

Spotlight on Uninsured Parents: How a Lack of Coverage Affects Parents and Their Families

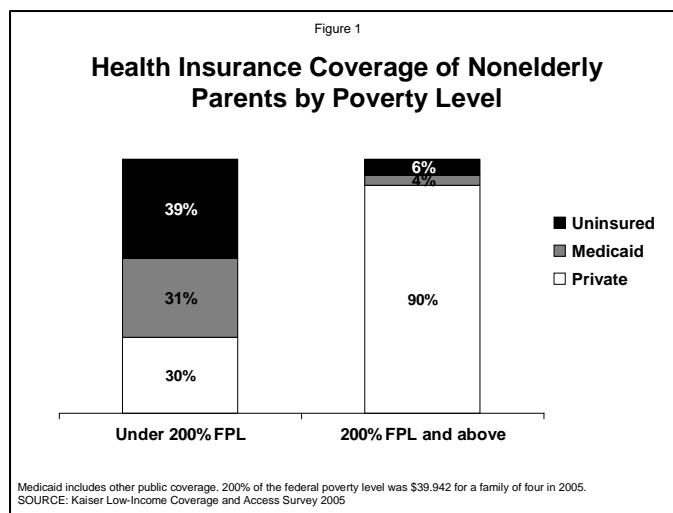
By Karyn Schwartz

Providing health coverage for the entire family can both help to increase coverage of children and assist low-income families in obtaining more affordable health care services. This brief uses data from the 2005 Kaiser Low-Income Coverage and Access Survey to examine health coverage, access and the financial impacts of health care for low-income parents and their families. This survey targets the low-income population and provides more extensive data on financial burdens and access to care and insurance coverage than most national surveys. This survey's data on parents demonstrates that being uninsured affects not just a parent's health, but also the well-being of the entire family.

Low-income uninsured parents are mostly without access to health coverage and are much more likely to have uninsured children than those with insurance.

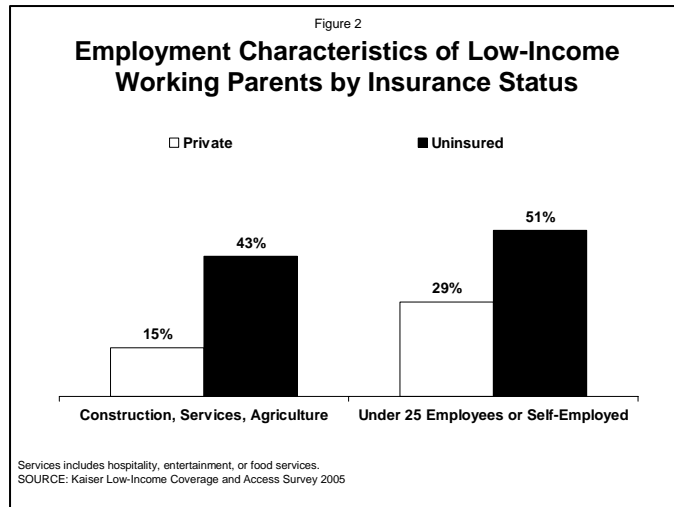
Four in 10 low-income parents are uninsured (Figure 1). The likelihood of parents being uninsured is substantially greater in families with income below 200% of the federal poverty level (about \$40,000 for a family of 4 in 2005) than for those at higher income levels. Census data shows that uninsured rates for low-income parents varied widely across states and ranged from 13% to 55% in 2005.¹

Medicaid eligibility for parents also varies by state and is more limited for parents than for children. Two thirds of low-income uninsured parents have family incomes below the federal poverty line and these families struggle to make ends meet. About 60% of low-income uninsured parents say that they are very concerned that their family does not have enough savings to cover financial obligations.



