

# Getting young people insured will benefit all, experts say

BY TAMMY WORTH | CONTRIBUTING WRITER

Young adults between the ages of 19 and 29 are quickly becoming the age group with the greatest risk of being uninsured in this country.

Various reports from national health care groups have found that anywhere from 35 percent to 50 percent of young adults report being uninsured at some point in time.

Whether they are not covered by choice or because insurance is either unavailable or unaffordable, getting this segment of the population insured could benefit not only the individuals but also the health care system and employers, sources said.

"There is an assumption about the uninsured that it is that welfare cheat sitting out on the front porch, but the uninsured are us — middle-class working people," said Ron Dutton, CEO of Overland Park's RJ Dutton Inc.

A large number are employed in service jobs that do not offer insurance or subsidize only a small portion of employee premiums, said Torre Nigro, vice president of sales for consumer and small groups at Blue Cross and Blue Shield of Kansas City.

Young adults also sometimes opt out when offered employer-sponsored plans because they never have had significant health problems.

"Most haven't experienced a health care problem in their short lives and don't understand what \$50 will get them," said Mike Bukaty, president of Bukaty Cos. "But it only takes one good

medical claim to appreciate health insurance."

In most states, individuals on their parents' health plans are covered only to age 24. Many plans contain stipulations, including the child must be financially dependent upon the parent, enrolled in school, or mentally or physically handicapped.

But in May, New Jersey enacted a plan that allows individuals to remain a "dependent" on their parent's COBRA-like, company-based insurance plan to age 30. The fees for the plan come out of the parent's paycheck.

**Dutton** Jim Gardner, spokesman for New Jersey's Department of Banking and Insurance, said there are an estimated 200,000 young adults in the state with no insurance coverage, accounting for about 15 percent of the total uninsured population.

The plan also was a response to the \$650 million the state pays annually to reimburse hospitals for charity care expenses, said Neil Cohen, chairman of the financial institution and insurance committee for the New Jersey General Assembly who drafted the legislation.

"We were trying to find where the largest uninsured population is and how we could get to them," he said.

In the new bill, which "doesn't cost the business community a penny," 15,000 people have enrolled in their parents' plans, Cohen said. He expects

larger enrollment numbers soon as the state health plan, which covers about 1.5 million people, began enrolling in February for the first time since the legislation was enacted.

"We're getting a good response on this; it has helped out a lot of people," Cohen said. "Parents know their kids are covered, so they feel better, and kids are covered whether they like it or not."

In general, uninsured individuals take a toll on the health care system as a whole. Instead of seeking preventive care, they use costly emergency rooms as doctors offices. They also typically receive poorer health care and fail to get preventive care and proper treatment for chronic illnesses.

But younger individuals often have different health care needs. Rather than seeking care for age-related and chronic illnesses,

they are more prone to use the system for treatment of minor conditions, such as allergies, the flu, and mental and nervous disorders, then buy prescriptions to deal with those issues, Bukaty said.

For that reason, insurance companies have begun creating plans for individuals and employers that cater to this specific population.

Blue Cross and Blue Shield of Kansas City has set up products tailored for young adults without coverage through their employers.

Ron Rowe, BCBSKC consumer products sales manager, said he works with a

number of individuals who can't afford the plans their companies offer. He said Blue Cross and Blue Shield offers three types of plans. For healthy individuals between the ages of 19 and 29, the plans range from one that is stacked for around \$110 a month to one that covers only catastrophic injuries for less than \$30 a month.

Although the company has about 40 percent of the market share in consumer products, these products account for about 1.5 percent of total sales, BCBSKC spokeswoman Sue Johnson said.

Because they are healthier, having young adults included in company insurance plans is a bonus for all parties involved. By spreading out risk over a broader, and healthier, pool of individuals, premium costs typically will decrease.

"Subsidizing that risk onto a fairly healthy population that might not use the plan that much will help stabilize the cost to an employer," Dutton said.

For employers, Dutton said that low-cost catastrophic policies "aren't going like gangbusters." He said addressing primary care is still important for young adults.

Along with offering dual plans, Bukaty said being able to counsel employees can be important.

"Employers who have given us access to employees — allowing us to come in and counsel them — have a high success rate with enrollment," he said.



Dutton



Bukaty

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