WILL YOU STILL NEED ME? THE HEALTH AND FINANCIAL SECURITY OF OLDER AMERICANS

FINDINGS FROM THE COMMONWEALTH FUND SURVEY OF OLDER ADULTS

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ABSTRACT: The Commonwealth Fund Survey of Older Adults, conducted from September to November of 2004, presents new information on the health and financial security of adults ages 50 to 70. On average, older adults have high rates of chronic disease and high out-of-pocket medical spending. Rising out-of-pocket health costs, sluggish wage growth, and erosion of retiree health benefits threatens older adults' ability to save for retirement. The survey finds widespread support among older adults for policies that would help them save for their future health and long-term care costs not covered by Medicare. It also finds broad support for policies that would allow them to buy into Medicare before age 65.

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EXECUTIVE SUMMARY

Annual growth in U.S. health care costs is outstripping yearly increases in workers' wages by a substantial margin. Employers are coping with rising costs by sharing more of their expenses with their employees or dropping coverage altogether. The combination of rising out-of-pocket health costs and sluggish wage growth threatens workers' ability to save for retirement. This is particularly true for those over age 50, whose per-capita health care expenditures are more than twice that of workers in their 20s. In addition, the continuing erosion of retiree health coverage in companies across the country means that health costs could claim an increasingly large share of older adults' savings after retirement.

The Commonwealth Fund Survey of Older Adults, conducted from September to November of 2004, presents new information on the health and financial security of adults ages 50 to 70. The survey finds widespread support among older adults for policies that would help them save for their future health and long-term care costs that are not covered by Medicare. It also finds broad support for policies that would allow them to buy into Medicare before age 65.

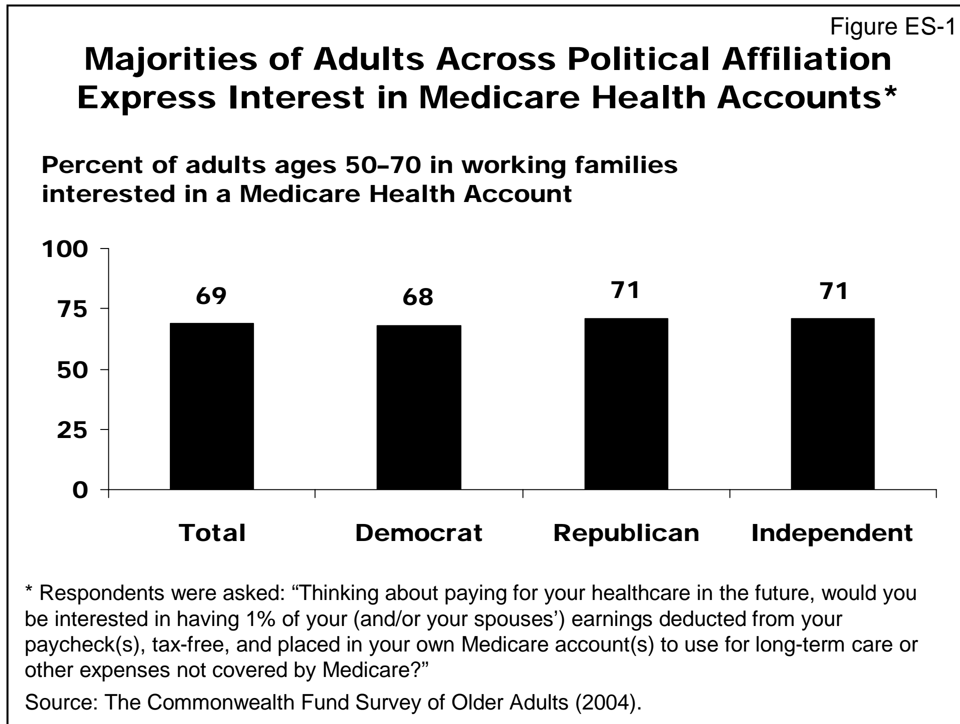
Support for these options likely reflects the high rate of chronic health problems in this age group and the fact that many older adults are exposed to high medical costs. Older adults too young to qualify for Medicare who are uninsured or have coverage on the individual market are particularly at risk of high out-of-pocket costs. Majorities of older adults with Medicare say that becoming eligible for Medicare was very important. Compared with those with other forms of coverage, Medicare beneficiaries say they have an equal or greater choice of doctors, fill out less paperwork, have fewer problems getting their insurance to pay their doctors, and are equally or more satisfied with the quality of their health care and confident in their ability to receive the best medical care available when needed. However, the survey also finds evidence of financial vulnerability among Medicare beneficiaries, stemming from Medicare's cost-sharing requirements and lack of coverage for high-cost services such as long-term care.

The following are some of the key findings of the survey:

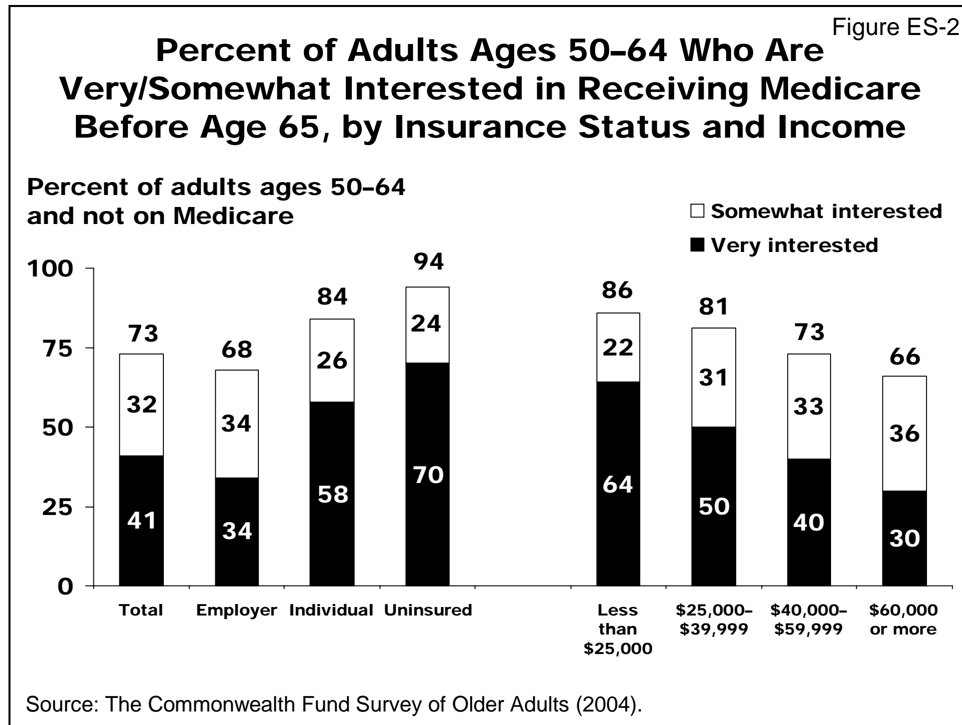
Older Adults Voice Strong Support for New Medicare Health Accounts and Early Access to Medicare

- A substantial majority of respondents, 69 percent, said they would be interested in having 1 percent of their earnings deducted from their paychecks and placed into a Medicare account, which they could then use to pay for long-term care or other

expenses that are not covered by Medicare. There was broad-based, majority support across income, region of the country, health status, and political affiliation. Interest was highest among adults in their early 50s (Figure ES-1).[1]



- Nearly three-fourths (73%) of adults ages 50 to 64 said they would be very or somewhat interested in receiving Medicare before age 65. Majorities of older adults across the income spectrum expressed support for this option (Figure ES-2). A majority would be willing to pay at least a small premium to participate but the benefit would likely have to be subsidized to facilitate participation.



Medicare Beneficiaries Are Interested in Consolidating Their Coverage

- Half of Medicare beneficiaries (50%) said they would be very or somewhat interested in paying an extra $100 per month to have all their health services, including prescription drugs, covered under one plan.

Limited Support for Elite Networks and Medical Homes

- Half of adults (50%) ages 50 to 70 expressed interest in participating in an arrangement in which Medicare or their insurance plan charged them a lower monthly premium if they agreed to go to doctors that provided the best care at the lowest cost, even if it meant they had to change their doctors. Only a third (34%) of those 65 to 70 expressed interest.

- Just over one-third (36%) of all respondents agreed that Medicare or their insurance plan should require them to sign up for a doctor that would be their regular source of care. Those ages 65 and older were the most opposed to the idea: less than a quarter (24%) agreed that Medicare should require them to have a regular doctor.

Older Adults with Individual Coverage Have High Out-of-Pocket Costs

- More than two of five (42%) older adults with individual coverage have deductibles higher than $1,000. Nearly a quarter (24%) must meet annual deductibles of $2,000 or

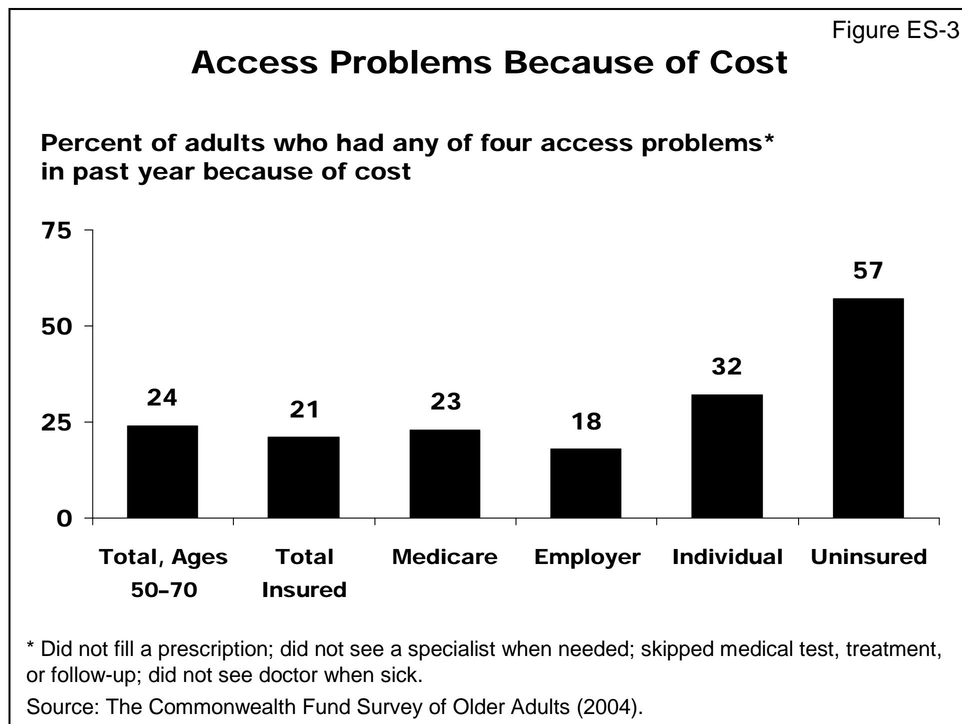
more. Just 2 percent of Medicare beneficiaries and 7 percent of older adults with employer-based coverage face deductibles of greater than $1,000 a year.

