

# AT STAKE: ACCESS TO AFFORDABLE HEALTH INSURANCE FOR LATINOS WITH PREEXISTING CONDITIONS

Although Hispanics\* are less likely than non-Hispanics to have insurance and access to a regular health care provider, Latinos are comparatively healthier than the general U.S. population.<sup>†‡</sup> Yet millions of Americans, including Latinos, are commonly classified by insurance companies as having “preexisting conditions”—whether or not they have already been stricken with serious illness. As a result, they could be charged exorbitantly higher premiums, have services capped, or be denied coverage altogether for the medical services they need to manage their health. The Affordable Care Act (ACA) outlaws these preexisting condition clauses. The ban is already in place for children’s coverage and will apply to health insurance for adults of all ages beginning in 2014. Meanwhile, the ACA also created Preexisting Condition Insurance Plans (PCIPs) in every state to facilitate health coverage to Americans who cannot enroll in traditional plans elsewhere.<sup>§</sup>

The practice of overusing “preexisting condition” clauses in health insurance contracts is a particularly serious problem for the tens of millions of Americans who have gone uninsured for long periods of time. Sometimes even minor or common health conditions, such as a previous sports injury that has been reaggravated, can be flagged by insurers as “preexisting” and therefore not covered by a new plan. In one of the most egregious examples, a handful of states permit insurers to consider domestic violence a preexisting condition.<sup>\*\*</sup> Although Hispanics with even mild medical problems have been subject to this practice, the millions of Latinos who suffer from serious chronic diseases are especially vulnerable. Read about one Latina, Yunia, and the physical, emotional, and financial distress caused by her insurer’s coverage denial for her preexisting condition (Box 1).

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\* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Furthermore, unless otherwise noted, estimates in this document do not include the 3.7 million residents of Puerto Rico.

† This fact sheet was authored in June 2012 by Kara D. Ryan, Senior Research Analyst with the Health Policy Project in the Office of Research, Advocacy, and Legislation at the National Council of La Raza (NCLR). NCLR is the largest national Hispanic civil rights and advocacy organization in the U.S.

‡ Hispanics’ relative health compared to non-Hispanics is in part attributable to the relative youth of the community—one-third of Latinos are under age 18. It is also likely due to a higher share of recently-arrived immigrants among the Latino population; research has documented greater health and healthy practices among recently-arrived immigrants that worsen over time with acculturation to the U.S.

§ As of February 2012, more than 56,000 Americans have enrolled in a PCIP. Kaiser State Health Facts, *Enrollment in the Pre-Existing Condition Insurance Plan*, <http://www.statehealthfacts.org/comparemapreport.jsp?rep=74&cat=17> (accessed June 2012). Enrollment in PCIPs increased after the U.S. Department of Health and Human Services (HHS) removed some enrollment barriers, such as accepting a letter from a health provider in lieu of a formal denial of insurance, and decreased premiums to better align with state nongroup market rates.

\*\* Lisa Codispoti, Brigitte Courtot, and Jen Swedish, *Nowhere to Turn: How the Individual Health Insurance Market Fails Women* (Washington, DC: National Women’s Law Center, 2008).

**Box 1. Yunia's Insurer Refused to Cover Her Preexisting Conditions**

Yunia wrote to NCLR a few months after the Affordable Care Act (ACA) was signed into law. "I have tried to buy health insurance on my own for several years and I am always denied coverage because of my preexisting condition," she says. "Currently I have insurance that covers me only for visits to the specialist or primary care doctor but does not cover me for any operations or hospital stays. This is very frustrating for me because, due to my preexisting condition, I have had to suffer a lot of pain, and my physical condition and emotional state have deteriorated due to the lack of treatment and follow-up for my illness. Two months ago I had surgery for endometriosis. This was an outpatient surgery and it cost me more than \$5,000...I hope that soon the insurers won't discriminate any more against people who have an illness."

If the ACA is overturned, however, Yunia and millions of Latinos like her will lose guaranteed access to coverage, risking good health and financial stability. The stakes for Latinos with preexisting conditions—real or contrived—are high:

- **The latest estimates show that more than one in four (26%) Latino nonelderly adults had a medical condition that could result in insurers denying, excluding, or charging more for coverage due to a preexisting condition clause.** That translates to about seven million Hispanics between the ages of 19–64. The share of Latinos with preexisting conditions is lower than that of non-Hispanic Whites (35%) and Blacks (34%) and higher than the rate for Asians and Pacific Islanders (15%) (see Figure 1).\*
- **Millions of Latinos with chronic medical conditions are likely to be flagged as having preexisting health conditions, which could widen disparities in health outcomes.** According to the U.S. Government Accountability Office, the most common health conditions that result in insurers denying, excluding, or charging more for coverage include: hypertension, mental health disorders, diabetes, asthma, arthritis, chronic lung disease, cancer, rheumatoid arthritis, heart attack, and stroke.<sup>†</sup> Considering just a handful of these serious conditions, the ban on "preexisting condition" clauses will clearly benefit millions of Hispanics, giving them a better shot at health. In 2010, an estimated 6.1 million Latinos suffered from heart disease or stroke; 3.4 million had chronic lung disease; 2.7 million had been diagnosed with diabetes; and 427,000 had cancer.<sup>‡</sup>
- **According to the latest data, among children, nearly one in five (18.2%) Hispanics have at least one chronic health condition that would likely be classified as a preexisting condition.** Additionally, more than one in five (22.5%) White children, more than one in four (29%) Black children, and one in ten (10%) Asian children also had at least one chronic health problem.<sup>§</sup> A small but significant share of Latino children—about one in 10

