



Committee on Ways and Means Democrats

Representative Charles B. Rangel - Ranking Member

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KEY FACTS ABOUT THE UNINSURED

Demographic Information

- Almost 46 million people are uninsured at any time during the year.ⁱ Eighty million Americans experience some period without coverage over 2 years.ⁱⁱ
- Nearly six million people have lost their health insurance coverage since 2000, primarily due to loss of job-based coverage.ⁱⁱⁱ
- Four out of five (82%) of the uninsured are in working families.^{iv} Seventy percent of uninsured workers are in firms where no coverage is offered.^v
- More than half of the uninsured were estimated to be uninsured for at least nine months. Only 10% were without health coverage for two months or less.^{vi}
- People of color are much more likely to be uninsured. Only 67% of Hispanics and 80% of blacks have health insurance, compared to 89% of whites.^{vii}
- Two-thirds of the uninsured have incomes under 200 percent of poverty.^{viii}
- Forty-five percent of the uninsured have no tax liability.^{ix}

Effect On The U.S. Economy

- The economic vitality of the country is diminished by productivity lost as a result of the poorer health and premature death or disability of uninsured workers.^x
- The U.S. loses between \$60 billion and \$130 billion in productivity annually because so many Americans do not have health insurance coverage.^{xi}
- Medicare, Social Security Disability, and the criminal justice system likely cost more than they would if everyone had health insurance coverage.^{xii}

Cost of Not Covering the Uninsured

- Caring for the uninsured is a significant financial strain on health care providers and institutions that can lead to loss of valuable community resources, such as a trauma center or physician practices. These consequences affect everyone, not just the uninsured.^{xiii}
- Health insurance premiums for families who have insurance through their private employers are, on average, \$922 higher in 2005 due to the cost of health care for the uninsured; premiums for individual coverage will cost an extra \$341.^{xiv}

Cost of Covering the Uninsured

- Taxpayers pay about \$35 billion annually to cover services for the uninsured.^{xv}
- In total, \$99 billion is spent on care to the uninsured through hospital emergency rooms and clinics. It would only take an additional \$65 billion to insure everyone in America.^{xvi}

The Under-Insured

- Approximately one-fifth of *insured* individuals are underinsured – that is, they have insurance but still spend a disproportionate share of income on medical expenses because of inadequate benefits, coverage limits or substantial cost-sharing.^{xvii}
- High co-payments, deductibles, exclusions from coverage, and other loopholes left people holding the bag for thousands of dollars in out-of-pocket costs when serious illness struck, ultimately forcing them into bankruptcy. Even families with so-called “Cadillac” coverage were often bankrupted by medical problems.^{xviii}
- Families are paying a greater percent of their income on medical care. In 2001–02, an average of 13 million families per year—11 percent of all families—had direct out-of-pocket costs equal to or exceeding 10 percent of family income. Five million families per year with incomes below 200 percent of the federal poverty level had direct costs equal to 5 percent to 10 percent of their income.^{xix}
- When the family's share of private health insurance premiums is added to out-of-pocket spending for medical care, 18 percent of families had costs greater than 10 percent of income.^{xx}

Bankruptcy

- Every thirty seconds in the US someone files for bankruptcy in the aftermath of a serious health problem. Having even one uninsured person in a family can jeopardize everyone's financial stability and health.^{xxi}

- Most of the medically bankrupt were middle-class homeowners who had been to college and had responsible jobs - until illness struck.^{xxii}
- Medical bills are the leading cause of personal bankruptcy. Nearly half of all bankruptcies involved a medical problem. Three-quarters of those filing for bankruptcy as a result of high medical bills had health insurance.^{xxiii}
- Too sick to work, people lost their jobs, their income, and their health insurance, leading them into bankruptcy. One in five went without food. Nearly two-thirds skipped needed medical and dental visits.^{xxiv}
- Women heads of households were more likely to report a health-related bankruptcy.^{xxv}

Problems With The Individual Market

- President Bush supports giving people tax credits to purchase health insurance through the individual market. However, this coverage is difficult to get, expensive, and often substandard. Insurance companies that sell through the individual market can refuse to cover certain health conditions (such as asthma and cancer), entire body parts (knee, breast), or body systems (circulatory); charge unlimited cost sharing; or impose premium surcharges.^{xxvi}
- Coverage for maternity benefits, prescription drugs, and mental health and substance abuse treatment is limited in the individual market, if available at all.^{xxvii} In many states, insurers can simply refuse to cover applicants.
- It is entirely possible that insurers will create new bare-bones policies with premiums tailored to the tax credit and benefits that offer virtually no usable coverage (e.g., very high deductibles). This will simply divert the tax credits to the insurance industry while offering virtually no help to the uninsured.

The Consequences of Being Uninsured

- 18,000 people a year die prematurely because they lack health insurance.^{xxviii}
- The uninsured are in poorer health and die prematurely. Uninsured children lose the opportunity for normal development and educational achievement when preventable health conditions go untreated.^{xxix}
- Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.^{xxx}

- The uninsured are more likely than those with insurance to be hospitalized for conditions that could have been avoided, such as pneumonia and uncontrolled diabetes.^{xxx}
- Uninsured children are 70% more likely than insured children not to receive medical care for common conditions like ear infections and 30% less likely to receive medical attention when they are injured.^{xxxii}
- Eight million uninsured Americans fail to take medication their doctors prescribe, because they cannot afford to fill the prescription.^{xxxiii}
- In 2002, over 40 percent of uninsured adults postponed seeking medical care and 28 percent say they needed but did not get medical care in the past year.^{xxxiv}
- Uninsured adults are less than half as likely as those with insurance to receive needed care for a serious medical condition.^{xxxv}

- ⁱ U.S. Census Bureau Current Population Reports. "Health Insurance Coverage in the United States: 2004." August, 2005. Available online at <http://www.census.gov/prod/2005pubs/p60-229.pdf>
- ⁱⁱ Families USA. "Going Without Health Insurance: Nearly One in Three Non-Elderly Americans." March 2003. Available online at: http://www.familiesusa.org/site/DocServer/Going_without_report.pdf?docID=273. Short, Pamela Farley, Deborah R. Graefe, and Cathy Schoen. "Churn, Churn, Churn: How Instability of Health Insurance Shapes America's Uninsured Problem." The Commonwealth Fund. November 2003. Available online at: http://www.cmwf.org/programs/insurance/short_churn_ib_688.pdf. Short, Pamela Farley and Deborah R. Graefe. "Battery-Powered Health Insurance? Stability In Coverage of the Uninsured." Health Affairs. November/December 2003. Available online at <http://www.healthaffairs.org/CMWF/Short.pdf>
- ⁱⁱⁱ Kaiser Family Foundation, "Covering the Uninsured: Growing Need, Strained Resources." Washington, DC. November 2005. Available online at <http://www.kff.org/uninsured/upload/Covering-the-Uninsured-Growing-Need-Strained-Resources-Fact-Sheet.pdf>
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- ^{xi} Institute of Medicine. "Hidden costs, Value Lost: Uninsurance in America." June 2003.
- ^{xii} Institute of Medicine. "Hidden costs, Value Lost: Uninsurance in America." June 2003.
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^{xxxiii} The Henry J. Kaiser Family Foundation Commission on Medicaid and the Uninsured. June 1998.

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