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

<table>
<thead>
<tr>
<th>Date</th>
<th>Less Than 6 Months</th>
<th>6-12 Months</th>
<th>12-24 Months</th>
<th>24 Months +</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>74.7</td>
<td>26.1</td>
<td>16.6</td>
<td>14.0</td>
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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

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<th>1999</th>
<th>2009</th>
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<td>Workers</td>
<td>23.1%</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

- Work Full Time, 59%
- Work Part Time, 16%
- Do Not Work, 25%

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

- **Uninsured:** 40%
- **Insured All Year:** 12%

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

Uninsured Workers Are:

• More likely to miss work
• Less likely to use preventive services, exercise regularly
• Less likely to receive appropriate care for chronic illness

Uninsured Children Are:

• 25% more likely to miss school
• 3 times more likely to not get needed medications, glasses or mental health care
• Less likely to play sports

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