



EMBARGOED
Not for release
before
12:01 a.m. ET
Wednesday,
March 16, 2011

Help on the Horizon

How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief

Findings from The Commonwealth Fund
Biennial Health Insurance Survey of 2010

Sara R. Collins, Michelle M. Doty, Ruth Robertson, and Tracy Garber

March 2011

The Commonwealth Fund, among the first private foundations started by a woman philanthropist—Anna M. Harkness—was established in 1918 with the broad charge to enhance the common good.

The mission of The Commonwealth Fund is to promote a high performing health care system that achieves better access, improved quality, and greater efficiency, particularly for society's most vulnerable, including low-income people, the uninsured, minority Americans, young children, and elderly adults.

The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. An international program in health policy is designed to stimulate innovative policies and practices in the United States and other industrialized countries.



Help on the Horizon

How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief

Findings from The Commonwealth Fund Biennial Health Insurance Survey of 2010

Sara R. Collins, Michelle M. Doty, Ruth Robertson, and Tracy Garber

March 2011

ABSTRACT Using data from the Commonwealth Biennial Health Insurance Survey of 2010 and prior years, this report examines the effect of the recession on the health insurance coverage of adults between the ages of 19 and 64 and the implications for their finances and access to health care. The survey finds that in the last two years a majority (57%) of men and women who lost a job that had health benefits became uninsured. Both insured and uninsured Americans struggled to pay medical bills and faced cost-related barriers to getting needed care. When fully implemented in 2014, the Affordable Care Act will bring relief: nearly all of the 52 million working-age adults who were without health insurance for a time in 2010 will be covered, most with subsidized premiums and reduced cost-sharing. No one who is legally present will have to go without insurance when they lose their job, and no one will be charged a higher premium because of a health problem, have a problem excluded from coverage, or be denied coverage.

Support for this work was provided by The Commonwealth Fund. The views presented here are those of the author and should not be attributed to any of the sponsors or their directors, officers, or staff. To learn more about new Commonwealth Fund publications when they become available, visit the Fund's Web site and [register to receive e-mail alerts](#). Commonwealth Fund pub. no. 1486.

Contents

List of Exhibits and Tables	vi
About the Authors	viii
Acknowledgments.....	viii
Executive Summary	ix
Introduction	1
Survey Findings.....	2
How the Affordable Care Act Will Bring Relief	18
What the Affordable Care Act Means For U.S. Families	21
Conclusion	27
Methodology	28
Notes.....	29
Tables.....	31

List of Exhibits and Tables

Exhibit ES-1. Nearly Three of Five Adults Who Lost a Job with Health Benefits in Past Two Years Became Uninsured	x
Exhibit ES-2. The Individual Insurance Market Is Not an Affordable Option for Many People	xi
Exhibit ES-3. The Number of Adults Without Insurance, Forgoing Health Care Because of Cost, and Paying Large Shares of Their Income on Health Care Has Increased, 2001–2010	xii
Exhibit ES-4. Under the Affordable Care Act, Millions Will Benefit from Newly Subsidized Sources of Health Insurance	xiv
Exhibit 1. Nearly Three of Five Adults Who Lost a Job with Health Benefits in Past Two Years Became Uninsured	3
Exhibit 2. The Individual Insurance Market Is Not an Affordable Option for Many People	5
Exhibit 3. More than Half of Adults Who Tried Did Not End Up Buying a Plan in the Individual Market.....	5
Exhibit 4. The Number of Adults Without Insurance, Forgoing Health Care Because of Cost, and Paying Large Shares of Their Income on Health Care Has Increased, 2001–2010.....	6
Exhibit 5. Uninsured Rates High Among Adults with Low Incomes, Young Adults, and Hispanics.....	6
Exhibit 6. High Out-of-Pocket Spending Climbs Across Income Groups, 2001–2010.....	8
Exhibit 7. More Adults Spending Large Shares of Income on Out-of-Pocket Medical Expenses, 2001–2010	8
Exhibit 8. Since 2005, Proportion of Adults with High Deductibles Nearly Doubled	9
Exhibit 9. Problems with Medical Bills or Accrued Medical Debt Increased, 2005–2010	10
Exhibit 10. Problems with Medical Bills or Accrued Medical Debt Highest for Uninsured Adults	11
Exhibit 11. Problems with Medical Bills or Accrued Medical Debt Highest for Adults with Low and Moderate Incomes	11
Exhibit 12. Adults with Low Incomes More Likely to Be Unable to Pay for Basic Necessities Because of Medical Bill or Debt Problems	12
Exhibit 13. Number of Adults Reporting Cost-Related Problems Getting Needed Care Increased, 2001–2010	13

Exhibit 14. Adults Uninsured for Any Time Had Highest Rates of Cost-Related Problems Getting Needed Care, 2010.....	13
Exhibit 15. Adults with Low and Moderate Incomes Experienced the Greatest Increase in Cost-Related Problems Getting Needed Care	14
Exhibit 16. Adults Uninsured During the Year Are More Likely to Not Fill Prescriptions for Chronic Conditions.....	14
Exhibit 17. Uninsured Adults Are Less Likely to Get Blood Pressure and Cholesterol Checked, 2010.....	16
Exhibit 18. Uninsured Adults and Adults with Gaps in Coverage Have Lower Rates of Cancer Screening Tests, 2010	16
Exhibit 19. Uninsured Adults Are Less Likely to Have a Regular Source of Care, 2010.....	17
Exhibit 20. Timeline for Health Reform Implementation: Coverage Provisions.....	18
Exhibit 21. Premium and Cost-Sharing Tax Credits Under the Affordable Care Act.....	19
Exhibit 22. Most of the 52 Million Adults Who Were Uninsured During 2010 Will Gain Coverage in 2014	21
Exhibit 23. Under the Affordable Care Act, Millions Will Benefit from Newly Subsidized Sources of Health Insurance	22
Exhibit 24. Health Reform Will Reduce Cost-Related Barriers to Accessing Preventive Care	25
Table 1. Continuity of Insurance in 2010: Percent Insured All Year, Uninsured When Surveyed, or Uninsured During the Year	31
Table 2. Job Losses During the Past Two Years.....	32
Table 3. Out-of-Pocket Health Care Expenses and Insurance Costs, by Insurance Continuity and Income	33
Table 4. Bill Problems, by Insurance Continuity and Income.....	35
Table 5. Access Problems, by Insurance Continuity and Income	36

About the Authors

Sara R. Collins, Ph.D., is vice president for Affordable Health Insurance at The Commonwealth Fund. An economist, Dr. Collins joined the Fund in 2002 and has led the Fund's national program on health insurance since 2005. Since joining the Fund, Dr. Collins has led several national surveys on health insurance and authored numerous reports, issue briefs, and journal articles on health insurance coverage and policy. She has provided invited testimony before several Congressional committees and subcommittees. Prior to joining the Fund, Dr. Collins was associate director/senior research associate at the New York Academy of Medicine, Division of Health and Science Policy. Earlier in her career, she was an associate editor at *U.S. News & World Report*, a senior economist at Health Economics Research, and a senior health policy analyst in the New York City Office of the Public Advocate. She holds an A.B. in economics from Washington University and a Ph.D. in economics from George Washington University. She can be e-mailed at src@cmwf.org.

Michelle McEvoy Doty, Ph.D., assistant vice president, directs research, survey development, and analysis for The Commonwealth Fund. She has authored numerous publications on cross-national comparisons of health system performance, access to quality health care among vulnerable populations, and the extent to which lack of health insurance contributes to inequities in quality of care. She received her M.P.H. and Ph.D. in public health from the University of California, Los Angeles.

Ruth Robertson, M.Sc., joined The Commonwealth Fund in 2010 as research associate for the Program on Affordable Health Insurance, focusing on national and international survey development and data analysis. She also tracks, researches, and writes about emerging policy issues related to U.S. health reform, the comprehensiveness and affordability of health insurance coverage, and access to care. Previously, Robertson was a senior health policy researcher at the King's Fund in London. She has also managed a large project for the U.K. Department of Health, coordinating a multidisciplinary team of researchers from the King's Fund, RAND Europe, the Office of Health Economics, and the Picker Institute Europe. Robertson holds a B.A. in economics from the University of Nottingham and an M.Sc. in social policy and planning from the London School of Economics.

Tracy Garber is program assistant for The Commonwealth Fund's Program on Affordable Health Insurance, for which she provides grant support, analyzes Fund survey data, and tracks and analyzes health reform implementation. Prior to joining the Fund, Garber was the development assistant and volunteer coordinator for the Hamilton-Madison House in lower Manhattan, a settlement house. As an undergraduate student at the University of Delaware, she interned for the Christiana Care Health System in Wilmington, where she worked on a focus group study designed to address health disparities among medically underserved women. She is currently enrolled in the Health Policy and Management M.P.H. program at Hunter College and expects to complete the degree in May 2012.

Acknowledgments

The authors thank Karen Davis and Cathy Schoen for helpful comments, and Martha Hostetter, Chris Hollander, Paul Frame, and Suzanne Augustyn for editorial support and design.

EXECUTIVE SUMMARY

OVERVIEW

While the economy is beginning to recover from a deep recession, the job market has lagged painfully behind—leaving 13.7 million people unemployed, many for extended periods. For many families, the loss of income is compounded by a loss of health benefits. There are few affordable options for health insurance comparable to employer coverage, and consequently millions of adults who have lost their jobs and benefits are going without insurance. This means that already stretched family budgets are vulnerable to catastrophic losses and bankruptcy in the event of a serious accident or illness, and that families face significant financial barriers when trying to obtain needed medical care and timely preventive services.

Using data from the Commonwealth Biennial Health Insurance Survey of 2010 and prior years, this report examines the effect of the recession on the health insurance coverage of adults between the ages of 19 and 64 and the implications for both their finances and their access to health care. The survey of 3,033 adults, conducted by Princeton Survey Research Associates International from July 2010 to November 2010, finds that in the last two years a majority of men and women who lost a job that had health benefits became uninsured. Adults who sought coverage on the individual insurance market over the past three years struggled to find plans they could afford and many were charged higher premiums, had a health condition excluded from their coverage, or were denied coverage altogether because of a preexisting condition. Meanwhile, Americans with health insurance had higher deductibles and consequently greater exposure to medical costs. And millions were struggling to pay medical bills, facing cost-related barriers to getting the care they need, or skipping or delaying needed care, including prescription medications, because of the cost.

These survey findings demonstrate that the passage of the Affordable Care Act last year was critical to the future health and well-being of working families. The survey was fielded during a time when early provisions of the law were just being implemented; the major provisions of the law will go into effect in 2014. While the United States will surely suffer from challenging economic times in coming years, when the law is fully implemented, people will still have health insurance even if they, or a family member, become unemployed. Families with low and moderate incomes in particular will benefit from newly subsidized sources of health insurance, including Medicaid and private health plans. And no one will be charged a higher premium because of a health problem, have a health problem excluded from coverage, or be denied coverage when they seek to buy a health plan. As the law's provisions go into effect, the nation's health insurance system will move from one in which 52 million adults suffered a time uninsured in 2010 to one in which few people will be without health insurance, even during a recession.

SUMMARY OF SURVEY FINDINGS

Millions of Adults Lost Their Jobs and Health Benefits in Past Two Years

- Nearly one-quarter (24%) of working-age adults—an estimated 43 million—reported that they and/or their spouse had lost their job within the past two years (Exhibit ES-1).
- Among respondents who reported a job loss in their family, nearly half (47%) said that either they or their spouse had received health benefits through the job that was lost.
- Among respondents who had health benefits through their jobs and lost their jobs, nearly three of five (57%) became uninsured. Just one-quarter were able to go on to their spouse’s insurance or found another source of coverage. Only 14 percent continued their coverage through COBRA.

Exhibit ES-1. Nearly Three of Five Adults Who Lost a Job with Health Benefits in Past Two Years Became Uninsured			
Percent of adults ages 19–64			
	Total	<200% FPL	200% FPL or more
Adults in families with a job loss in past 2 years*	24% 43 million[^]	34% 24 million	16% 15 million
Among adults in families with a job loss**			
Respondent or spouse had insurance through their job that was lost	47%	35%	65%
Respondent or spouse did not have insurance through their job that was lost	53%	65%	35%
Among respondents with insurance through their job that was lost***			
Became uninsured	57% 9 million[^]	70% 5 million	42% 3 million
Went on spouse’s insurance or found insurance through other source	25%	22%	29%
Continued job-based coverage through COBRA	14%	8%	21%

Note: FPL refers to Federal Poverty Level.
 *Respondent, their spouse/partner, or both lost their jobs in the past 2 years. **Base: Respondent, their spouse/partner, or both lost jobs in past 2 years. ***Base: Respondents who lost their job and had health insurance through that job.
[^] Includes respondents who did not state their income level.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Few Affordable Insurance Options for Workers Who Lose Their Jobs and Benefits

- An estimated 26 million adults said that they bought or tried to buy a health plan in the individual market between 2007 and 2010 (Exhibit ES-2).
- More than two of five (43%) or an estimated 11 million adults who ventured into the individual market said they found it very difficult or impossible to find a plan with coverage that fit their needs.
- Sixty percent or 16 million adults who shopped for coverage in the individual market found it very difficult or impossible to find a plan they could afford.

- More than one-third (35%), or 9 million people, were turned down by an insurance carrier because of a health problem, charged a higher price because of a health problem, or had a specific health problem excluded from their coverage.
- An estimated 19 million people, or 71 percent of those who attempted to buy a health plan in the individual market in the last three years, cited any one of those problems.

Exhibit ES-2. The Individual Insurance Market Is Not an Affordable Option for Many People

Adults ages 19–64 with individual coverage* or who tried to buy it in past three years who:	Total 26 million	Health problem**	No health problem	<200% FPL	200%+ FPL
Found it very difficult or impossible to find coverage they needed	43% 11 million	53%	31%	49%	35%
Found it very difficult or impossible to find affordable coverage	60% 16 million	70	46	64	54
Were turned down, charged a higher price, or had condition excluded because of a preexisting condition	35% 9 million	46	20	38	34
Any of the above	71% 19 million	83	56	77	64

Note: FPL refers to Federal Poverty Level.
 *Bought in the past three years.
 **Respondent rated their health status as fair or poor, has a disability or chronic disease that keeps them from working full time or limits housework/other daily activities, or has any of the following chronic conditions: hypertension or high blood pressure; heart disease, including heart attack; diabetes; asthma, emphysema, or lung disease; high cholesterol.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Number of Adults Who Spent a Time Uninsured Has Increased over Past Decade

- Nearly three of 10 (28%) working-age adults, an estimated 52 million people, were uninsured for at least some time during 2010, up from 38 million or 24 percent in 2001 (Exhibit ES-3).
- Adults in families with low and moderate incomes were most at risk of going without coverage: more than half (54%) of adults with incomes under 100 percent of the federal poverty level (\$22,050 for a family of four) and 41 percent of those with incomes between 100 percent and 199 percent of poverty (\$44,100 for a family of four) were uninsured for a time during the past year. This is compared with 13 percent among households with incomes at or above 200 percent of poverty.
- Young adults and minorities were also without coverage at high rates: 44 percent of 19- to 29-year-olds, 51 percent of Hispanics, and 37 percent of African Americans were uninsured for some time during the year. This is compared with 17 percent of adults ages 50 to 64 and 21 percent of whites.