- More than half (54%) of older adults with coverage on the individual market spend $3,600 or more annually on their health insurance premiums and a quarter (26%) spend $6,000 or more. In contrast, only 17 percent of older adults with employer coverage and 6 percent of those with Medicare spend $3,600 or more annually.

- Using a measure of "underinsurance" based on whether people have high out-of-pocket costs (excluding premiums) and deductibles relative to their income, 32 percent of older adults with coverage purchased in the individual market were underinsured. This was a much higher rate than that of older adults with employer coverage (5%) or Medicare (17%).

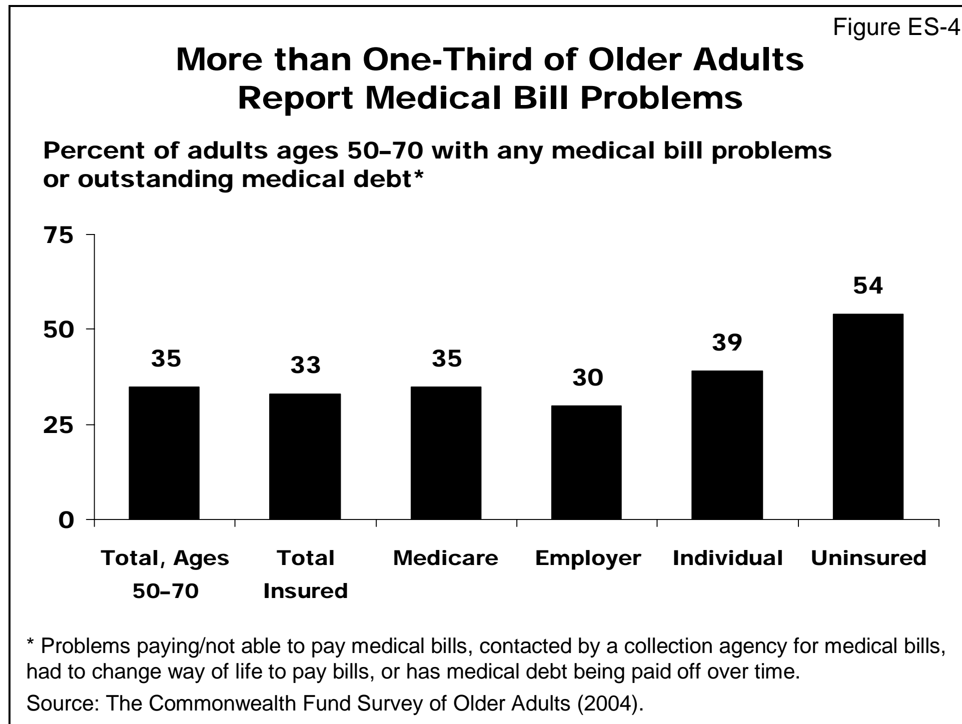
Exposure to Health Care Costs Creates Access and Medical Bill Problems

- Nearly a quarter (24%) of older adults reported that they had failed to get health care services because of cost, including not filling a prescription, not seeing a doctor or specialist when needed, or skipping a medical test or follow-up treatment. Fifty-seven percent of uninsured older adults and nearly a third (32%) of those with individual coverage reported at least one such access problem (Figure ES-3).



* Did not fill a prescription; did not see a specialist when needed; skipped medical test, treatment, or follow-up; did not see doctor when sick.
Source: The Commonwealth Fund Survey of Older Adults (2004).

- More than one-third (35%) of older adults either had a problem paying their medical bills in the last 12 months or were paying off medical debt they had accrued over the last three years. Medical bill problems included having difficulty or not being able to pay bills, being contacted by a collection agency concerning outstanding bills, or making significant life changes in order to pay bills. Those who were uninsured, purchased coverage on the individual market, or had Medicare had the highest rates of problems (Figure ES-4).



The Importance of Becoming Covered by Medicare

- One-quarter (24%) of Medicare beneficiaries reported that they were uninsured just before they entered Medicare. Among adults 50 to 64 who are eligible for Medicare because of a disability, more than two of five (41%) said they were uninsured just before becoming beneficiaries.

- A substantial majority (71%) of Medicare beneficiaries ages 50 to 70 said that becoming eligible for Medicare was very important. Those who were disabled or lived in low-income households perceived Medicare eligibility to be particularly essential.

- Older adults with Medicare rate their overall health insurance coverage as high as those with employer-based coverage and much higher than those with coverage purchased through the individual market.

- Among Medicare beneficiaries who were insured before becoming eligible for the program, about three of five (59%) said that their overall insurance was about the same as it had been before; one of five (23%) reported that their coverage was better. Three-quarters (75%) said that their choice of doctors was unchanged. More than half (55%) reported that they spent about the same amount of time on paperwork and 30 percent said that they spent less time on paperwork.

- Medicare beneficiaries and older adults with employer coverage are the most satisfied with the quality of the health care they receive and express the most confidence in getting the best medical care available when they need it.

Majorities of Older Adults Are Concerned About Their Future Health and Financial Security

- Nearly half (48%) of adults ages 50 to 70 have retirement savings of less than $50,000 and nearly two of five (38%) have savings of less than $25,000. Lower-income adults have the most limited savings. Among adults ages 50 to 70 with household incomes under 200 percent of poverty, 80 percent had accumulated savings of less than $25,000.

- Nearly two of five (39%) adults ages 50 to 70 said they were not too confident or not at all confident they would have enough income and savings to live comfortably in retirement.

- More than three of five (63%) adults ages 50 to 70 said they were very or somewhat worried they might not be able to afford needed medical care in the future. Seventy-one percent said they were very or somewhat worried that they would not be able to afford health insurance.

Conclusion

Older adults without adequate health coverage are at risk of suffering adverse health events from skipping needed care. They are also at risk of spending large shares of their income on out-of-pocket costs and accumulating medical debt. Poor health can erode older adults' ability to participate in daily activities and accumulate income prior to retirement. Moreover, if older adults postpone or do not receive essential care for chronic health conditions such as diabetes, arthritis, or high blood pressure, they are at risk of entering the Medicare program in deteriorating health and with much more costly medical conditions.

Yet, older adults are becoming less rather than better protected. According to the most recent U.S. Census data, the number of uninsured adults ages 50 to 64 climbed from 5.5 million in 2000 to 6.4 million in 2003. In addition, the percentage of large firms offering retiree health benefits dropped from 66 percent in 1988 to 36 percent in 2004. Many companies that still offer benefits are making them less generous. Hewitt Associates estimates that medical costs can add up to an estimated 20 percent of pre-retirement income for workers who retire at age 65 without employer health care benefits. Early retirees without employer coverage can expect to spend an estimated 40 percent of pre-retirement income on their medical expenses. While the new Medicare prescription drug benefit will offset some of those costs for beneficiaries, older adults without retiree health benefits will continue to see a portion of their retirement income go toward health care costs.

Several targeted investments could improve the health and financial security of older adults. The survey shows strong interest among older adults in opening a Medicare health account to set aside income for long-term care and other health care expenses that are not covered by Medicare. In addition, a large majority of adults ages 50 to 64 is interested in participating in the Medicare program before the age of 65. To facilitate participation, subsidies or tax credits for a buy-in could be linked to income such that those with household incomes of less than 200 percent of poverty would pay no more than 5 percent of their incomes and those with higher incomes would pay no more than 10 percent. Finally, eliminating the two-year waiting period for the disabled in the Medicare program would directly address the financial hardship of that population so clearly evident in this survey.

Cutting back on the health care of older adults through the erosion of employee and retiree health benefits will serve only to worsen the health and financial status of older adults and magnify the financing issues currently looming before Medicare. Instead, targeted investments in their health care would likely make strides toward a more robust economy and a sustainable Medicare program.

WILL YOU STILL NEED ME? THE HEALTH AND FINANCIAL SECURITY OF OLDER AMERICANS

INTRODUCTION

Annual growth in U.S. health care costs is outstripping yearly increases in workers' wages by a substantial margin. In 2004, employer health insurance premiums jumped by 11 percent—their fourth year of double-digit inflation—while average wages climbed by less than 3 percent.[2] Employers are responding to rising premiums by shifting more of their costs to employees in the form of greater premium contributions, higher deductibles, larger copayments, and/or slower wage increases.[3] Some employers, particularly small firms, are dropping coverage altogether.

The combination of rising out-of-pocket health care costs and sluggish wage growth threatens workers' ability to save for retirement. This is particularly true for older workers, ages 50 to 64, whose per-capita health care expenditures are more than twice that of younger workers. In addition, the continuing erosion of retiree health coverage in companies across the country means that health costs could claim an increasingly large share of older adults' savings after retirement.[4]

The Commonwealth Fund Survey of Older Adults finds widespread support among older adults for policies that would help them save for their future health and long-term care costs. It also finds broad support for policies that would allow them to buy into Medicare before age 65. The survey was conducted by International Communications Research from September 14 through November 21, 2004. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 2,007 adults ages 50 to 70 living in the continental United Sates. The study included 1,591 adults ages 50 to 64 and 416 adults ages 65 to 70. Statistical results are weighted to make the results representative of all adults ages 50 to 70 in the continental United States. The Appendix includes a complete explanation of the survey methodology.