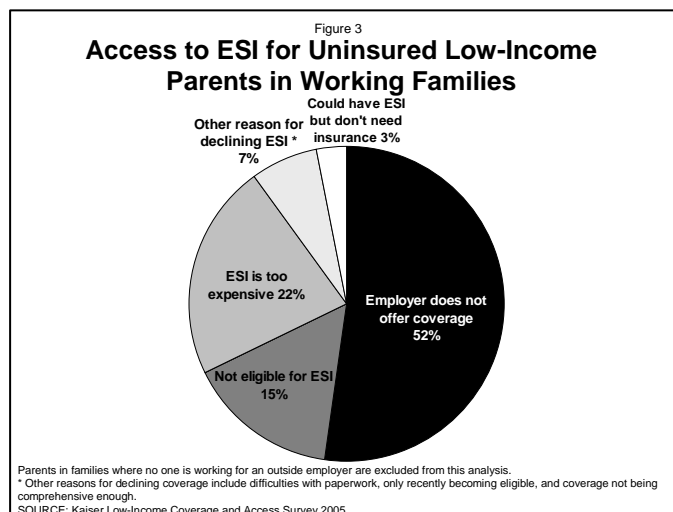
This paper is part of a series that analyzes data from The 2005 Kaiser Low-Income Coverage and Access Survey. The Kaiser Family Foundation conducted this national survey to examine health insurance coverage, access to care and the impact of health costs on the low-income population. The majority of the uninsured are low-income, and this survey of more than 5,000 low-income adults provides detailed data that can be used to inform the ongoing debate on reforming the U.S. health care system.

Most low-income uninsured parents are in working families, but they are often employed in sectors that do not offer health coverage (Figure 2). Low-income uninsured working parents are more likely to work in construction, service and agricultural jobs compared to those with private insurance. These industries have the lowest levels of employer-sponsored insurance (ESI), with Census data showing that only about 25% of low-income workers in these industries were covered through an employer in 2005.²



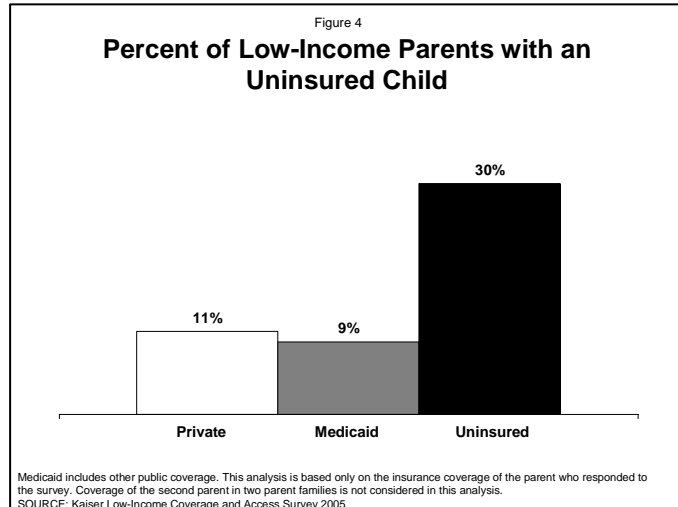
Additionally, uninsured working parents are more likely to work for firms with fewer than 25 employees, which are the least likely to provide employer coverage.

Employer coverage is out of reach for nearly all employed low-income parents who are uninsured (Figure 3). More than half of uninsured low-income parents in employed families work for firms that do not offer coverage to any employees and do not have access to coverage through a spouse.³ An additional 15% of low-income uninsured parents are not eligible for coverage through either their employer or their spouse's employer, typically



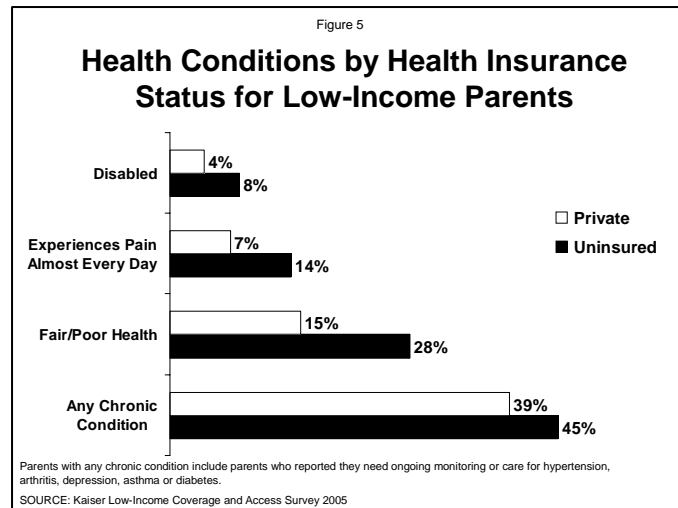
because they have not been employed long enough or do not work enough hours. More than one in five low-income uninsured parents are unable to afford the employer coverage that they are offered. Access to public coverage is also limited, with only about a third of uninsured low-income parents eligible for Medicaid or SCHIP.⁴

