?

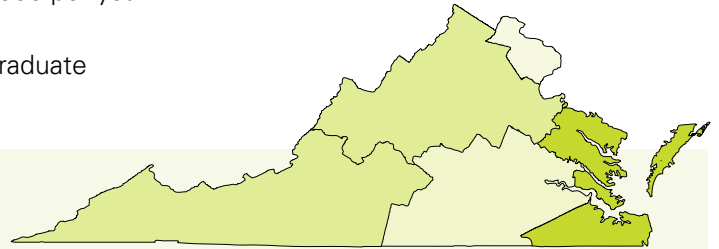
Currently, nearly one million Virginians are uninsured. That is roughly 18% of all adults from ages 18 to 64.<sup>1</sup>

Rates of uninsurance vary widely across the state. Northern counties have lower rates (around 15%), while Eastern counties of Virginia have rates greater than 20%.<sup>1</sup>

Individuals lacking health care coverage in Virginia are:<sup>1,2</sup>

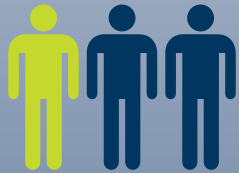
- Employed
- U.S. Citizens
- Black or Hispanic
- Earn less than \$25,000 per year
- Ages 18 to 34
- Not a high school graduate

### UNINSURANCE RATES IN VA BY REGION



### WHY DOES INSURANCE MATTER FOR VIRGINIANS?

Compared to Virginians with insurance, those without coverage are about half as likely to have a recent routine check-up and seven times more likely to report unmet health care needs.



Nearly one third of uninsured Virginians are eligible for federal subsidies to buy health insurance.<sup>3</sup>

### NAVIGATING THE VAST NUMBER OF CHOICES

With the opening of the Health Insurance Marketplace (the Marketplace) in Virginia and the mandate to purchase coverage, many uninsured Virginians are shopping for insurance.

Individuals who purchase in the Marketplace can buy coverage from multiple insurers, each offering multiple plans. The number of plans will vary greatly across the state with the uninsured in urban areas having as many as 50 plans available while rural counties as few as 14.<sup>4</sup>



**VCU** Department of Healthcare Policy and Research

VIRGINIA COMMONWEALTH UNIVERSITY

Department of Healthcare Policy and Research  
Virginia Commonwealth University School of Medicine  
Richmond, Virginia

[www.healthpolicy.vcu.edu](http://www.healthpolicy.vcu.edu)

## WILL VIRGINIANS CHOOSE WISELY?



Our research indicates that many individuals in Virginia will have difficulty choosing a health insurance plan in the Marketplace.<sup>5</sup>

We asked 250 uninsured individuals living in urban and rural areas of Virginia to choose insurance plans in two fictional marketplaces that offered 3 or 9 plans. We found:

- Half of those surveyed could correctly answer 2 out of 4 factual questions about the plan they chose.
- Nearly 50% made a bad choice given their expected health care needs – they chose a plan that would expose them to high out-of-pocket costs (\$500 or more) when a less costly plan was available to them.<sup>5</sup>
- Individuals who had difficulty understanding insurance plan information and those who faced more plan choices were more likely to choose poorly.

### KEY IMPLICATION

**Uninsured Virginians may be overwhelmed by the number of choices they face for health insurance. Due to their limited understanding of insurance, many will not effectively use the information available, have difficulty comparing plans and choosing wisely.**

### LOOKING AHEAD

Increasing insurance comprehension will be critical to ensure that Virginians choose well in the Marketplace. To promote more informed and engaged consumers state agencies and other stakeholders should:

1. Engage in efforts to raise individual comprehension levels surrounding features and functions of health insurance.
2. Support a network of insurance navigators.
3. Invest in design and functionality of the Marketplace to make plan comparisons easier for consumers.

**Andrew Barnes, PhD.** is an Assistant Professor in the Department of Healthcare Policy and Research at Virginia Commonwealth University. Contact: [abarnes3@vcu.edu](mailto:abarnes3@vcu.edu) (804) 827-4361. For more information about this research please visit: [www.insurancechoiceproject.healthpolicy.vcu.edu](http://www.insurancechoiceproject.healthpolicy.vcu.edu)

**The Department of Healthcare Policy and Research** is a recognized leader in research and training distinguished by: Informing the research and policy dialogue by advancing research in the areas of contemporary health policy, health disparities and equity, and global health; promoting excellence in the next generation of health policy researchers; translating research to improve the delivery of healthcare and human health from the local to international level.

<sup>1</sup>Virginia Department of Health, Division of Policy and Evaluation, Behavioral Risk Factor Surveillance Survey, 2012. <sup>2</sup>Macri, J., Lynch, V., Kenney, G. 2012. Urban Institute. Profile of Virginia's Uninsured, 2010. <sup>3</sup>Buettgens, M., Kenney, G., Recht, H., Lynch, V. 2013. Urban Institute. Eligibility for Assistance and Projected Changes in Coverage Under the ACA: Variation Across States. <sup>4</sup>VCU Center for Health Innovation and VCU Department of Healthcare Policy and Research analysis of U.S. Department of Health and Human Services data. <sup>5</sup>Barnes, A. VCU Department of Healthcare Policy and Research.