THE EXTENT AND QUALITY OF INSURANCE COVERAGE AMONG OLDER ADULTS: HOW WELL ARE THEY PROTECTED?

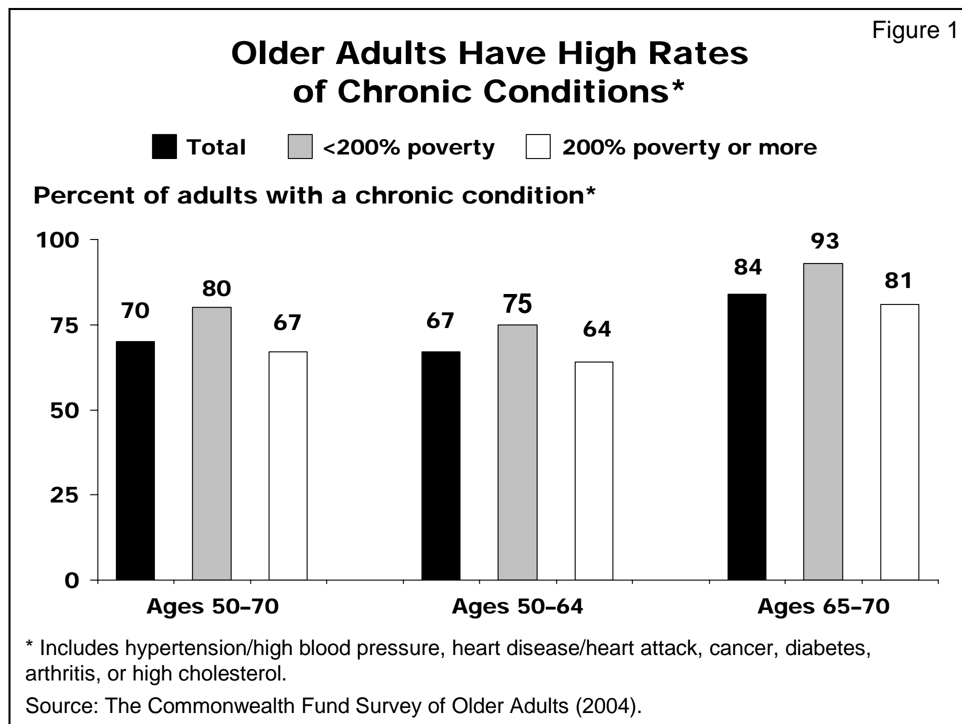
The purpose of health insurance coverage is to provide affordable access to care and to protect against the catastrophic costs of accidents and illness. Among older adults, chronic health problems and other medical needs associated with advancing age make access to care and protection against high costs particularly important. Poor health can erode older adults' ability to participate in daily activities and accumulate income prior to retirement.

Moreover, if adults in these vulnerable years postpone or do not receive essential care for chronic health conditions such as diabetes, arthritis, or high blood pressure, they are at risk of entering the Medicare program in deteriorating health and with much more costly conditions.[5]

Older Adults Have High Rates of Chronic Health Conditions

The incidence of chronic conditions increases dramatically with age, placing older adults at greater risk of incurring high medical costs than younger adults.[6] Indeed, per capita health care expenditures among adults ages 50 to 64 are more than twice those of adults in their twenties.[7]

The survey asked respondents whether a doctor had told them that they had any of six chronic conditions: hypertension or high blood pressure, heart disease or heart attack, cancer, diabetes, arthritis, or high cholesterol. Seventy percent of those 50 to 70 reported that they had at least one of these six conditions (Figure 1). High blood pressure, arthritis, and high cholesterol were the most common problems, with more than one-third of respondents citing any one. The rate of reported health problems increases dramatically with age, rising from 67 percent among those ages 50 to 64 to 84 percent in the 65-to-70 age group.[8] Chronic conditions are most common among older adults in low-income families. In households with incomes under 200 percent of poverty, three-quarters of those 50 to 64 and 93 percent of those 65 to 70 reported at least one chronic health problem.



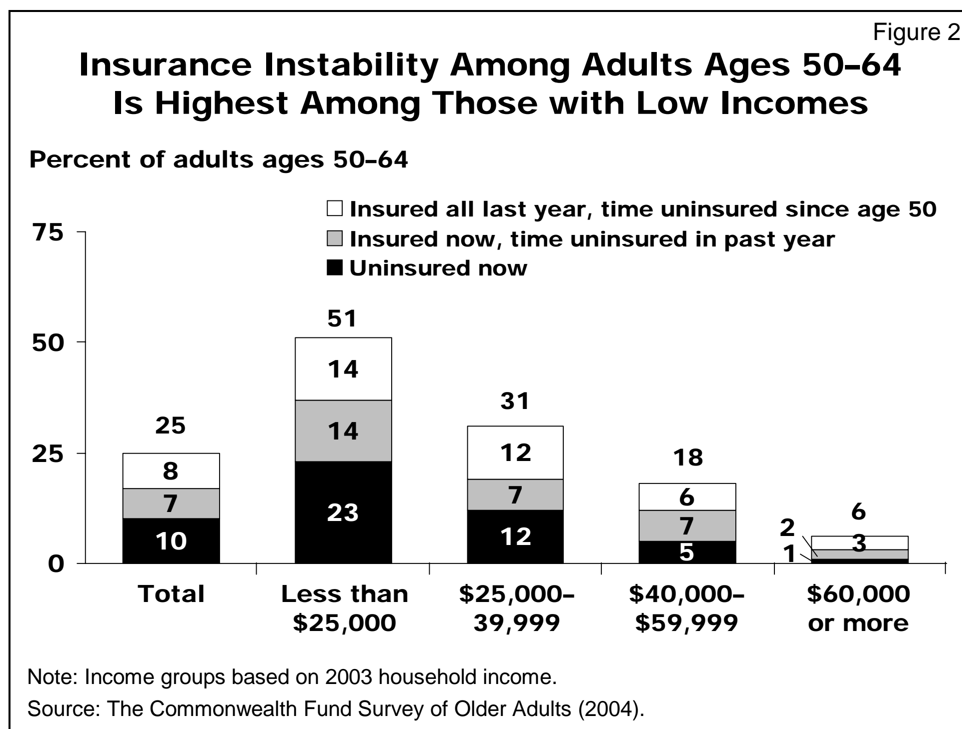
* Includes hypertension/high blood pressure, heart disease/heart attack, cancer, diabetes, arthritis, or high cholesterol.

Source: The Commonwealth Fund Survey of Older Adults (2004).

The survey also asked people to describe their health status and whether they had a disability that prevented them from fully participating in work or other daily activities such as housework. More than one of five (22%) older adults described their health as either fair or poor and 23 percent had a limiting disability (Tables 1, 2). Reports of fair or poor health status were dramatically higher among those in low-income households: 46 percent of adults 50 to 64 in households with income under 200 percent of poverty reported that their health was fair or poor compared with 14 percent of those in higher-income households (Table 2). Likewise, older adults in low-income households were far more likely to report a limiting disability. Nearly half (48%) of adults 50 to 64 with income under 200 percent of poverty reported a disability, nearly three times that the rate of adults ages 50 to 64 with higher incomes (Table 2).

Many Older Adults Have Unstable Health Insurance Coverage

Despite these high rates of chronic conditions, the survey found that 12 million older adults were uninsured or had histories of unstable coverage. Among adults ages 50 to 64, approximately 10 percent, representing 5 million people nationwide, were uninsured at the time of the survey (Figure 2, Table 3). An additional 7 percent, or 3 million, had coverage at the time of the survey but had experienced a period without insurance in the past year. An additional 8 percent of respondents, or 4 million, had been covered in the last year but spent some time without coverage since turning 50.



People with low incomes report particularly high rates of unstable coverage. More than half (51%) of adults 50 to 64 with incomes less than $25,000 were uninsured when

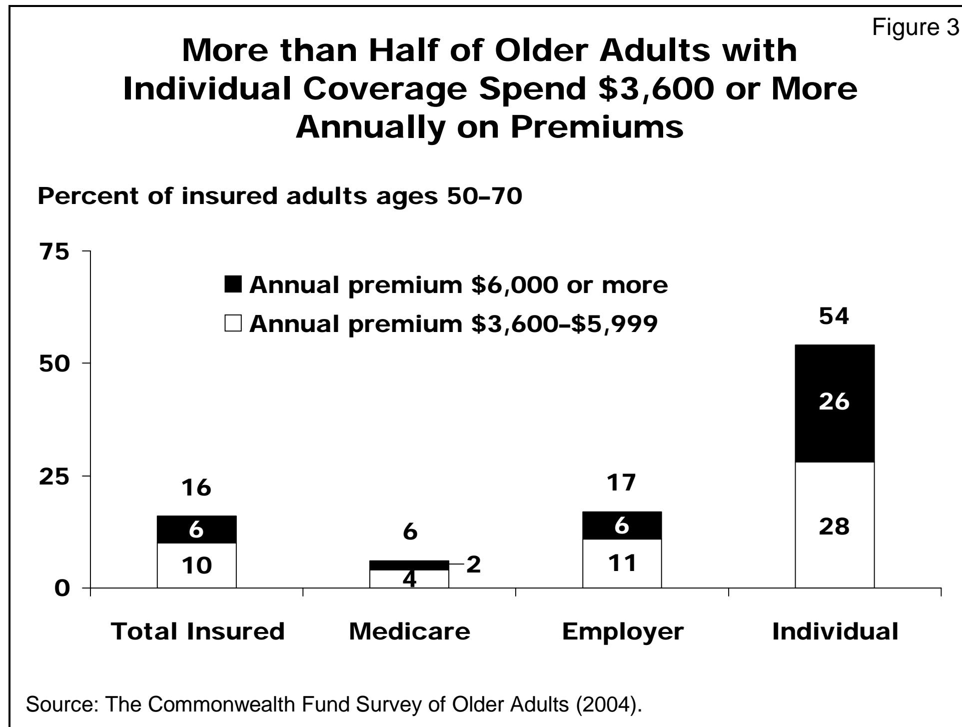
surveyed, had a time without coverage in the past year, or were without coverage at some point since turning 50 (Figure 2). By contrast, just 6 percent of older adults earning more than $60,000 reported a time without coverage.