Exhibit ES-3. The Number of Adults Without Insurance, Forgoing Health Care Because of Cost, and Paying Large Shares of Their Income on Health Care Has Increased, 2001–2010
Adults ages 19–64

	2001	2005	2010
In the past 12 months:			
Uninsured any time during the year	24% 38 million	28% 48 million	28% 52 million
Any bill problem or medical debt*	—	34% 58 million	40% 73 million
Any cost-related access problem**	29% 47 million	37% 64 million	41% 75 million
Spent 10% or more of household income on premiums***	11% 10 million	14% 14 million	15% 14 million
Spent 10% or more of household income on premiums and total out-of-pocket costs****	21% 31 million	23% 35 million	32% 49 million
Any of the above	—	62% 107 million	67% 123 million

*Includes: Had problems paying or unable to pay medical bills; contacted by collection agency for unpaid medical bills; had to change way of life to pay bills; medical bills being paid off over time. **Includes any of the following because of cost: Had a medical problem, did not visit doctor or clinic; did not fill a prescription; skipped recommended test, treatment, or follow-up; did not get needed specialist care. *** Base: Respondents who reported their income level and premium costs for their private insurance plan ****Base: Respondents who specified income level and private insurance premium/out-of-pocket costs for combined individual/family medical expenses.
Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

Adults Are Spending Large Shares of Income on Health Care

- The number of adults who reported spending large amounts of their income on premiums and out-of-pocket costs climbed over the decade. One-third (32%) of working-age adults, or 49 million, spent 10 percent or more of their income on out-of-pocket costs and premiums in 2010, up from 21 percent, or 31 million adults, in 2001 (Exhibit ES-3).
- In 2010, 31 percent of adults who were insured all year spent 10 percent or more of their income on out-of-pocket costs and premiums, up from 19 percent in 2001. This increase was driven by greater spending on both premiums and out-of-pocket costs.
- The burden of health care costs has spread most dramatically among Americans with the lowest incomes. Among adults earning under 100 percent of poverty, fully half spent 10 percent or more of their income on health care costs in 2010—more than double the share who spent that much in 2001 (21%).

Millions of Adults Are Struggling to Pay Off Medical Debt

- In 2010, two of five (40%) adults ages 19 to 64, or 73 million people, reported some type of medical bill problem, including: problems paying medical bills, being contacted by a collection agency about unpaid bills, having to change their way of life in order to pay their bills, or paying off medical debt. This is up from 34 percent, or 58 million people, in 2005 (Exhibit ES-3). (Note: We report data from 2005 rather than 2001, since this is the first year the question series was included in the survey.)

- The number of people reporting medical bill problems rose across all of the following measures between 2005 and 2010: 53 million people said they had problems paying bills, up from 39 million; 30 million were contacted by a collection agency about unpaid bills, up from 22 million; and 31 million said they had to change their way of life in order to pay their bills, up from 24 million. Nearly a quarter (24%), or 44 million people, said they were paying off medical debt, up from 37 million in 2005.
- Medical bill problems led people to make significant trade-offs, including using up all their savings, not being able to pay for necessities such as food, heat, or rent, incurring credit card debt, taking out a loan or mortgage against their home, or declaring bankruptcy. More than half (56%) or 41 million people with medical bill problems or debt reported making any one of these trade-offs.

Americans Do Not Get Needed Health Care Because of Costs

- Increasingly, cost has become a barrier to getting needed care. Two of five (41%) adults, or 75 million people, said that, because of the cost, they had not been able to get needed care, including not going to the doctor when they were sick, not filling a prescription, skipping a recommended test, treatment, or follow-up visit, or not getting needed specialist care. This was up from 29 percent, or 47 million people, in 2001 (Exhibit ES-3).
- People who were uninsured during the year reported cost-related problems getting needed care at the highest rates. Two-thirds (66%) of adults who were uninsured at the time of the survey cited cost-related problems accessing needed health care, up from 55 percent in 2001.
- Even among adults who had insurance for the full year, 31 percent reported a cost-related problem getting needed care, up from 21 percent in 2001.
- A quarter (25%) of adults with a chronic condition who took prescriptions regularly said they had skipped doses or not filled a prescription for their health condition because of the cost. And more than half (52%) of uninsured adults with a chronic condition skipped doses or did not fill a prescription for their condition because of the cost.

Adults Who Lack Health Insurance Are Less Likely to Get Preventive Care

- Only half of all adults ages 19 to 64 were up to date on the following recommended screenings: blood pressure and cholesterol checks, Pap tests, colon cancer screenings, and mammograms.
- Lacking health insurance makes it far less likely that people will get any type of preventive care tests. Just over a third (36%) of adults ages 50 to 64 who were without insurance during the year said they had been screened for colon cancer in the past five years, compared with 57 percent of those who were insured all year.

- Among women ages 50 to 64 who were uninsured during 2010, just 42 percent had received a mammogram in the past two years, about half the rate (79%) reported by those who had coverage throughout the year.

HOW THE AFFORDABLE CARE ACT WILL BRING RELIEF

Universal Coverage in 2014

Beginning in 2014, the Affordable Care Act will provide comprehensive coverage to nearly all 52 million adults who went without health insurance for all or part of the year in 2010 and who are legal residents (Exhibit ES-4).

Exhibit ES-4. Under the Affordable Care Act, Millions Will Benefit from Newly Subsidized Sources of Health Insurance					
Adults ages 19–64					
Coverage options in 2014	Total	Medicaid		Private insurance	
		<133% FPL	133%–249% FPL	250%–399% FPL	400%+ FPL
In the past 12 months:					
Uninsured any time during the year	28% 52 million	51% 26 million	36% 12 million	15% 5 million	7% 3 million
Any bill problem or medical debt*	40% 73 million	54% 27 million	56% 18 million	38% 13 million	19% 8 million
Any cost-related access problem**	41% 75 million	56% 28 million	53% 17 million	34% 12 million	24% 11 million
Spent 10% or more of household income on premiums***	15% 14 million	35% 5 million	26% 4 million	10% 3 million	6% 2 million
Spent 10% or more of household income on premiums and total out-of-pocket costs****	32% 49 million	47% 20 million	38% 12 million	25% 9 million	21% 9 million

Note: FPL refers to Federal Poverty Level.
 *Includes: Had problems paying or unable to pay medical bills; contacted by collection agency for unpaid medical bills; had to change way of life to pay bills; medical bills being paid off over time. **Includes any of the following because of cost: Had a medical problem, did not visit doctor or clinic; did not fill a prescription; skipped recommended test, treatment, or follow-up; did not get needed specialist care. ***Base: Respondents who specified income level and premium for private insurance plan. ****Base: Respondents who specified income level and premium/out-of-pocket costs for combined individual/family medical expenses.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

New coverage under Medicaid. Up to 26 million of these uninsured adults—those with incomes under \$29,327 for a family of four—will gain coverage in 2014 through Medicaid, with little or no premium or cost-sharing expenses. Such comprehensive coverage will help reduce the high rates of out-of-pocket spending, medical bill problems, and cost-related problems getting needed care that were reported by people in this income range. Medicaid coverage should also increase the ability of people to get needed preventive care.

New subsidized private health plans with consumer protections. Up to 17 million adults who were uninsured in 2010 with incomes between \$29,327 and \$88,200 for a family of four will have access to tax credits to help them purchase private health plans through new state insurance exchanges. Tax credits will cap the amount of income that people spend on premiums on a sliding scale, ranging from 3 percent to 9.5 percent, and there will be income-related limits on cost-sharing. In addition, new consumer protections will ban health insurers from denying coverage or charging higher premiums because of preexisting health problems.

New private health plans with consumer protections. Up to 3 million adults who were uninsured in 2010—those with incomes above \$88,200 for a family of four—will be able to purchase private plans with comprehensive benefits through the new state insurance exchanges or individual market. No longer will they be denied coverage or charged higher premiums because of preexisting health conditions.

Early Reforms: 2010–14

Several early provisions in the Affordable Care Act that have gone into effect in the last year are also providing temporary relief for people who do not have health insurance through a job.

- People who have health problems and have been uninsured for at least six months may be eligible for new preexisting condition insurance plans, which are available in all 50 states and the District of Columbia.
- All young adults up to the age of 26 may stay on or enroll in their parents' health plans if they include dependent coverage.
- Small businesses are now eligible for tax credits to offset the costs of their health insurance premiums.
- Insurance carriers are banned from denying coverage to children with preexisting health problems or excluding such conditions from their policies.
- Insurers are banned from placing limits on what plans will pay over enrollees' lifetimes and from rescinding coverage when someone becomes ill. Carriers must phase out annual limits on benefits over the next three years.
- Health plans must provide coverage of recommended preventive services without cost-sharing.

CONCLUSION

U.S. families continue to suffer the lingering effects of one of the most severe economic downturns since the Great Depression. Millions of families have lost their health insurance along with their jobs, with devastating consequences for working families, particularly those with low and moderate incomes. Beginning in 2014, the Affordable Care Act will help ensure that nearly everyone has access to affordable and comprehensive health insurance, regardless of his or her employment status. This means that nearly all of the 52 million working-age adults who were without health insurance for a time last year will be covered in 2014, most with subsidized premiums and reduced cost-sharing. In addition, their health benefits will have to conform to an essential benefit standard ensuring they have access to the full spectrum of benefits enjoyed by people in employer-based plans, and no one will be charged a higher premium or denied coverage because of a preexisting health condition. Once the law is fully implemented, U.S. families will finally have financial and health security provided by a continuous source of coverage, both in good economic times and bad.

HELP ON THE HORIZON: How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief

INTRODUCTION

While the economy is beginning to recover from a deep recession, the job market has lagged painfully behind—leaving 13.7 million people unemployed, many for extended periods. For many families, the loss of a job is compounded by a loss of health benefits. There are few affordable options for health insurance comparable to employer coverage, and consequently millions of adults who have lost their jobs and their benefits are going without insurance. This means that already stretched family budgets are vulnerable to catastrophic losses and bankruptcy in the event of a serious accident or illness. Families also face significant financial barriers when trying to obtain needed medical care and timely preventive services.

Using data from the Commonwealth Biennial Health Insurance Survey of 2010 and prior years, this report examines the effect of the recession on the health insurance coverage of adults between the ages of 19 and 64 and the implications for their finances and access to health care. The survey of 3,033 adults was conducted by Princeton Survey Research Associates International from July 2010 to November 2010. It finds that a majority of adults who lost a job that had health benefits in the past two years became uninsured. Adults who sought coverage on the individual insurance market over the past three years struggled to find plans they could afford and many were charged higher premiums, had a health condition excluded from their coverage, or were denied coverage altogether because of a preexisting condition. Adults with health insurance had higher deductibles and consequently greater exposure to medical costs.

As a result of losses in coverage and greater exposure to medical costs, the survey finds that 40 percent of working-age adults, or 73 million people, reported problems paying their medical bills or were paying off medical debt over time in 2010. This is an increase from 58 million people who reported similar problems five years earlier.¹ In addition, 41 percent of adults, or 75 million people, said they had skipped or delayed getting needed health care or filling prescriptions because of the cost. This is an increase from 64 million people who reported such problems five years earlier. A quarter of adults with a chronic health condition said they had skipped doses or not filled a prescription for their health condition because of the cost.

These survey findings demonstrate that the passage of the Affordable Care Act last year was critical to the future health and well-being of working families. The survey was fielded during a time when early provisions of the law were just being implemented and well before 2014, when the major provisions go into effect. While the United States will surely suffer from challenging economic times in coming years, families will never again have to give up health insurance when they lose their job. Even when a family suffers substantial losses in income, the new law will ensure that it has access to affordable and comprehensive health benefits. Families with low and moderate

incomes in particular will benefit from newly subsidized sources of health insurance, including Medicaid and private health plans. And no one will be charged a higher premium because of a health problem, have a health problem excluded from coverage, or be denied coverage when they seek to buy a health plan. Over the next three years as the law is implemented by states and the federal government, the nation's health insurance system will move from one in which 52 million adults suffered a time uninsured in 2010 to one in which few people will be without health insurance, even during a recession. Given the widespread difficulties reported by working-age adults, greater health and financial security will come not a moment too soon for the American people.

SURVEY FINDINGS

Millions of Adults Lost Their Jobs and Health Benefits in the Past Two Years

Despite the fact that the economy is now emerging from a deep recession, unemployment in the United States remains high. There are currently 13.7 million unemployed people, and an additional 8.3 million people are working part time but would prefer full-time employment.² In addition, the length of time that people have been unemployed is at a record high: the average duration of unemployment is 37 weeks.³

The loss of income after a job loss is frequently compounded by a loss of health benefits. People who worked for companies with 20 or more employees are eligible to maintain health insurance through their former employer under what is known as the Consolidated Omnibus Budget Reconciliation Act (COBRA). But because they must pay the full premium plus 2 percent for administrative expenses, laid-off workers electing coverage under COBRA generally pay four to six times what they contributed to premiums as an employee.⁴ A federal subsidy covering 65 percent of premiums was available for a period of 15 months through the American Recovery and Reinvestment Act of 2009 for people who lost their jobs through the end of May 2010.⁵

The survey asked respondents whether they or a spouse or partner had lost their job in the past two years and, if so, whether the job loss had affected their health insurance coverage. Nearly one-quarter (24%) of working age adults—an estimated 43 million—reported that they and/or their spouse or partner had lost their job within the past two years (Exhibit 1, Table 2). Adults with incomes less than 200 percent of poverty (\$44,100 for a family of four) were the hardest hit: more than one-third (34%) reported that they and/or their spouse/partner had lost their job, about two times the rate (16%) reported by those with incomes at or above 200 percent of poverty.

Among respondents who reported a job loss in their family, nearly half (47%) said that either they or their spouse/partner had received health benefits through the job that was lost. Respondents, and their spouses/partners, with low incomes were less likely to have had health benefits through their employers than those with higher incomes: 35 percent of adults with incomes less than 200 percent of poverty reported that the job that was lost in their family had come with health

benefits, compared with nearly two-thirds (65%) of adults with incomes at or above 200 percent of poverty.

Among respondents who had health benefits through their jobs and lost their jobs, nearly three of five (57%), or an estimated 9 million, became uninsured. Just one-quarter of these adults were able to go on to their spouse’s insurance policy or find another source of coverage. And only 14 percent continued their coverage through COBRA.

