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Five Basic Facts on the Uninsured

About 46 million people in the U.S. lack health insurance and enabling more people to gain coverage has been a focus of policy efforts at the state and national levels. This brief provides basic facts that explain why so many people lack coverage and how being uninsured affects their health and financial security.

Most of the 46 million uninsured are in working families and do not have access to employer-sponsored insurance.

Eight in ten of the uninsured live in families with at least one worker. Uninsured workers typically do not have employer-sponsored insurance offered through their jobs and cannot access it through a family member.

Nine in ten of the uninsured are in low- or moderate-income families.

About two-thirds of the uninsured have incomes below 200% of the federal poverty level (about \$44,050 for a family of four in 2008). Only one in ten of the uninsured are above 400% of poverty. Since the average annual cost of employer-sponsored family coverage in 2009 was \$13,375, many can only afford coverage if they receive sizable employer contributions.

Medicaid has played a key role in preventing more Americans from becoming uninsured.

In 2008, the number of people with Medicaid increased and helped to offset declines in private coverage. Medicaid coverage is primarily available to low-income children, parents, pregnant women, people with disabilities, and the elderly. Most non-disabled adults under age 65 who do not have dependent children are not eligible for Medicaid regardless of their income.

The uninsured suffer from negative health consequences due to their lack of access to necessary medical care.

About one-quarter of uninsured adults go without needed care due to cost each year. The uninsured are less likely than those with insurance to receive preventive care and services for major health conditions—which leads to more serious health problems for many.

Medical bills are a burden for the uninsured and frequently leave them with debt.

The uninsured often face unaffordable medical bills when they do seek care. When they receive care, the uninsured pay for more than one-third of their care out-of-pocket and are often charged higher amounts for their care than the insured pay. These bills can quickly translate into unaffordable levels of medical debt since most of the uninsured have low or moderate incomes and have little, if any, savings.

1) Most of the 46 million uninsured are in working families and do not have access to employer-sponsored insurance.

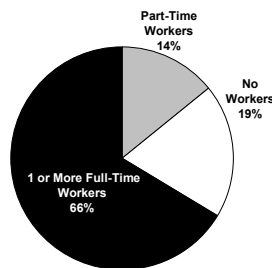
Eight in ten of the 46 million uninsured in the U.S. come from working families (Figure 1).^{*} Most uninsured workers are self-employed or work for small firms where health benefits are much less likely to be offered.¹ Almost three-quarters of uninsured employees in 2005 were not offered employer-sponsored insurance, either through their own employer or that of a family member—and the share is likely to be higher today given the recession and the continued growth in the cost of health premiums.²

Key Details:

- Workers usually enroll in employer-sponsored health insurance if they are eligible. Since the average annual cost of employer-sponsored family coverage in 2009 was \$13,375, lower income workers cannot afford these plans without sizable contributions from their employers.³
- Since 2000, the percentage of firms offering coverage has decreased from 69% to 60% and the percent of people with employer-sponsored insurance has also decreased. Recent declines in employers offering coverage have had the greatest impact on low-income employees.⁴
- The uninsured realize that health insurance is important but cannot find affordable coverage. In a recent government survey, only 2% of adults said that one of the reasons they are uninsured is because they do not need coverage.⁵
- About three-quarters of the uninsured are uninsured for more than one year.⁶ The uninsured often remain without coverage because they do not have access to employer-sponsored insurance.

Figure 1

Nonelderly Uninsured by Family Work Status, 2008



Total = 45.7 million uninsured

Data may not total 100% due to rounding.
SOURCE: KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS.

^{*} This analysis focuses on the population under 65 because almost all of the elderly are covered by Medicare. However 646,000 of those ages 65 and over are uninsured, which brings the total number of uninsured to 46.3 million.

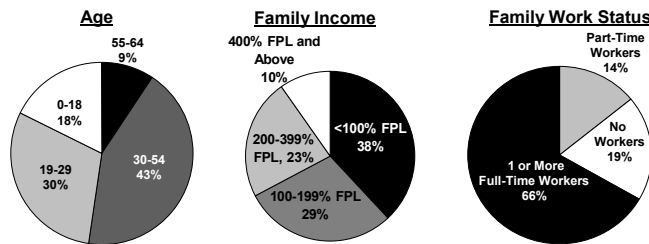
2) Nine in ten of the uninsured are in low- or moderate-income families.

