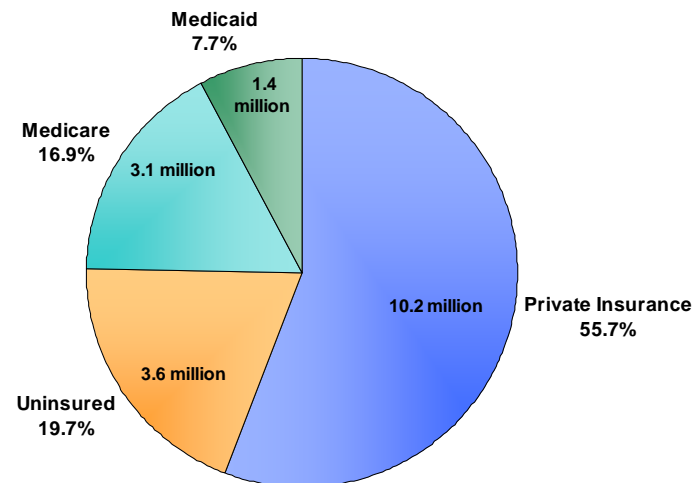


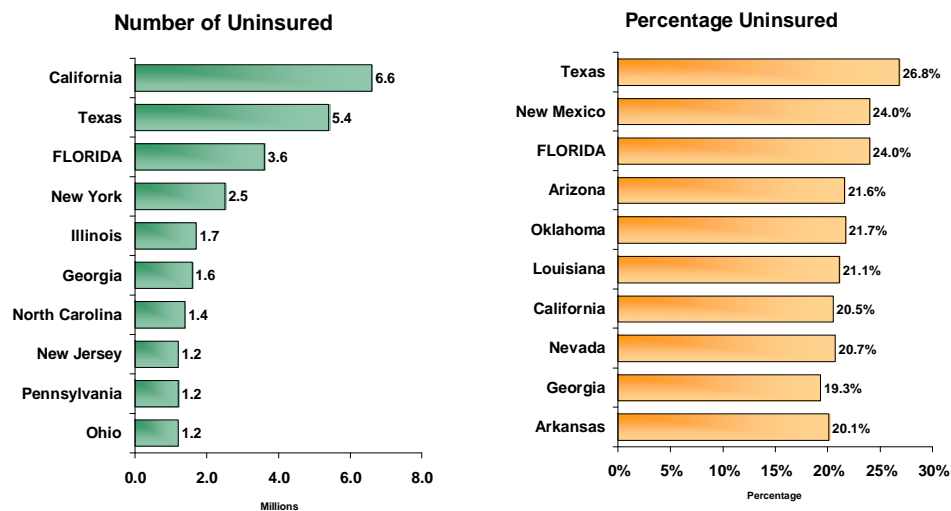
Florida's Uninsured Crisis is Acute and Worsening

- About 55% of Floridians have private healthcare coverage, either through their employer or purchased on their own. One-fourth of Floridians are covered through government programs such as Medicare or Medicaid. But 20% or 3.6 million Floridians, more than those covered by Medicare, have no health insurance.
- While the growing number of uninsured is a national issue and a key issue for the upcoming presidential election, the issue of the uninsured is particularly problematic in Florida. Nationally, Florida ranks third in the number of residents under the age of 65 without health insurance and is second in the country (tied with New Mexico) in the percentage of the population that is uninsured.
- This report looks at Florida's growing uninsured problem and the impact on Florida's hospitals.

3.6 Million Floridians Have No Health Insurance



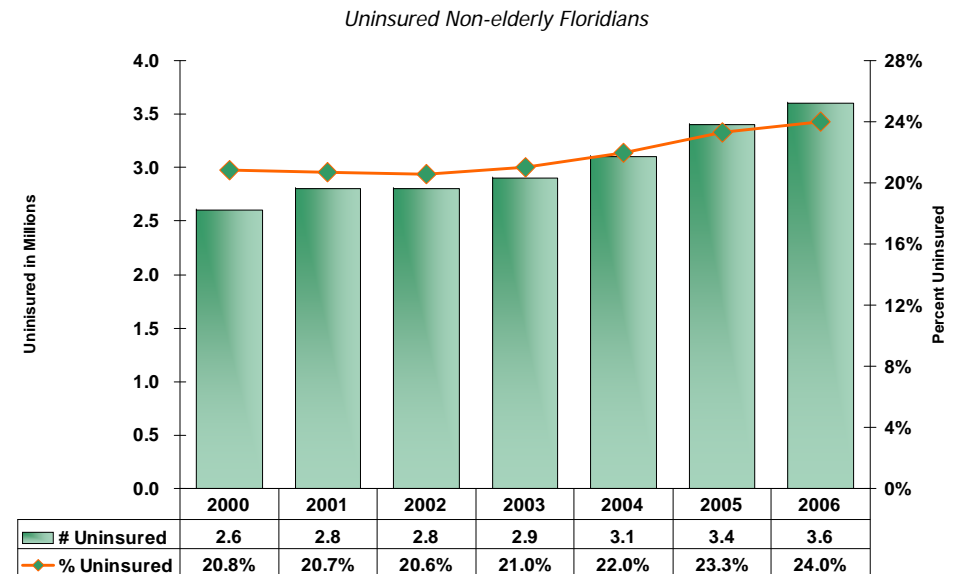
**How Florida Compares to Other States
2006**