Low-income families with uninsured parents are three times as likely to have uninsured children than families where parents have either private insurance or Medicaid (Figure 4). The high rate of uninsured children in low-income families where children are typically eligible for Medicaid or SCHIP gives rise to a concern that children are missing out on important health benefits. About three-quarters of low-income uninsured parents with uninsured children have heard of Medicaid, but only 47% have heard of SCHIP. Of those who know about these programs, most have positive opinions about them. Research has documented the importance of family coverage as a tool to reach uninsured children and to improve their access to care.⁵



Low-income uninsured parents often have serious health problems, but financial barriers block access to care.

Low-income uninsured parents have higher rates of serious health problems than those with private coverage (Figure 5). Over a quarter of uninsured parents in low-income families have fair or poor health status, 14% experience pain almost every day and 8% report they have a disability that prevents them from participating fully in work or other activities. Although some of these parents may qualify for Medicaid because of their disability, others probably do not meet the strict disability and income criteria for eligibility.

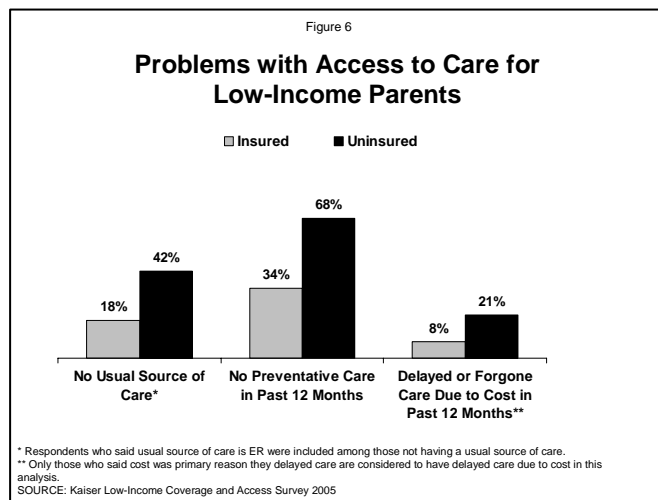


Nearly half of uninsured parents have a chronic condition. Research has shown that the uninsured with a chronic condition or injury receive less care and have worse health outcomes than those with similar health conditions who have insurance.⁶ The likelihood of poor health status is much greater among low-income parents who are uninsured than among those with private coverage. Uninsured parents with any of these health problems can face increased difficulty purchasing their own insurance. Medicaid plays an important role for some parents with severe health problems or disabling conditions, but

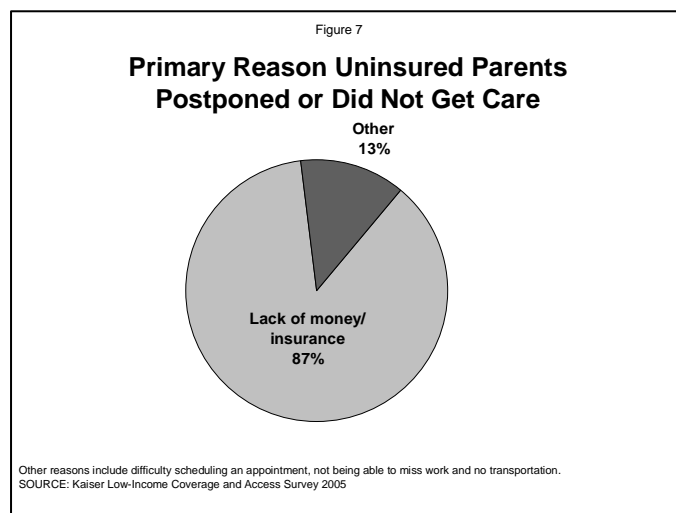
most states set eligibility criteria so low that the program does not reach many low-income parents, including those with significant health problems.⁷

Although low-income uninsured parents have serious health care problems, access measures indicate that they fare worse than insured parents (Figure 6).