Older Adults with Individual Coverage Pay More for Less Comprehensive Coverage

Like the rest of the population, older adults spend different sums of money each year on their health care, depending on whether they have insurance coverage, what type of coverage they have, and how healthy they are. Annual out-of-pocket costs are generally affected by insurance premium costs, the size of deductibles, copayments and coinsurance, and health care service use. Premiums vary widely depending on whether coverage is through an employer, Medicare, or the individual market. Premiums also vary significantly across employers and by services included, such as prescription drugs. The size of deductibles—health care costs paid by individuals out of pocket before coverage begins—also depends on the source of coverage. Finally, nearly everyone pays a share of the cost when they receive care or purchase prescription drugs in the form of a copayment or coinsurance. Those without coverage may pay the full charge for prescriptions or services.

About 7 percent of adults ages 50 to 64 purchase coverage on the individual market (Table 3). As a group, they have higher incomes and are in better health than average for this age range, with the difference particularly pronounced when compared with older adults with Medicare, who have much lower incomes and are in much worse health (Table 1). This is especially true of adults who become eligible for Medicare before age 65 due to a permanent disability. Three of five (62%) disabled Medicare beneficiaries ages 50 to 64 were in households with incomes below 200 percent of poverty, compared with about one-third of Medicare beneficiaries 65 and older (data not shown).

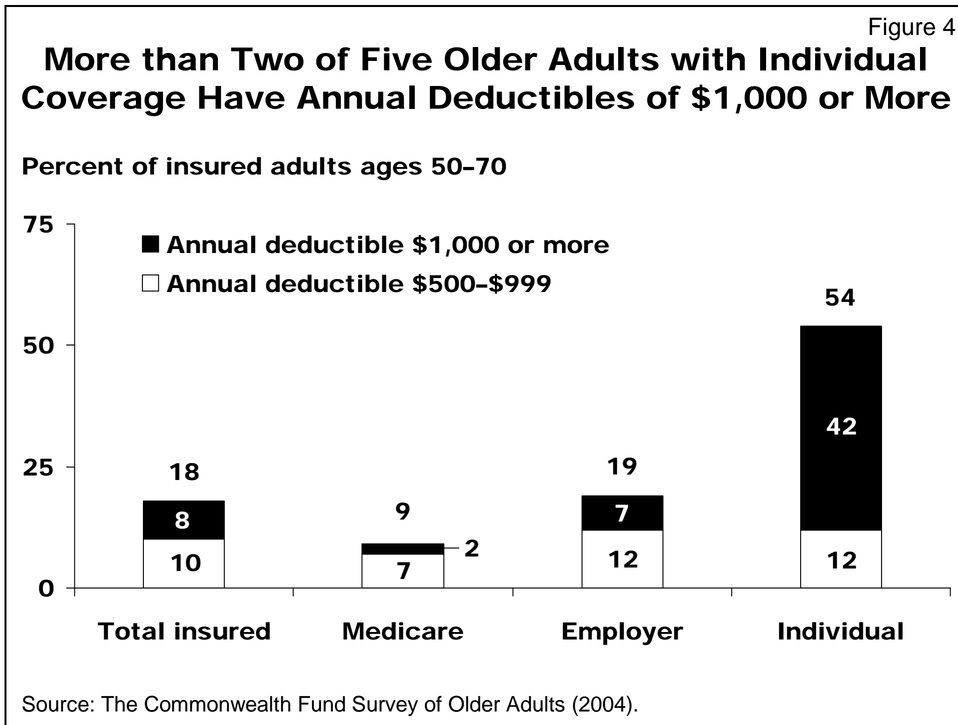
Higher premiums. In most states, underwriting practices in the individual market take into account age and health status. Because age places older adults in a higher risk category for chronic health problems and catastrophic illness, they face much higher premiums for individual coverage than their counterparts with Medicare or employer coverage. More than half (54%) of older adults with coverage on the individual market spend $300 or more per month, or $3,600 or more annually, on premiums and a quarter (26%) spend $500 or more a month, or $6,000 or more annually (Figure 3). In contrast, only 17 percent of older adults with employer coverage and 6 percent of those with Medicare spend in excess of $3,600 per year on premiums.



Despite the fact that older adults with individual coverage have higher-than-average incomes, nearly three of five (57%) spend 5 percent or more of their income on health insurance premiums and a third (33%) spend 10 percent or more (Table 4). In contrast, among older adults with employer-based coverage, just 21 percent spend 5 percent or more of their incomes on premiums and only 8 percent spend 10 percent or more. Medicare beneficiaries of all ages spend nearly the same share of their incomes on premiums as those with employer-based coverage.

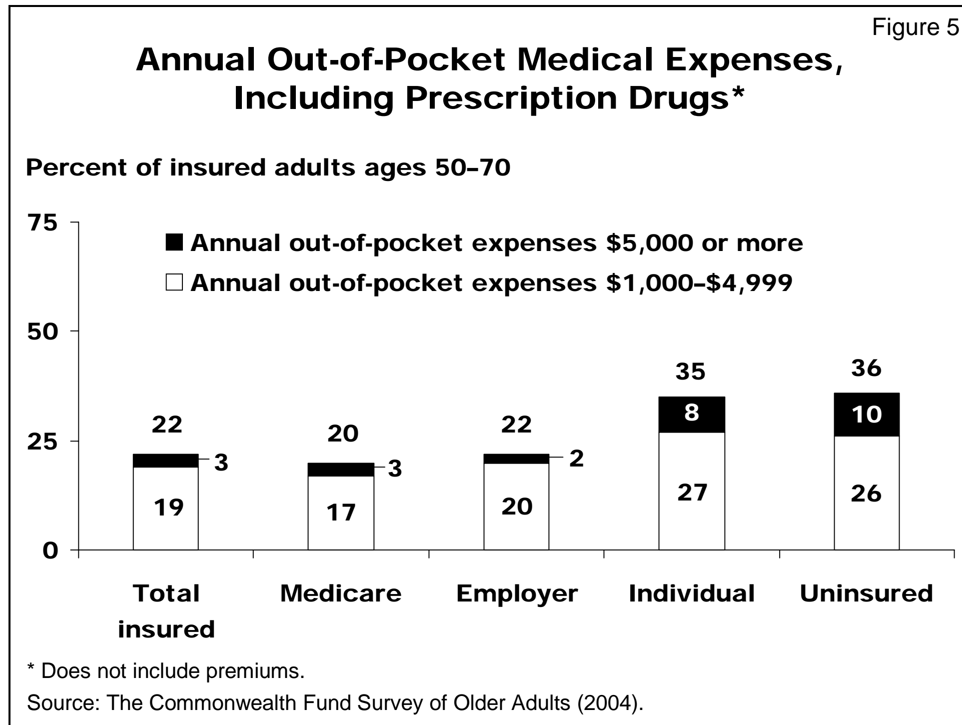
Not surprisingly, older adults with individual coverage report difficulty paying their premiums. More than three of five (62%) said that it was very or somewhat difficult to afford their premiums. Yet, many older adults with employer coverage or Medicare also feel financially burdened by their premiums. More than one-third (37%) of Medicare beneficiaries and 27 percent of older adults with employer coverage said they found it very or somewhat difficult to afford their premiums (Table 4).

Higher deductibles. Even though they pay far more in premiums, older adults with individual coverage face much higher deductibles than those with employer coverage or Medicare. More than two of five (42%) older adults with individual coverage have deductibles of $1,000 or higher (Figure 4). In fact, nearly a quarter (24%) of older adults with individual coverage must meet annual deductibles of $2,000 or more per year (Table 4). Just 2 percent of Medicare beneficiaries and 7 percent of older adults with employer coverage face deductibles of $1,000 or more per year (Figure 4).



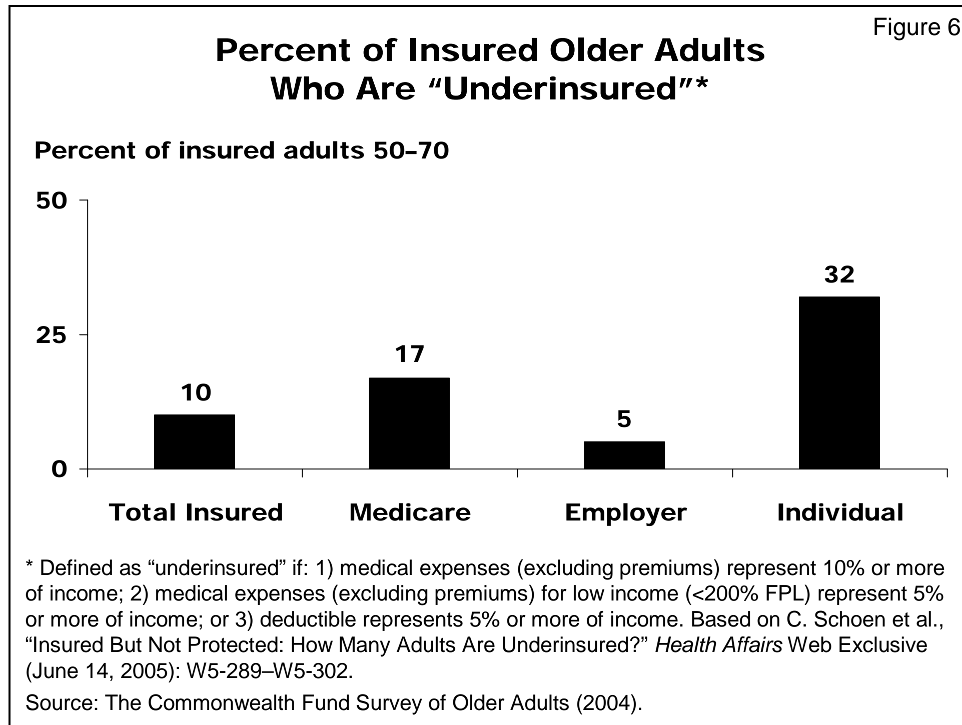
Less prescription drug coverage. Older adults with individual insurance are also much less likely to have coverage for drugs than those with employer coverage. Nearly 30 percent of older adults with individual insurance lack prescription drug coverage compared with 5 percent of those with employer coverage (Table 5). One-third of Medicare beneficiaries lack drug coverage. The new Medicare drug benefit that takes effect in 2006 will help to fill this gap.

