

**Highlights from  
REFORMING THE HEALTH CARE SYSTEM:  
STATE PROFILES 2001**

*Reforming the Health Care System: State Profiles 2001*<sup>1</sup> is a compilation of major health system characteristics for each state, the District of Columbia, Puerto Rico, and the Virgin Islands. Published annually since 1990 by the AARP Public Policy Institute (PPI), the *State Profiles* series was developed to help guide policy discussions among public and private sector leaders in health care throughout the United States. This publication highlights selected indicators that reflect population health, access, cost, coverage, and quality, including specific state initiatives to address these issues. It offers a snapshot of each state's health care landscape by providing a compilation of comparable state-level data on nearly 100 indicators.

Comparable state-level data are often difficult to obtain from a single source. The most reliable and up-to-date public and private data available were used to produce the state-level information in *Reforming the Health Care System: State Profiles 2001*. For questions regarding the data used, refer to the Data Documentation section at the back of the book. Reference to this section is particularly important to confirm the appropriateness of the data for specific applications and to understand the population represented.<sup>2</sup>

Highlights of *Reforming the Health Care System: State Profiles 2001* are presented below. These examples illustrate the wide variations -- both highs and lows -- across the United States along many key health care dimensions.

### **Maps of Health Reform**

- As of June 2001, 19 states mandated full *parity for mental health insurance benefits*. Seventeen states mandated parity for some mental health insurance benefits. Fifteen states lacked any law mandating parity or partial parity for mental health insurance benefits.
- To help low-income residents obtain needed prescription drugs, the majority of states (28), as of 2001, had developed some type of a *state prescription drug program*. The most common type of prescription drug program was a subsidized benefit program (17 states). Seven other states offered both a subsidized benefit program and either a tax credit, buying pool, or price reduction program.
- To help individuals and the self-employed with health care premiums or expenses in 2000, 21 states offered *tax deductions or credits* that the federal government does not already provide.
- In an effort to increase accountability of hospitals in the handling of medications, eight states had established the *mandatory reporting of medication errors* by select entities as of July 2001. Fifteen

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<sup>1</sup> Susan Raetzman, Lauren Craig, and Cathy McDougall. AARP PPI publication #D17589 (December 2001).

<sup>2</sup> While the most current data available were used to compile the chartbook, the sources of and years for the data vary from indicator to indicator.

states had laws requiring that *hospitals report medical errors or adverse events* as of July 2001. In addition, five states require that reporting of such events be on a voluntary basis. The requirements for information reporting vary across states.

- As of December 2000, 40 states had laws or regulations that require *independent review of grievances for denials by HMOs*. In 10 states, independent review is required for all denials; 17 states require independent review of both investigational and medical necessity denials; and 13 states require independent review of medical denial appeals only.

## Demographics

- The number of persons age 50-64 in the U.S. grew 30.6 percent between 1991 and 2001. Nevada had the greatest increase in the 50-64 population, growing 89.1 percent during the ten-year period. Ten other states and the Virgin Islands also experienced more than a 50 percent growth in the 50-64 population. Reflecting the overall size of the states, California had the largest number of persons age 50-64 in both 1991 and 2001 (3.5 million and 4.4 million, respectively), while the District of Columbia had the lowest number (79,339) in 2001.
- Although smaller in absolute number than the 50-64 population, the number of persons age 85+ grew 37.5 percent between 1991 and 2001. In 17 states, the 85+ population increased by over 50 percent. Nevada's 85+ population increased the most at 128 percent over the ten-year period. South Carolina was the only state that experienced a decline in the number of 85+ old, decreasing nearly 84 percent over the ten-year period.
- The share of the population that is *minority in race or ethnicity* in the U.S. grew 22.8 percent between 1987-1989 and 1997-1999. During the ten-year period, Iowa (124%), New Hampshire (100%), Oregon (109%), and Vermont (125%) experienced the largest increases in minority or ethnic populations. Conversely, the District of Columbia (-2%), South Carolina (-6%) and South Dakota (-5%) were the only states to see a decrease in the percentage of minority or ethnic persons in the population.
- The portion of *persons age 65 and older with family incomes at or below 100 percent of the federal poverty level (FPL)* averaged 10.4 percent in the U.S. in 1997-1999. The southeastern states of Mississippi and Louisiana had the highest percentage at 17.5 percent and 16.6 percent, respectively. The states with the lowest percentage were Utah (5.7%) and Delaware (6.0%). Across all states, an additional 27.0 percent of *persons 65 and older had incomes between 101% and 200% of the FPL*.
- In the U.S., the percent of *persons under age 65 with family incomes at or below poverty* decreased 3.4 percent between 1987-1989 and 1997-1999. The majority of states (28) experienced a decrease in the percentage of persons under age 65 with family incomes at or below poverty. Mississippi experienced the largest decline in the poverty rate during the period (-31.4%) yet still had the 8<sup>th</sup> highest poverty rate (17.9%) in 1997-1999. Connecticut had the largest growth (123.7%) in the poverty rate in percentage terms, in part because it had the lowest poverty rate in 1987-1989 (3.8%).

