COVERING THE UNINSURED:

What Is The Problem, Why Care?

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41 Million Americans -- About 1 in 7 -- Are Uninsured

Primary Source of Health Insurance, 2001

Employer-based coverage 57%

Uninsured 15%
Medicaid 8%
Medicare 13%
Military 1%
Individual coverage 5%

Nearly Twice As Many Had A Gap In Coverage Over 2 Years

Number of Uninsured in Millions, 2001-02

- TOTAL: 74.7
- Less Than 6 Months: 26.1
- 6-12 Months: 16.6
- 12-24 Months: 14.0
- 24 Months +: 17.9

Source: Families USA, March 2003
Number of Uninsured Is Growing

- Uninsured rose by 1.4 million in 2001
- Erosion of employer coverage may worsen problem, even with economic recovery
- States are cutting back on public coverage
  - 1 to 2 million low-income people may lose Medicaid/Children’s Health Insurance Program coverage

Percent of Uninsured Workers May Increase by 30% Over the Next Decade

<table>
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<tr>
<th>Year</th>
<th>Percent</th>
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<td>1999</td>
<td>23.1%</td>
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<tr>
<td>2009</td>
<td>30.3%</td>
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Sources: Census Bureau, Gilmer & Kronick, 2001, Center on Budget and Policy Priorities
Is 41 Million Uninsured A Lot?

More Than Canada’s Population, People On The West Coast

41 Million Is:

- More than:
  - All Elderly Americans
  - All African Americans

- 5 times more than the number of Americans with cancer

- 40 times more than the number of Americans with HIV/AIDS

Sources: Census Bureau, SEER, Kaiser Family Foundation
Who Are The Uninsured

- Most work
- Most have low income -- but fastest growth is among those with higher income
- Disproportionately Hispanic
  - Nearly _ of all Hispanics uninsured during the year
- Concentrated in the South, West

Uninsured Adults (18-64)
By Work Experience, 2001

Sources: Census Bureau; Doty, The Commonwealth Fund, February 2003.
Young Adults At Greatest Risk

• Students better off, but still at a higher risk of being uninsured
  – 18% of full-time students
  – 36% of other young adults

• Uninsured young adults (ages 19-29) have problems
  – 53% have access problems due to cost
  – 52% unable to pay medical bill, contacted by collection agency, changed way of life to pay bills

WHY CARE
Affects Health and Access to Health Care

- 18,000 uninsured adults die each year because they didn’t get proper care
- Risk of death for uninsured people with cancer is 50% higher

Causes Individual Financial Hardship

- Uninsured paid on average $1,200 for health care in 1999 – a significant proportion of income for some.

- Health costs are a major source of debt
  - Medical bills accounted for 40 percent of personal bankruptcy
  - Major source of credit card debt

Percent With Difficulty Paying for Basic Living Costs (e.g., Food, Rent, Heat), 2001

- 40% Uninsured
- 12% Insured All Year

Sources: AHRQ MEPS data for 1999; Warren et al., 2000; Duchon et al., Commonwealth Fund, December 2001.
Causes Broader Financial Hardship

- $35 billion in uncompensated care in the system
- Hurts global competitiveness

Real Health Expenditures Per Capita in 1998 (U.S. $)

Sources: Hadley and Holahan, 2003
Notes: Health expenditure per capita expressed in economy-wide purchasing power parity, United States dollars. OECD country average, weighted average for 19 OECD countries that have a relatively complete set of data. Source: Health at a Glance, Organization for Economic Cooperation and Development (OECD), Table 4.1, page 83.
Affects Society’s Potential

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<th>Uninsured Workers Are:</th>
<th>Uninsured Children Are:</th>
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<tr>
<td>• More likely to miss work</td>
<td>• 25% more likely to miss school</td>
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<tr>
<td>• Less likely to use preventive services, exercise regularly</td>
<td>• 3 times more likely to not get needed medications, glasses or mental health care</td>
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<tr>
<td>• Less likely to receive appropriate care for chronic illness</td>
<td>• Less likely to play sports</td>
</tr>
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Source: Ha, Health System Change, February 2002; Stoddard JJ et al. 1994
WHAT CAUSES THIS PROBLEM?

• Lack of Access
  – Not all Americans have access to affordable health insurance

• Lack of Affordability
  – The cost of insurance is often prohibitive

• Complexity and Size of the System

• Lack of Political Consensus