Uninsured low-income parents are less likely to have a usual source of care than those with coverage. In addition, low-income uninsured parents are half as likely to have visited a doctor for preventive care in the past 12 months. Uninsured parents without a medical home or regular preventive care may delay treatment in the early stages of a condition, allowing the condition to worsen and possibly leading to more expensive and invasive treatment. Uninsured low-income parents are more likely to delay or forgo care due to cost compared to their insured counterparts. Delaying or forgoing care can have serious health consequences and can contribute to the worse health outcomes for those who are uninsured.

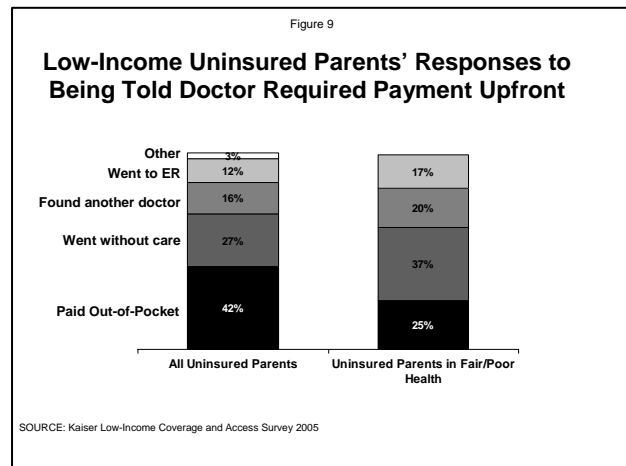
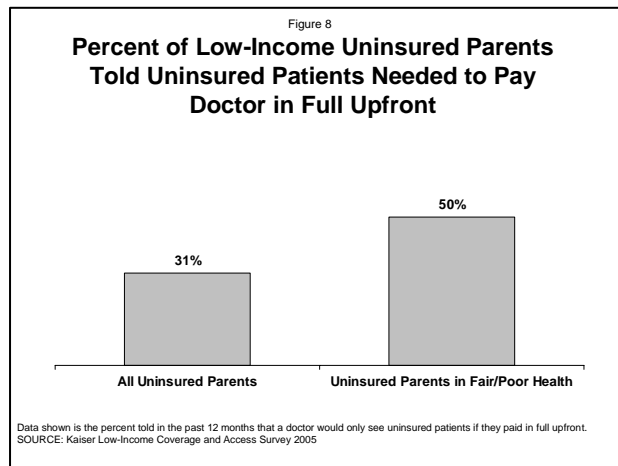


Cost is the main reason uninsured low-income parents postpone or go without care (Figure 7). In almost nine out of ten cases, uninsured parents who delayed or went without care did so because they could not afford that care. About two-thirds of low-income uninsured parents say they have difficulty saving money, so they are unlikely to have amassed enough savings to pay for necessary medical care.



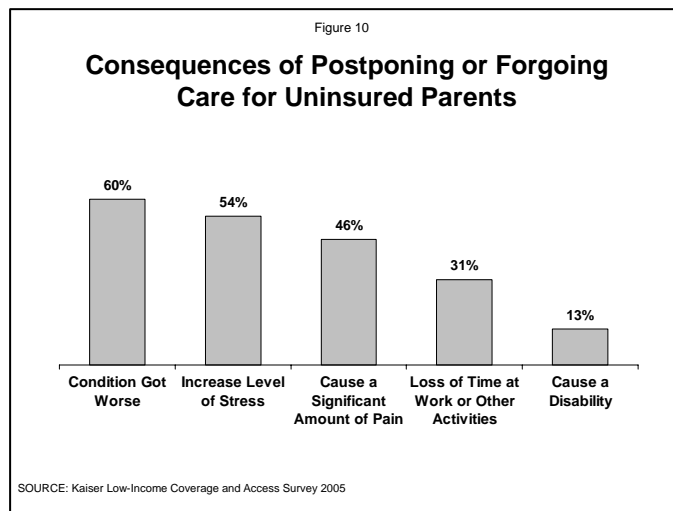
Low-income uninsured parents face substantial financial hurdles when they do seek care (Figures 8 and 9). Nearly one third of all uninsured parents have been told in the past year that a doctor would only see uninsured patients if they paid in full at the time of service. These uninsured patients typically are charged higher prices than those negotiated by insurance companies.⁸ Among those in fair or poor health, who likely sought more care in the past year, half were told they had to pay upfront in order to be treated. Those in fair or poor health report more trouble accessing care than those in better health, despite the fact that their worse health may have given them more familiarity with the health care system. Low-income uninsured parents in fair or poor

