

THE UNINSURED AND THEIR ACCESS TO HEALTH CARE

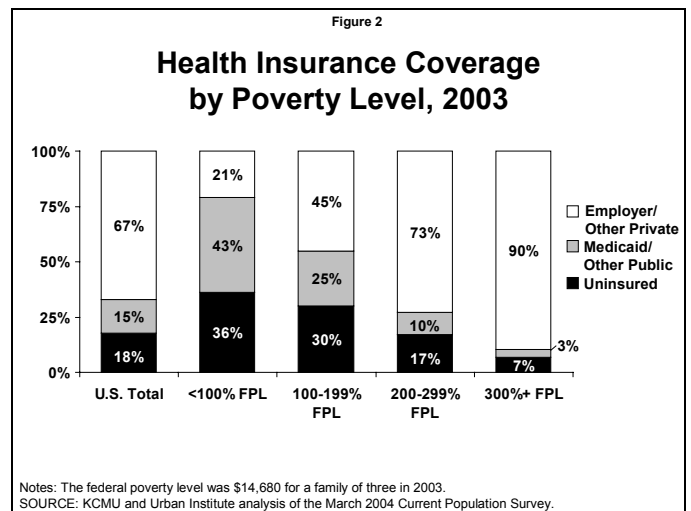
While the majority of Americans (62%) under the age of 65 receive health insurance coverage through their employers and almost all the elderly are covered through Medicare, 44.7 million nonelderly Americans lacked health insurance in 2003. Medicaid and the State Children’s Health Insurance Program (SCHIP) play an important role by covering millions of nonelderly low-income people, especially children. However, limits to these public programs and gaps in employer coverage leave millions of nonelderly Americans uninsured – creating substantial barriers to obtaining timely and appropriate health care.

HOW MANY AMERICANS ARE UNINSURED?

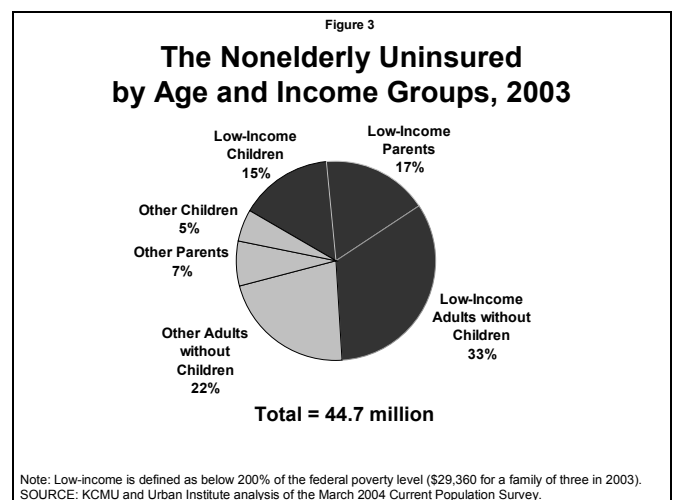
Since the economic downturn in 2001, family incomes have shifted downward and the share of Americans with employer-sponsored insurance has declined for four consecutive years. The number of uninsured has grown by over five million since 2000 (Figure 1). Now more than one in six of the nonelderly population are uninsured (18%).

The Medicaid program and SCHIP filled in the gap in private coverage for children and the share of children who are uninsured has actually decreased. But public coverage for adults did not increase enough to offset the loss of job-based coverage. Adults accounted for all the growth in the number of uninsured between 2000 and 2003 and comprise 80% of the uninsured.

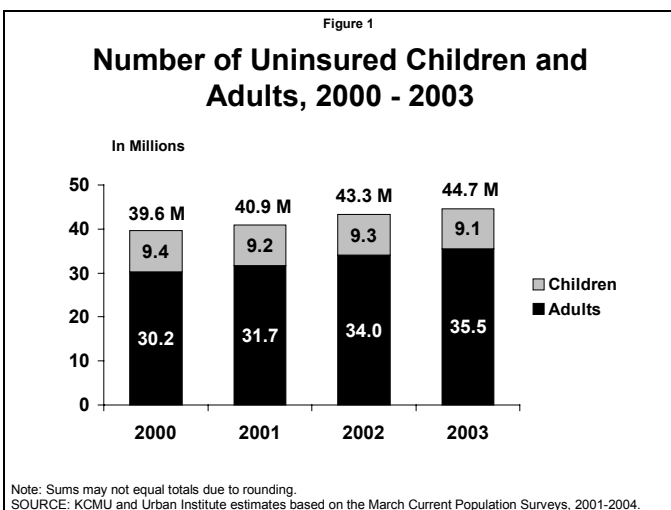
Over a third of the poor and nearly a third of the near-poor (100-199% of poverty) lack health insurance coverage (Figure 2).



Two-thirds of the uninsured come from low-income families, and a third of the uninsured are either low-income parents or their children (Figure 3). There are disproportionately more adults than children among the uninsured, as coverage under Medicaid and SCHIP primarily assists children.



Four out of five (81%) of the uninsured are in working families – 69% in households with at least one full-time worker and 12% with a part-time worker. Low-wage workers are at greater risk of being uninsured, as are those employed in small businesses, service industries, and blue-collar jobs.