Higher out-of-pocket costs. The out-of-pocket costs among older adults with individual coverage, excluding premiums, are similar in magnitude to those among uninsured older adults. The survey found that 36 percent of uninsured older adults and 35 percent of older adults with coverage through the individual market spent $1,000 or more per year on out-of-pocket health care costs, including prescription drugs. About 20 percent of those with employer-based coverage or Medicare spent this much (Figure 5). Three of 10 (29%) older adults who were uninsured at the time of the survey spent 5 percent or more of their income on out-of-pocket medical costs and a quarter (24%) spent 10 percent or more (Table 5). More than a quarter (26%) of older adults with individual coverage spent 5 percent or more of their income on out-of-pocket costs.



High premiums, high deductibles, and high out-of-pocket costs add up to substantial expenditures for older adults with individual coverage. In the survey, half of older adults with individual coverage spent $5,500 or more per year on the costs of insurance premiums and their health care compared with 16 percent of those with employer coverage and 8 percent of Medicare beneficiaries (Table 5). As a share of their income, nearly two-thirds (64%) of older adults with individual coverage spent 5 percent or more of their income on premiums and health care costs and two of five spent 10 percent or more.

Higher rates of underinsurance. Cathy Schoen and colleagues at The Commonwealth Fund developed a measure of "underinsurance" based on whether people have high out-of-pocket costs and high deductibles relative to their incomes.[9] They defined people as underinsured if: 1) their medical expenses (excluding premiums) amounted to 10 percent or more of income; 2) their medical expenses (excluding premiums) were 5 percent or more of income and they were in households with incomes of less than 200 percent of poverty; or 3) their health plan deductibles were 5 percent or more of their income. When this measure is applied to insured older adults in the survey, nearly one-third (32%) with coverage on the individual market were underinsured compared with 17 percent of Medicare beneficiaries and just 5 percent of those with employer coverage (Figure 6).



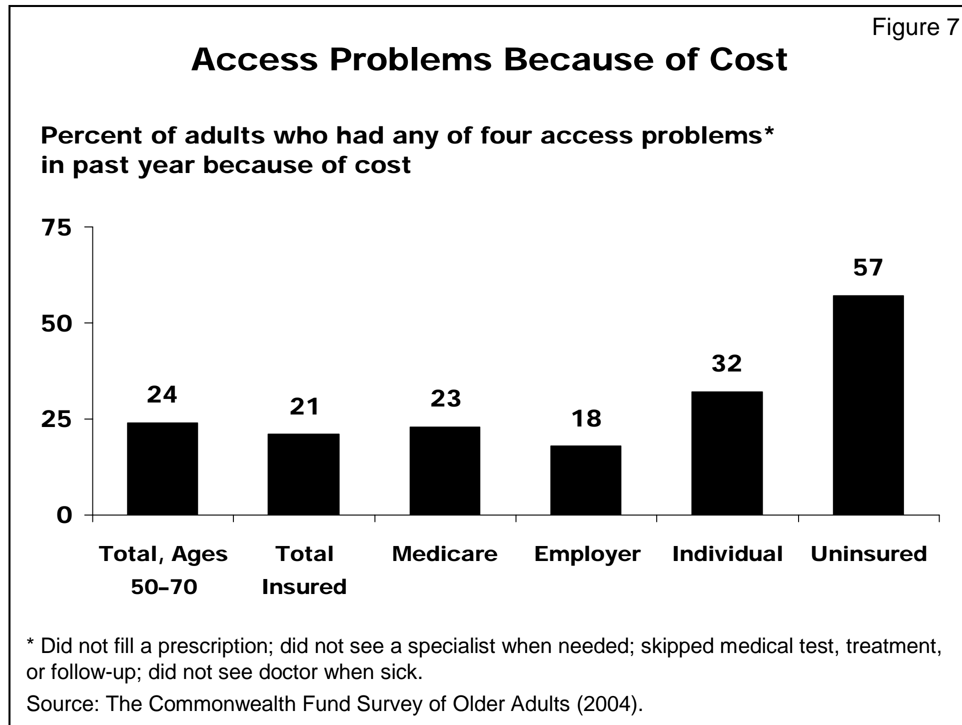
* Defined as "underinsured" if: 1) medical expenses (excluding premiums) represent 10% or more of income; 2) medical expenses (excluding premiums) for low income (<200% FPL) represent 5% or more of income; or 3) deductible represents 5% or more of income. Based on C. Schoen et al., "Insured But Not Protected: How Many Adults Are Underinsured?" *Health Affairs* Web Exclusive (June 14, 2005): W5-289–W5-302.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Older Adults Who Are Uninsured or Have Individual Coverage Have Reduced Access to Care

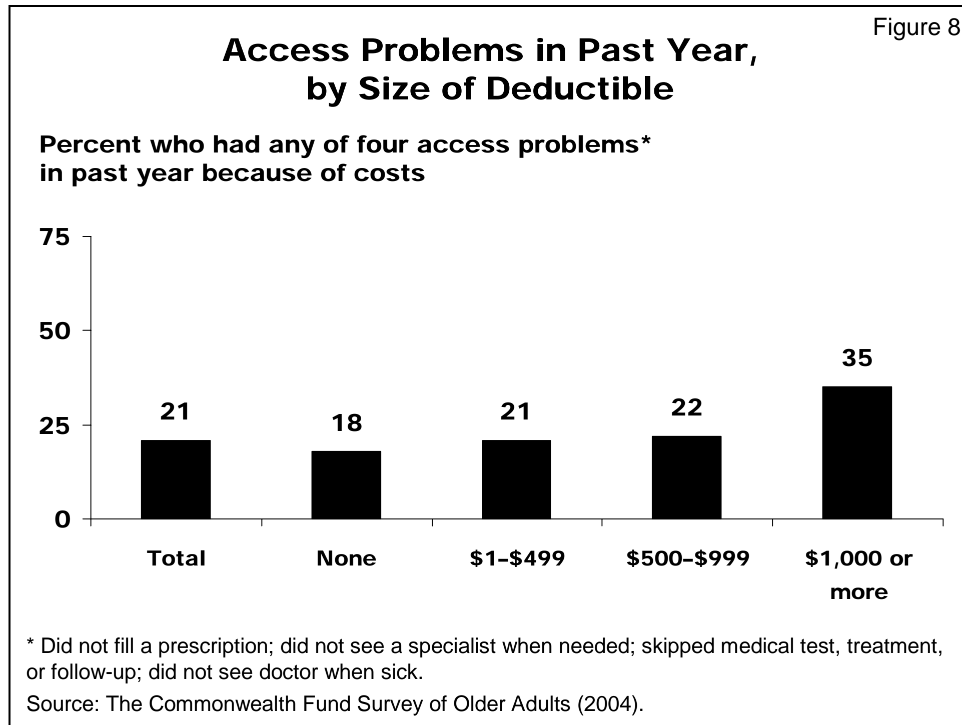
High out-of-pocket costs appear to interfere with older adults' access to the health care system. The survey asked respondents whether in the last 12 months they had failed to seek medical care because of cost. In particular, respondents were asked if they had not filled a prescription; skipped a medical test, treatment, or follow-up visit recommended by a doctor; had a medical problem but did not go to a doctor or clinic; or did not see a specialist when a doctor or the respondent thought it was needed.

Nearly a quarter (24%) of older adults reported at least one cost-related access problem (Figure 7). Those who are on average most exposed to the costs of health care—the uninsured or those with individual coverage—were most likely to report not accessing care because of cost. Fifty-seven percent of uninsured older adults and nearly a third (32%) of older adults with individual coverage reported at least one access problem. In contrast, 23 percent of Medicare beneficiaries and 18 percent of older adults with employer coverage reported not accessing care due to cost.[10]



Among Medicare beneficiaries, failing to fill a prescription was by far the most frequently reported cost-related access problem (Table 6). Approximately one-third (32%) of beneficiaries lacked any form of prescription drug coverage even though more than four of five (84%) took prescription drugs on a regular basis (Table 5).