## Health Status

- The portion of *low birth weight infants* of all races in the U.S. increased 8.6 percent across the states between 1989 and 1999. Minnesota (24.5%), Montana (23.6%), and North Dakota (24%) experienced the largest increases. While the District of Columbia had the highest share of low birth weight infants in both 1989 and 1999 (15.9% and 13.1%, respectively), over the ten-year period, the portion decreased nearly 18 percent.
- The share of the U.S. adult population that is *overweight or obese* increased 37.1 percent between 1990 and 2000. Between 1990 and 2000, the growth in the overweight or obese population ranged from a low of 11 percent for the District of Columbia to a high of 39 percent for Texas. States with the highest shares each year were Iowa with 49 percent in 1990 and Mississippi at 62 percent in 2000.
- The percentage of *adults who reported having been told by a doctor that they had diabetes* in the U.S. was 6.1 percent in 2000. Puerto Rico had the highest share of adults with diabetes at 8.5 percent, while Mississippi and West Virginia tied for second highest at 7.6 percent. Alaska was the lowest at 3.8 percent, followed by Vermont at 4.4 percent.
- In 2000, 26.9 percent of adults in the U.S. reported participating in *no physical activity during the past month*. While Puerto Rico reported the highest percentage (54.1%) of inactive adults, the rest of the states reported between 41.1 percent (Kentucky) and 15.5 percent (Utah).

## Resources Available

- The U.S. *population underserved by a primary care physician* grew by an average of 7.3 percent annually between 1991 and 2001. Hawaii had the highest annual percent change (26.8%) but remained the state with the smallest share of the population underserved by a primary care physician. New Mexico had the largest decrease (-1.2%) and was replaced by Mississippi as the state with the largest portion of the population underserved. In 1991, five percent or less of the population was underserved by a primary care physician in the majority of states (26); by 2001, this was the case in only 6 states.
- Nationally, there were only 35 *geriatricians per 100,000 population age 65 and older* in 2000. The District of Columbia had the highest rate (94), while Nevada and Oklahoma had the lowest (13).
- The number of *home health care agencies per 100,000 Medicare beneficiaries* varies widely among the states in 2001, from a high of 58 in Wyoming to a low of 5 in New Jersey.
- New York led the nation in states reporting the highest *average nursing facility occupancy rate* (97%) in 2000, while Texas reported the lowest rate (72%). Seventeen states reported nursing home occupancy rates of 90 percent or more.

