

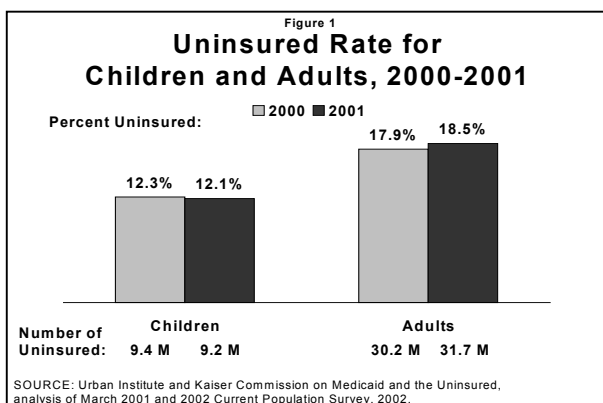
THE UNINSURED AND THEIR ACCESS TO HEALTH CARE

While nearly two-thirds of nonelderly Americans receive health insurance coverage through their employers and almost all the elderly are covered through Medicare, millions of Americans lack health insurance, either because their employer does not offer it or they cannot afford to pay for it. Medicaid and the State Children's Health Insurance Program (SCHIP) play an important role by covering over 40 million nonelderly low-income people, especially children. However, limits to these public programs and gaps in employer coverage leave 41 million Americans uninsured — creating substantial barriers to obtaining timely and appropriate health care.

HOW MANY AMERICANS ARE UNINSURED?

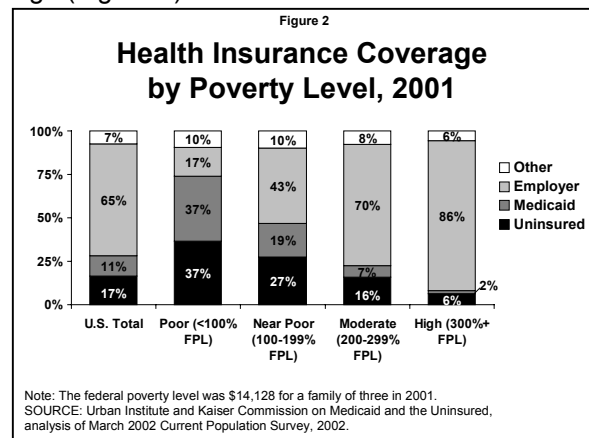
Between 2000 and 2001 the number of uninsured increased by 1.4 million—now affecting 40.9 million, or 16% of nonelderly Americans. Throughout most of the 1990s the number of uninsured had been increasing by roughly a million each year. In 1999, modest increases in employer coverage due to the robust economy, coupled with expanded public coverage, led to the first slight decrease in the number of uninsured in over a decade. Increased Medicaid and SCHIP coverage for children in 2000, spurred by efforts to increase enrollment, accounted for a small decline in the number of uninsured children again that year.

However, with the economic downturn in 2001, the number of uninsured increased again. Family incomes shifted downward and the share of Americans with employer-sponsored insurance decreased for the first time since 1993. Most of the increase in the uninsured was among low-income persons (1.3 million). While the Medicaid program and SCHIP filled in the gap in private coverage for children, the share of adults with public coverage did not increase to offset their loss of job-based coverage (Figure 1).

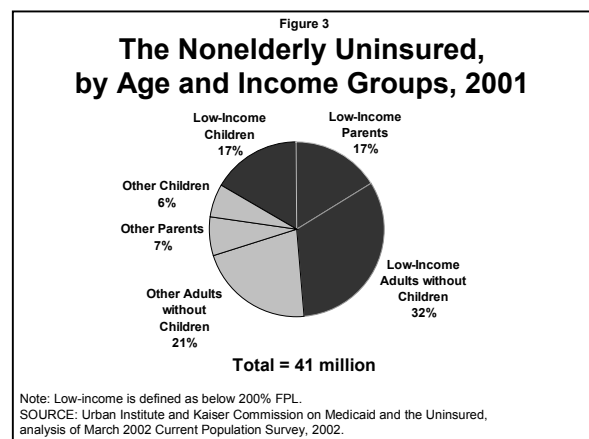


WHO ARE THE UNINSURED?

Low-income Americans (those who earn less than 200% of the federal poverty level, or \$28,256 for a family of three in 2001) run the highest risk of being uninsured. Over a third of the poor and more than a quarter of the near-poor lack coverage (Figure 2).



The poor and the near-poor comprise two-thirds (66%) of the uninsured population (Figure 3).

