



## NEWS Texas/Southwest

# Many young adults go without health coverage

Despite lower costs, group most likely to be uninsured

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When 21-year-old Dyan Daniels mounted her Honda all-terrain vehicle for a joy ride that New Year's Day in 2005, health insurance – and her lack of it – was the furthest thing from her mind.

She was an experienced rider. A lot of young people went without insurance. She had lost her coverage six months before when she stopped taking enough college classes to qualify under her dad's employer-provided plan.

But on that fateful day, experience wasn't enough to save Ms. Daniels. She hit a rock, lost control of her ATV and careened into a tree on her father's land in Jacksboro.

Eight days of trauma intensive care later – for treatment of multiple skull fractures, three cracked vertebrae and a broken wrist – the young Fort Worth waitress and beauty school student was staring at a \$100,000 medical bill. "I'm thinking, 'How am I going to pay for it? I'm not going to win the lottery,'" she said Wednesday.

Ms. Daniels' saga may be an extreme one, but it is played out again and again in some fashion in the Lone Star State – the state with the nation's highest rate of uninsured. More specifically, young people age 18 to 24 are the most likely to be without health insurance.

In 2003, one-quarter of all Texans, or 5.4 million people, lacked health coverage, compared with the national uninsured rate of 15.6 percent, according to the Texas Department of Insurance.

But among Texans age 18 to 24, 42.5 percent lack health insurance, according to a 2002 report from the Texas Department of Insurance. That amounted to more than 955,000 uninsured young people in 2002. And the numbers are climbing, according to the state insurance department.

There are many reasons why this group is so unlikely to have health

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**NATALIE CAUDILL/DMN**  
After an ATV accident in 2005, Dyan Daniels was faced with \$100,000 in medical bills. She'd been dropped from father Edmond's health plan because she'd taken a break from college.

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insurance.

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Why so many?

Many fall from coverage under their parents' plan when they stop taking enough college courses to be considered a student or, perhaps, pass the policy's final age limit for dependents.

Nearly 60 percent of companies offering employee coverage exclude dependent children once they turn 18 or 19 unless they attend college, according to the Commonwealth Fund, a nonprofit focusing on health care. Twenty-five is often the cutoff age even for students, said Rob Arvin, an insurance salesman at Dallas-based Arvin & Associates Inc.

Those on government plans fare worse. Medicaid and the state's Children's Health Insurance Program typically set age 19 as the cutoff for a child's coverage. Young people lose coverage unless they can qualify for Medicaid on their own, as an adult.

In addition, the small company jobs young people often land straight out of college are less likely to provide rich employee benefits, like comprehensive health care coverage. According to the Kaiser Family Foundation, a nonprofit focusing on health care issues, 60 percent of companies offered coverage to workers in 2005, down from 69 percent in 2000. But among the 95 percent of U.S. employers considered small businesses, less than 50 percent offer health benefits, according to the Small Business Administration.

Even if a graduate lands a job with benefits, there may be a waiting period to become eligible to get them.

And then there's that invincible attitude of the young, who don't think about insurance until they need it.

Students not buying

Despite the fact that 63 percent of the state's colleges offer some kind of coverage to students, an estimated 36 percent of those attending Texas public colleges are uninsured and 23 percent of those attending private colleges are, according to surveys by the Texas Department of Insurance. The reason? They just don't buy it.

"Young adults make up a large percentage of the uninsured population because they are unemployed, have temporary employment, or forgo coverage since they expect to be in good health," said Melissa Welch, a California-based medical director for Aetna, the big health insurance company.

"Even though they are healthy, accidents do happen in this age group," she said. "A serious event can lead to substantial medical bills for an uninsured person of any age."

Many young people forgo coverage despite that it probably will never again in their lives be more affordable.

United Healthcare's Golden Rule Short Term Medical plan offers a \$1,000-deductible short-term policy – between one and six months – for Dallas-area young adults in their mid-20s for \$48 a month. If they opt for a higher deductible of \$1,500, the premium drops to \$42 a month, said Ellen Laden, a spokeswoman for the Golden Rule Insurance Co., part of United Healthcare.

But if the cost is low, so is the amount students seem willing to pay. About half of all students who participated in a 2005 Texas Department of Insurance survey indicated a willingness to pay up to \$50 a month for coverage. However, only 38 percent said they would pay more than \$50.

Meghan Dickerson, a 22-year-old student at the University of North Texas, is one of those who did buy her own policy while in school.

"I just got kicked off my parents' insurance plan," she explained. Ms. Dickerson knew health problems could come even at an early age. A few weeks after her 23-year-old brother purchased his first health insurance policy, his appendix burst.

"I was surprised at how affordable it was," Ms. Dickerson said of her own policy, which costs \$100 a month and has a \$250 deductible.

Now she tells her friends to buy insurance.

But, "Most of them kind of have to tough it out" if they get sick, she said of friends without coverage. Ms. Dickerson, who is studying to become a chef, manages The Greenhouse restaurant in Denton.

Despite their lack of coverage, young people do seem to understand the importance of health insurance – at least in theory. The state insurance department's 2005 survey of students on nine Texas campuses found 78 percent said health insurance coverage is very important, while an additional 20 percent said it is somewhat important. Only 2 percent deemed it "not important."

#### College coverage

For many students, signing up for insurance is as easy as registering for classes. In general, the Texas Department of Insurance found that most student health insurance policies offered by colleges:

- Cost \$718 to \$786 per school year.
- Require a minimum course load of three to 12 hours in order to qualify, with six hours being the most common cutoff.
- Have a catastrophic coverage limit of \$50,000 per accident or illness.
- Offer prescription coverage capped at around \$500 per school year.
- Exclude pre-existing conditions for the first 12 months if the student lacked prior coverage.

Copays for office visits and prescription drugs under such college plans are generally the same as for company-provided health insurance. For example, Texas Christian University's plan through United Healthcare requires a \$5 copay for generic drugs, a \$20 copay for name-brand ones.

However, only 12 Texas colleges said they require all students to have health coverage. Seven of those – including the University of North Texas Health Science Center and UT Southwestern Medical Center – were health-related institutions, and the other five were private colleges, such as Jarvis Christian College and St. Edward's University.

The state Legislature has considered the issue of student health coverage. A Senate bill containing a

directive for the state's insurance department to work with universities to promote health insurance plans was struck down in the last legislative session.

"But not on its merits," points out Jerry Hagins, a spokesman for the Texas Department of Insurance. Senate bill No. 23 primarily focused on the lack of health care insurance offered at small businesses and sought to promote health savings accounts and compatible high-deductible health benefit plans as a remedy. Only a small portion of the bill addressed uninsured college students.

Next time, Mr. Hagins said, there might be renewed interest.

Ms. Daniels explained that she was taking a break from college that semester she had her ATV accident, leading her dad's insurance to drop her from coverage.

Her family struggled to come up with ways to cover her six-figure hospital tab. Her parents, Edmond and Karen Daniels, discussed selling the land they had planned to retire on. Her four brothers and three sisters-in-law talked about taking out loans to help pay part of the bill.

Luckily for Ms. Daniels, she qualified for special assistance because of the ratio between her low wages and high bills. Harris Methodist Fort Worth Hospital, where she was treated, granted Ms. Daniels \$80,000 in charity care. Her family paid the remaining \$20,000.

Ms. Daniels still has no health insurance, explaining she has even less money now with which to pay for it. She plans to buy insurance after getting her cosmetology license and her first job.

"It would be a nice thing to have," she said.