## Utilization of Services

- Financial barriers to accessing physician care in the U.S. have somewhat improved between 1995 and 2000. During the five-year period, the percentage of the *population not visiting a physician because of the cost* fell from 11.1 percent to 9.9 percent for the U.S. and also decreased in 37 states. Eleven states experienced an increase in the percentage of the population not visiting a physician due to the cost, and two states (Maryland and Ohio) remained unchanged between 1995 and 2000. West Virginia had the highest share of the population not visiting a physician due to the cost in both 1995 (17.2%) and 2000 (16.4%).
- Between 1989 and 1999, *utilization of outpatient emergency rooms* (as measured by visits per 1,000 persons) in the U.S. decreased by 0.6 percent. Nevertheless, about half of the states experienced an increase in emergency room use. In Mississippi, the rate of visits to the emergency room increased 36.7 percent between 1989 and 1999, while Alaska's emergency room utilization decreased 44.5 percent over the same period. Although the emergency room visit rate decreased in the District of Columbia during this period, the District had the highest number of emergency room visits per 1,000 persons in both 1989 (875.8) and 1999 (645.2).
- In 2000, over three-quarters (79.0%) of U.S. *women age 50 years and older received a mammogram* in the previous two years. Delaware had the highest percentage with 90.3 percent of the state's women over 50 receiving a mammogram; Wyoming had the lowest at 70.9 percent.
- In 1999, the average number of *retail prescription drugs per person* in the U.S. was 9.8. For the third consecutive year, Tennessee had the highest number of prescription drugs per person with 14.0, nearly 1.5 times the national average. States with the lowest number of prescription drugs per resident tended to be in the western U.S.: Alaska had the lowest (5.8), followed by California (6.8) and Idaho (7.5).

## Health Coverage and the Uninsured

- The percent of the *population that was uninsured* increased 6 percent in the U.S. between 1987-1989 and 1997-1999. During the same time period, 21 states and the District of Columbia experienced a decrease in the share of the population that was uninsured (though this did not necessarily mean a decrease in the number of people who were without health coverage). The District of Columbia experienced the largest decrease (-26.9%) and North Dakota the largest increase (40.2%) in the share who were uninsured. The states with the highest share who were uninsured in 1999 (Texas and New Mexico, both at 24.5%) also were the states with the highest share in 1989. In 1999, Rhode Island had the smallest share (8.1%).
- The share of *workers employed by small firms who are uninsured* increased 16.4 percent in the U.S. between 1987-1989 and 1997-1999. While 11 states and the District of Columbia experienced a decline, the majority of states (39) experienced an increase in the share of people employed by small firms who are uninsured. Oregon had the largest reduction (-17.9%), and North Dakota had the largest increase (59.3%). Over the ten-year period, Texas remained the state with the highest percent of people employed by a small firm who were uninsured (37.9% in 1999).

- The share of the *minority/ethnic population that was uninsured* reached 20 percent or more in 42 states in 1997-1999. This was the case in no states for the white uninsured population in the same year. North Dakota had the highest share of the minority/ethnic population without health coverage (43.5%), while Hawaii had the lowest (9.4%). Montana had the highest share of the white population without coverage (17.2%), while the District of Columbia had the lowest (5.9%).
- Many *full-time workers and their dependents were uninsured* in the U.S. in 1997-1999. New Mexico had the largest percent of full-time workers and dependents who were uninsured (21.6%), followed by Montana (20.3%). Delaware and Hawaii had the smallest at 10.0 and 10.2 percent, respectively.

## Medicare

- The share of *Medicare beneficiaries who were disabled* in the U.S. was 13.1 percent in 2000. Kentucky (20.7%) and Mississippi (20.5%) had the highest portion, while Hawaii (8.3%) and North Dakota (9.5%) had the lowest.
- The percent of all *Medicare beneficiaries in 1997-1999 who were covered at any time during the year by Medicaid* was 13.2 percent. Across the states, the percent ranged from a high of 28.1 percent in Mississippi to a low of 6.6 percent in North Dakota.
- About one-third (33.3%) of *Medicare beneficiaries age 65 and older in 1997-1999 had employer-sponsored supplemental health insurance*, and 28.9 percent of the 65+ population had *privately purchased individual supplemental insurance*. In both Hawaii (54.1%) and Michigan (52.8%), over half of the 65+ population had employer-sponsored health insurance; by comparison, in North Dakota (58.4%) and Kansas (55.9%), over half of the 65+ population relied on individual health insurance to supplement Medicare's coverage.