About two-thirds of the uninsured have low incomes, meaning their family income is less than 200% of the poverty level (about \$44,050 a year for a family of four or \$21,982 a year for a single person in 2008). Moderate income families, those from 200-399% of poverty, comprise 23% of the uninsured (Figure 2). The average annual cost of employer-sponsored family coverage has doubled since 2000. Because the cost of family coverage in 2009 was \$13,375, many families can only afford coverage if they receive sizable employer contributions.

Key Details:

- Aside from the elderly, who are almost all covered by Medicare, the uninsured span the age spectrum. Adults ages 30 and over make up more than half of the uninsured. Young adults age 19-29 comprise 30% of the uninsured and they have the highest uninsured rate (30%) of any age group. Young adults' low incomes leave them more likely to be uninsured than older adults. Most uninsured young adults (60%) live in families with incomes below \$20,000 a year.⁷
- It can be difficult for uninsured adults to gain jobs with better pay or benefits since they have much lower levels of education than those with private insurance. Uninsured adults are about twice as likely as privately insured adults to have no education beyond high school (62% vs. 32%).⁸
- About eight in ten of the uninsured (80%) are American citizens. The remaining 20% of the uninsured are non-citizens. Non-citizens include legal permanent residents (immigrants with green cards), refugees, temporary immigrants, and undocumented immigrants.

Figure 2
Characteristics of Nonelderly Uninsured, 2008



Total = 45.7 million uninsured

The federal poverty level was \$22,025 for a family of four in 2008. Data may not total 100% due to rounding.
 SOURCE: KCMU/Urban Institute analysis of ASEC Supplement to the CPS, March 2009.

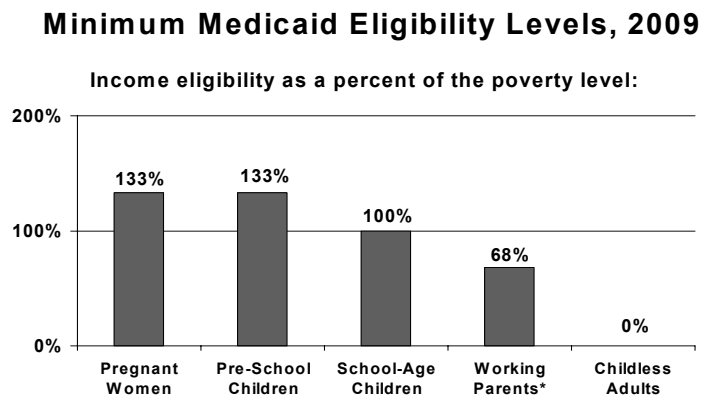
3) Medicaid has played a key role in preventing more Americans from becoming uninsured.

Medicaid has been key to preventing more people from becoming uninsured, but many people still do not qualify. Medicaid coverage is mainly available to low-income children, parents, pregnant women, people with disabilities, and the elderly. Federal rules limit states' ability to use Medicaid to cover non-disabled adults under age 65 who do not have dependent children. These rules leave most adults who are not parents ineligible for Medicaid even if they have incomes below the poverty level (Figure 3).

Key Details:

- In 2008, an increase in Medicaid coverage helped to offset declines in private insurance. Medicaid's role in covering children was particularly important. While about 700,000 children lost employer-sponsored coverage in 2008, more than twice as many (1.7 million) gained Medicaid coverage—decreasing the number of uninsured children by 800,000 in a single year.⁹
- Some states have expanded Medicaid coverage beyond federal minimums and made more of their low-income population eligible. The number of adults in Medicaid has increased as incomes declined due to the recession. Meanwhile, other states have left most low-income individuals ineligible for public coverage.
- Confusion over who qualifies for Medicaid or the Children's Health Insurance Program (CHIP) and an enrollment process that can be difficult to navigate have left one-quarter of the uninsured without coverage despite being eligible for these programs.¹⁰ Many states have tried to streamline eligibility and raise awareness of Medicaid and CHIP, but state budget constraints have limited these efforts.¹¹
- Federal restrictions on immigrant eligibility for Medicaid and CHIP leave many low-income immigrants uninsured, particularly legal immigrants who have been in the U.S. for less than five years. However, in 2009 states were given the option of extending Medicaid coverage to children and pregnant women who previously would have been subject to the five year ban. Federal law bars undocumented immigrants from receiving Medicaid and CHIP coverage.¹²

Figure 3



* National median Medicaid income eligibility level for working parents in 2009.