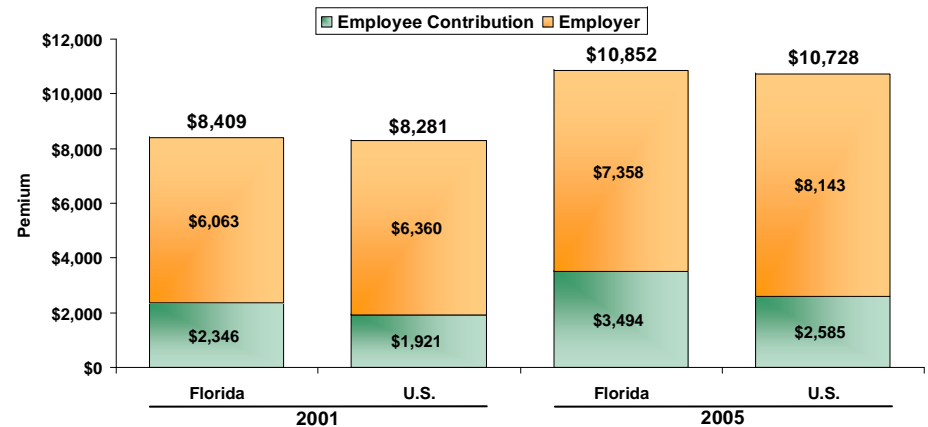
Facts about Florida's Uninsured

- More and more Floridians are losing their healthcare coverage. Since 2000, approximately one million more Floridians became uninsured. By 2006, almost one in four non-elderly Floridians had no healthcare coverage. A study released by Families USA found that 40%, or six million Floridians under the age of 65, were uninsured for at least one month during 2006 and 2007.
- Florida's economy contributes to the issue of the uninsured. Certain industries, such as construction, hotel/restaurant, service and retail (some of Florida's major industries), are less likely to provide health insurance coverage to their employees. However, in challenging economic times, employers are either no longer offering coverage or requiring employees to pay more. Employees are being asked to contribute more toward premium costs and face higher copays and deductibles.
- Cost of health insurance is one of the primary reasons Floridians go without healthcare coverage. The Florida Health Insurance Study (FHIS), conducted in 2004, explored the reasons Floridians did not have health insurance. Almost two-thirds of those without coverage indicated health insurance was too expensive.
- Health insurance premiums are becoming unaffordable for many Florida families. A recent study released by the Robert Wood Johnson Foundation found the average family premium increased 29% between 2001 and 2005, while the median income of those holding family policies increased less than 2%. Floridians obtaining family coverage through their employer paid 32% of the premium costs, the highest of any state.

More Floridians are Losing Their Health Insurance Coverage 2000 - 2006



Average Premium for Family Coverage Through Employer 2001 vs. 2005



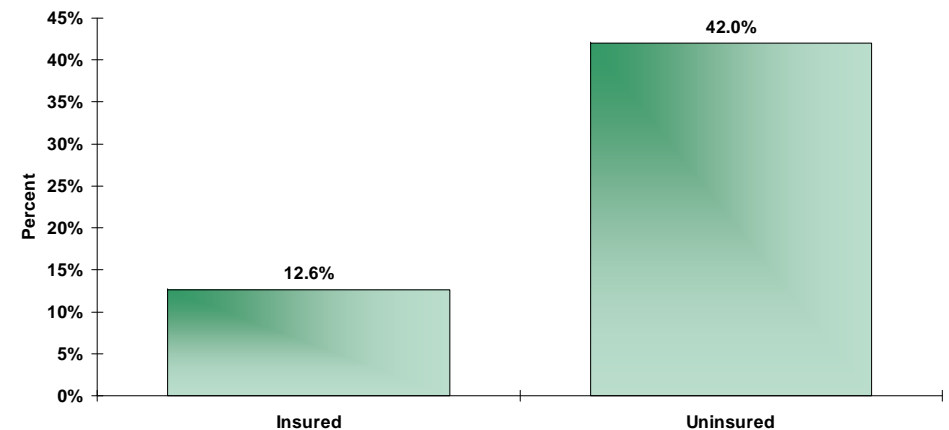
Children, Young Adults, and Middle Income Hardest Hit by Insurance Crisis