\* U.S. Government Accountability Office (GAO), *Private Health Insurance: Estimates of Individuals with Preexisting Conditions Range from 36–122 Million* (Washington, DC: GAO, 2012). GAO produced low, mid-point, and high estimates using different data sources and lists of specific health conditions that could result in an insurer denying coverage, requiring higher premiums, or excluding coverage for a specific condition. This fact sheet uses the mid-point estimates. In all cases, Hispanic rates were lower than those for Whites and Blacks and higher than those for Asians/Pacific Islanders. For Latinos, the low estimate was 13% and the high was 51%.

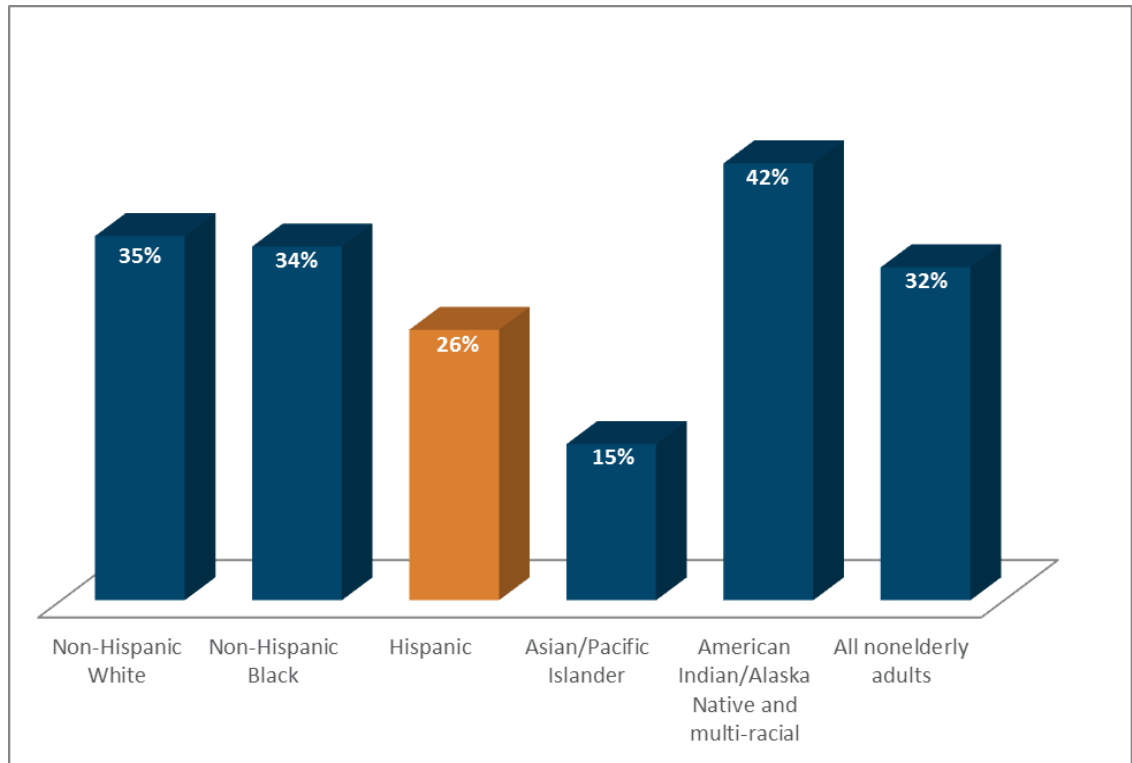
<sup>†</sup> Ibid.

<sup>‡</sup> Sinsi Hernandez-Cancio, Kim Bailey, and Dee Mahan, *Medicaid: A Lifeline for Blacks and Latinos with Serious Health Care Needs* (Washington, DC: Families USA, 2011).

<sup>§</sup> 2007 National Survey of Children's Health, Child and Adolescent Health Measurement Initiative, Data Resource Center on Child and Adolescent Health, Indicator 1.9 and 19a. These included 16 serious health conditions such as

(9.5%)—had at least one condition that is categorized as moderate-to-severe. These children—whose medical problems are likely to follow them throughout their lifetimes—are currently protected from discrimination by the health reform law but may be exposed once again if it is overturned.

**Figure 1. Estimated Percentage of Adults (Ages 19-64) with Preexisting Conditions by Race/Ethnicity, 2009**



Source: Government Accountability Office (GAO), *Private Health Insurance: Estimates of Individuals with Preexisting Conditions Range from 36–122 Million* (Washington, DC: GAO, 2012). The GAO uses multiple methods and data sources to determine low, mid-point, and high estimates. This figure reflects GAO's mid-point estimates.

hearing, vision, or speech problems, epilepsy, asthma, diabetes, and others that may be considered by insurers to be preexisting conditions.