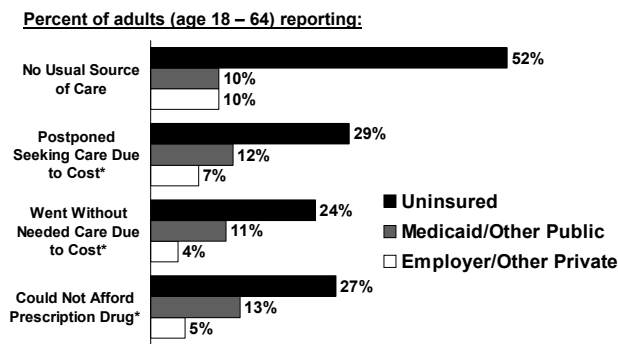
4) The uninsured suffer from negative health consequences due to their lack of access to necessary medical care.

About one-quarter (24%) of uninsured adults go without needed care each year due to cost (Figure 4). Studies repeatedly demonstrate that the uninsured are less likely than those with insurance to receive preventive care and services for major health conditions, including traumatic injuries, heart attacks, and chronic diseases—and many suffer serious consequences.¹³

Key Details:

- Health providers can choose to not provide care to the uninsured. Only emergency departments are required by federal law to screen and stabilize all individuals. If the uninsured are unable to pay for care in full, they are often turned away when they seek follow-up care for urgent medical conditions.¹⁴
- The uninsured receive less preventive care and recommended screenings than the insured. Adults who have been uninsured for more than one year are three to four times more likely to have not received recommended breast cancer screenings or to have had their blood pressure checked.¹⁵
- Receiving needed care is especially important for the uninsured since they are not as healthy as those with private coverage. Uninsured adults are less likely to receive follow-up care after a chronic condition is diagnosed and as a result are more likely to have their health decline.¹⁶ Over the past ten years, it has become more difficult for uninsured adults with a chronic condition to access care.¹⁷

Figure 4
Barriers to Health Care Among Nonelderly Adults, by Insurance Status, 2008



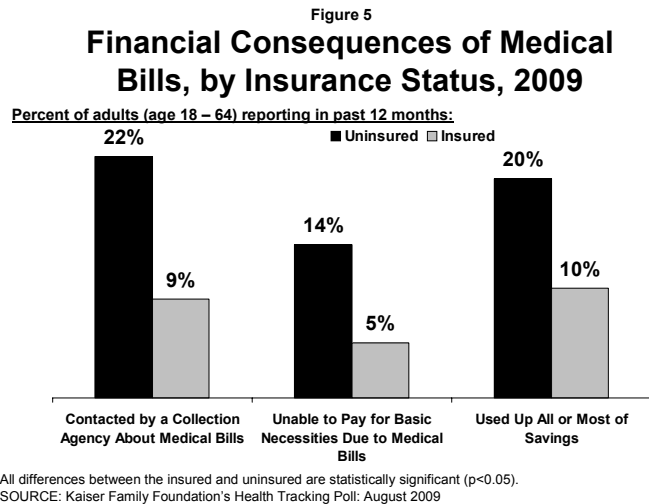
* In past 12 months.
 Respondents who said usual source of care was the emergency room were included among those not having a usual source of care.
 SOURCE: KCMU analysis of 2008 NHIS data.

5) Medical bills are a burden for the uninsured and frequently leave them with debt.

The uninsured often face unaffordable medical bills when they do seek care. These bills can quickly translate into medical debt since most of the uninsured have low or moderate incomes and have little, if any, savings.

Key Details:

- The uninsured pay for more than one-third (35%) of their care out-of-pocket.¹⁸ They are typically billed for any care they receive, often paying higher charges than the insured.¹⁹
- Medical bills can put great strain on the uninsured and threaten their physical and financial well-being. The uninsured are nearly three times as likely (14% versus 5%) as those with health insurance coverage to be unable to pay for basic necessities due to medical bills (Figure 5). Additionally, 20% of the uninsured report having used up all or most of their savings because of medical bills.
- The average uninsured household also has no net assets.²⁰ Without sufficient income or assets to pay their medical bills, uninsured individuals often see their debts accumulate while their credit ratings are compromised. Twenty-two percent of uninsured adults have been contacted by a collection agency about their medical debts in the past twelve months, compared to 9% of insured adults.