- Residents ages 25-34 represent the largest percentage of Floridians without health insurance coverage, followed by those ages 34-44 years (28%). Combined, these two age groups represent 43% of Florida's uninsured.
- Almost 19% of Florida's uninsured are children. Many are living in families with incomes too high to qualify for Medicaid or the State Children's Health Insurance Program (SCHIP). One third or 1.4 million children have healthcare coverage through either Medicaid or the SCHIP program. Without those programs, a higher percentage of Florida's children would be uninsured.
- A large portion of Florida's uninsured are in working families with at least one individual in the workforce. Workers for small employers (less than 50 employees) represent 63% of Florida's uninsured working population. Those companies are less likely than larger companies to provide healthcare coverage to their employees.
- The lack of healthcare coverage is not a problem facing only Florida's poor. An increasing percentage of Florida's uninsured have family incomes exceeding 200% of the Federal Poverty Level (or \$42,200). The FHIS 2004 found increased rates of uninsurance among families with annual incomes between \$45,000 and \$95,000 compared to the 1999 study.
- Health insurance is important, not only for protecting against catastrophic illness, but for ensuring access to care and maintaining good health. Studies have shown those without health insurance are less likely to have a regular source of care, forego routine preventive care visits, and are more likely to go without or skip medications necessary to manage serious health conditions. The FHIS 2004 found that 42% of uninsured Floridians delayed or did not obtain medical care.
- A recent study by Families USA estimates that more than six working-age Floridians die every day due to lack of health insurance and approximately 13,600 adults ages 25-64 died between 2000 and 2006 because they were uninsured.

Who are Florida's Uninsured?

- 43% are adults aged 25-44 years old
- 19% are children
- 69% are working for companies that don't offer coverage
- 63% are employed in companies with less than 50 employees
- 88% are in families where at least one person is employed
- 26% have incomes above 250% of the Federal Poverty Level [\$53,000]
- 10% have annual family income exceeding \$65,000
- 31.6% are Hispanic

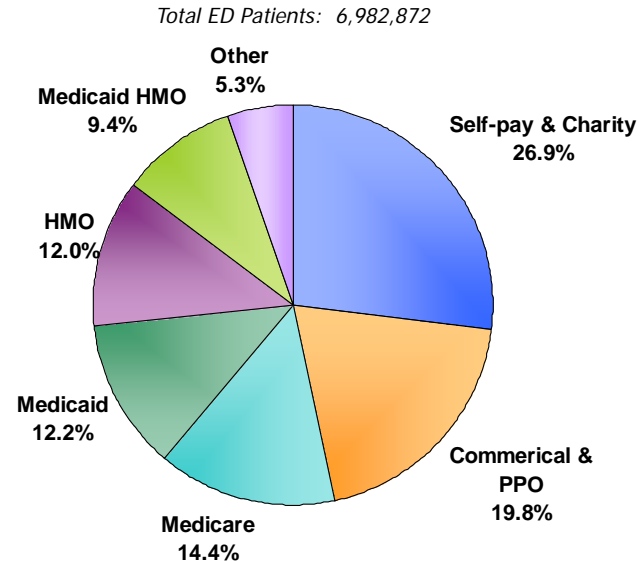
Floridians Delaying or Not Obtaining Medical Care by Insurance Status 2004