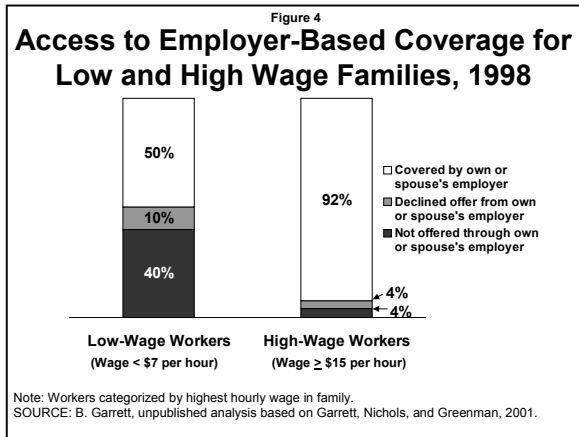


Four out of five (82%) of the uninsured are in working families: 70% live in households with a full-time worker and 12% with a part-time worker. Low-wage workers are at greater risk of being uninsured, as are laborers, service workers, and those employed in small businesses.

There are disproportionately more adults than children among the uninsured, as coverage under Medicaid and SCHIP primarily assists children. Over 60% of uninsured adults have incomes less than 200% of the poverty level.

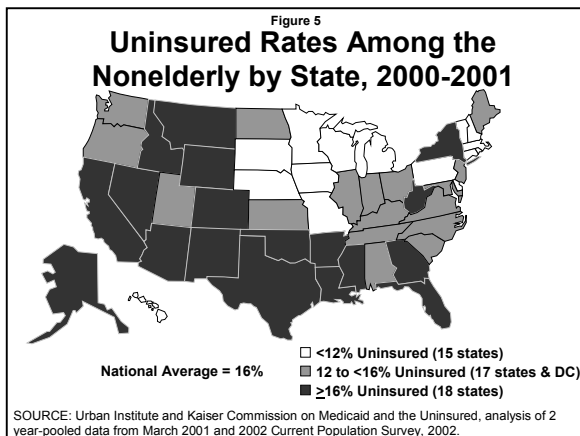
WHY ARE SO MANY AMERICANS UNINSURED?

The expense of insurance makes private coverage unavailable to many Americans, particularly low-wage workers. They are far less likely than higher wage workers to be offered insurance as a benefit, either through their own or a spouse's job (Figure 4). Individually purchased insurance is often not a viable option, as these plans typically charge very high premiums or offer limited benefits.



Medicaid fills in gaps in coverage for over 40 million low-income Americans; however, coverage for adults is very limited. Nonelderly adults must meet stringent income eligibility standards, and even the poorest are generally ineligible if they do not have children. Parents may qualify for Medicaid, but their income eligibility levels are set much lower than children's. In addition, neither Medicaid nor SCHIP has reached its full enrollment potential, leaving many eligible children still uninsured.

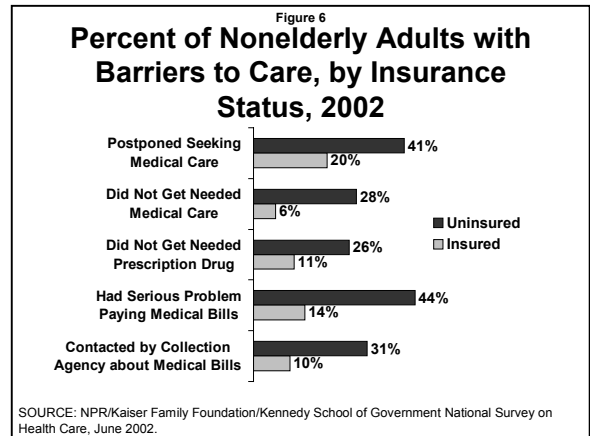
Uninsured rates vary widely across states largely due to differences in state economies and employer-sponsored coverage, the share of families who live on low incomes, and the scope of state Medicaid programs. Nearly a three-fold difference exists between the states with the lowest (MN, RI, and WI with 9%) and highest (NM and TX with 26%) uninsured rates (Figure 5).



WHAT DIFFERENCE DOES HEALTH INSURANCE MAKE?

Health insurance affects access to health care as well as the financial well-being of families. Nearly half (47%) of nonelderly uninsured adults have no regular source of health care, and coupled with a fear of high medical bills, many delay or forgo needed care.

- In 2002, over 40% of uninsured adults postponed seeking medical care, and 28% say they needed but did not get medical care in the past year (Figure 6).



- 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.
- Both uninsured adults and children are less likely to receive preventive care. Uninsured adults are over 30% less likely than insured adults to have had a check-up in the past year. Similarly, a third of uninsured children did not see a doctor in the past year.
- In addition to health consequences, lack of insurance can have a substantial financial impact: 44% of the uninsured had a serious problem paying medical bills in 2002, and nearly a third were contacted by a collection agency about medical bills.

Delaying or not receiving treatment can lead to more serious illness and avoidable health problems, which ultimately make a difference in how healthy people are.

- 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.
- The uninsured with various forms of cancer are more likely to be diagnosed with late stage cancer. Death rates for uninsured women with breast cancer are significantly higher compared to women with insurance.

Charitable physicians and the safety net of community clinics and public hospitals do not substitute for health insurance. Lack of coverage clearly matters for the millions of uninsured Americans—affecting job decisions, financial security, access to care, and health status.

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