Workers with low incomes fared even worse. Seventy percent of adults with incomes under 200 percent of poverty who lost their job and health benefits became uninsured, compared with 42 percent of those with incomes of 200 percent of poverty or more. Just 8 percent of lower-income workers continued their coverage through COBRA after they were laid off, compared with 21 percent of workers with higher incomes.

Few Affordable Options for Workers Who Lose Their Jobs and Health Benefits

People who have lost their jobs in the past few years have had few affordable options for health insurance. The survey shows that few people enroll in COBRA. And in most states, coverage through public insurance programs such as Medicaid and the Children’s Health Insurance Program is available only to children, pregnant women, and parents with very low incomes; less than half of states cover adults who do not have children.⁶ This means that people who lose their jobs or work for companies that do not offer health insurance are largely limited to purchasing coverage in the individual market. Those buying coverage in the individual market must pay the full premium. Under current laws in most states, people buying individual coverage are rated on the basis of their

Exhibit 1. Nearly Three of Five Adults Who Lost a Job with Health Benefits in Past Two Years Became Uninsured			
Percent of adults ages 19–64			
	Total	<200% FPL	200% FPL or more
Adults in families with a job loss in past 2 years*	24% 43 million [^]	34% 24 million	16% 15 million
Among adults in families with a job loss**			
Respondent or spouse had insurance through their job that was lost	47%	35%	65%
Respondent or spouse did not have insurance through their job that was lost	53%	65%	35%
Among respondents with insurance through their job that was lost***			
Became uninsured	57% 9 million [^]	70% 5 million	42% 3 million
Went on spouse’s insurance or found insurance through other source	25%	22%	29%
Continued job-based coverage through COBRA	14%	8%	21%

Note: FPL refers to Federal Poverty Level.
 *Respondent, their spouse/partner, or both lost their jobs in the past 2 years. **Base: Respondent, their spouse/partner, or both lost jobs in past 2 years. ***Base: Respondents who lost their job and had health insurance through that job.
 ^ Includes respondents who did not state their income level.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

health, gender, and age. They can also be denied coverage because of a preexisting condition, or have their condition excluded from their health plan.⁷

The survey asked adults whether they had purchased or tried to purchase coverage in the individual market in the past three years. An estimated 26 million said that they tried to buy a health plan in the individual market between 2007 and 2010 (Exhibit 2). More than two of five (43%), or an estimated 11 million adults, said they found it very difficult or impossible to find a plan with coverage that fit their needs. Even greater numbers had difficulty finding an affordable plan: 60 percent, or 16 million adults, found it very difficult or impossible to find a plan they could afford. And more than one-third (35%), or 9 million people, were turned down by an insurance carrier because of a health problem, charged a higher price because of a health problem, or had a specific health problem excluded from their coverage. Because of these challenges, 54 percent, or 14 million adults who sought coverage in this market in the past three years, did not end up buying a plan (Exhibit 3).

People with health problems found it particularly difficult to find an individual insurance plan. More than half (53%) of those with health problems who tried to buy coverage in the individual market found it very difficult or impossible to find a plan with the coverage they needed, compared with 31 percent of those without a health problem (Exhibit 2).⁸ Similarly, 70 percent of survey respondents with health problems said they found it very difficult or impossible to find an affordable plan, compared with 46 percent of those in better health. And 46 percent were denied coverage by an insurance carrier because of a health problem, charged a higher price, or had a specific health problem excluded from their coverage. This was more than two times the rate (20%) reported by adults who did not have health problems.

Adults with Low and Moderate Incomes, Young Adults, and Hispanics Most at Risk of Being Uninsured

Given the high unemployment level and scant options for affordable coverage outside of the individual market, millions of Americans experienced a time without health insurance in 2010. The survey finds that 28 percent of working-age adults—an estimated 52 million people—were uninsured for some time in 2010, up from 38 million in 2001 (Exhibit 4). Twenty percent did not have health insurance at the time of the survey in 2010 and an additional 8 percent were insured but experienced a time without insurance during the prior year (Exhibit 5, Table 1).

People in low- and moderate-income families are suffering particularly high rates of unstable coverage. In 2010, 54 percent of adults in families with incomes at less than 100 percent of poverty (\$22,050 for a family of four) were uninsured during the year (Exhibit 5). Among those in families with incomes between 100 percent and 199 percent of poverty (\$44,100 for a family of four), 41 percent reported being without coverage for all or part of the year.

Young adults are also at high risk of being uninsured. Forty-four percent of 19- to 29-year-olds were uninsured for all or part of the year, compared with 17 percent of adults ages 50 to 64

Exhibit 2. The Individual Insurance Market Is Not an Affordable Option for Many People

Adults ages 19–64 with individual coverage* or who tried to buy it in past three years who:	Total 26 million	Health problem**	No health problem	<200% FPL	200%+ FPL
Found it very difficult or impossible to find coverage they needed	43% 11 million	53%	31%	49%	35%
Found it very difficult or impossible to find affordable coverage	60% 16 million	70	46	64	54
Were turned down, charged a higher price, or had condition excluded because of a preexisting condition	35% 9 million	46	20	38	34
Any of the above	71% 19 million	83	56	77	64

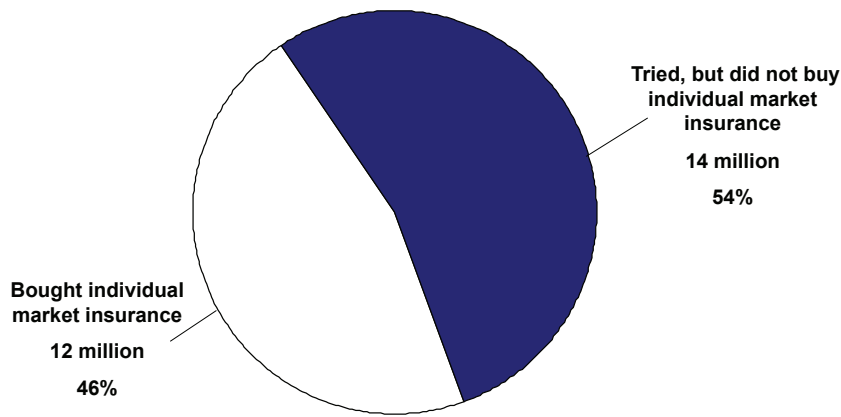
Note: FPL refers to Federal Poverty Level.

*Bought in the past three years.

**Respondent rated their health status as fair or poor, has a disability or chronic disease that keeps them from working full time or limits housework/other daily activities, or has any of the following chronic conditions: hypertension or high blood pressure; heart disease, including heart attack; diabetes; asthma, emphysema, or lung disease; high cholesterol.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Exhibit 3. More than Half of Adults Who Tried Did Not End Up Buying a Plan in the Individual Market



**26 Million Adults Ages 19–64 Who Tried to Buy Insurance
in the Individual Market in the Past Three Years**

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Exhibit 4. The Number of Adults Without Insurance, Forgoing Health Care Because of Cost, and Paying Large Shares of Their Income on Health Care Has Increased, 2001–2010

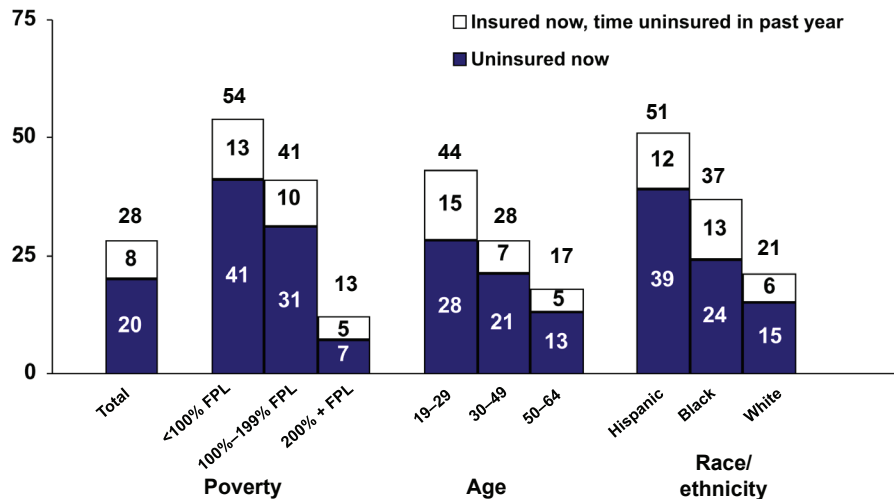
Adults ages 19–64

	2001	2005	2010
In the past 12 months:			
Uninsured any time during the year	24% 38 million	28% 48 million	28% 52 million
Any bill problem or medical debt*	—	34% 58 million	40% 73 million
Any cost-related access problem**	29% 47 million	37% 64 million	41% 75 million
Spent 10% or more of household income on premiums***	11% 10 million	14% 14 million	15% 14 million
Spent 10% or more of household income on premiums and total out-of-pocket costs****	21% 31 million	23% 35 million	32% 49 million
Any of the above	—	62% 107 million	67% 123 million

*Includes: Had problems paying or unable to pay medical bills; contacted by collection agency for unpaid medical bills; had to change way of life to pay bills; medical bills being paid off over time. **Includes any of the following because of cost: Had a medical problem, did not visit doctor or clinic; did not fill a prescription; skipped recommended test, treatment, or follow-up; did not get needed specialist care. *** Base: Respondents who reported their income level and premium costs for their private insurance plan ****Base: Respondents who specified income level and private insurance premium/out-of-pocket costs for combined individual/family medical expenses.
Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

Exhibit 5. Uninsured Rates High Among Adults with Low Incomes, Young Adults, and Hispanics

Percent of adults ages 19–64



Notes: Subgroups may not sum to totals because of rounding. FPL refers to Federal Poverty Level.
Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

(Exhibit 5). More than one-quarter (28%) of young adults were uninsured at the time of the survey and an additional 15 percent had health insurance but said that they had been without coverage for some time in the prior year.

Among ethnic groups, Hispanics were the most likely to be uninsured. Over half (51%) of Hispanics were uninsured during the year, compared with just over a fifth (21%) of white respondents. African Americans were also at higher risk of being uninsured than whites: 37 percent lacked coverage for all or part of 2010.

Adults Are Spending Large Shares of Income on Health Care

A combination of rapid growth in the cost of health insurance, greater exposure to health care costs, and declining incomes means that growing numbers of families are spending more of their earnings on health care. A recent report by The Commonwealth Fund found that premiums in employer health plans climbed by 41 percent from 2003 to 2009, while deductibles in those plans jumped by 77 percent.⁹ Yet over the past decade, real family incomes have hardly budged, barely regaining levels prior to the recession of 2000–2001, before falling again during the 2008 economic downturn.¹⁰

The survey finds that in 2010, nearly one-third (32%) of working-age adults, or an estimated 49 million people, spent 10 percent or more of their income on out-of-pocket costs and premiums (Exhibits 4 and 6, Table 3). This is an increase of more than 10 percentage points since 2001, when about 21 percent of families, or 31 million people, spent that much of their income on health care (Exhibit 4).

The burden of health care costs has spread most dramatically among Americans with the lowest incomes. In 2010, fully half of adults in families with incomes less than 100 percent of poverty (\$22,050 for a family of four) spent 10 percent or more of their income on health care costs and premiums, more than double the share who spent that amount in 2001 (Exhibit 6).

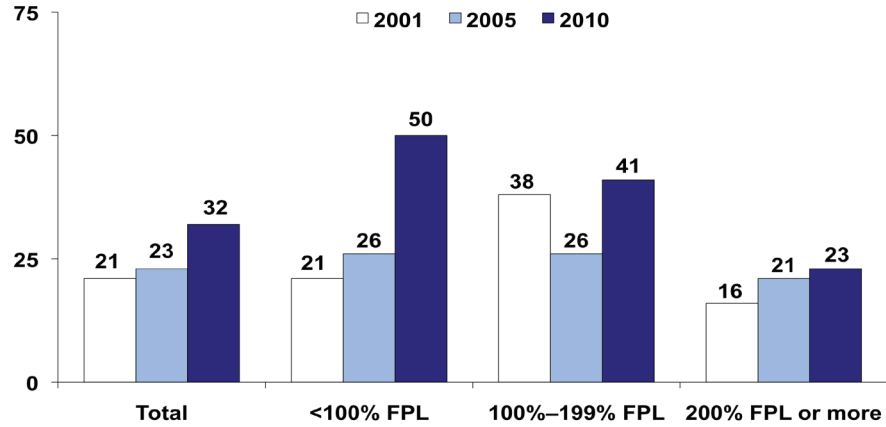
Health care costs as a share of household budgets grew among adults who were insured all year as well as those who were uninsured for a time during the year. In 2010, 35 percent of adults who had been uninsured for at least part of the year spent more than 10 percent of their income on health care costs, up from 27 percent in 2001 (Exhibit 7). Among adults who were insured all year, 31 percent spent 10 percent or more of their income on out-of-pocket costs and premiums, up from 19 percent in 2001.

Adults are spending more of their income on both premiums and out-of-pocket medical costs. About 17 percent of those insured all year spent 10 percent or more of their income on out-of-pocket costs, excluding premiums (Table 3), up from 11 percent in 2001 (data not shown). About 15 percent spent 10 percent or more of their income on premiums, up from 11 percent in 2001 (Exhibit 4).

The survey also finds that increasing numbers of adults are in health plans with high deductibles. The share of insured adults with deductibles of \$1,000 or more nearly doubled over the

Exhibit 6. High Out-of-Pocket Spending Climbs Across Income Groups, 2001–2010

Percent of adults ages 19–64 who spent 10% or more of household income annually on out-of-pocket costs and premiums*



Note: FPL refers to Federal Poverty Level.

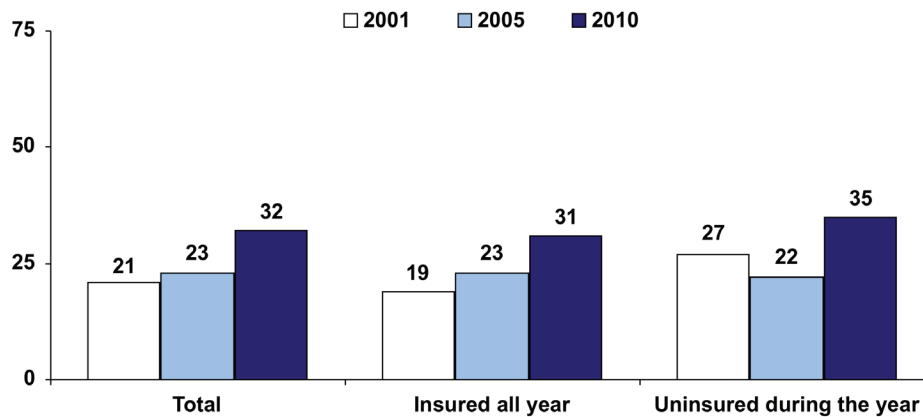
*Base: Respondents who specified income level and private insurance premium/out-of-pocket costs for combined individual/family medical expenses.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

past five years, increasing from 10 percent in 2005 to 18 percent in 2010 (Exhibit 8). People with private insurance with higher incomes were slightly more likely to have a health plan with a high deductible than were those with lower incomes (Table 3).

