

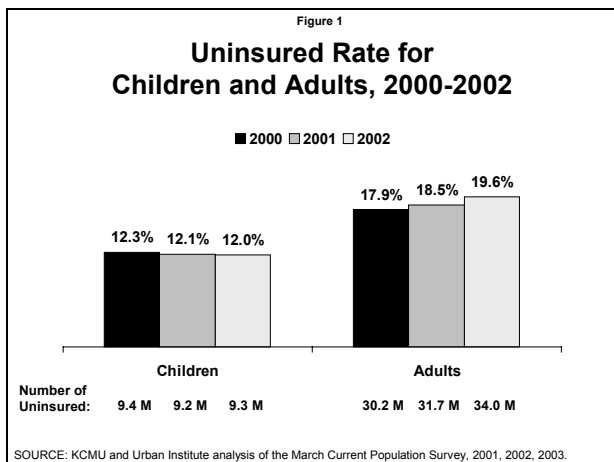
THE UNINSURED AND THEIR ACCESS TO HEALTH CARE

While nearly two-thirds of nonelderly Americans receive health insurance coverage through their employers and almost all the elderly are covered through Medicare, 43.3 million Americans lacked health insurance in 2002. 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?

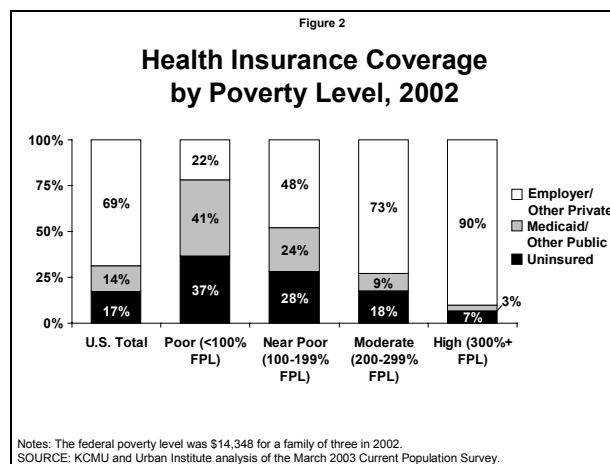
Between 2001 and 2002 the number of nonelderly uninsured rose by 2.4 million – representing 17% of nonelderly Americans. Throughout most of the 1990s the number of uninsured increased by about one million each year, with a brief hiatus in 1999 and 2000 when job-based insurance modestly increased at the end of the economic boom years and public coverage for children began to expand.

With the economic downturn in 2001, the number of uninsured grew once again and, in 2002, the country experienced the largest annual increase in the number of uninsured in over a decade. Family incomes shifted downward and the share of Americans with employer-sponsored insurance decreased for the second year in a row. The Medicaid program and SCHIP filled in the gap in private coverage for children, but public coverage for adults did not increase to offset the loss of job-based coverage (Figure 1). Adults accounted for nearly all of the growth in the number of uninsured both in 2001 and 2002.

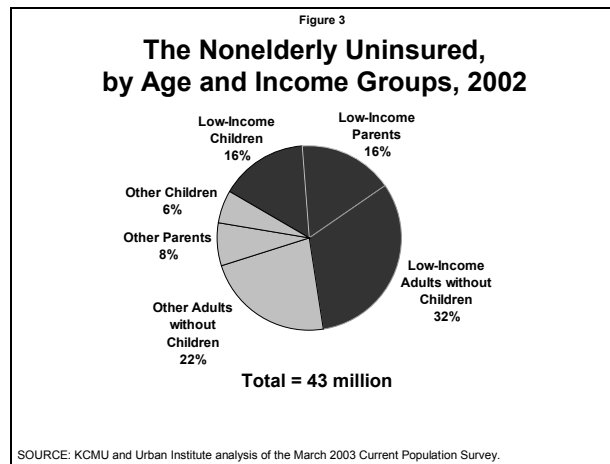


WHO ARE THE UNINSURED?

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 more than a quarter of the near-poor lack health insurance coverage (Figure 2).



