

November 2005

THE UNINSURED AND THEIR ACCESS TO HEALTH CARE

While the majority of Americans under the age of 65 receive health insurance coverage through their employers and almost all the elderly are covered through Medicare, 45.5 million nonelderly Americans lacked health insurance in 2004. 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.

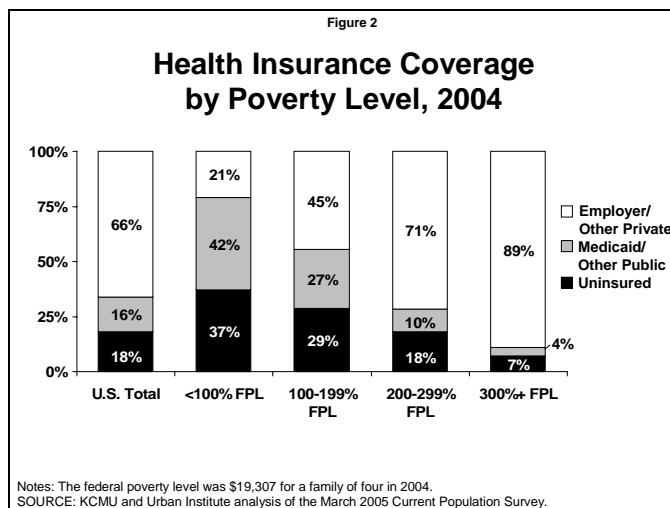
HOW MANY AMERICANS ARE UNINSURED?

Lack of health insurance coverage is a problem for many more Americans than it was 10 years ago. Even through most of the 1990s, when the economy was rapidly growing, the number of uninsured increased by about a million a year—leveling off only at the end of the economic boom. The 2001 recession, though brief, triggered a sharp downtick in private, employer-sponsored coverage which continued to affect coverage through 2004. The number of nonelderly uninsured grew by 800,000 in 2004, for a total of 6 million more uninsured since 2000.

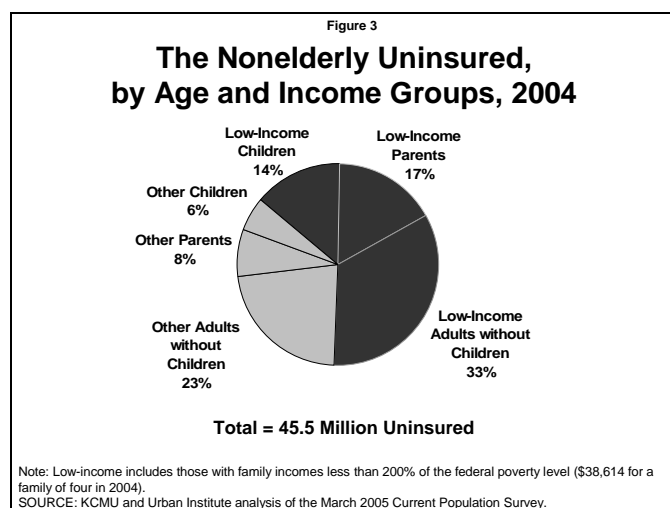
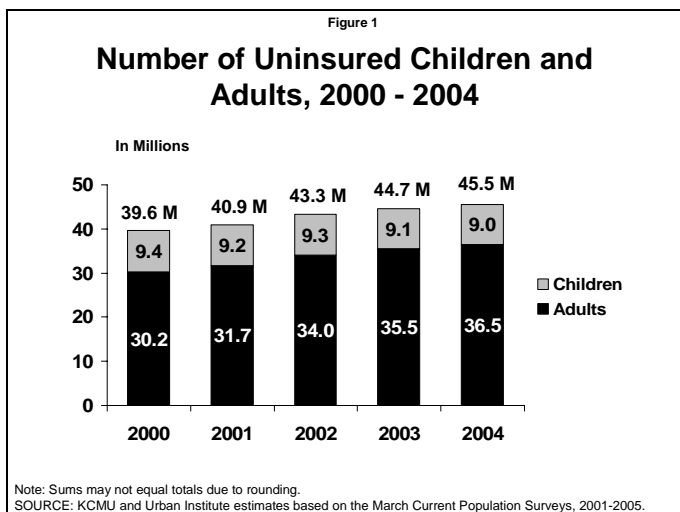
The Medicaid program and SCHIP filled in the gap in private coverage for children and the share of children who are uninsured has actually decreased slightly. But public coverage for adults did not increase enough to offset the loss of job-based coverage. Adults accounted for all the growth in the number of uninsured between 2000 and 2004 and comprise 80% of the uninsured.