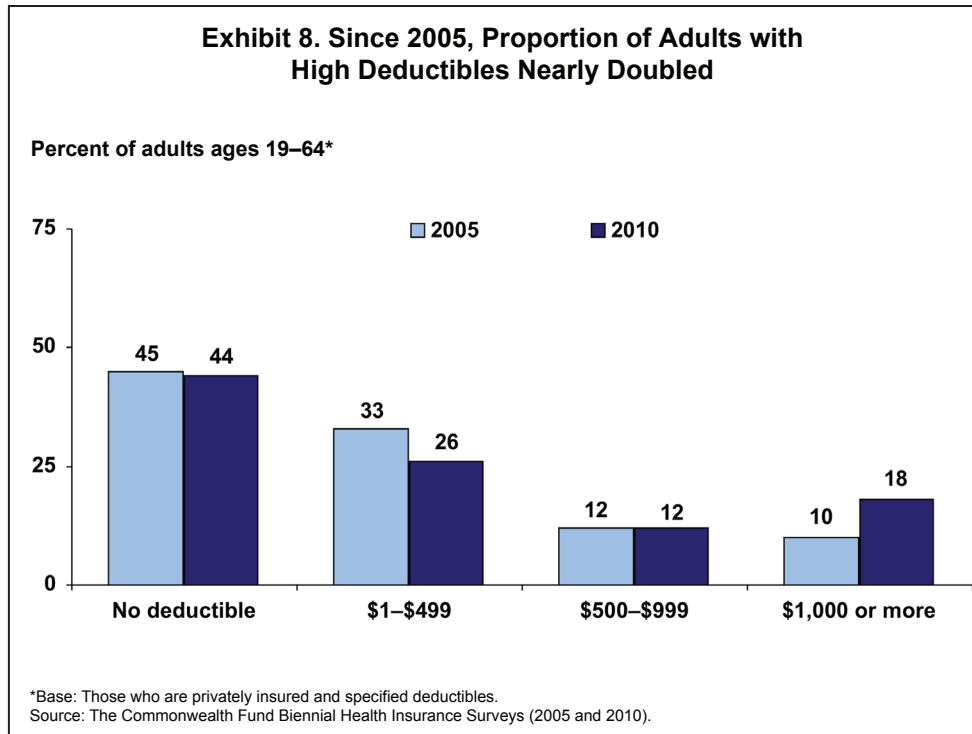
Exhibit 7. More Adults Spending Large Shares of Income on Out-of-Pocket Medical Expenses, 2001–2010

Percent of adults ages 19–64 who spent 10% or more of household income annually on out-of-pocket costs and premiums*



*Base: Respondents who specified income level and private insurance premium/out-of-pocket costs for combined individual/family medical expenses.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).



The Burden of Medical Bills and Debt Faced by U.S. Families Is Growing

Greater exposure to health care costs through higher premiums and out-of-pocket medical costs, combined with losses in health insurance, have made it increasingly difficult for families to pay their medical bills. The survey asked respondents whether they had experienced problems with medical bills over the past year, including if they had: difficulty paying bills or were unable to pay them, been contacted by a collection agency concerning outstanding medical bills, or had been forced to change their lives significantly to pay their bills. The survey also asked respondents whether they were paying off medical debt over time. In 2010, two of five (40%) adults ages 19 to 64, or 73 million people, reported any one of those problems—up from 34 percent or 58 million in 2005 (Exhibit 9, Table 4).¹¹ The number of people reporting problems rose across all measures from 2005 to 2010: an estimated 53 million people said they had problems paying bills, up from 39 million; 30 million were contacted by a collection agency about unpaid bills, up from 22 million; and 31 million said they had to change their way of life in order to pay their bills, up from 24 million.

One of four (24%) adults, or 44 million people, said they were paying off medical debt in 2010, up from 21 percent, or 37 million, in 2005. Many were carrying substantial debt loads. One-quarter (24%) of adults who were paying off accumulated medical debt reported that they were carrying more than \$4,000; 11 percent reported \$8,000 or more in debt (Table 4).

Medical bills or accrued medical debt were growing problems over the past five years among all adults, regardless of their insurance status. Still, adults who were uninsured for any part of the year had the greatest difficulties. In 2010, three of five adults who were uninsured reported medical

bill problems or accrued medical debt—double the rate of those who had insurance all year (60% vs. 31%) (Exhibit 10).

Adults in households with low and moderate incomes were the hardest hit by medical bills, compared with those in higher-income households. In 2010, 54 percent of adults in families with incomes below 100 percent of poverty (\$22,050 for a family of four) reported problems with medical bills and debt, up from 44 percent in 2005 (Exhibit 11). Nearly three of five (57%) adults in families with incomes between 100 percent and 199 percent of poverty (\$44,100 for a family of four) said they had problems paying their bills or had accumulated debt, up from 50 percent in 2005.

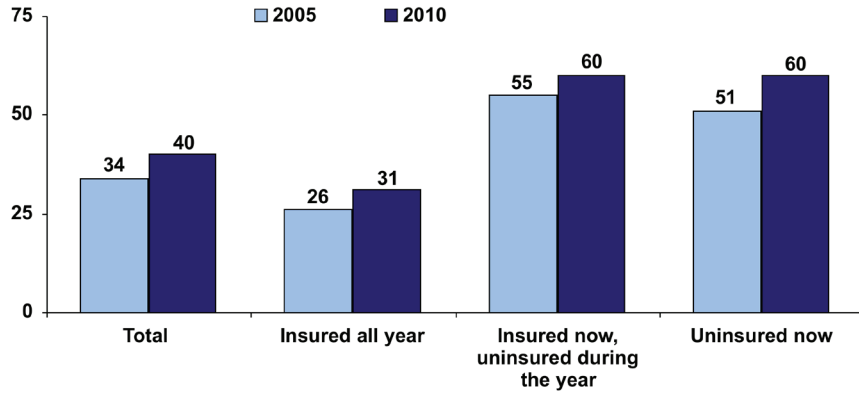
People carrying debt or having problems paying medical bills had to make trade-offs in their spending and saving priorities. Two of five (40%) adults with medical debt or unpaid bills—an estimated 29 million—said they used all of their savings because of their medical bills (Exhibit 12). Nearly one-third (31%), or an estimated 22 million adults, were unable to pay for basic necessities such as food, heat, or rent because of medical bills, and almost one-quarter (24%), or 17 million adults, incurred credit card debt. Ten percent, or an estimated 7 million adults, reported that medical bills caused them to take out a loan or a mortgage against their home, and another 4 million had to declare bankruptcy. More than half (56%), or 41 million people with medical bill problems or debt, reported making any one of these trade-offs.

Exhibit 9. Problems with Medical Bills or Accrued Medical Debt Increased, 2005–2010		
Percent of adults ages 19–64		
	2005	2010
In the past 12 months:		
Had problems paying or unable to pay medical bills	23% 39 million	29% 53 million
Contacted by collection agency for unpaid medical bills	13% 22 million	16% 30 million
Had to change way of life to pay bills	14% 24 million	17% 31 million
<i>Any of the above bill problems</i>	28% 48 million	34% 62 million
<i>Medical bills being paid off over time</i>	21% 37 million	24% 44 million
<i>Any bill problems or medical debt</i>	34% 58 million	40% 73 million

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2005 and 2010).

Exhibit 10. Problems with Medical Bills or Accrued Medical Debt Highest for Uninsured Adults

Percent of adults ages 19–64 with medical bill problems or accrued medical debt*

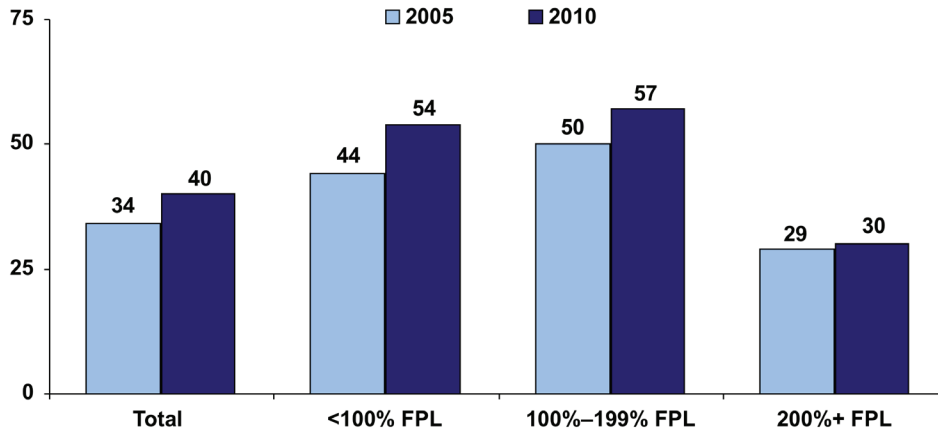


*Had problems paying medical bills, contacted by a collection agency for unpaid bills, had to change way of life in order to pay medical bills, or has outstanding medical debt.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2005 and 2010).

Exhibit 11. Problems with Medical Bills or Accrued Medical Debt Highest for Adults with Low and Moderate Incomes

Percent of adults ages 19–64 with medical bill problems or accrued medical debt*



Note: FPL refers to Federal Poverty Level.

*Had problems paying medical bills, contacted by a collection agency for unpaid bills, had to change way of life in order to pay medical bills, or has outstanding medical debt.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2005 and 2010).

Exhibit 12. Adults with Low Incomes More Likely to Be Unable to Pay for Basic Necessities Because of Medical Bill or Debt Problems

Percent of adults ages 19–64 with medical bill problems or accrued medical debt*

Percent of adults reporting:	Total	<133% FPL	133%–249% FPL	250%–399% FPL	400% FPL or more
Used all of savings	40% 29 million	41%	43%	37%	32%
Unable to pay for basic necessities (food, heat, or rent) because of medical bills	31% 22 million	40	35	18	13
Took out a mortgage against your home or took out a loan	10% 7 million	11	10	6	9
Took on credit card debt	24% 17 million	18	27	26	28
Had to declare bankruptcy	6% 4 million	7	6	6	4
<i>Any of the above</i>	56% 41 million	57	62	51	49

*Base: Had problems paying medical bills, contacted by a collection agency for unpaid bills, had to change way of life in order to pay medical bills, or has outstanding medical debt.

Note: FPL refers to Federal Poverty Level.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Millions of Americans Do Not Get Needed Health Care Because of Costs

Greater exposure to health costs either because of a loss of benefits or higher deductibles and other cost-sharing is erecting barriers to care for increasing numbers of adults. The survey asked respondents whether they had failed to pursue needed medical care in the past 12 months because of cost. Specifically, respondents were asked if, because of cost, they had not filled a prescription; skipped a medical test, treatment, or follow-up visit recommended by a doctor; did not go to a doctor or clinic when sick; or did not see a specialist when a doctor or the respondent thought it was needed.

The share of adults who reported problems getting needed health care because of costs increased substantially between 2001, 2005, and 2010. In 2010, more than one-quarter (26%) of adults, or 49 million people, said they did not visit a doctor or clinic when sick, up from 14 percent, or 23 million, in 2001 (Exhibit 13, Table 5). The same percentage (26%), or nearly 48 million adults, did not fill a prescription because of cost in 2010, up from 18 percent, or 29 million, in 2001. And a quarter, or 47 million adults, skipped a medical test, treatment, or follow-up visit in 2010, compared with 11 percent, or 18 million, in 2001. In total, four of 10 (41%) adults under age 65, or 75 million people, reported having one of these cost-related problems getting needed care, up from 29 percent, or 47 million, in 2001.

People who were uninsured at the time of the survey or who were insured but had spent a time uninsured during the past year experienced the highest rates of cost-related problems accessing care. Sixty-six percent of adults who were uninsured at the time of the survey, and 63 percent who had been uninsured at some time in the past year, cited cost-related problems accessing needed health care, up from 55 percent and 52 percent, respectively, in 2001 (Exhibit 14). Even adults who

Exhibit 13. Number of Adults Reporting Cost-Related Problems Getting Needed Care Increased, 2001–2010

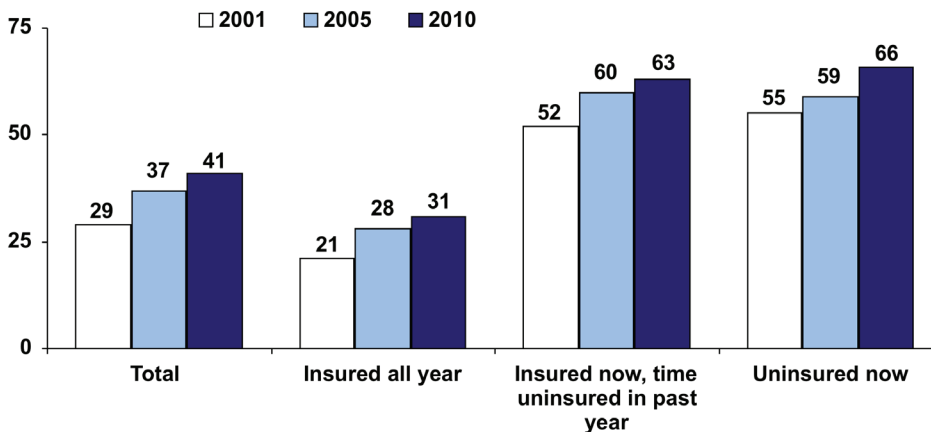
Percent of adults ages 19–64

	2001	2005	2010
In the past 12 months:			
Had a medical problem, did not visit doctor or clinic	14% 23 million	24% 41 million	26% 49 million
Did not fill a prescription	18% 29 million	25% 43 million	26% 48 million
Skipped recommended test, treatment, or follow-up	11% 18 million	20% 34 million	25% 47 million
Did not get needed specialist care	17% 27 million	17% 30 million	18% 34 million
Any of the above access problems	29% 47 million	37% 64 million	41% 75 million

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

Exhibit 14. Adults Uninsured for Any Time Had Highest Rates of Cost-Related Problems Getting Needed Care, 2010

Percent of adults ages 19–64 who had any of four access problems* in past year because of cost

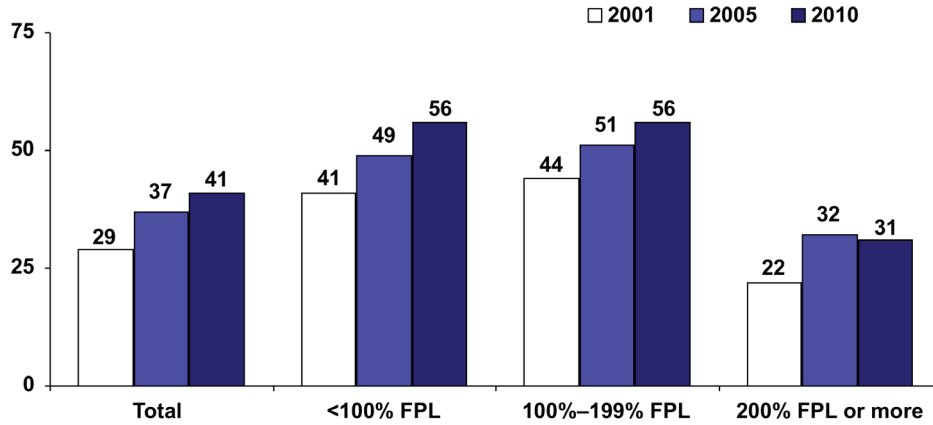


*Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

Exhibit 15. Adults with Low and Moderate Incomes Experienced the Greatest Increase in Cost-Related Problems Getting Needed Care

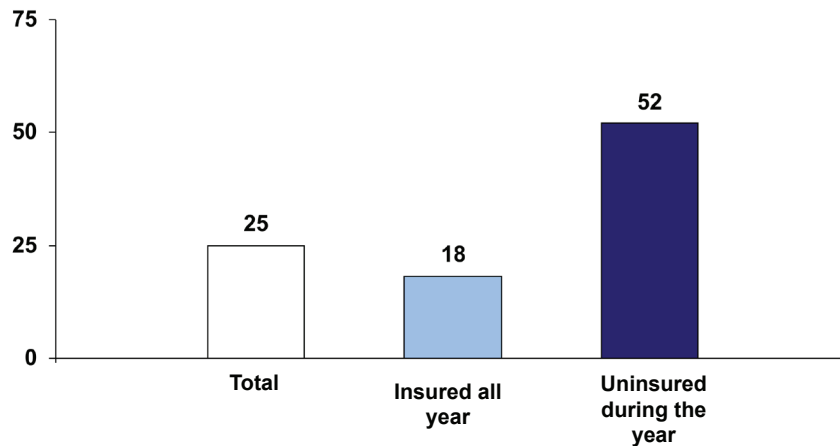
Percent of adults ages 19–64 who had any of four access problems* in past year because of cost



Note: FPL Refers to Federal Poverty Level.
 *Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic.
 Source: The Commonwealth Fund Biennial Health Insurance Surveys (2001, 2005, and 2010).