Conclusion

Most of the uninsured come from working families, but have low incomes. Employer-sponsored insurance has been declining since 2000, punctuated by economic recessions. Public insurance coverage has helped to buffer some, but not all, of this loss, with children particularly benefiting from Medicaid and CHIP coverage. Low- and moderate-income uninsured adults are typically not eligible for Medicaid coverage. They are also often unable to afford insurance on their own, and so are left without options if their employer does not offer affordable coverage. Most of the uninsured are left unprotected from the costs of medical care and often incur medical debts to pay for the care they receive.

Going without coverage can have serious health consequences for the uninsured because they receive less preventive care, and delayed care often results in more serious illness requiring advanced treatment. With 46 million people in the U.S. lacking coverage in 2008 and high unemployment rates most likely causing even greater numbers to become uninsured in 2009, there is added pressure to address the lack of health coverage for this population.

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- ¹ Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of the 2009 ASEC Supplement to the CPS.
- ² L. Clemans-Cope, B. Garrett, and C. Hoffman, 2006, "Changes in Employees Health Insurance Coverage, 2001-2005," Kaiser Commission on Medicaid and the Uninsured (#7570 October) Available at: <http://www.kff.org/uninsured/7570.cfm>
- ³ Kaiser Family Foundation and Health Research and Educational Trust, 2009, "Employer Health Benefits 2009 Annual Survey."
- ⁴ L. Clemans-Cope, B. Garrett, and C. Hoffman, 2006.
- ⁵ KCMU analysis of 2008 National Health Interview Survey data. Analysis of question "Which of these are reasons {person} stopped being covered or does not have health insurance...no need for it/chooses not to have."
- ⁶ 74% of those uninsured at the time of their interview had been uninsured for more than one year. National Center for Health Statistics, CDC, 2008, *Summary of Health Statistics for the U.S. Population: National Health Interview Survey, 2007*.
- ⁷ KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS. More information on uninsured young adults is in the following report: K. Schwartz and T. Schwartz, 2008 "Uninsured Young Adults: A Profile and Overview of Coverage Options," KCMU (#7785 June) Available at: <http://www.kff.org/uninsured/7785.cfm>
- ⁸ KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS.
- ⁹ KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS.
- ¹⁰ J. Holahan, A. Cook, and L. Dubay, 2007 "Characteristics of the Uninsured: Who is Eligible for Public Coverage and Who Needs Help Affording Coverage?" KCMU (#7613 October) Available at: <http://www.kff.org/uninsured/7613.cfm>
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- ¹² Kaiser Family Foundation, 2009 "Immigrants' Health Coverage and Health Reform: Key Questions and Answers," (#7982 September).
- ¹³ J. Ayanian et al., 2000, "Unmet Health Needs of Uninsured Adults in the United States," *JAMA* 284(16):2061-9. R. Roetzheim et al, 2000, "Effects of Health Insurance and Race on Colorectal Cancer Treatments and Outcomes," *American Journal of Public Health* 90(11):1746-54. J. Hadley, 2007, "Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition," *JAMA* 297(10):1073-84. Canto J et al., 2000, "Payer Status and the Utilization of Hospital Resources in Acute Myocardial Infarction," *Archives of Internal Medicine*, 160(6):817-23.
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- ¹⁵ J. Ayanian et al, 2000.
- ¹⁶ J. Hadley, 2007.
- ¹⁷ C. Hoffman and K. Schwartz, 2008 "Eroding Access among Nonelderly Adults with Chronic Conditions: Ten Years of Change," *Health Affairs* 27(5) w340 (published online 22 July 2008).
- ¹⁸ J. Hadley, J. Holahan, T. Coughlin, and D. Miller, 2008 "Covering The Uninsured In 2008: Current Costs, Sources Of Payment, And Incremental Costs" *Health Affairs* 27 (5) w399 (published online 25 August 2008).
- ¹⁹ G. Anderson, 2007, "From 'Soak The Rich' To 'Soak The Poor': Recent Trends In Hospital Pricing." *Health Affairs* 26(4): 780-789.
- ²⁰ P. Jacobs and G. Claxton, "Comparing the Assets of Uninsured Households to Cost Sharing Under High Deductible Health Plans," *Health Affairs* 27(3):w214 (published online 15 April 2008).



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