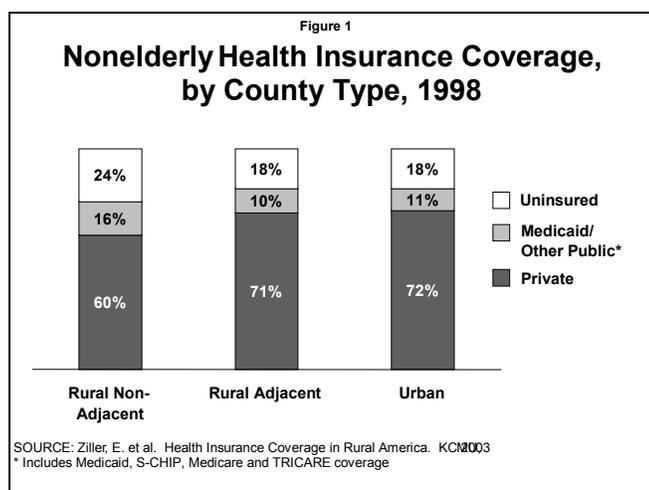


THE UNINSURED IN RURAL AMERICA

Among the 41 million uninsured in the United States, nearly one in five live in rural areas. However, in states like Montana and Maine, over 70% of the uninsured are from rural areas. Their health care needs differ because the rural population as a whole is older, poorer, and less healthy compared to people living in urban areas. Over 7 million people living in rural areas were uninsured in 2001—17% of the nonelderly rural population.

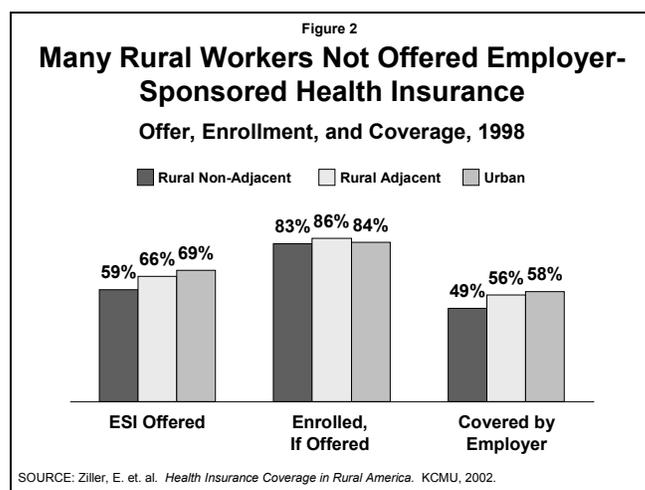


Health coverage varies not only between rural and urban America, but among rural counties, depending on how close they are to large urban areas (Fig. 1). The chances of being uninsured among persons living in remote rural areas—defined here as counties not adjacent to a large urban county—are much higher than urban residents (24% vs. 18%). Rural residents are also uninsured for longer periods of time—their chances of being uninsured for an entire year are a third greater compared to residents in urban counties (20% vs. 14%).

Because more residents in remote rural areas come from families with incomes less than 200% of the poverty level (47% vs. 27%), Medicaid plays an important role in rural America. Medicaid, S-CHIP, and other public programs insure 16% of people living in remote rural counties, compared to 10-11% in other areas. Twenty-seven percent of children from remote rural counties are covered by Medicaid.

Only 60% of those living in rural non-adjacent counties had private health coverage in 1998, compared to 72% of urban residents. This disparity may have increased with the current economic downturn since rural businesses tend to be disproportionately affected in recessions and health coverage in remote rural areas did not improve in the late 1990s as it had in other areas.

Rural residents are less likely to have private health insurance largely because they are less likely to be offered health benefits through their jobs. However, when insurance is offered, enrollment rates are no different across rural and urban workers (Fig. 2).