Exhibit 16. Adults Uninsured During the Year Are More Likely to Not Fill Prescriptions for Chronic Conditions

Percent of adults ages 19–64 with at least one chronic condition* who skipped doses or did not fill prescription for chronic condition because of cost



*Adults with hypertension or high blood pressure; diabetes; asthma, emphysema, or lung disease; or heart disease, including heart attack, who take prescription medications on a regular basis.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

had insurance for the full year reported an increase in access problems because of cost: nearly one of three (31%) adults with insurance all year reported any of the four access problems, an increase from one of five (21%) in 2001.

Adults in households with low and moderate incomes experienced substantial increases in cost-related barriers to getting needed health care. In 2010, more than half (56%) of adults in families with incomes below 100 percent of poverty, as well as between 100 percent and 199 percent of poverty, reported cost-related problems getting necessary care, up from 41 percent and 44 percent, respectively, in 2001 (Exhibit 15).

Millions of Americans have chronic conditions that they control through regular medication. Over a third (34%) of the adults surveyed—an estimated 62 million Americans— reported having at least one of four chronic conditions: hypertension or high blood pressure; heart disease, including heart attack; diabetes; or asthma, emphysema, or lung disease (data not shown).¹² A quarter (25%) of adults with a chronic condition who took prescription drugs on a regular basis said they had skipped doses or not filled a prescription for their health condition because of the cost. This problem was particularly acute among those who were uninsured during the year: more than half (52%) of such adults had skipped doses or not filled a prescription for their condition because of the cost, compared with 18 percent of those insured all year (Exhibit 16, Table 5).

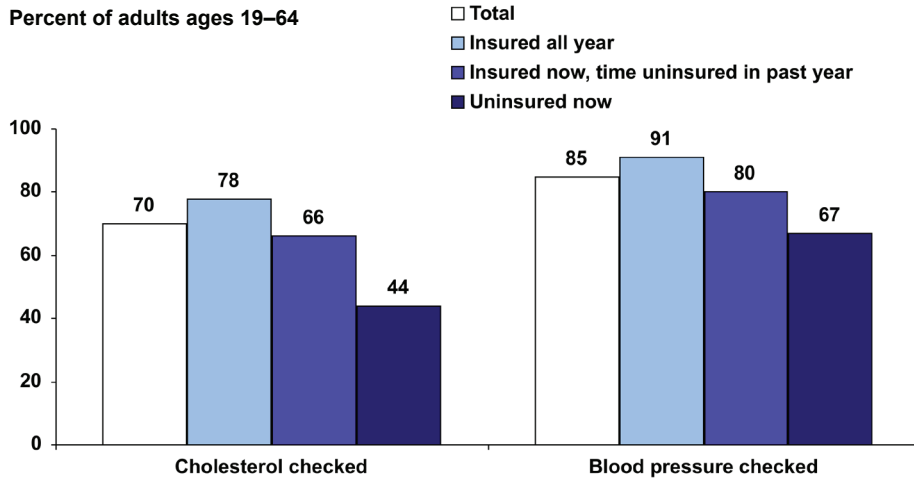
Adults Who Lack Health Insurance Are Less Likely to Get Preventive Care

Preventive screening tests like colonoscopies have been shown to save thousands of lives each year.¹³ But many adults, especially those who lack health insurance or have insurance that does not cover such services or requires significant cost-sharing, do not receive them.

The survey asked whether respondents had received a range of preventive screening tests. Only half of all adults ages 19 to 64 were up to date on a set of recommended preventive screenings: blood pressure and cholesterol checks, Pap tests, colon cancer screens, and mammograms. But in all cases, screening levels were lower for adults without insurance and those who had gaps in their coverage. Just 44 percent of uninsured adults reported that their cholesterol had been checked in the past five years (past year for those with hypertension or heart disease), compared with more than three-quarters (78%) of those who were insured all year (Exhibit 17). Two-thirds (67%) of adults who were uninsured at the time of the survey reported that their blood pressure had been checked in the past year, compared with 91 percent of adults who were insured all year.

Uninsured adults and those with gaps in coverage were also less likely to get cancer screening tests in the recommended time period (Exhibit 18). Just over a third (36%) of adults ages 50 to 64 who were without insurance during the year said they had been screened for colon cancer in the past five years, compared with 57 percent of those who were insured all year. Among women ages 50 to 64 who were uninsured during the year, just 42 percent had received a

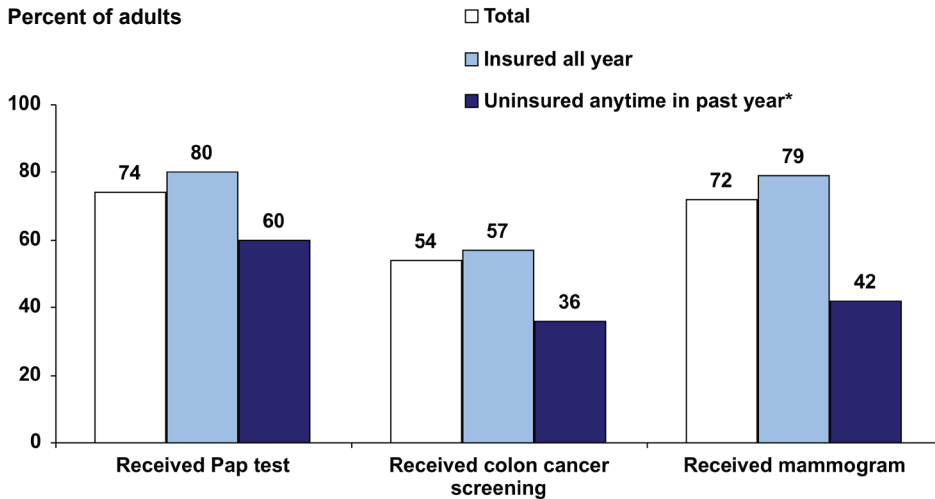
Exhibit 17. Uninsured Adults Are Less Likely to Get Blood Pressure and Cholesterol Checked, 2010



Note: Blood pressure checked in past year; cholesterol checked in past five years (in past year if has hypertension or heart disease).

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Exhibit 18. Uninsured Adults and Adults with Gaps in Coverage Have Lower Rates of Cancer Screening Tests, 2010



* Because of small sample size, "Insured now, time uninsured in past year" and "Uninsured now" are combined.

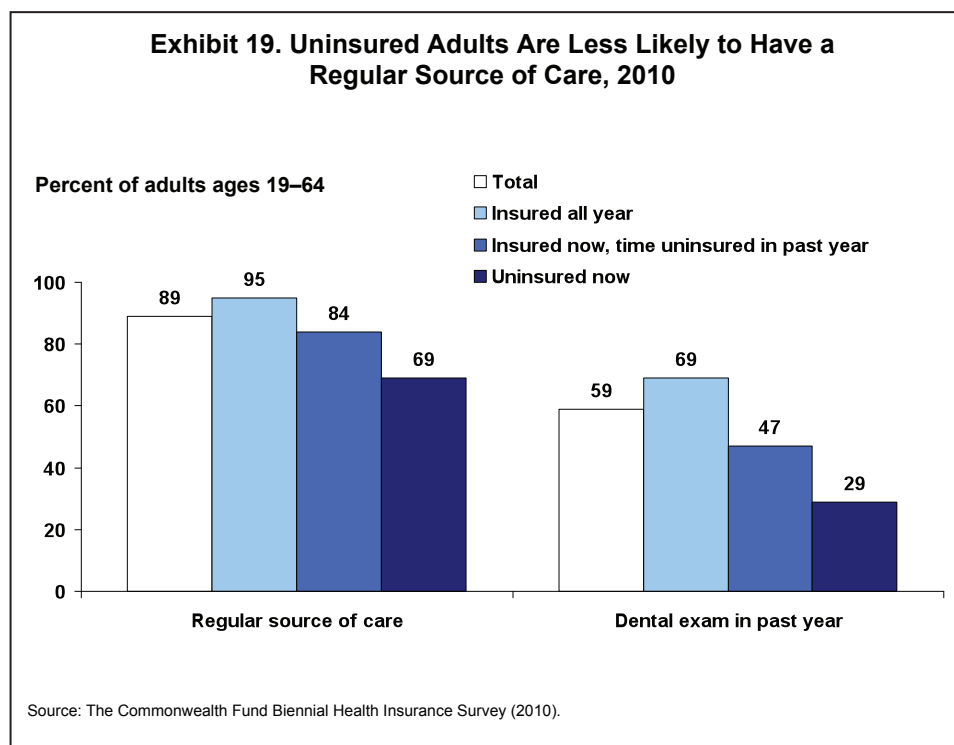
Note: Pap test in past year for females ages 19–29, past three years age 30+; colon cancer screening in past five years for adults ages 50–64; and mammogram in past two years for females ages 50–64.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

mammogram in the past two years, about half the rate (79%) reported by those who had coverage all year. Sixty percent of women who were uninsured during the year reported receiving a Pap test in the recommended time period, compared with 80 percent of women who were insured all year.

Lacking a regular doctor or other source of care can also make it difficult to access preventive screening. The survey asked respondents whether they had a regular doctor, doctors' group, health center, or clinic. Adults without health insurance were less likely to report having a regular source of care (69%) than those who were insured all year (95%) (Exhibit 19).

Uninsured adults were also far less likely to seek dental care. Just 29 percent of uninsured adults reporting having a dental exam in the past year, less than half the rate of adults who were insured all year (69%) (Exhibit 19).

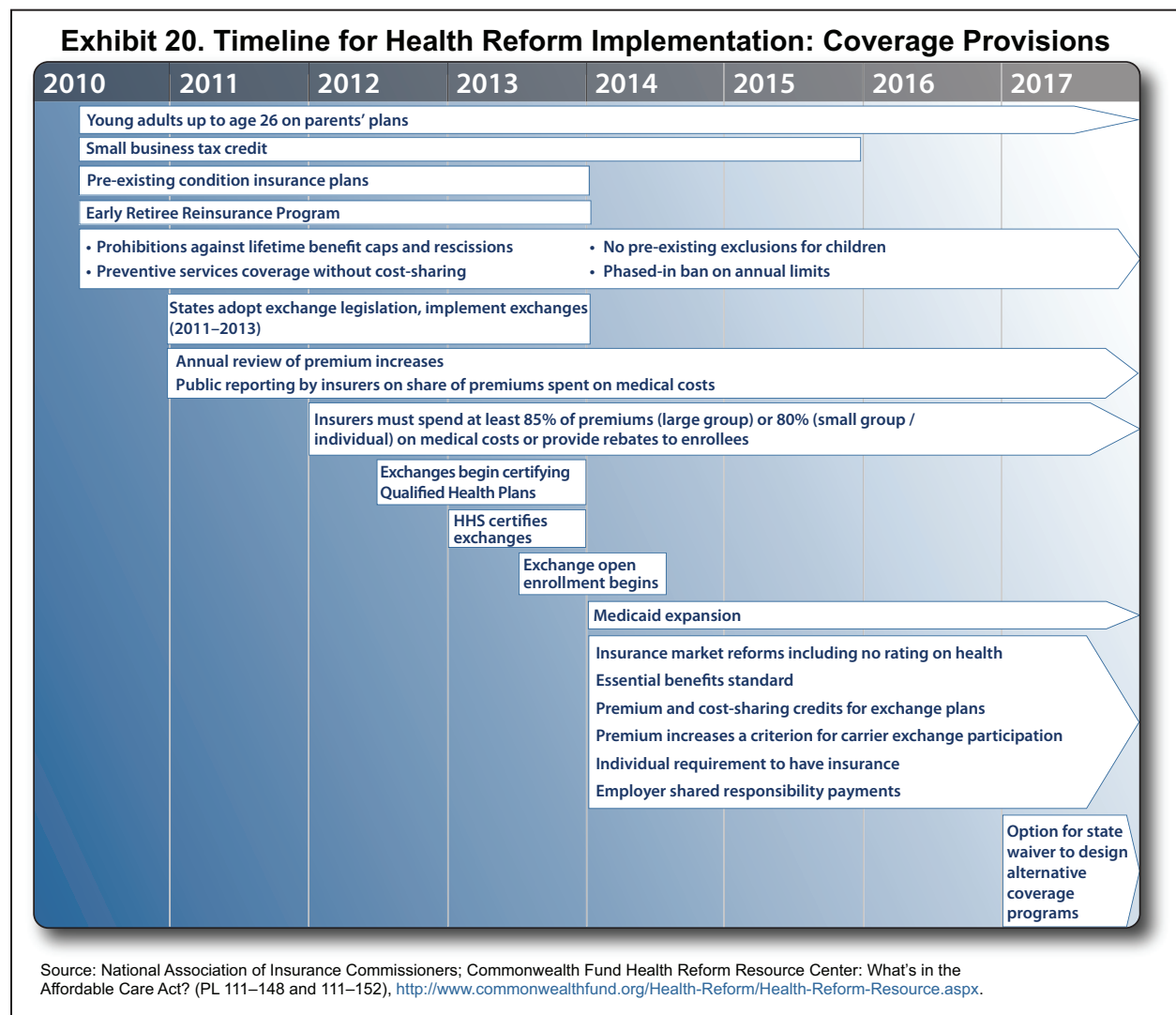


HOW THE AFFORDABLE CARE ACT WILL BRING RELIEF

The recent experiences of people who have lost their jobs and health benefits dramatically illustrate the need for the changes that the Affordable Care Act will bring as it is implemented over the next three years (Exhibit 20). Beginning in 2014, people who lose their job-based health benefits will finally have the security of knowing they can access affordable and comprehensive health insurance.¹⁴ And several early reforms, many of which have already gone into effect, will provide important consumer protections and transitional sources of coverage for young adults and people with chronic health problems.