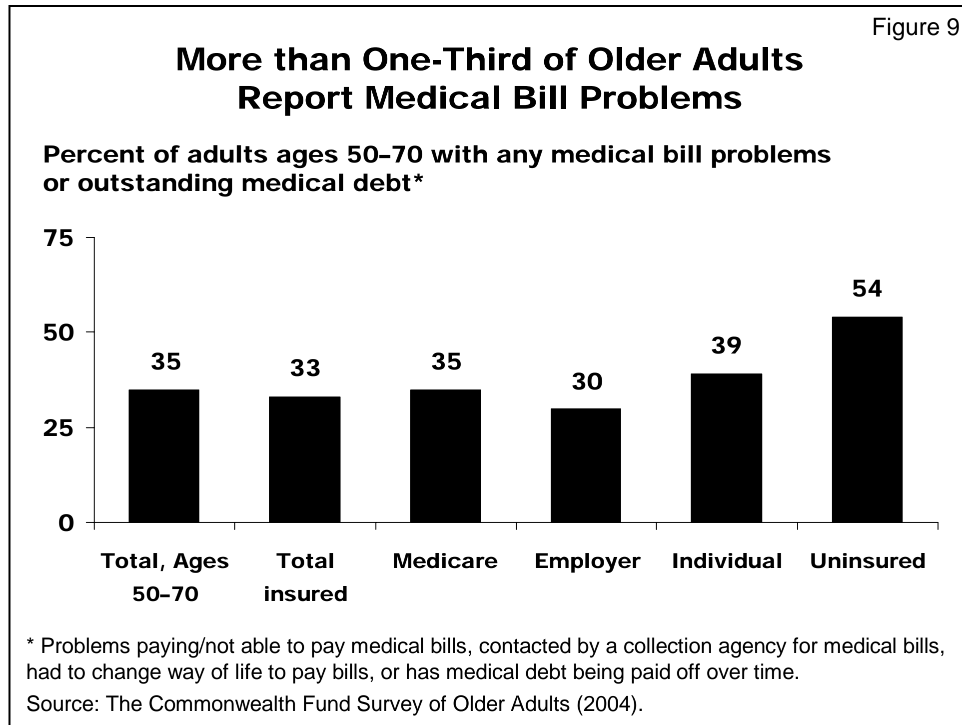
High deductibles are a particularly prominent barrier to obtaining health care. Thirty-five percent of older adults with annual deductibles of $1,000 or more reported at least one cost-related access problem (Figure 8). Among insured adults with no annual deductibles or deductibles of less than $1,000, about one of five said that they had experienced an access problem.[11]



Older Adults Report High Rates of Medical Bill Problems

The survey asked older adults about their ability to pay their medical bills in the last 12 months, including whether there were times when they had difficulty or were unable to pay their bills, whether they had been contacted by a collection agency concerning outstanding medical bills, or whether they had to change their life significantly in order to pay their bills. People who reported no medical bill problems in the last 12 months were asked if they were currently paying off medical debt that they had incurred in the last three years.

More than one-third (35%) of older adults either had a medical bill problem in the last 12 months or were paying off accrued medical debt (Figure 9, Table 6). The problem was most severe among uninsured older adults: more than half (54%) reported difficulty paying medical bills or said they had accrued medical debt. Rates were also high among older adults with individual coverage: nearly two of five (39%) reported struggling to pay medical bills or having medical debt.[12]

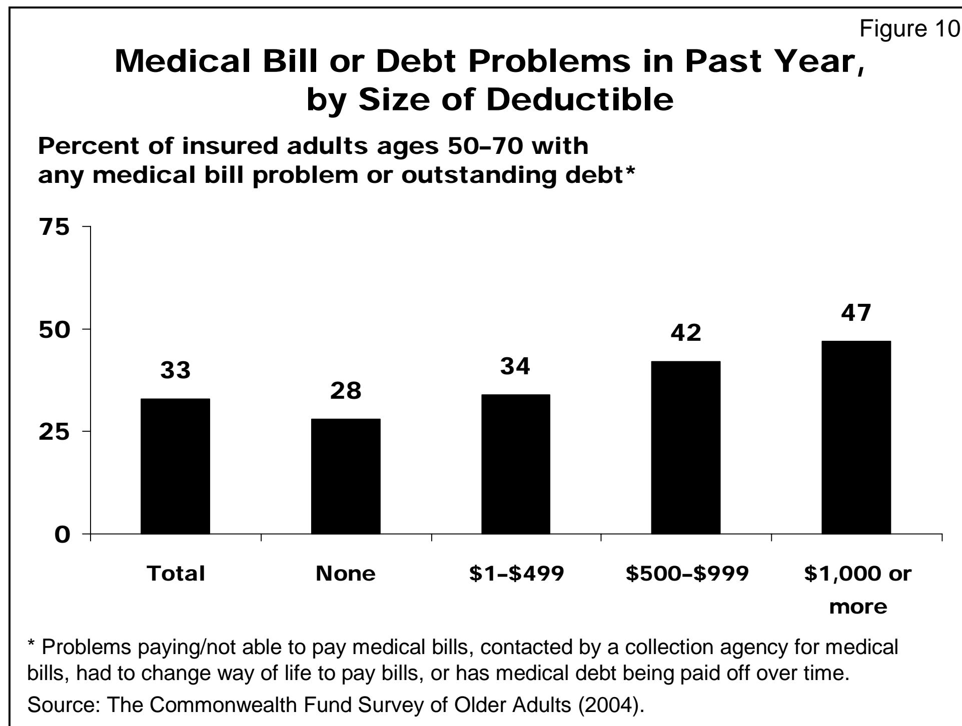


More than one-third (35%) of Medicare beneficiaries cited at least one medical bill problem or accrued debt. Medicare does not cover some services, including high-cost services such as long-term and home health care. At the time of the survey, the program did not cover prescription drugs. In addition, Medicare beneficiaries are financially vulnerable because they have lower incomes than other older adults (Table 1). Thus, though Medicare beneficiaries' out-of-pocket costs may be similar to those with employer coverage, as a share of income their burden is higher (Table 5).

Disabled Medicare beneficiaries under age 65 are particularly vulnerable to medical bill problems since they are poorer, use more services, and are more likely than Medicare beneficiaries 65 and older to have been uninsured in the years prior to becoming eligible for Medicare. Fifty-seven percent of disabled beneficiaries reported a payment problem or accrued debt compared with 27 percent of beneficiaries 65 and older (data not shown).

There were stark differences between reported rates of medical bill problems and debt among lower- and higher-income older adults. Nearly three of five (57%) adults ages 50 to 70 in households under 200 percent of poverty reported bill problems or debt—double the rate of those in households with incomes of 200 percent of poverty or more (Table 7).

Having a high-deductible health plan is also associated with higher rates of medical bill and debt problems. Among insured adults, nearly half (47%) of those with annual deductibles of $1,000 or more reported medical bill problems or accrued debt (Figure 10). In contrast, about one-third (34%) of older adults with annual deductibles of between $1 and $499 per year and fewer than three of 10 (28%) with no deductibles said they had experienced a medical bill or debt problem.[13]



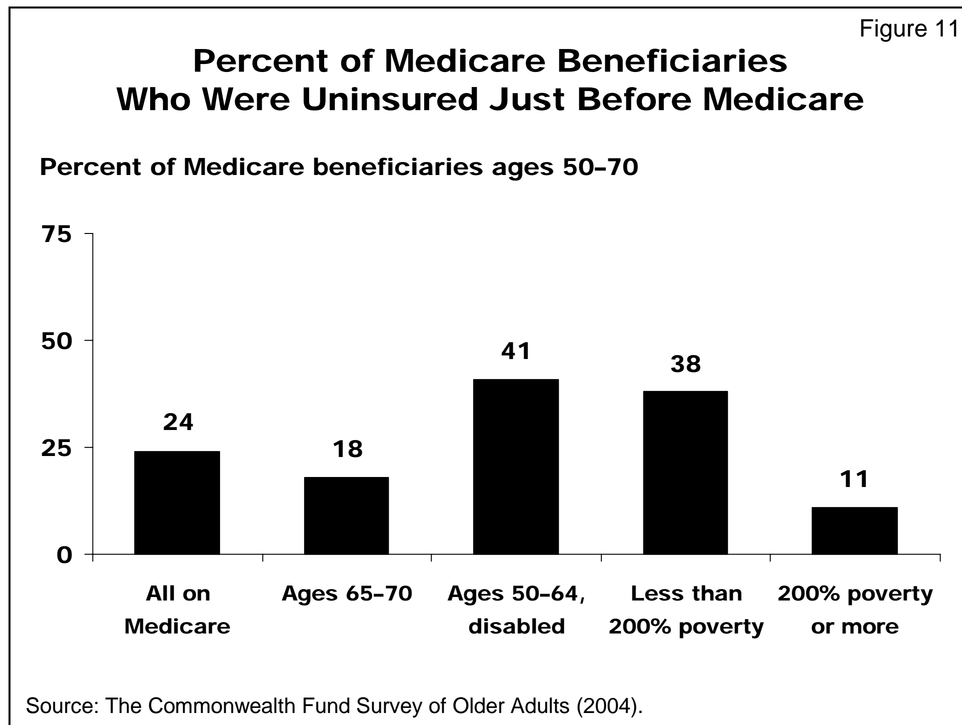
THE IMPORTANCE OF GAINING MEDICARE COVERAGE: VIEWS OF OLDER ADULTS

The survey explored Medicare beneficiaries' views of their insurance coverage. In particular, the survey asked participants about the importance of becoming eligible for Medicare, their experiences with the program, and the degree to which they would trust Medicare to provide coverage to older adults ages 50 to 65.