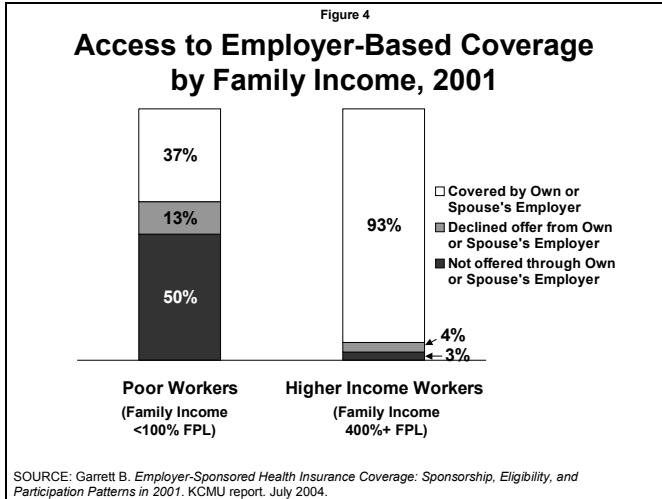


WHO ARE THE UNINSURED?

Low-income Americans with family incomes below 200% of the poverty level run the highest risk of being uninsured.

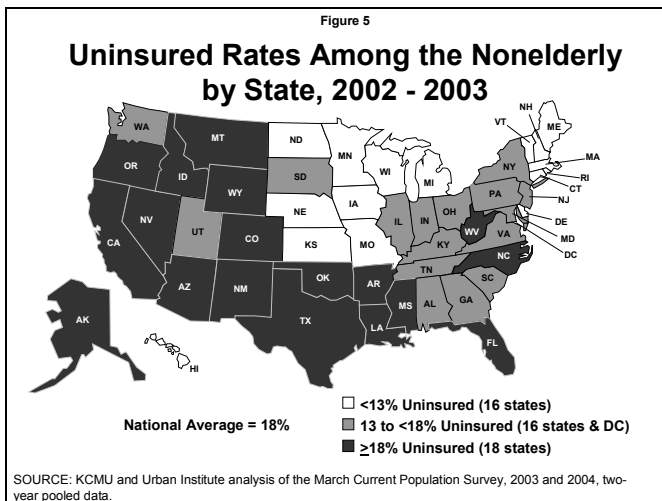
**WHY ARE SO MANY AMERICANS UNINSURED?**

Low-income workers are less likely to be offered coverage through their own or a spouse's job or able to afford it on their own (Figure 4). Individually purchased insurance is often not a viable option as these plans typically charge very high premiums or offer limited benefits.



Medicaid helps to cover low-income Americans, but coverage for adults is very limited. Nonelderly adults must meet stringent income eligibility standards, and unless severely disabled, 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 those of children. In addition, neither Medicaid nor SCHIP has reached its full enrollment potential, leaving many eligible children still uninsured.

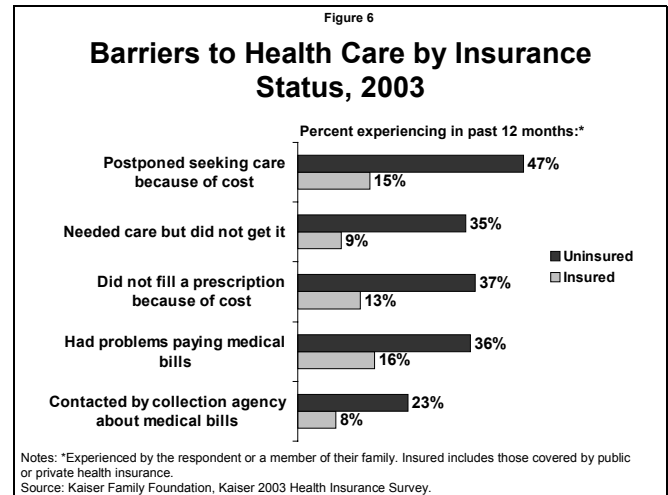
Uninsured rates vary widely across states largely due to differences in state economies and employer-sponsored coverage, the share of families with low incomes, and the scope of state Medicaid programs. A three-fold difference exists between the states with the lowest and highest uninsured rates (MN with 9% vs. TX with 28%) (Figure 5).



**WHAT DIFFERENCE DOES HEALTH INSURANCE MAKE?**

Health insurance affects access to health care as well as the financial well-being of families. Over 40% 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 2003, nearly half of uninsured adults postponed seeking medical care, and over a third say they needed but did not get care in the past year (Figure 6).

Lack of insurance can have a substantial financial impact: over a third of the uninsured have a serious problem paying medical bills, and nearly a quarter are contacted by collection agencies for medical bills.



Delaying or not receiving treatment can lead to more serious illness and avoidable health problems. The uninsured are less likely to receive preventive care than those with insurance and more likely to be hospitalized for conditions that could have been avoided. For example, people with insurance are significantly more likely to have had recent mammograms, and other types of cancer screenings than the uninsured. Consequently, uninsured cancer patients are diagnosed later and die earlier than those with insurance.

Researchers estimate that a reduction in mortality of 5% to 15% could be achieved if the uninsured were to gain continuous health coverage. The Institute of Medicine in its analysis of the consequences of lack of insurance estimates that at least 18,000 Americans die prematurely each year solely because they lack health coverage.

Charitable physicians and the safety net of community clinics and public hospitals do not fully substitute for health insurance. Lack of health coverage matters for millions of uninsured Americans – affecting their access to care, health status, job decisions, and financial security, as well as exacting an indirect toll on society in terms of more disability, lower productivity, and increased burden on the health care system.

For additional free copies of this fact sheet (#1420-06) and additional information on the uninsured, visit [www.kff.org](http://www.kff.org).