Universal Coverage in 2014

New coverage under Medicaid. Beginning in 2014, the Affordable Care Act expands eligibility for Medicaid to all legal residents with incomes up to 133 percent of the federal poverty level—about \$14,404 for a single adult or \$29,327 for a family of four (Exhibit 21). This represents a substantial change in Medicaid’s coverage of adults. Although several states have expanded eligibility for



parents of dependent children, in most states income eligibility thresholds for parents are well below the federal poverty level.¹⁵ In addition, adults who do not have children are not currently eligible for Medicaid, regardless of their income, in most states.

New subsidized private health plans with consumer protections. The law requires each state to establish new health insurance exchanges for both individuals and small businesses.¹⁶ States can set up their own exchanges or the federal government will do it for them. The individual and small-group markets will continue to function outside of the exchanges, but new insurance market regulations against underwriting on the basis of health will apply to plans sold inside and outside of the exchanges. The exchanges will create a regulated marketplace in which people without access to affordable and comprehensive employer coverage can purchase insurance. People with employer coverage who spend more than 9.5 percent of their income on premiums or those with plans that cover less than 60 percent, on average, of their medical costs also will be eligible to purchase coverage through the exchanges.

All health plans sold in the exchange and in the individual and small-group markets will be required to provide an essential benefits package, similar in scope to a typical employer plan. Individuals and small businesses purchasing coverage may choose among health plans with the essential benefits package but with four different levels of cost-sharing: plans that cover an average 60 percent of an individual’s total medical costs per year (bronze plan), 70 percent of medical costs (silver plan), 80 percent of medical costs (gold plan), and 90 percent of medical costs (platinum plan). Out-of-pocket costs are limited to \$5,950 for single policies and \$11,900 for family policies and are lower for people with lower incomes (Exhibit 21).

Exhibit 21. Premium and Cost-Sharing Tax Credits Under the Affordable Care Act			
Federal poverty level	Income for a family of four	Premium tax credit cap as a share of income	Average cost-sharing as share of medical costs
<133%	<\$29,327	Medicaid	Medicaid
133%–149%	\$29,327–<\$33,075	3.0%–4.0%	6%
150%–199%	\$33,075–<\$44,100	4.0%–6.3%	13%
200%–249%	\$44,100–<\$55,125	6.3%–8.05%	27%
250%–299%	\$55,125–<\$66,150	8.05%–9.5%	30%
300%–399%	\$66,150–<\$88,200	9.5%	30%
≥400%	≥\$88,200	—	—

<p>Four levels of cost-sharing</p> <p>1st tier (Bronze) actuarial value: 60%</p> <p>2nd tier (Silver) actuarial value: 70%</p> <p>3rd tier (Gold) actuarial value: 80%</p> <p>4th tier (Platinum) actuarial value: 90%</p> <p>Catastrophic policy with essential benefits package available to young adults and people who cannot find plan premium ≤8% of income</p>	<p>Annual OOP limits (individual/family)</p> <p>100%–200% FPL: 1/3 HSA limit, \$1,983/\$3,967</p> <p>200%–300% FPL: 1/2 HSA limit, \$2,975/\$5,950</p> <p>300%–400% FPL: 2/3 HSA limit, \$3,967/\$7,933</p> <p>Cost-sharing is eliminated for preventive services</p>
---	---

Note: FPL refers to Federal Poverty Level. OOP refers to out-of-pocket costs. Actuarial values are the average percent of medical costs covered by a health plan. Premium and cost-sharing credits are for silver plan.
Source: Federal poverty levels are for 2010; Commonwealth Fund Health Reform Resource Center: What’s in the Affordable Care Act? (PL 111-148 and 111-152), <http://www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx>.

For the first time, people who must buy coverage on their own will be eligible for a federal tax credit to help them pay for the cost of premiums for plans sold through the exchanges. Premium credits will be tied to the silver plan and will cap contributions for individuals and families from 2 percent of income for those with incomes up to 133 percent of the federal poverty level (\$14,404 for a single adult or \$29,327 for a family of four) and gradually increase to 9.5 percent of income for those with incomes from 300 percent to 399 percent of the poverty level (\$43,320 for a single person and \$88,200 for a family of four).

People with low and moderate incomes will also benefit from cost-sharing credits that reduce out-of-pocket spending under the silver plan to an average 6 percent of total costs for those with incomes up to 150 percent of poverty (\$16,245 for a single person and \$33,075 for a family of four). Out-of-pocket costs will be reduced on average to a maximum of 13 percent of total costs for those with incomes up to 200 percent of poverty (\$21,660 for a single person and \$44,100 for a family of four) and 27 percent for those with incomes up to 250 percent of poverty (\$27,075 for a single person and \$55,125 for a family of four). In addition, out-of-pocket expenses will be capped for families earning between 100 percent and 399 percent of poverty from \$1,983 for individuals and \$3,967 for families up to \$3,967 for individuals and \$7,933 for families.

And because health insurance companies will be banned from denying coverage or charging higher premiums to people with preexisting health conditions, even those with higher incomes will be assured of finding a health plan that is affordable, protects them from catastrophic costs, and enables them to get the care they need.

Early Reforms: 2010–14

Several early provisions in the Affordable Care Act that have gone into effect in the past six months are also providing temporary relief for people who do not have health insurance through a job (Exhibit 20).

- People who have health problems and have been uninsured for six months may be eligible for new preexisting condition insurance plans (PCIPs), which are available in all 50 states and the District of Columbia.¹⁷
- All young adults up to the age of 26 may stay on or enroll in their parents' health plans if the plans include dependent coverage.¹⁸
- Small businesses are now eligible for tax credits to offset the costs of their health insurance premiums.
- Insurance carriers are banned from denying coverage to children with preexisting health problems, or excluding such conditions from their policies.

- Insurers are banned from placing limits on what plans will pay for people over their lifetimes and from rescinding coverage when someone becomes ill. And carriers must phase out annual limits on benefits over the next three years.
- Health plans must provide coverage of recommended preventive services without cost-sharing.

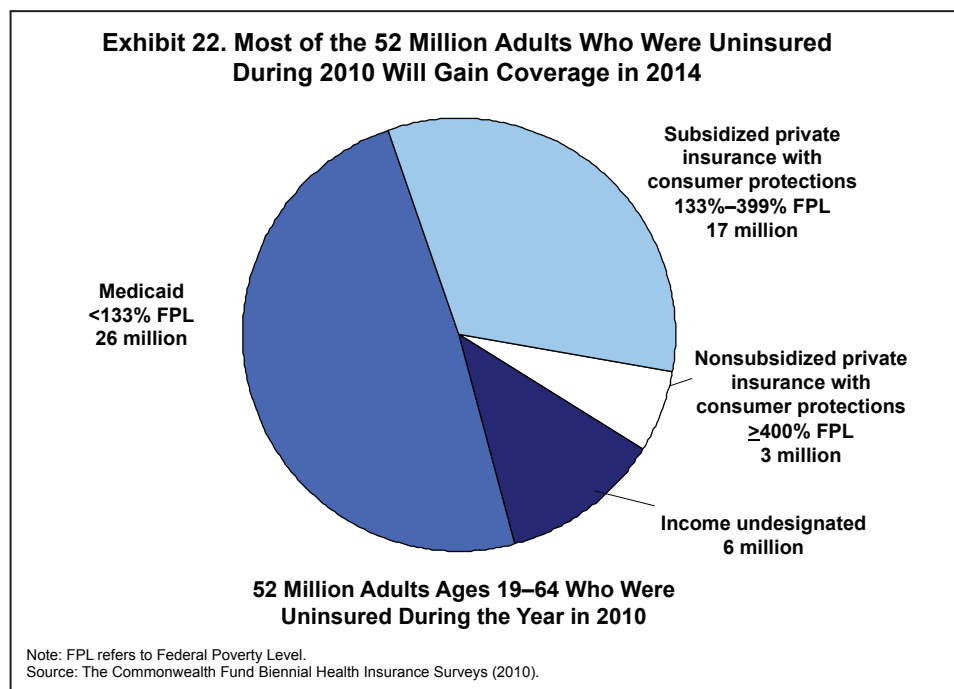
WHAT THE AFFORDABLE CARE ACT MEANS FOR U.S. FAMILIES

Access to Health Insurance

Of the 52 million people who experienced a time without health insurance in 2010, all those who are legally present in the United States will have access to affordable health insurance in 2014 (Exhibit 22).

New coverage under Medicaid. Up to 26 million adults with incomes under 133 percent of poverty (\$29,327 for a family of four) who were uninsured for a time in 2010 will gain coverage in 2014 through Medicaid, with little or no premium or cost-sharing expenses.

New subsidized private health plans with consumer protections. Up to 17 million adults with incomes between 133 percent and 399 percent of poverty (up to \$88,200 for a family of four) who were uninsured for a time in 2010 will have access to tax credits to help them purchase private health plans through new state insurance exchanges.



New private health plans with consumer protections. Up to 3 million adults with incomes of 400 percent of poverty or higher (\$88,200 for a family of four) who were uninsured in 2010 will be able purchase private plans with comprehensive benefits through the new state insurance exchanges or individual market. No longer will they be denied coverage or charged higher premiums because of preexisting health conditions.

Protection from High Premiums and Out-of-Pocket Costs

New coverage under Medicaid. In the survey, among adults with income under 133 percent of poverty, nearly half (47%) spent 10 percent or more of their income on premiums and out-of-pocket costs (Exhibit 23). These adults will be eligible for Medicaid in 2014 and will pay little for premiums or out-of-pocket costs.

New subsidized private health plans with consumer protections. In the survey, among adults with incomes between 133 percent and 249 percent of poverty, 26 percent spent 10 percent or more of their income on insurance premiums. Under the new law, families with incomes in this range will be eligible for coverage through the exchange that will cap their premiums from 3 percent to 8 percent of their incomes. Those in employer plans whose premium contributions exceed 9.5 percent of their income will be eligible for tax credits through the exchanges. Cost-sharing credits and out-of-pocket limits will reduce out-of-pocket medical expenses for this group.

In the survey, 10 percent of adults with incomes between 250 percent and 399 percent of poverty spent 10 percent or more of their income on premiums. Families in this income range will be eligible for credits that limit their premium spending from 8 percent to 9.5 percent of their income.

Exhibit 23. Under the Affordable Care Act, Millions Will Benefit from Newly Subsidized Sources of Health Insurance					
Adults ages 19–64					
Coverage options in 2014	Total	Medicaid	Subsidized private insurance		Private insurance
		<133% FPL	133%–249% FPL	250%–399% FPL	400%+ FPL
In the past 12 months:					
Uninsured any time during the year	28% 52 million	51% 26 million	36% 12 million	15% 5 million	7% 3 million
Any bill problem or medical debt*	40% 73 million	54% 27 million	56% 18 million	38% 13 million	19% 8 million
Any cost-related access problem**	41% 75 million	56% 28 million	53% 17 million	34% 12 million	24% 11 million
Spent 10% or more of household income on premiums***	15% 14 million	35% 5 million	26% 4 million	10% 3 million	6% 2 million
Spent 10% or more of household income on premiums and total out-of-pocket costs****	32% 49 million	47% 20 million	38% 12 million	25% 9 million	21% 9 million

Note: FPL refers to Federal Poverty Level.
 *Includes: Had problems paying or unable to pay medical bills; contacted by collection agency for unpaid medical bills; had to change way of life to pay bills; medical bills being paid off over time. **Includes any of the following because of cost: Had a medical problem, did not visit doctor or clinic; did not fill a prescription; skipped recommended test, treatment, or follow-up; did not get needed specialist care. ***Base: Respondents who specified income level and premium for private insurance plan. ****Base: Respondents who specified income level and premium/out-of-pocket costs for combined individual/family medical expenses.
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

Slowing the Rate of Premium and Cost Growth

Several Affordable Care Act provisions may help lower the rate of premium growth over time. Requiring everyone to have health insurance will pool risks much more broadly than they are today by bringing in younger and healthier people. The Congressional Budget Office (CBO) estimates that this provision could lower premiums in the individual market and exchanges by 7 percent to 10 percent.¹⁹ The CBO estimates that premiums would decline by an additional 7 percent to 10 percent because of lower administrative costs and greater economies of scale in the provision of insurance.

The law also sets explicit controls on insurance premiums. Beginning in August 2012, health plans in the large-employer group market that spend less than 85 percent of their premiums on medical care and quality improvement activities, and plans in the small-employer group and individual markets that spend less than 80 percent on the same, will be required to offer rebates to enrollees.²⁰ Carriers will pay rebates to enrollees in the form of a reduction in premiums or a rebate check. People with employer-based plans will receive rebates that are proportional to their premium contribution. Also starting this year, any insurance carrier that increases their premiums by 10 percent or more in the individual or small-employer group insurance markets, effective on or after July 2011, will have to justify the increase to states and the Department of Health and Human Services.²¹ Starting in 2014, states can recommend that health plans be excluded from participation in the insurance exchanges if they have demonstrated a pattern of excessive or unjustified premium increases.

Finally, the Affordable Care Act includes an extensive set of new programs and incentives aimed at improving the quality and cost of health care. Such changes include new incentives and support for physicians and hospitals to join together to provide better care and use resources more efficiently, support for primary care physicians to ensure timely access to preventive care, and payment incentives for physicians and hospitals to improve safety and discourage costly patient readmissions to hospitals.

A recent report by The Commonwealth Fund estimates that if this combination of reforms were effective in slowing the growth in premiums by just 1 percent below annual projected rates of increase based on historical trends, the cost of family health insurance would drop by an average of \$995 annually by 2015 and by \$2,323 by 2020.²²

New private health plans with consumer protections. One of five (21%) adults earning 400 percent of poverty or more spent at least 10 percent of their income on premiums and out-of-pocket costs in 2010. New consumer protections will help those with such incomes gain comprehensive coverage through the state exchanges or individual market, with limits on out-of-pocket spending. Health plans will not be able to deny coverage, exclude preexisting conditions from coverage, or charge higher premiums because of a condition. In addition, reforms that went into effect in 2010 prevent health insurers from imposing limits on what their health plans will pay over time or rescinding health insurance from someone who becomes ill.