One in Four ED Patients Uninsured

- For those without health insurance, the hospital serves as the "safety net." Federal law requires hospitals to stabilize or treat anyone that presents to the emergency department (ED) with an emergency condition. Thus, people without health insurance often seek primary care in the ED because they know they will not be refused treatment.
- One in four patients seeking care in the hospital ED in 2006 had no health insurance coverage. Florida's hospitals treated 1.65 million uninsured patients in the ED, of which 1.5 millions were either released from the ED or transferred to another hospital. The remaining 150,000 were admitted to the hospital.
- Almost two-thirds of the uninsured ED patients not admitted to the hospital were 18-44 years of age (about 15% were uninsured children).
- Twenty conditions accounted for 44% of all ED visits by patients without health insurance. Many of these conditions, such as stomach pains, minor skin inflammations, sore throats, urinary tract infections, respiratory infections, and ear infections, likely could have been treated in a physician's office or clinic. However, without insurance, it is difficult to get an appointment so the ED becomes the only option.
- Between 2000 and 2006, the number of patients seeking care in hospital EDs grew by one million patients. Hospitals are responding by expanding their EDs. However, Florida's growing uninsured patients will continue to contribute to ED overcrowding and long wait times, since the ED will continue to be their primary option for any type of health care.

Percent of ED Patients with No Insurance Coverage 2006



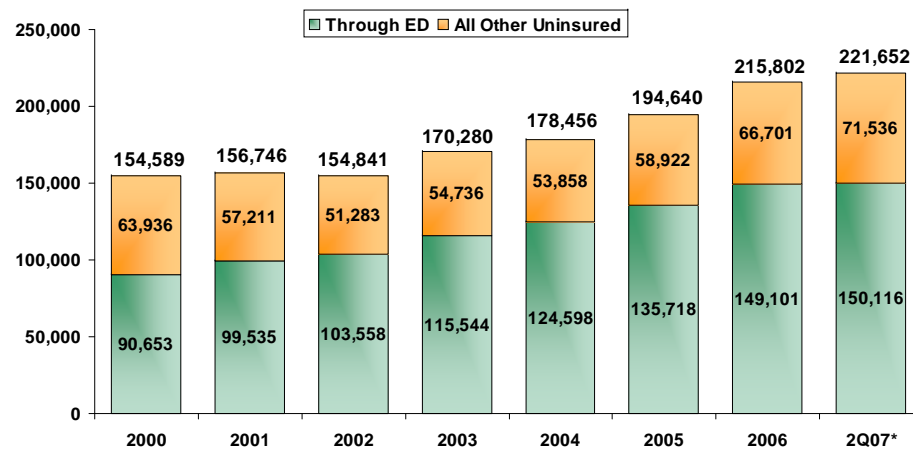
Top Twenty Reasons for Visits to the ED for Uninsured Patients 2006

Primary Diag. Code	Description	Discharges
789	Abdomen and Pelvis Symptoms	68,103
682	Cellulitis	66,949
786	Respiratory System & Chest Symptoms	58,749
780	General Symptoms (fever, syncope, vertigo, etc.)	51,480
724	Back Disorders	43,526
847	Sprains & Strains of Parts of Back	40,687
784	Head and Neck Symptoms	33,164
V58	Encounter for Aftercare (treatment follow-up & long-term therapeutic drug use)	31,354
462	Sore Throat	30,917
873	Head Wounds	30,738
599	Urinary Tract Infections and Disorders	28,424
465	Upper Respiratory Infections (URI)	25,573
787	Digestive System Symptoms	23,451
382	Middle Ear Infections	23,382
466	Acute Bronchitis	20,560
305	Non-dependent Abuse of Drugs	20,285
719	Non-specific Joint Signs and Symptoms	19,458
525	Diseases & Conditions of the Teeth and Supporting Structures	19,105
493	Asthma	19,052
924	Tissue Injury to Upper Limb	17,988
	Top 20 Primary Diagnoses	672,945
	All Other Diagnoses	867,454
	TOTAL	1,540,399

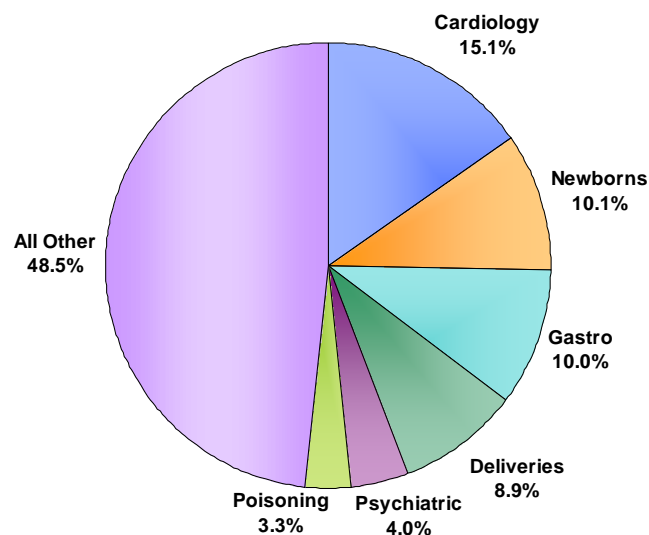
Almost One in Ten Patients in Hospitals are Uninsured