Many Disabled and Low-Income Older Adults Are Uninsured Prior to Becoming Eligible for Medicare

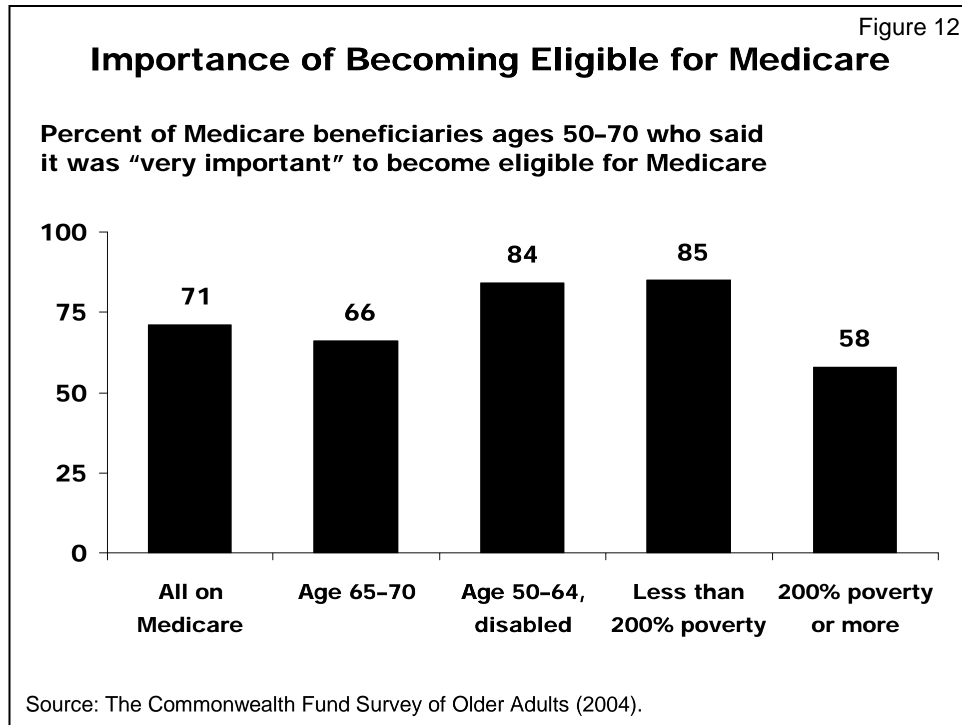
Many older adults lack insurance coverage just before becoming eligible for Medicare. Roughly one-quarter (24%) of Medicare beneficiaries reported that they were uninsured before they entered Medicare (Figure 11, Table 8). This is a particular problem among people whose disability prevents them from working but who must wait two years before becoming eligible for Medicare.[14] Among adults ages 50 to 64 who are eligible for

Medicare because of a disability, more than two of five (41%) said that they were uninsured just before becoming eligible. In addition, a high rate of Medicare beneficiaries with low incomes reported being uninsured prior to Medicare—38 percent of those with incomes under 200 percent of poverty were uninsured.

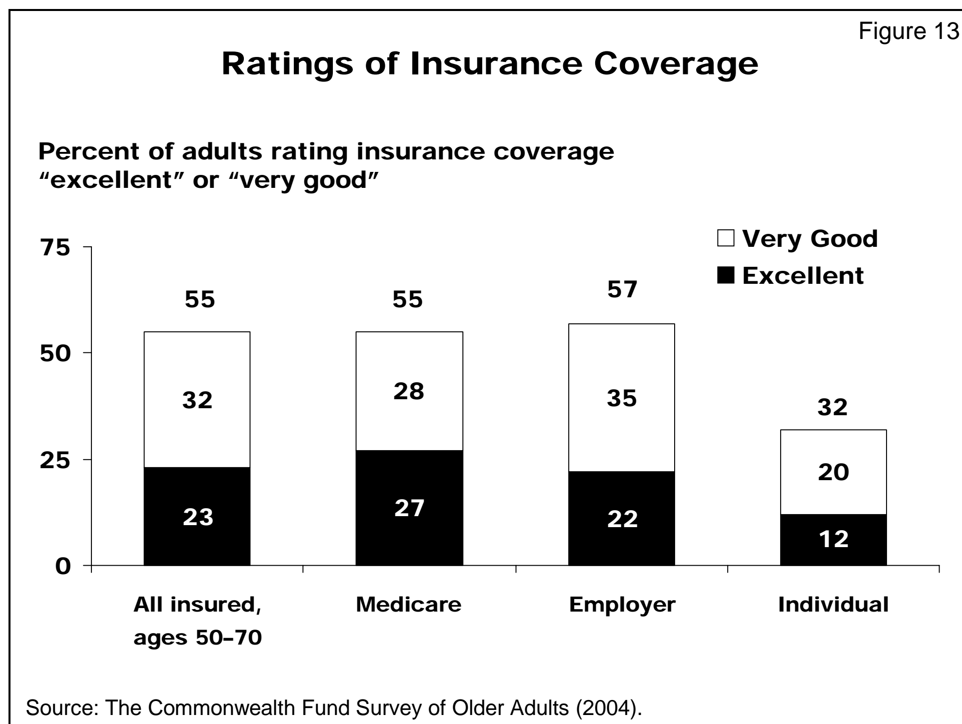


Medicare Beneficiaries View Becoming Covered by Medicare as Very Important

A substantial majority (71%) of Medicare beneficiaries ages 50 to 70 said that becoming eligible for Medicare was very important (Figure 12). Those who were disabled or lived in low-income households perceived Medicare eligibility as particularly essential. More than four of five (84%) disabled Medicare beneficiaries ages 50 to 64 viewed eligibility as critical, as did 85 percent of beneficiaries ages 50 to 70 in households with incomes under 200 percent of poverty. Yet, even among higher-income families, a majority or respondents regarded Medicare eligibility as very important: 58 percent of those with household incomes of 200 percent of poverty or more said that becoming eligible for Medicare was very important.



The survey asked respondents to rate all of their current health insurance coverage, which in the case of Medicare beneficiaries might also include retiree health benefits, supplemental insurance, or Medicaid. More than half of adults ages 50 to 70 with Medicare (55%) or employer-sponsored coverage (57%) said that their coverage was excellent or very good (Figure 13). In contrast, only one-third (32%) of respondents who had purchased coverage on the individual market rated their insurance as excellent or very good.



When asked specifically about the Medicare program, somewhat fewer beneficiaries rated the program as excellent or very good. About 37 percent said the Medicare program was excellent or very good (Table 8). This sentiment may reflect Medicare's high cost-sharing and lack of coverage for certain services, including, at the time of the survey, prescription drugs.

Medicare beneficiaries were asked how their overall coverage compared with coverage they had before becoming eligible for the program. About three of five (59%) beneficiaries who had insurance coverage prior to Medicare said that their overall insurance was about the same as it had been before and one of five (23%) reported that their coverage was better (Table 8). A large majority (75%) said that their choice of doctors was essentially unchanged when they joined Medicare.

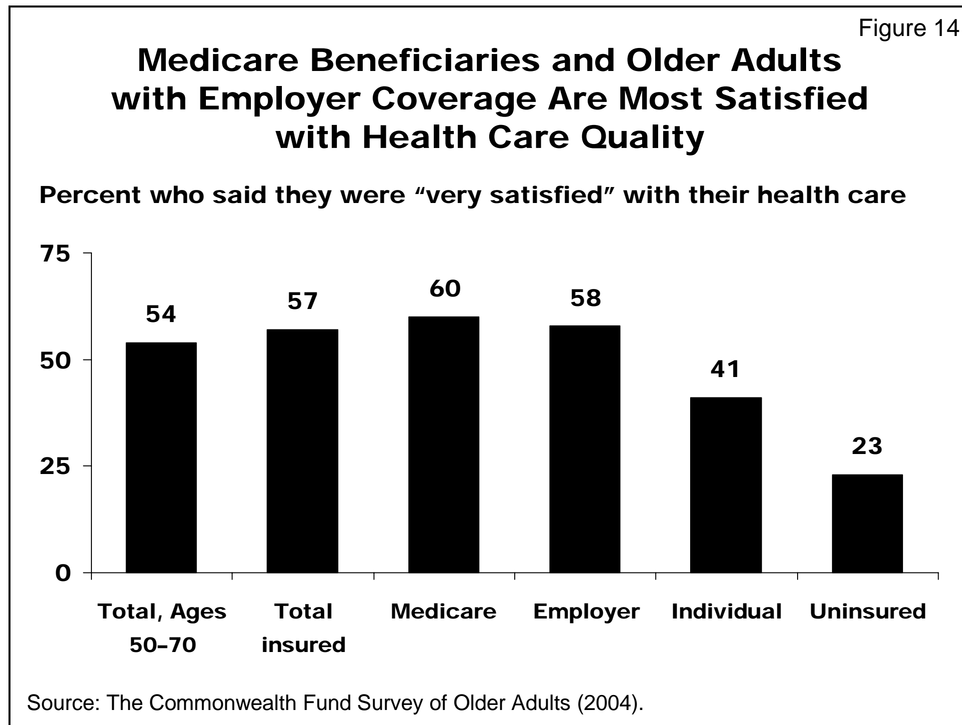
The survey also asked all older adults about their choice of doctors, insurance-related paperwork, and whether they had difficulty getting insurers to pay physicians. More than half (52%) of Medicare beneficiaries said they had a great deal of choice in where they go for care, about the same rate as older adults with employer-based or individual coverage (Table 9). Less than 30 percent of older adults with Medicare reported filling out paperwork in the last year compared with 39 percent of those with employer coverage and 44 percent of those with individual coverage (Table 9). When asked about the amount of time they had to spend on insurance-related paperwork, more than half (55%) reported that they spent about the same amount of time as they did before Medicare and 30 percent said that they spent less time (Table 8). Fewer older adults with Medicare reported problems getting their insurance to pay their doctors than those with employer or individual coverage (Table 9).