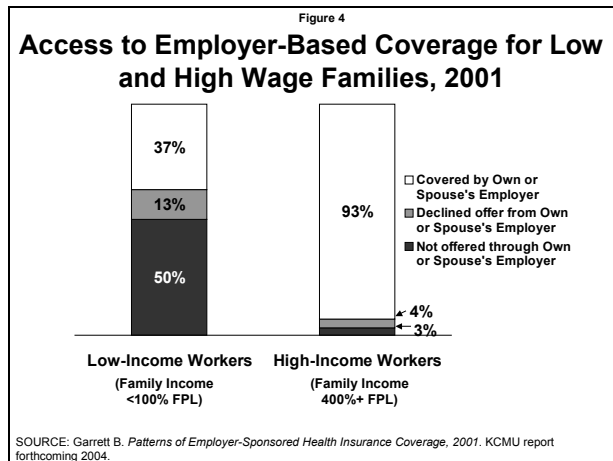
Two-thirds of the uninsured come from low-income families, and a third of the uninsured are low-income parents and children (Figure 3). There are disproportionately more adults than children among the uninsured, as coverage under Medicaid and SCHIP primarily assists children.



Four out of five (81%) of the uninsured are in working families – 69% in households with a 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, and laborers and service employees.

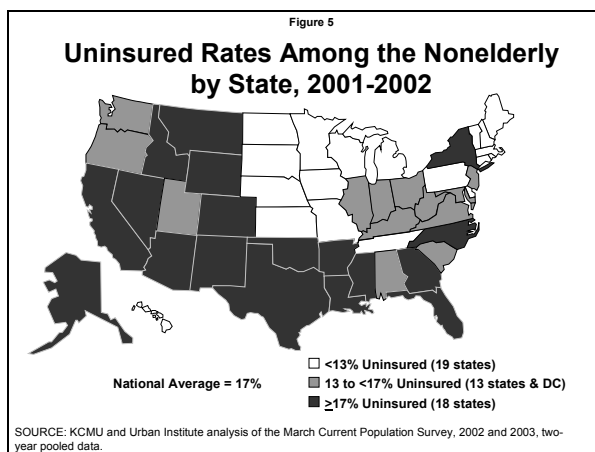
WHY ARE SO MANY AMERICANS UNINSURED?

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 children's. In addition, neither Medicaid nor SCHIP has reached its full enrollment potential, leaving many eligible children still uninsured. With the current state fiscal crisis, restrictions on eligibility to reduce spending are likely to further erode coverage.

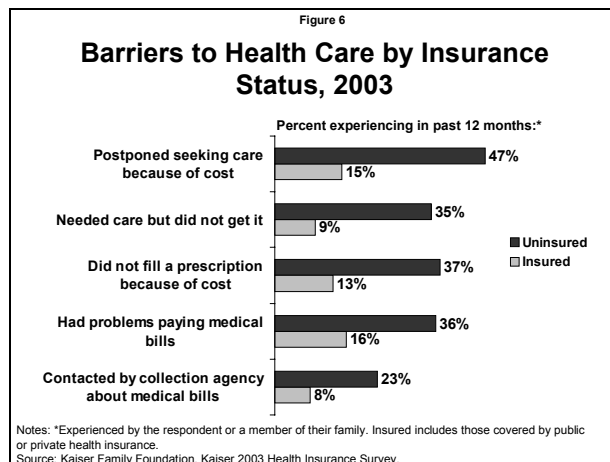
Uninsured rates vary widely across states largely due to differences in state economies and employer-sponsored coverage, the share of families with low incomes, and the scope of state Medicaid programs. A three-fold difference exists between the states with the lowest and highest uninsured rates (MN, IA, WI with 9-10% vs. TX with 27%) (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 medical care in the past year (Figure 6).

Lack of insurance can have a substantial financial impact: over a third of the uninsured had a serious problem paying medical bills in the past year, and nearly a quarter was contacted by a collection agency.



Delaying or not receiving treatment can lead to more serious illness and avoidable health problems. The uninsured are more likely than those with insurance to be hospitalized for conditions that could have been avoided and not receive timely preventive care. For example, people with insurance are significantly more likely to have had recent mammograms, prostate exams, and colon and cervical cancer screenings than the uninsured. Consequently, uninsured cancer patients are in poorer health 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 18,000 Americans die prematurely each year due to the effects of lack of health insurance 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 access to care, health status, job decisions, and financial security.

For additional copies of this fact sheet (#1420-05) and additional information on the uninsured, visit www.kff.org.