- About 8% of all hospital inpatients did not have any health insurance coverage. Of the 222,000 uninsured patients admitted to Florida's hospitals, two-thirds of these patients were first seen in the ED prior to being admitted.
- Since uninsured people are less likely to have a usual source of care, they often delay or forego needed medical care. They are typically sicker when they are admitted to the hospital than those with health insurance.
- Heart-related conditions, such as chest pain, heart failure, and shock, represent the largest category of uninsured patients that are admitted to the hospital. Combined, deliveries, pregnancy-related conditions, and newborns account for 19% of the uninsured patients treated in the hospital. Ten percent of the uninsured patients are admitted for stomach-related issues, such as gastrointestinal hemorrhage and esophagitis.

Uninsured Patients 2000 - 2Q07



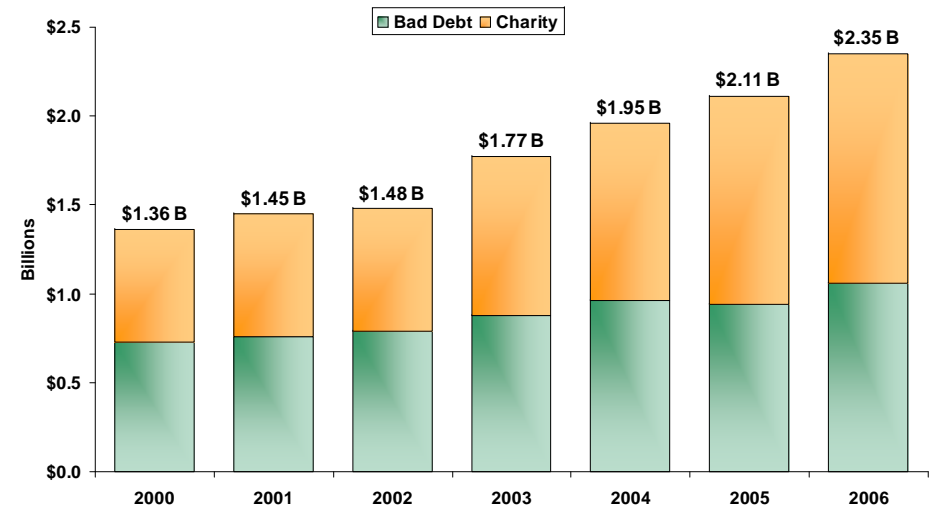
Types of Health Issues for Uninsured Patients 2006



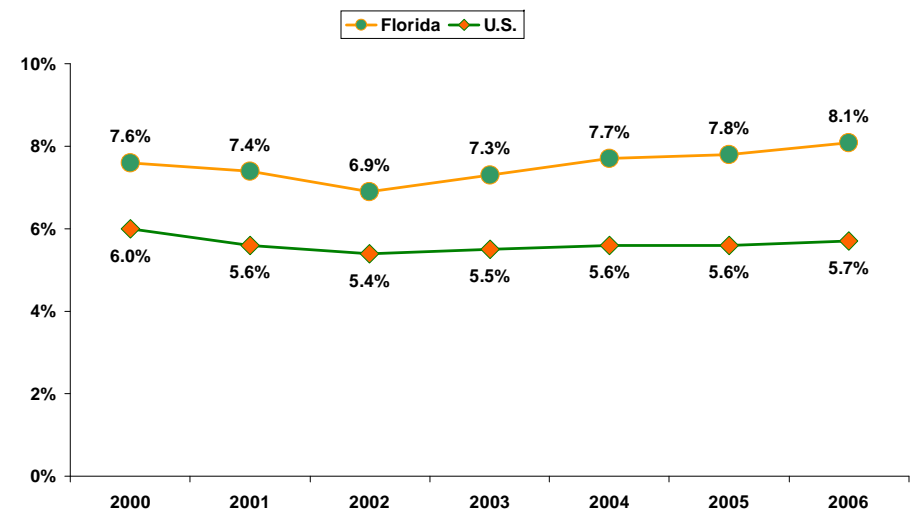
Uninsured and Underinsured are Driving Up Hospitals' Uncompensated Care Costs