WHO ARE THE UNINSURED?

Low-income Americans with family incomes below 200% of the poverty level run the highest risk of being uninsured. Over a third of the poor and nearly 30% of the near-poor (100-199% of poverty) lack health 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).

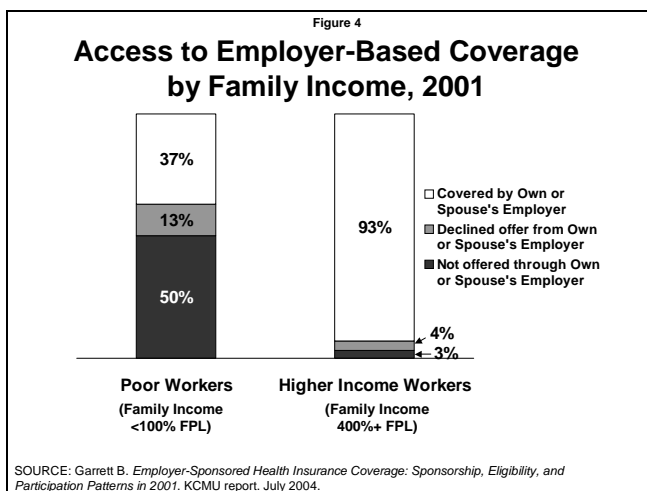


Four out of five (81%) of the uninsured are in working families – 69% in households with at least one full-time worker and 13% with a part-time worker. Low-wage workers are at greater risk of being uninsured, as are those employed in small businesses, service industries, and blue-collar jobs.

### WHY ARE SO MANY AMERICANS UNINSURED?

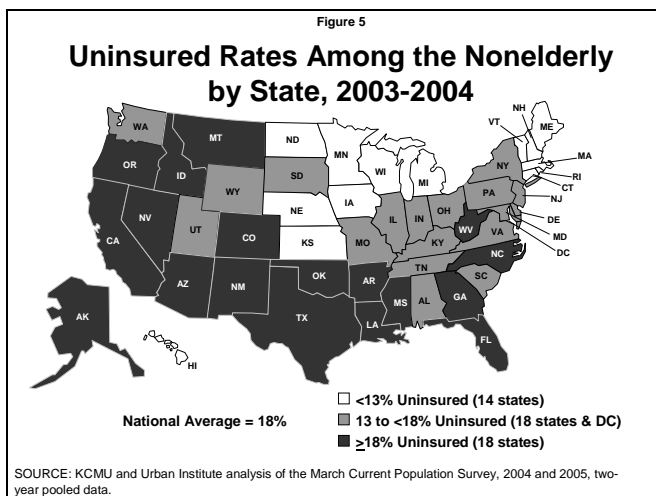
A slow economy affects insurance coverage in a number of ways, particularly in years when increases in health premiums outpace both wage and general economic growth. Family incomes have been declining, fewer small businesses are offering health benefits, and employment opportunities continue to shift to jobs and industries where health benefits are less likely to be offered.

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 covers many low-income children, but coverage for adults is very limited. Parent income eligibility levels are set much lower than those of children. Unless severely disabled, even the poorest adults are generally ineligible if they do not have children. In addition, enrollment hurdles and lack of outreach leave many eligibles uninsured.

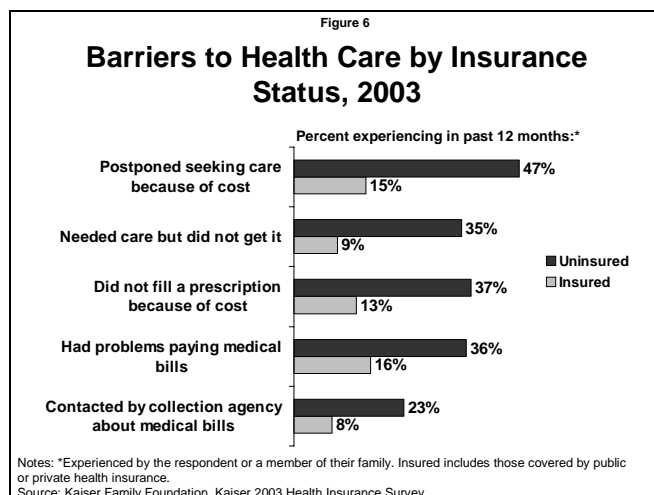
Uninsured rates vary nearly three-fold across states largely due to differences in state economies and employer coverage, the share of families with low incomes, and the scope of state Medicaid programs. (Figure 5).



### 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 (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 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 (#1420-07) and additional information on the uninsured, visit [www.kff.org](http://www.kff.org).