

AMA-MSS CTUW Modules

#3 – Health Insurance Statistics

HIGH COST OF US HEALTH CARE

- The US spends 1.7 trillion dollars on health care every year
- At 15% of gross domestic product (GDP), US has highest total highest health expenditures among developed nations
- US spends 40% more per capita on health care than any other Western industrialized nation but remains only developed nation that does not offer a basic health benefit package to all of its citizens
- As cost of care and health premiums continues to increase less Americans can afford insurance and the number of uninsured increases; 70% of uninsured adults say that high health premiums are what keep them uninsured
 - o The cost of health care rises much faster than increases in aggregate economy and employee income.
 - o Employer trends show cut health benefits and increased employee contribution to health care plans
 - o In 2005, 67% of insured adults said their premiums went up in the past five years; 38% said they went up “a lot”

THE UNINSURED

- Approximately 45 million people in the US are uninsured (up from 38.4 million in 2000)
- Large majority of uninsured individuals are *working* American citizens
 - o 4 of 5 of uninsured (83%) are in working families; 72% in household w full-time worker
 - o Though 2/3 of Americans receive insurance through their employer, only 75% are offered plans—leaving 25% to fend for themselves; Individuals have no leverage; unsubsidized premiums may exceed 10% of annual income
- 1 in 5 families (17 of 85 mill) have at least one uninsured person
- When parents are insured, 95% of the time, kids are too
- 1 uninsured member can destabilize an entire family!
- Uninsured population consists of:
 - o 31% Low-Income Adults w/o children;
 - o 22% Other Adults w/o children;
 - o 17% Low-Income Children;
 - o 16% Low-Income Parents;
 - o 8% Other Parents;
 - o 6% Other Children
- Public programs cover:
 - o Medicare: nearly all elderly
 - o Medicaid/SCHIP: 38 mill low-income, especially children
 - Major gap: Some of poorest people are ineligible if no children!
 - Neither program has reached enrollment potential (more than half of the 8 mill uninsured children are eligible for coverage)
- People at risk for being uninsured:
 - o Low income (200% FPL, \$27,476, and under); comprise 2/3 of uninsured pop

- 1/3 of poor ($\leq 99\%$ FPL) are uninsured
- 1/4 of near-poor (100-199% FPL) uninsured
- Low-wage workers (including unskilled laborers, service workers, and small business employees)
- Adults under 65 (since most children and elderly are covered publicly); 60% of uninsured low income are adults: **Highest incidence between ages 21-35**
- Other trends: male, single, immigrants
 - Though immigrants are at a higher risk of being uninsured, the majority of the uninsured pop = American citizens

UNINSURED HEALTH CONSEQUENCES

- 40% of uninsured adults and 25% of uninsured children will have no regular source of health care → lack of coverage affects job decisions, financial security, access to care, and health status; uninsured are/will:
 - 50% as likely to get treatment when injured
 - More likely to receive substandard care
 - 37% higher mortality rate when traumatically injured
 - Die sooner – 25% higher risk (delayed diagnosis!)
 - Less likely to receive preventive care
 - 30% less likely to have received check-up in past yr
 - General health outcomes decreased
 - More likely to be hospitalized for avoidable conditions (e.g. pneumonia)
 - More likely to be diagnosed with late-stage cancer → higher breast cancer death rates (less likely to perform screening measures etc)
 - Treatment gaps include: diabetes mgmt, HIV maintenance, cardiovascular treatment, end-stage renal disease, mentally ill
- Uninsured Treatment affects entire community:
 - Higher uninsured rates correlate with worse access to care; High uninsured can mean less access to care for whole community
 - Overcrowding of emergency departments → affects all care services; also have the obvious financial burdens of supporting uninsured care
 - Public health effects of uninsured = don't know you're HIV+ e.g.
- Emergency room treatment of uninsured
 - One quarter spend all or most of their life savings on their medical bills, borrow money to pay them, or declare bankruptcy
 - Medical bill problems: 60% are or were recently uninsured; medical bills are a factor in nearly half of all bankruptcy filings
 - Many medical bills are eventually covered by the hospitals themselves
 - Public support (fed state local government) accounts for as much as 85% of estimated 34-38 bill that uninsured spends

COVERING THE UNINSURED

- Cost of uncompensated care is roughly \$35 bill annually
- Cost of health services if they gained coverage estimated at \$34 to \$69 bill
 - Uninsured rates vary widely across states: nearly four-fold difference! (RI 7% vs. NM 27% are uninsured) → perhaps a problem of distribution rather than cost

- Estimated value of health capital forgone each year due to uninsurance: \$65-\$130 bill (if a healthy person year is worth \$160,000, the cumulative unhealthy years across uninsured persons is 65-130 bill every year)
- Conclusion: value of healthy yrs gained is almost certainly greater than the additional cost of “insured” level of services for the uninsured
- IOM Report on the Uninsured: “demonstrates conclusively that there are benefits for the nation and all its residents from eliminating uninsurance and ensuring coverage for everyone”

CONCLUSIONS

- Uninsured = large pop, mostly Americans citizens, mostly working families, largely not getting care they need
- At risk of poorer health b/c of lack of health insurance (and shown that health *will* improve if covered)
- Uninsured pop is not affecting only itself; Spillover effects → primary care, specialty, emergency/trauma financial stress
- Costs society in: lost health and longevity (including developmental and educational losses from health deficits), financial instability (personally + community), & lost workforce productivity
- There is benefit for all members of society to have public policy covering the uninsured

UNINSURED RESOURCES

- The Cover the Uninsured Week Website: <http://covertheuninsuredweek.org/issue/>
- The AMA-MMS Website on Health Care Access: <http://www.ama-assn.org/ama/pub/category/11453.html>
- Kaiser Family Foundation: <http://www.kff.org/uninsured/index.cfm>
- National Health Policy Forum: <http://www.nhpf.org/>
- KaiserEDU (specifically for students!): <http://www.kaiseredu.org/>
- Centers for Medicare and Medicaid Services: <http://www.cms.hhs.gov/>
- Agency for Healthcare Research and Quality: www.ahrq.gov
- The Century Foundation: <http://www.tcf.org>
- Harvard/Commonwealth Health Policy Education Initiative: <http://www.improvehealthcare.org/>

FACT REFERENCES

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