- Uncompensated care costs¹ in Florida hospitals reached \$2.35 billion in 2006, an 11.4% increase from the level reported in 2005 and a 73% jump since 2000. Uncompensated care costs are those costs associated with patients who cannot pay their hospital bill. This includes those patients who are uninsured and those that are underinsured.
- More than one-half of Florida's uninsured inpatients qualified for "charity." The State of Florida defines "charity" as family income below 200% of the Federal Poverty Level or medical costs exceeding 25% of family income. Uncompensated costs associated with patients not qualifying as "charity" are written off as "bad debt."
- Uncompensated care costs as a percentage of total costs increased from 7.6% of the total in 2000 to 8.2% in 2006. While Florida hospitals spent 8.2% of operating costs on uncompensated care, hospitals nationwide spent much less with uncompensated care costs averaging 5.7% of expenses.
- With Florida hospitals barely breaking even on operations, the growing burden of the uninsured threatens the financial viability of our healthcare system. Florida hospitals earned \$233 million on operations in 2006. Between 2005 and 2006, the amount of uncompensated care grew by \$240 million. Subsequent increases in uncompensated care will likely result in more hospitals reporting financial losses.

Estimated Cost of Uncompensated Care 2000 - 2006



Percent of Hospital Expenses Going to the Care of the Uninsured 2000 - 2006



¹Uncompensated care costs were calculated by applying the cost-to-charge ratio to the write-off from charge for charity care and bad debt.

N = 172

Source: Florida Agency for Health Care Administration FUHRs Financial Data, FY00-06
AHA TrendWatch Chart Book, 2008

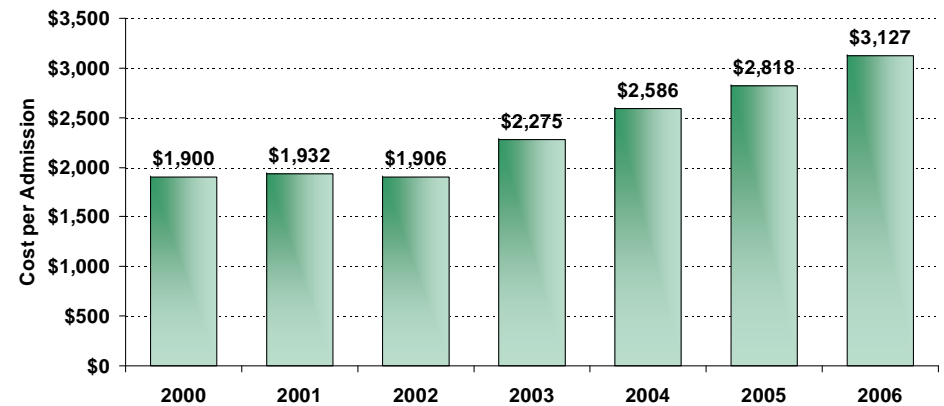
Insured Floridians are Paying the Costs of the Uninsured

- For hospitals to stay open, uncompensated care costs are typically shifted to other patients. Since Medicare and Medicaid payments do not cover costs, that leaves private insurers (HMOs, PPOs) as the only population to absorb the costs of the uninsured. In 2006, approximately \$3,127 additional costs associated with treating uninsured patients were shifted to those with private coverage. This is up from \$1,900 per admission in 2000.
- In addition to paying more to cover the costs of uninsured patients, the rising number of uninsured is impacting the performance of Florida's healthcare system. A report released by The Commonwealth Fund comparing states across a variety of quality dimensions ranked Florida's healthcare system 42nd in the country. The report shows a strong link between better access to care and higher insurance rates to better quality.

Source: AHCA FHURS Data, FY00-06

Impact of the Uninsured on Privately-Insured Patients 2000 - 2006

Cost per admission that is passed on to privately-insured (HMO, PPO and other commercial insurance) patients as a result of the uninsured treated in Florida hospitals.



The Uninsured Crisis Threatens the Viability of Florida's Healthcare System

- Financially, hospitals and those with private coverage can no longer afford to absorb the cost of treating the uninsured.
- The ramification of more Floridians losing coverage are huge - it impacts quality, access to emergency care, and the health status of our state.
- Comprehensive solutions are necessary to reduce the number of Floridians without healthcare coverage and to ensure the long-term viability of Florida's healthcare system.

Resources

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- Florida Health Insurance Study. [Comparative Findings from the 1999 and 2004 Florida Health Insurance Studies](#). Tallahassee, FL. August 2005.
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