## Medicaid and SCHIP

- Between 1987-1989 and 1997-1999, the share of *persons in poverty with Medicaid* increased only 3 percent in the U.S. overall. However, 20 states witnessed a decrease in the share of persons in poverty who received Medicaid, with Maryland experiencing the largest decrease of 47.7 percent from 47.4 percent to 24.8 percent. Conversely, 30 states showed an increase in the percentage of persons in poverty who received Medicaid. The highest was New Hampshire with a 73.5 percent increase between 1987-1989 and 1997-1999.
- In 2001, 32 states and the District of Columbia had a *medically needy program for persons age 65 and older as well as disabled persons*. While income standards varied among the states, 13 states required that countable income (after deducting medical expenses) not exceed 50 percent of the federal poverty level in order to be eligible for Medicaid benefits under this state-optional program. As of July 2000, the *Medicaid income eligibility level as a percentage of poverty for adults with dependents* varied from a low in Alabama of 22 percent to a high in Minnesota of 275 percent of the federal poverty level.

- As of October 2000, over 3.3 million children were enrolled in the State Children's Health Insurance Program (SCHIP). All 50 states and the District of Columbia offered SCHIP coverage, either as a Medicaid expansion, a separate child health program, or both.

### **Managed Care**

- In 2000, 19 states and the District of Columbia had an *HMO penetration rate* of 30 percent or higher with California and Massachusetts leading the way at 54.1 and 45.2 percent, respectively. In 12 states, the HMO penetration rate was 10 percent or less. Alaska had the lowest penetration rate (zero percent), followed by Mississippi (1.0%).
- Less than 5 percent of *Medicare beneficiaries were enrolled in Medicare+Choice plans* in 2001 in the majority of the states (26) including the District of Columbia. California had the highest percent enrolled (35.7%), while Alaska, Iowa, Maine, Mississippi, Montana, New Hampshire, South Carolina, South Dakota, Utah, Vermont, and Wyoming each had less than one percent enrolled in Medicare+Choice plans.
- *Medicaid enrollment in managed care* ranged from a high of 100 percent in Michigan, Tennessee, and Washington, to a low of zero percent enrollment in Alaska in 2000. Medicaid enrollment in managed care plans reached 50 percent or more in 33 states and the District of Columbia.

### **Expenditures and Financing**

- Overall, the portion of *Medicaid spending for prescription drugs* increased 40.3 percent in the U.S. between 1995 and 2000. States varied widely on the percentage change in Medicaid spending on prescription drugs—ranging from four percent to 180 percent—with two states experiencing a dramatic increase (Louisiana 100% and New Hampshire 180%). Four states (Michigan, New Mexico, Oregon, and Pennsylvania) experienced a decrease in the percent spent over the five-year period, ranging from -9.7 percent to -48.5 percent.
- The *median cost per day in a nursing home* increased 52.3 percent in the U.S. between 1988 and 1998, after adjusting for inflation. Alabama reported the highest nursing home cost increase (82.1%) and the District of Columbia reported the smallest increase (2.0%). Despite having the smallest cost increase over this time period, the District of Columbia had the highest cost per day in a nursing home in 1998. In 1988, the median cost per day was \$100.00 or more (in 1998 dollars) in two states and the District of Columbia, versus 35 states and the District in 1998.
- On average, states spent 27 percent of their *total state budgets on health care* in FY 1999. Colorado (37.0%), New Hampshire (37.5%), New York (40.1%), and Pennsylvania (34.8%) led the way with the highest shares. Conversely, health care spending accounted for the smallest share of total state budgets for Nevada (12.9%) and Alaska (13.6%).
- In FY 1999, Medicaid expenses consumed over 80 percent of total state health care expenditures in nine states. Vermont and Tennessee spent the most on *Medicaid as a percent of total state health care expenditures* (86.2% and 85.2%, respectively), and Maryland and Delaware spent the least (52.3% and 53.2%, respectively).