Protection from Medical Bill Problems and Debt

People with the highest rates of medical bill problems and debt—the uninsured and low- and moderate-income families—will be far more protected from such problems in 2014 than they are today through substantial expansions in subsidized health insurance as well as insurance market reforms that will ban health insurers from denying coverage or charging higher premiums on the basis of health. In addition, reforms that went into effect in 2010 prevent health insurers from imposing limits on what plans will pay over time or rescinding health insurance from someone who becomes ill. Both practices have left people with a catastrophic illness who have either hit their insurance limit or have had their coverage rescinded without any insurance to cover their health care bills.

New coverage under Medicaid. In the survey, among adults with income under 133 percent of poverty, more than half (54%) or an estimated 27 million reported medical bill problems or debt (Exhibit 23). Of those, 41 percent said they had used all of their savings to pay their bills and 40 percent were unable to pay for basic necessities like food, health, or rent because of them (Exhibit 12). Families in this income range will be eligible for Medicaid and will pay little for premiums or out-of-pocket costs, protecting them from high medical bills.

New subsidized private health plans with consumer protections. In the survey, among adults with incomes between 133 percent and 249 percent of poverty, 56 percent or 18 million reported problems with medical bills and debt (Exhibit 23). Of those, 43 percent used all of their savings to pay their bills, 35 percent were unable to pay for basic necessities, and 27 percent took on credit card debt (Exhibit 12). Among families with slightly higher incomes, between 250 percent and 399 percent of poverty, 38 percent or 13 million reported problems with medical bills. Of those, 37 percent used all of their savings to pay their bills, 18 percent were unable to pay for basic necessities and one-quarter (26%) took on credit card debt. People in this income range will be eligible for premium tax credits to reduce their insurance costs. Cost-sharing credits and out-of-pocket limits will lower out-of-pocket costs, further reducing their exposure to expensive medical bills.

New private health plans with consumer protections. About 19 percent of families earning 400 percent of poverty or more, or 8 million, reported problems with medical bills and debt in 2010 (Exhibit 23). Of those, one-third (32%) used all of their savings to pay their bills and more than one-quarter (28%) took on credit card debt (Exhibit 12). New consumer protections will help those with incomes in this range gain comprehensive coverage through the state exchanges or the individual market, with limits on out-of-pocket spending.

Reducing Cost Barriers to Getting Needed Care

By covering nearly everyone in the United States with comprehensive health insurance by 2014, the Affordable Care Act will greatly improve people's ability to get the care they need. An essential benefits package will ensure that all health plans offered through the exchanges and the individual and small-group markets will be as comprehensive as those available from large employers. In addition, lower cost-sharing responsibilities for low- and moderate-income families and limits on out-of-pocket spending will help reduce cost-related barriers to obtaining needed care.

New coverage under Medicaid. In the survey, among adults with income under 133 percent of poverty, 56 percent, or an estimated 28 million, reported cost-related problems getting needed health care (Exhibit 23). Families in this income range will be eligible for Medicaid and face little or no cost-sharing.

New subsidized private health plans with consumer protections. Among adults with incomes between 133 percent and 249 percent of poverty, 53 percent, or 17 million, reported having at least one cost-related problem getting needed health care. More than one-third (34%) of adults, or 12 million, in the next income range (250% to 399% of poverty) reported not getting needed care because of costs. Families in this income range will be eligible for comprehensive, subsidized private coverage with cost-sharing subsidies and out-of-pocket spending limits that will help give them timely access to needed care.

New private health plans with consumer protections. Twenty-four percent of adults with incomes of 400 percent of poverty or more, or 11 million, reported a cost-related problem getting needed care. People with such incomes will be able to purchase health insurance through the insurance exchanges or individual market; their coverage will have an essential benefit package and limits on out-of-pocket spending.

Improving Access to Preventive Care

Under the Affordable Care Act, health plans in both the group and individual markets are now required to cover preventive services (including blood pressure, cholesterol, diabetes, and cancer screening tests) without cost-sharing. The requirement applies only to non-grandfathered plans, or those that were not in existence when the law passed.²³ Although most employer health plans already cover preventive care without cost-sharing, this change will benefit millions of adults who currently purchase plans in the individual market, where coverage and cost-sharing for preventive care is much more variable. Indeed, many adults who had insurance in the survey reported that they had not received preventive screenings in the recommended time frame. Only 57 percent of adults

ages 50 to 64 with health insurance had a colon cancer screening within the recommended time frame (Exhibit 18).

People with low and moderate incomes were the least likely to be up to date with preventive care. Only 36 percent of those with incomes under 133 percent of poverty and 44 percent of those in the next income category (133%–249% of poverty) were up-to-date with recommended tests and screenings referenced in the survey questions (Exhibit 24). The substantial expansions in eligibility for Medicaid and subsidized private coverage beginning in 2014 are certain to improve the ability of adults with low and moderate incomes to get timely preventive care.

Exhibit 24. Health Reform Will Reduce Cost-Related Barriers to Accessing Preventive Care

Percent of adults ages 19–64*

	Total	<133% FPL	133%– 249% FPL	250%– 399% FPL	400%+ FPL
Blood pressure checked	85%	78%	83%	89%	93%
Cholesterol checked	70	54	67	76	85
Received Pap test	74	64	73	80	86
Received colon cancer screening	54	42	42	55	64
Received mammogram	72	52	60	75	85
<i>Up-to-date with preventive care</i>	50	36	44	59	65

Note: FPL refers to Federal Poverty Level.
 *Pap test in past year for females ages 19–29, past three years ages 30+; colon cancer screening in past five years for adults ages 50–64; and mammogram in past two years for females ages 50–64; Blood pressure checked in past year; cholesterol checked in past five years (in past year if has hypertension or heart disease).
 Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

CONCLUSION

U.S. families continue to suffer the lingering effects of one of the most severe economic downturns since the Great Depression. Nearly 14 million people are out of work, and many have been unemployed for record lengths of time. Millions of families have lost their health insurance along with their jobs, which has only exacerbated their economic vulnerability. The consequences have been devastating for working families, particularly those with low and moderate incomes. The survey finds that 70 percent of adults with incomes under 200 percent of poverty (\$44,100 for a family of four) who lost a job with health benefits in the last two years did not find another source of health insurance. Facing the full cost of their health care, millions of adults in this survey reported that they delayed or avoided getting needed care or filling prescriptions, even those with chronic health problems. And even people with health insurance—who face growing exposure to health care costs as employers, particularly small employers, share more of their costs with employees—report skimping on their care or struggling to pay medical bills. An estimated 73 million adults, both with and without insurance, reported problems paying medical bills in 2010.

One year ago this month, the United States signed into law historic legislation that will ensure that nearly everyone will have access to affordable and comprehensive health insurance, regardless of their employment status, beginning in 2014. This means that nearly every one of the 52 million working-age adults who were without health insurance for a time last year will be covered in 2014, most with subsidized premiums and reduced cost-sharing. In addition, their health benefits will have to conform to an essential benefits standard that will ensure a full spectrum of benefits enjoyed by people in employer-based plans, and no one will be charged a higher premium or denied coverage because of a preexisting health condition. Federal and state governments across the country are now at work implementing the Affordable Care Act, establishing new state insurance exchanges that will be open to all in 2014, and operating transitional sources of coverage for those in dire need before then. Once the law is fully implemented less than three years from now, U.S. families will finally have financial and health security provided by a continuous source of health insurance, both in good economic times and bad.

METHODOLOGY

The Commonwealth Fund Biennial Health Insurance Survey was conducted by Princeton Survey Research Associates International from July 14 to November 30, 2010. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 4,005 adults ages 19 and older living in the continental United States. Because relying on landline-only samples leads to undercoverage of American households, a combination of landline and cell phone random-digit dial (RDD) samples was used to reach people, regardless of the type of telephones they use.²⁴ In all, 2,550 interviews were conducted with respondents on a landline telephone and 1,455 interviews were conducted on a cellular phone, including 637 with respondents who live in a household with no landline telephone access.

The sample was designed to generalize to the U.S. adult population and to allow separate analyses of responses of low-income, African American, and Hispanic households. This report limits the analysis to respondents ages 19 to 64 (n=3,033). Statistical results are weighted to correct for the stratified sample design, the overlapping landline and cellular phone sample frames, and disproportionate non-response that might bias results. The data are weighted to the U.S. adult population by age, sex, race/ethnicity, education, household size, geographic region, population density, and household telephone use, using the U.S. Census Bureau's 2010 Annual Social and Economic Supplement. The resulting weighted sample is representative of the approximately 183.59 million U.S. adults ages 19 to 64.

Respondents' insurance status in the past 12 months is classified as either insured all year, insured when surveyed but uninsured during the past 12 months, or currently uninsured. These categories enabled exploration of insurance instability and its role in access to care and financial security. The study also classified adults by income as a percent of the federal poverty level. Eleven percent of adults ages 19 to 64 did not provide sufficient income data for classification.

The survey has an overall margin of sampling error of +/- 1.9 percentage points at the 95 percent confidence level. The landline portion of the survey achieved a 29 percent response rate and the cellular phone component achieved a 25 percent response rate.

We also report estimates from the 2001 and 2005 Commonwealth Fund Biennial Health Insurance Surveys. These surveys were conducted by Princeton Survey Research Associates International using the same stratified sampling strategy as was used in 2010 except that they did not include a cellular phone random-digit dial sample.²⁵ In 2001, the survey was conducted from April–July 2001 and included 2,829 adults ages 19 to 64; in 2005, the survey was conducted from August 2005 to January 2006 among 3,353 adults ages 19 to 64.

Notes

- ¹ All reported differences are statistically significant at $p \leq 0.05$ or better, unless otherwise noted. Data on medical bill problems and debt were not available in 2001.
- ² U.S. Bureau of Labor Statistics, “The Employment Situation—February 2011,” March 2011, <http://www.bls.gov/news.release/pdf/empsit.pdf>.
- ³ U.S. Bureau of Labor Statistics, “Issues in Labor Statistics,” Summary 10-10, Oct. 2010, <http://www.bls.gov/opub/ils/pdf/opbils87.pdf>.
- ⁴ M. M. Doty, S. D. Rustgi, C. Schoen, and S. R. Collins, *Maintaining Health Insurance During a Recession: Likely COBRA Eligibility* (New York: The Commonwealth Fund, Jan. 2009).
- ⁵ R. R. Bovbjerg, S. Dorn, J. Macri et al., *COBRA Subsidies for Laid-Off Workers: An Initial Report Card* (New York: The Commonwealth Fund, Dec. 2009). Subsidies to cover 65 percent of the cost of premiums under COBRA were available to workers who were involuntarily terminated between September 1, 2008, and December 31, 2009. The subsidies were available for up to nine months and were extended for people who lost their jobs through May 31, 2010, for a period of up to 15 months. People who had modified adjusted incomes that rose above \$145,000 for the year in which the premium reduction was received had to pay back the subsidy. See <http://www.dol.gov/ebsa/newsroom/fsCOBRApremiumreduction.html>.
- ⁶ M. Heberlien, T. Brooks, J. Guyer et al., *Holding Steady, Looking Ahead: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010–2011* (Menlo Park, Calif.: Kaiser Family Foundation, Jan. 2011), <http://www.kff.org/medicaid/upload/8130.pdf>.
- ⁷ M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, *Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families* (New York: The Commonwealth Fund, July 2009); K. Swartz, *Reinsuring Health: Why More Middle Class People Are Uninsured and What Government Can Do* (New York: Russell Sage Foundation, 2006); S. R. Collins, C. Schoen, K. Davis, A. Gauthier, and S. Schoenbaum, *A Roadmap to Health Insurance for All: Principles for Reform* (New York: The Commonwealth Fund, Oct. 2007); N. C. Turnbull and N. M. Kane, *Insuring the Healthy or Insuring the Sick? The Dilemma of Regulating the Individual Health Insurance Market—Findings from a Study of Seven States* (New York: The Commonwealth Fund, Feb. 2005).
- ⁸ Fair or poor health status, any one of five chronic conditions, or a disability or condition that prevents them from working.
- ⁹ C. Schoen, K. Stremikis, S. K. H. How, and S. R. Collins, *State Trends in Premiums and Deductibles, 2003–2009: How Building on the Affordable Care Act Will Help Stem the Tide of Rising Costs and Eroding Benefits* (New York: The Commonwealth Fund, Dec. 2010).
- ¹⁰ Council of Economic Advisors, “Economic Report of the President: 2011 Report Spreadsheet Tables,” Feb. 2011, Table B-33, <http://www.gpoaccess.gov/eop/tables11.html>.
- ¹¹ 2005 was the first year in which a comparable question series was asked.
- ¹² Source: The Commonwealth Fund Health Insurance Survey 2010. Analysis shows that 34 percent of adults ages 19 to 64, an estimated 62.2 million people, had at least one of the following chronic conditions: hypertension or high blood pressure; heart disease, including heart attack; diabetes; or asthma, emphysema, or lung disease.
- ¹³ Department of the Treasury, Department of Labor, and Department of Health and Human Services, “Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Coverage of Preventive Services Under the Patient Protection and Affordable Care Act,” July 19, 2010, p. 28, <http://www.healthcare.gov/center/regulations/prevention/regs.html>.