health have lower family incomes than those in better health, making it more difficult for those in worse health to pay for care. More than one third of uninsured parents in poor health went without care after being told the doctor would only see them if they paid in full. Forgoing care puts them at risk of serious health consequences. An additional 25% paid out-of-pocket, which likely strained family budgets and may have led to additional debt. About 17% went to an emergency room, the most expensive care setting to receive care but one where patients cannot legally be turned away without being stabilized.



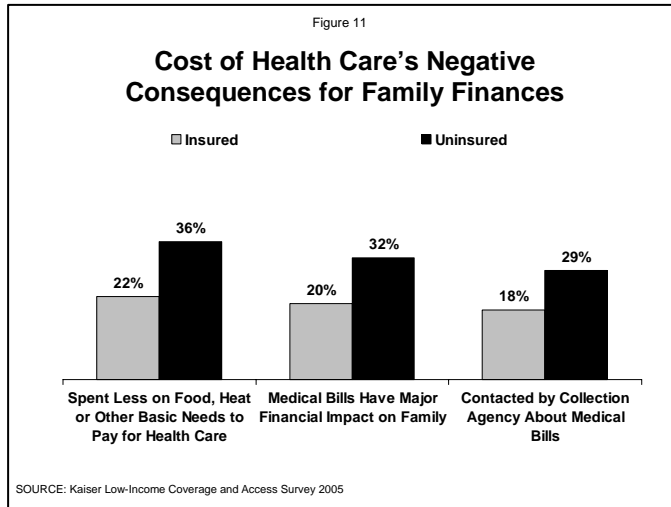
Lack of coverage compromises the health of low-income uninsured parents and the financial stability of their family.

Lack of care causes serious health and financial consequences for low-income uninsured parents (Figure 10). When the high cost of care or an inability to find a provider who will treat uninsured patients leads to postponing or going without care, the health of uninsured parents is often affected. About 60% of uninsured low-income parents who postponed or went without care saw their condition get worse as a result of not getting timely care. About one-half of these parents were in a significant amount of pain after delaying or forgoing care. Going without timely care caused a disability in more than 10% of cases and over 30% reported a loss of time at work or other activities. If a disability or pain makes it more difficult for a parent to work or take care of children, it can have serious consequences for the entire household.⁹ Indeed, as a low-income parent from Los Angeles said in a recent focus group that examined attitudes towards Medicaid and SCHIP, “the whole show stops” when a parent is sick.¹⁰



Paying out of pocket for health care often has a negative impact on family finances for low-income uninsured parents

(Figure 11). Out-of-pocket spending for medical care can be difficult for low-income families to shoulder given tight budget constraints. Those with insurance are better protected from high health care costs and are less likely than the uninsured to have health care costs that adversely impact their families' financial situations.



More than one-third of uninsured low-income parents spent less on food, heat or other basic needs to pay for health care. Among uninsured parents with an uninsured child, almost one-half (47%) have spent less on basic needs in order to pay for health care. About a third of low-income uninsured parents said that medical bills have a major financial impact on their family. Almost 30% of low-income uninsured parents have been contacted by a collection agency about medical bills, compared to 18% of those with coverage. The financial impact of health care costs leaves many families with uninsured parents less able to pay for other needs and may also negatively impact their credit history making it difficult for them to secure loans.

Conclusion

Health insurance for low-income parents influences both their own health and access to care, as well as the well-being of their families. Without health insurance for parents, families are more likely to incur debt and cut back on other basic needs to pay for care. Uninsured parents face real health consequences when they delay care, and the entire family is affected when those delays cause a parent to remain ill or be unable to participate in daily activities.

Medicaid coverage for parents is limited, and many low-income parents are not eligible. Uninsured low-income parents who are working have very limited access to employer coverage, with about half working for firms with less than 25 employees and over 40% working in industries with the lowest rates of employer coverage. About 60% of uninsured low-income parents say that they are very concerned that they do not have enough savings to cover financial obligations. Without savings, they are unlikely to be able to pay for medical treatments out-of-pocket.