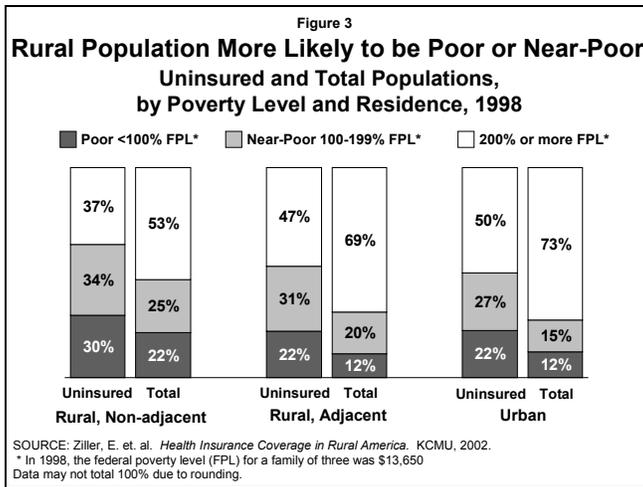


Workers in remote rural areas are far more likely to be earning low wages compared to urban workers (33% vs. 19%) and more likely to work in small businesses (46% vs. 37%)—two factors that markedly increase their chances of being uninsured. Regardless of where they live, low-wage workers are about three times as likely to be uninsured compared to workers earning more than \$7/hour.

Workers in small firms in remote rural areas are the least likely to have health benefits offered to them (just 36%). Over two-thirds of uninsured workers (68%) who live in these counties are working for small businesses with less than 20 employees.

WHO ARE THE UNINSURED IN RURAL AMERICA?

The large majority (79%) of uninsured people living in rural areas are from working families with at least one full-time worker. Having more than one full-time worker in a family generally lowers the chances of being uninsured, but not among families in more remote rural counties—mostly because rural families, even with two full-time incomes, are more likely to be poor or near-poor.



Nearly half (47%) of those living in remote rural areas have family incomes less than 200% of the poverty level compared to a quarter of people living in urban counties (Fig. 3). Correspondingly, almost two-thirds of the uninsured in remote rural areas come from poor or near-poor families compared to half of the urban uninsured.

The uninsured in rural areas are both older and in poorer health than those living in urban areas. A quarter of the rural uninsured are between the ages of 45 and 64. More rural than urban uninsured residents report their health as being less than very good or excellent (42% vs. 38%); 11% are in fair or poor health. Rural residents are somewhat more likely to have certain chronic conditions, such as heart disease and diabetes, and have higher infant mortality rates. Fatalities caused by motor vehicle crashes and accidental injuries are also more prevalent in rural areas.¹

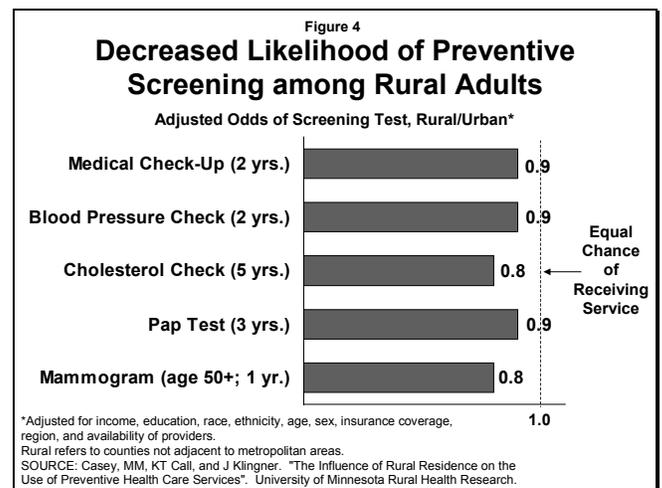
BARRIERS TO HEALTH CARE IN RURAL AREAS

Physician and dentist shortages in rural counties, combined with hospital closures in the past 20 years and the lack of public transportation, create barriers to

health care for rural residents. Almost 75% of rural counties have areas within them designated as Medically Underserved Areas (a measure that includes both provider shortages and poorer health outcomes).² Were it not for the availability of health professionals other than physicians in rural counties, the disparities might be even greater.

Given that the rural population is somewhat older than the urban population, with higher rates of disability, their health care needs and use should be **higher** than urban residents. Instead, for some measures of access to care there are no differences between people living in rural and urban areas, which suggests rural residents in fair or poor health may not be receiving adequate care.

Rural residents are 10-20% less likely than urban residents to receive regular medical check-ups and preventive screening (Fig 5). In general, they are less likely than urban residents to have visited a health professional in the past year.



In summary, health reforms intended to decrease the number of uninsured, will need to consider the nature of employment in rural counties—both the large share of small businesses and lower wage levels. Because national differences mask the variation across states in health coverage and access to care between rural and urban areas, state policies need to be tailored to match the needs of their own rural residents.

¹ National Center for Health Statistics. *Health, United States—Urban and Rural Health Chartbook*. Hyattsville, MD: 2001.

² Schur, CL and SJ Franco. "Access to Health Care" in *Rural Health in the United States* (ed. Ricketts, T). Oxford University Press, 1999.