- ¹⁴ Commonwealth Fund Health Reform Resource Center: What's in the Affordable Care Act? (Public Law 111-148 and 111-152), www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx.
- ¹⁵ S. R. Collins and J. L. Nicholson, *Rite of Passage: Young Adults and the Affordable Care Act of 2010* (New York: The Commonwealth Fund, May 2010).
- ¹⁶ T. S. Jost, *Health Insurance Exchanges and the Affordable Care Act: Eight Difficult Issues* (New York: The Commonwealth Fund, Sept. 2010); T. S. Jost, *Health Insurance Exchanges and the Affordable Care Act: Key Policy Issues* (New York: The Commonwealth Fund, July 2010).
- ¹⁷ J. P. Hall and J. Moore, *Realizing Health Reform's Potential: Pre-Existing Condition Insurance Plans Created by the Affordable Care Act of 2010* (New York: The Commonwealth Fund, Oct. 2010); J. P. Hall, "Improving Affordability of Coverage for People with Preexisting Conditions," The Commonwealth Fund Blog, Dec. 7, 2010; and S. R. Collins, M. M. Doty, and T. Garber, *Realizing Health Reform's Potential: Adults Ages 50–64 and the Affordable Care Act of 2010* (New York: The Commonwealth Fund, Dec. 2010).
- ¹⁸ S. R. Collins and J. L. Nicholson, *Realizing Health Reform's Potential: Young Adults and the Affordable Care Act of 2010* (New York: The Commonwealth Fund, Oct. 2010).
- ¹⁹ Congressional Budget Office, Letter to the Honorable Evan Bayh, Nov. 30, 2009.
- ²⁰ S. R. Collins, "Medical Loss Ratio Regulations Good for Consumers," The Commonwealth Fund Blog, Nov. 23, 2010; Department of Health and Human Services, Health Insurance Issuers Implementing Medical Loss Ratio (MLR) Requirements Under the Patient Protection and Affordable Care Act, Interim Final Rule, <http://edocket.access.gpo.gov/2010/pdf/2010-29596.pdf>.
- ²¹ S. R. Collins, "New Review Process for 'Unreasonable' Premium Hikes," The Commonwealth Fund Blog, Dec. 22, 2010, ; Department of Health and Human Services, Rate Increase Disclosure and Review, <http://edocket.access.gpo.gov/2010/pdf/2010-32143.pdf>.
- ²² Schoen, Stremikis, How, and Collins, *State Trends in Premiums and Deductibles*, 2010.
- ²³ Treasury, Labor, and Health and Human Services, "Interim Final Rules for Group Health Plans and Health Insurance Issuers," 2010, <http://www.healthcare.gov/center/regulations/prevention/regs.html>. For insurance plan years beginning on or after September 23, 2010, all non-grandfathered health plans will be required to cover services recommended by the U.S. Preventive Services Task Force and Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention without cost-sharing from in-network providers. New guidelines for preventive care and screenings for women will be released by the Department of Health and Human Services by August 1, 2011.
- ²⁴ According to the latest estimates from the 2008 National Health Interview Survey, 20 percent of U.S. households have only wireless telephones. S. J. Blumberg and J. V. Luke, "Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, July–December 2008" (Atlanta, Ga.: National Center for Health Statistics. May 2009), <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless200905.htm>.
- ²⁵ In 2005, only 7.2 percent of households in the United States did not have landline telephones. S. J. Blumberg and J. V. Luke, "Reevaluating the Need for Concern Regarding Noncoverage Bias in Landline Surveys," *American Journal of Public Health*, Oct. 2009 99(10):1806–10. Employing a landline-only sample in 2001 and 2005 did not result in undercoverage of American households.

**Table 1. Continuity of Insurance in 2010:
Percent Insured All Year, Uninsured When Surveyed, or Uninsured During the Year
(Base: adults ages 19–64)**

	Total (19–64)	Insured all year	Insured now, time uninsured in past year	Uninsured now	Uninsured during the year*
Total (millions)	183.6	131.7	14.8	37.1	51.9
Percent distribution	100%	72%	8%	20%	28%
Unweighted n	3,033	2,206	237	590	827
Age					
19–29	24%	56%	15%	28%	44%
30–49	44	72	7	21	28
50–64	33	83	5	13	17
Race/Ethnicity					
White	64	79	6	15	21
Black	12	63	13	24	37
Hispanic	16	49	12	39	51
Asian/Pacific Islander (n=87)	3	82	9	9	18
Other/Mixed (n=106)	3	62	9	29	38
Income					
Less than \$20,000	26	48	12	40	52
\$20,000–\$39,999	20	66	9	25	34
\$40,000–\$59,999	14	81	10	10	19
\$60,000 or more	29	94	3	3	6
Poverty status					
Below 133% FPL	27	49	12	38	51
133%–249% FPL	18	64	10	26	36
250%–399% FPL	19	85	7	8	15
400% FPL or more	25	93	3	4	7
Below 200% FPL	38	52	12	36	48
200% FPL or more	51	87	5	7	13
Fair/Poor health status, or Any chronic condition or disability					
	50	70	8	22	30
Adult work status					
Full-time	52	81	7	12	19
Part-time	12	60	9	32	40
Not currently employed	36	62	10	28	38
Family work status					
At least one full-time worker	68	80	7	14	20
Only part-time worker(s)	9	50	12	39	50
No worker in family	22	57	10	32	43
Employer size**					
Self-employed/1 employee	6	68	6	26	32
2–24 employees	20	63	9	28	37
25–99 employees	14	71	5	24	29
100–499 employees	15	81	7	12	19
500 or more employees	42	87	7	7	13

Note: FPL refers to Federal Poverty Level.

*Combines “Insured now, time uninsured in past year” and “Uninsured now.”

**Among full- and part-time employed adults ages 19–64.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

**Table 2. Job Losses During the Past Two Years
(Base: Adults ages 19–64)**

	Total 19–64	Below 200% FPL	200% FPL or more	Below 133% FPL	133%– 399% FPL	400% FPL or more
Total (millions)	183.6	70	94	50.3	68.1	45.4
Percent distribution	100%	38%	51%	27%	37%	25%
Unweighted n	3,033	1,125	1,573	817	1,079	802
Job situation in past two years						
Lost job	16%	25%	10%	26%	15%	7%
Spouse/partner lost job	5	5	6	5	6	5
Both lost jobs	2	4	1	4	2	1
Neither lost jobs	76	66	83	65	77	87
<i>Family job loss</i>	24	34	16	35	23	13
Unweighted n (Base: respondent/ spouse lost job)	675	357	244	268	232	101
At the time you/your spouse lost job, did you/they have insurance through that employer?						
Not insured through employer	53%	65%	35%	72%	39%	32%
Insured through employer	47	35	65	28	61	68
Unweighted n (Base: Respondent lost job and had insurance through employer)	233	102	111	—	100	—
When you lost your job, which best describes what happened to your health insurance?						
Continued job-based health insurance through a program known as COBRA	14%	8%	21%	—	14%	—
Went on your spouse’s insurance or found insurance through another source	25	22	29	—	21	—
Became uninsured	57	70	42	—	64	—

Note: FPL refers to Federal Poverty Level.

—Sample size too small to report results.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

**Table 3. Out-of-Pocket Health Care Expenses and Insurance Costs, by Insurance Continuity and Income
(Base: adults ages 19–64)**

	Total 19–64	Insured all year	Insured now, time uninsured in past year	Uninsured now	Uninsured during the year*	Below 133% FPL	133%– 249% FPL	250%– 399% FPL	400% FPL or more
Total (millions)	183.6	131.7	14.8	37.1	51.9	50.3	32.7	35.5	45.4
Percent distribution	100%	72%	8%	20%	28%	27%	18%	19%	25%
Unweighted n	3,033	2,206	237	590	827	817	510	569	802
Annual household out-of-pocket medical expenses, including prescription drugs									
None	12%	9%	14%	20%	18%	18%	8%	8%	5%
\$1–\$499	27	27	31	27	28	36	25	26	21
\$500–\$999	17	16	21	17	18	17	17	16	18
\$1,000–\$1,999	16	18	14	10	11	12	19	21	18
\$2,000–\$2,999	7	8	4	6	5	4	10	8	9
\$3,000–\$4,999	9	10	5	8	7	5	8	9	14
\$5,000 or more	10	10	10	11	10	6	13	11	14
<i>Out-of-pocket medical expenses 5% or more of household income**</i>	30	26	38	44	42	45	38	23	13
<i>Out-of-pocket medical expenses 10% or more of household income**</i>	20	17	22	31	28	36	21	12	7
Total household out-of-pocket medical expenses, including prescription drugs and premiums									
None	2	3	3	0	1	4	0	3	2%
\$1–\$499	19	17	23	27	26	33	16	13	11
\$500–\$999	10	8	16	17	17	14	12	9	8
\$1,000–\$1,999	14	15	13	10	11	13	16	16	14
\$2,000–\$2,999	10	11	11	6	8	6	11	16	12
\$3,000–\$4,999	13	15	12	8	9	7	17	14	18
\$5,000 or more	22	26	14	11	12	9	21	28	34
<i>Spent annually 5% or more of household income**</i>	48	46	61	52	55	59	62	48	29
<i>Spent annually 10% or more of household income**</i>	32	31	28	39	35	47	38	25	21

	Total 19–64	Insured all year	Insured now, time uninsured in past year	Uninsured now	Uninsured during the year*	Below 133% FPL	133%– 249% FPL	250%– 399% FPL	400% FPL or more
Annual share of premium costs (Base: currently insured)									
None or government insurance	33	32	48	n/a	48	67	33	22	19
\$1–\$499	6	5	9	n/a	9	4	4	8	6
\$500–\$1,499	13	13	10	n/a	10	8	13	17	15
\$1,500–\$2,999	13	13	14	n/a	14	5	17	16	17
\$3,000–\$4,499	10	10	6	n/a	6	3	13	13	11
\$4,500–\$5,999	3	4	1	n/a	1	1	2	4	6
\$6,000+	8	8	5	n/a	5	3	6	9	14
Undesignated	14	14	8	n/a	8	10	13	11	12
<i>Premium is 5% or more of household income***</i>	32	31	38	n/a	38	41	51	34	18
<i>Premium is 10% or more of household income***</i>	15	14	25	n/a	25	35	26	10	6
Annual deductible per person (Base: currently insured)									
No deductible	39	38	47	n/a	47	60	36	30	31
\$1–\$499	23	22	27	n/a	27	16	28	26	24
\$500–\$999	10	11	7	n/a	7	5	12	12	14
\$1,000 or more	16	17	9	n/a	9	8	14	19	22

Notes: FPL refers to Federal Poverty Level; n/a is not applicable.

*Combines "Insured now, time uninsured in past year" and "Uninsured now."

**Base: Respondents who specified income level and premium/out-of-pocket costs for combined individual/family medical expenses.

***Base: Respondents who reported their income level and premium costs for their private insurance plan.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

**Table 4. Bill Problems, by Insurance Continuity and Income
(Base: adults ages 19–64)**

	Total 19–64	Insured all year	Insured now, time uninsured in past year	Uninsured now	Uninsured during the year*	Below 133% FPL	133%– 249% FPL	250%– 399% FPL	400% FPL or more
Total (millions)	183.6	131.7	14.8	37.1	51.9	50.3	32.7	35.5	45.4
Percent distribution	100%	72%	8%	20%	28%	27%	18%	19%	25%
Unweighted n	3,033	2,206	237	590	827	817	510	569	802
Medical bill problems in past year									
Had problems paying or unable to pay medical bills	29%	21%	46%	51%	49%	43%	43%	25%	8%
Contacted by collection agency for unpaid medical bills	16	11	30	30	30	28	27	12	3
Had to change way of life to pay bills	17	13	23	29	27	22	28	15	7
<i>Any of the above bill problems</i>	34	25	53	58	56	50	51	28	11
Medical bills/debt being paid off over time	24	22	34	27	29	27	34	27	13
<i>Any bill problem or medical debt</i>	40	31	60	60	60	54	56	38	19
Base: Any medical debt									
How much are the medical bills that are being paid off over time?									
Less than \$2,000	47	49	51**	40	44	44	46	60	50
\$2,000 to less than \$4,000	22	22	20**	24	23	30	17	13	25
\$4,000 to less than \$8,000	13	13	9**	15	13	10	17	13	10
\$8,000 to less than \$10,000	4	2	4**	9	7	3	4	5	2
\$10,000 or more	8	7	6**	10	9	7	10	5	10
Was this for care received in past year or earlier?									
Past year	53	56	54**	44	47	47	51	58	71
Earlier year	42	39	42**	48	46	45	44	39	25
Both	5	4	4**	8	7	8	5	2	2
Base: Any bill problem or medical debt									
Percent reporting that the following happened in the past two years because of medical bills:									
Unable to pay for basic necessities (food, heat, or rent)	31	25	33	41	39	40	35	18	13
Used up all of savings	40	35	39	48	45	41	43	37	32
Took out a mortgage against your home or took out a loan	10	9	15	10	11	11	10	6	9
Took on credit card debt	24	24	24	22	23	18	27	26	28
Had to declare bankruptcy	6	5	5	8	7	7	6	6	4
Insurance status of person/s at time care was provided									
Insured at time care was provided	59	80	47	22	29	41	59	82	79
Uninsured at time care was provided	35	13	51	74	67	55	35	14	10
Other insurance combination	2	2	1	1	1	1	2	3	2

Note: FPL refers to Federal Poverty Level.

*Combines "Insured now, time uninsured in past year" and "Uninsured now."

**n=78.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

**Table 5. Access Problems, by Insurance Continuity and Income
(Base: adults ages 19–64)**

	Total 19–64	Insured all year	Insured now, time uninsured in past year	Uninsured now	Uninsured during the year*	Below 133% FPL	133%– 249% FPL	250%– 399% FPL	400% FPL or more
Total (millions)	183.6	131.7	14.8	37.1	51.9	50.3	32.7	35.5	45.4
Percent distribution	100%	72%	8%	20%	28%	27%	18%	19%	25%
Unweighted n	3,033	2,206	237	590	827	817	510	569	802
Access problems in past year									
Went without needed care in past year because of cost:									
Did not fill prescription	26%	19%	41%	46%	44%	39%	36%	21%	12%
Skipped recommended test, treatment or follow-up	25	18	36	48	44	37	32	22	13
Had a medical problem, did not visit doctor or clinic	26	17	43	53	50	37	37	21	14
Did not get needed specialist care	18	11	27	39	36	28	25	16	7
<i>At least one of four access problems due to cost</i>	41	31	63	66	65	56	53	34	24
Delayed or did not get preventive care screening because of cost	18	10	25	41	36	28	24	10	8
Delayed or did not get dental care because of cost	38	30	50	60	58	51	46	36	21
Access problems for people with health conditions									
Stayed overnight in a hospital or visited the emergency room because of [this / any of these] problem[s]**	13	11	—	15	17	23	10	9	5
Skipped doses or not filled a prescription for medications for the health condition(s)... because of the cost of the medicines?***	25	18	—	52	52	37	43	22	6
Preventive care									
Regular source of care	89	95	84	69	73	81	87	92	95
Blood pressure checked (past year)	85	91	80	67	71	78	83	89	93
Dental exam (past year)	59	69	47	29	34	40	48	65	82
Received mammogram in past two years (females age 50+)	72	79	—	31	42	52	60	75	85
Received pap test in past year (females ages 19–29), in past three years (females age 30+)	74	80	72	55	60	64	73	80	86
Received colon cancer screening in past five years (age 50+)	54	57	—	34	36	42	42	55	64
Cholesterol checked in past five years	70	78	66	44	51	54	67	76	85
Seasonal flu shot in past 12 months	38	43	34	22	25	32	34	37	47

Note: FPL refers to Federal Poverty Level.

*Combines “Insured now, time uninsured in past year” and “Uninsured now.”

**Base: Respondents with at least one of the following health problems: hypertension or high blood pressure, diabetes, asthma, emphysema, or lung disease.

***Base: Respondents who take prescription medications on a regular basis and have at least one of the following health problems: heart disease including heart attack, hypertension or high blood pressure, diabetes, asthma, emphysema, or lung disease.

—Sample size too small to report results.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2010).

New York City Headquarters

1 East 75th Street
New York, NY 10021
Tel: 212.606.3800



Washington Office

1150 17th Street NW
Suite 600
Washington, DC 20036
Tel: 202.292.6700

www.commonwealthfund.org