As documented earlier, when parents have insurance, children are more likely to be covered and have access to health care. Some states have taken steps to improve access to public coverage for parents recognizing the importance of making coverage available for the whole family.¹¹ Children in homes where everyone has coverage also gain financial stability and other positive benefits when their parents are able to access care. As policy makers look to decrease the number of uninsured children, children's health coverage may be more broadly and effectively addressed if their parents' access to coverage and care is also improved.

2005 Kaiser Low-Income Coverage and Access Survey Methods

This 2005 national survey was a random digit dial survey of adults ages 19 to 64 living in families with incomes at or below twice the poverty level, with a national all-income comparison sample. The low-income survey sampled the low-income population in the highest poverty Census tracts that account for 20% of the low-income population. There were 5,482 low-income completed interviews, including 2,748 parents (defined as the parent or guardian of a child under age 19 living in the same house). The low-income survey yielded a response rate of 31%. Because of concerns about the validity of the estimates given the low response rate, we fielded a follow up non-response study, which produced a response rate of 49%. The estimates in this paper are derived from the low-income sample, with the exception of Figure 1, in which the health coverage of those above 200% of poverty comes from analysis of those above 200% of poverty in the full national sample. All differences that are discussed in the paper are statistically significant ($p < 0.05$), with the exception of rates of disability ($p = 0.09$ for the difference between privately insured and uninsured), percent with a chronic condition ($p = 0.25$ for the difference between privately insured and uninsured), medical bills have a major impact on family ($p = 0.053$ for the difference between insured and uninsured), and the responses to being told that a doctor required payment upfront (Figure 9). The survey weights for the low-income survey take into account the selection probability and non-response and are post-stratified to align the data to U.S. Census 2000 data using the following variables: geography, race/ethnicity, education, sex and age. The standard errors were calculated and significance testing was conducted to take into account complex sampling methodology by using Taylor series linearization in SUDAAN.

¹ “Health Coverage for Low-Income Parents.” Kaiser Commission on Medicaid and the Uninsured. (#7616; Feb. 2007).

² KCMU/Urban Institute analysis of March 2006 CPS.

³ Respondents who were not eligible for coverage through their own employer, but were eligible through their spouse, were considered to have access to ESI for this analysis.

⁴ Kenney G. Urban Institute, “The Children’s Health Insurance Program in Action: A State’s Perspective on CHIP.” Testimony to the Senate Finance Committee on April 4, 2007.

⁵ Dubay L and G Kenney, “Expanding Public Health Insurance to Parents: Effects on Children’s Coverage Under Medicaid.” *Health Services Research*, 38 (5):1283-1301, 2003; Ku L and M Broaddus, “Coverage of Parents Helps Children, Too.” Center on Budget and Policy Priorities, Oct. 2006; Aizer A and J Grogger, “Parental Medicaid Expansions and Health Insurance Coverage.” NBER Working Paper No. 9907, August 2003.

⁶ Hadley J, “Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition,” *JAMA*. 2007; 297: 1073-1084.

⁷ Cohen Ross D, L Cox and C Marks, “Resuming the Path to Health Coverage for Children and Parents: A 50-State Update on Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and SCHIP in 2006.” Kaiser Commission on Medicaid and the Uninsured. (#7608; Jan. 2007).

⁸ Anderson G. “From ‘Soak The Rich’ To ‘Soak The Poor’: Recent Trends In Hospital Pricing.” *Health Affairs*. May/June 2007; 26(3): 780-789.

⁹ Committee on the Consequences of Uninsurance, Institute of Medicine. “Health Insurance is a Family Matter.” (Washington, DC: National Academies Press, 2002).

¹⁰ Perry M and J Paradise. “Enrolling Children in Medicaid and SCHIP: Insights from Focus Groups with Low-Income Parents.” Kaiser Commission on Medicaid and the Uninsured. (#7640; May 2007).

¹¹ Artiga S and C Mann. “Family Coverage Under SCHIP Waivers.” Kaiser Commission on Medicaid and the Uninsured. (#7644; May 2007).



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