HOT TOPICS

In the past decade, the states have been laboratories for new approaches to insuring the uninsured, including regulatory reform, purchasing alliances, expanded public programs, public subsidies, and shoring up the safety net—the network of public hospitals and clinics. A series of RAND studies assessing these experiments found that states have not yet solved the problem of the uninsured. However, the experiments provide lessons for policymakers.

**READ MORE: [Summary of State Experiments](#)**

In the mid-1990s, several state legislatures enacted reforms to eliminate insurer underwriting practices preventing small employers from purchasing insurance. The reforms also governed how insurers set premiums.

**READ MORE: [Reforms in the Small Group Health Insurance Market](#)**

Purchasing alliances are intended to make insurance more affordable to groups of small employers by giving them collective purchasing power. RAND examined the three states—California, Connecticut, and Florida—that had the nation’s largest statewide purchasing alliances. RAND concluded that the alliances did not increase the percentage of small businesses offering health insurance, nor did they reduce premiums.

**READ MORE: [Do Purchasing Alliances Increase Coverage?](#)**

Many policymakers favor voluntary programs such as tax credits or subsidized insurance to help the uninsured obtain coverage. How large must the subsidy be? Does expanding public programs lead some people to drop private insurance, thus increasing public program costs?

**READ MORE: [How Subsidies Affect Participation in a Public Insurance Program](#)**

Some states will need federal help to cover their uninsured. RAND examined the additional taxes that state residents would have to pay for a state program to subsidize coverage for low-income uninsured residents. States with the greatest need to extend coverage were found to have the least capacity to do so. Nationwide, only half the states would be able to cover all of their uninsured with a budget limited to their tax capacity to finance health care reform.

**READ MORE: [Federalism and Health System Reform](#)**

Expanding the safety net may be more effective in improving health for some disadvantaged populations than providing them with public insurance. RAND examined Florida’s efforts to improve birth outcomes for low-income pregnant women by expanding public insurance programs and by developing service delivery systems that typically include care coordination and nonmedical support services.

**READ MORE: [The Role of Delivery Systems in Improving Birth Outcomes for Low-Income Women](#)**

Lessons Learned

A successful approach to insuring the uninsured will probably involve multiple strategies. Regulations and purchasing alliances can help eliminate practices that make insurance inaccessible to some groups. But large subsidies will be needed to enhance demand for coverage.

States probably cannot solve the problem of the uninsured on their own, especially in view of current constraints on state budgets. Large reductions in the uninsured will require new federal expenditures or innovative public/private approaches to financing. Maintaining a strong safety net will be necessary to ensure that those who remain uninsured have access to health care.

FORTHCOMING PROJECTS

- Analysis of financing issues that prevent women with disabilities from using health care services
- First national report card on quality of care

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