Older adults with Medicare report fewer problems with their insurance than those with individual coverage. The survey asked respondents whether their doctors had ever charged them a lot more than their plans would pay and if they had paid the higher fee, whether they had ever been told that a doctor was not accepting their insurance plan, or whether they had reached the limit of what their plans would pay for treatment of a specific illness or injury. Just over one-third (34%) of Medicare enrollees and 38 percent of older adults with employer plans reported any one of these problems compared with 46 percent of those with individual coverage (Table 9).[15]

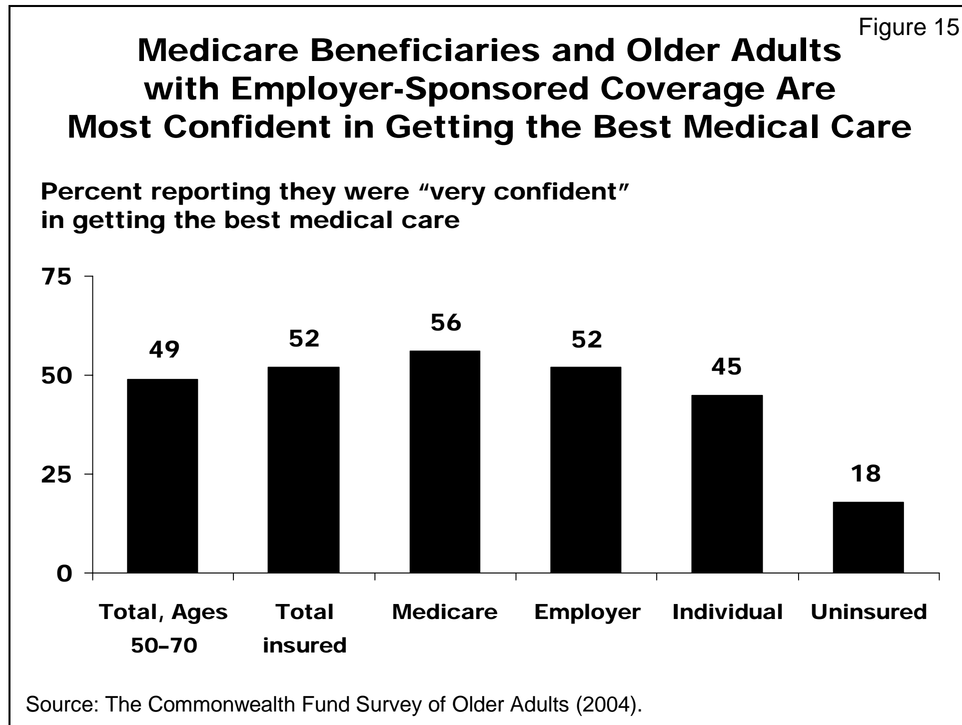
Older Adults with Medicare or Employer Coverage Are Most Satisfied with the Quality of Their Health Care and Confident in their Ability to Get the Best Care

Medicare beneficiaries and older adults with employer coverage are the most satisfied with the quality of their health care. About three of five older adults with Medicare (60%) or

employer coverage (58%) said they were very satisfied with the quality of care they had received in the last 12 months (Figure 14, Table 10). In contrast, only two of five (41%) older adults with individual coverage said they were very satisfied with their care. Uninsured older adults reported the least satisfaction with the quality of their care: less than a quarter (23%) said they were very satisfied.



Older adults with Medicare or employer coverage also expressed the most confidence that they could obtain the best medical care available when needed. More than half of those with Medicare (56%) and employer coverage (52%) said they were very confident they could get the best available care compared with 45 percent of those with individual coverage (Figure 15).[16] Uninsured older adults expressed the least confidence in their ability to obtain the best care: only 18 percent said they were very confident.



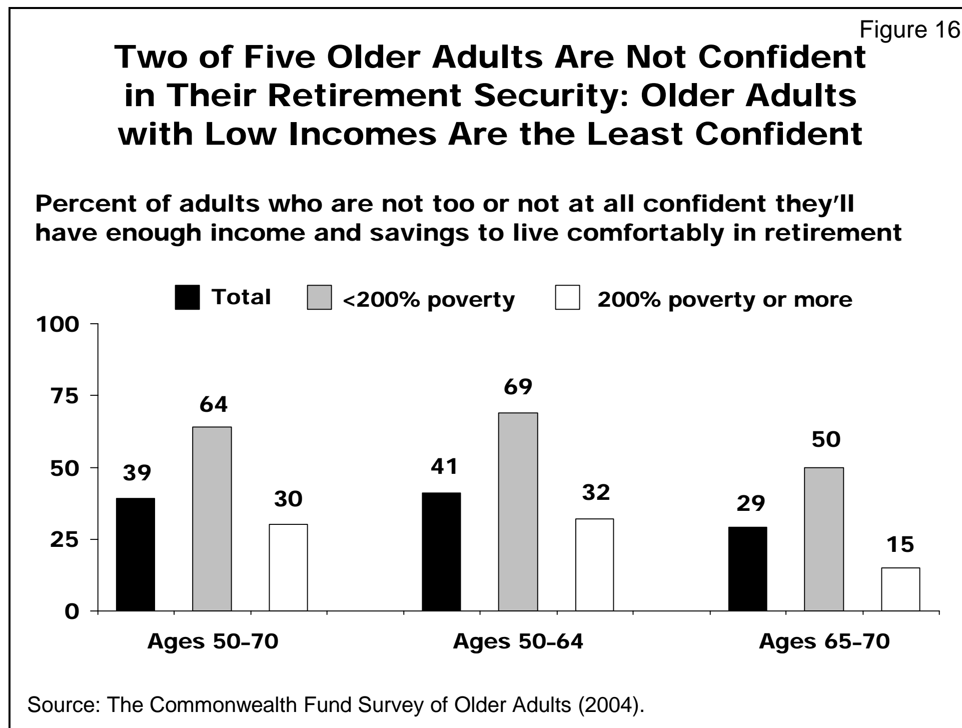
The survey asked the full sample of older adults ages 50 to 70 which source of insurance they would trust more to provide health insurance to older adults under age 65: the Medicare program, employers, or the private individual market. Thirty-eight percent of respondents said they would trust Medicare, while 28 percent would trust employers, and 24 percent would trust the individual market (Table 11). Uninsured older adults, those with low incomes, and minorities were by far the most trusting of Medicare, with 50 percent or more selecting the program over other sources. Respondents tended to trust their own coverage the most: Medicare enrollees most often chose the Medicare program (45%) and older adults with employer coverage most often chose employers. Those with coverage on the individual market split about evenly between trusting the individual market (41%) and Medicare (39%).

OLDER AMERICANS ARE CONCERNED ABOUT THEIR FINANCIAL AND HEALTH SECURITY

The survey questioned older Americans about their confidence in their retirement income and in the stability and affordability of their health insurance and health care. It explored the extent to which older adults have or expect to have retiree health coverage and the importance of coverage in their decision to retire.

Older Adults Are Worried They Lack Sufficient Savings and Income for Retirement

Respondents were asked how confident they were that they would have sufficient income and accumulated savings to live comfortably in retirement. Nearly two of five (39%) older adults ages 50 to 70 said they were not too confident or not at all confident they would have enough money for their retirement (Figure 16, Table 12). The generation aging into retirement was less confident than older adults already eligible for Social Security and Medicare: two of five (41%) of those ages 50 to 64 were not too/not at all confident compared with 29 percent of those 65 or older. Those with low incomes held the bleakest outlook. Among adults 50 to 70 with incomes under 200 percent of poverty, 64 percent said they were not too or not at all confident that they would have sufficient savings and income in retirement.

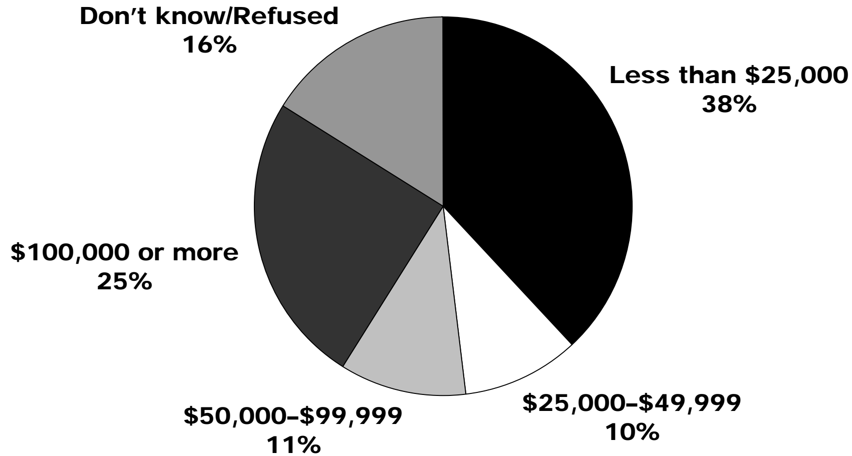


Older adults' lack of confidence in their retirement savings is not without basis. The survey asked respondents how much money they had saved for retirement, including savings accounts and stock holdings but excluding their homes. Nearly half (48%) of adults ages 50 to 70 have retirement savings of less than $50,000 and nearly two of five (38%) have savings of less than $25,000 (Figure 17, Table 12). Lower-income adults had the most limited savings. Among older adults ages 50 to 70 with household incomes under 200 percent of poverty, 80 percent had accumulated savings of less than $25,000 (Figure 18). Yet, even higher-income families struggle to save: a quarter (26%) of adults ages 50 to 70 with incomes of 200 percent or more of poverty had savings of less than $25,000.

Figure 17

Total Bank or Stock Market Savings

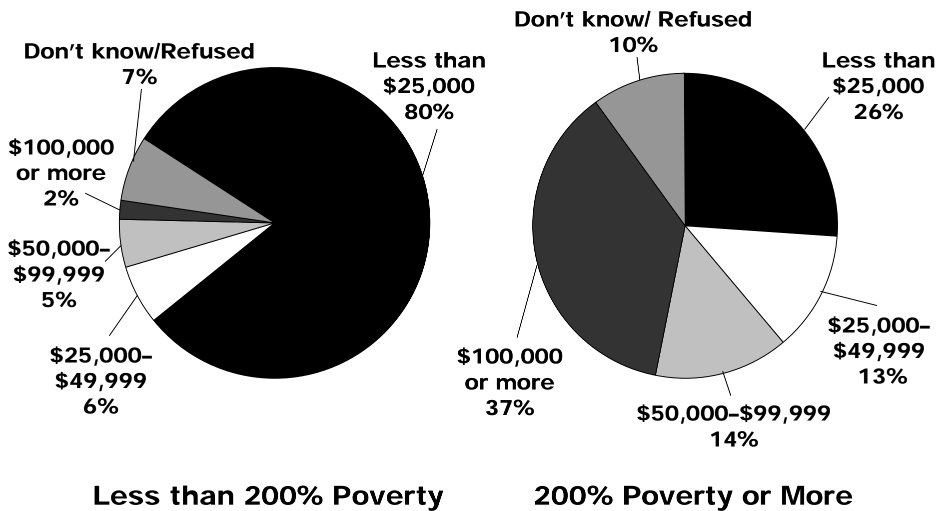
Percent of adults ages 50–70 with savings of the following amounts



Source: The Commonwealth Fund Survey of Older Adults (2004).

Figure 18

Total Bank or Stock Market Savings, by Income, Adults Ages 50–70



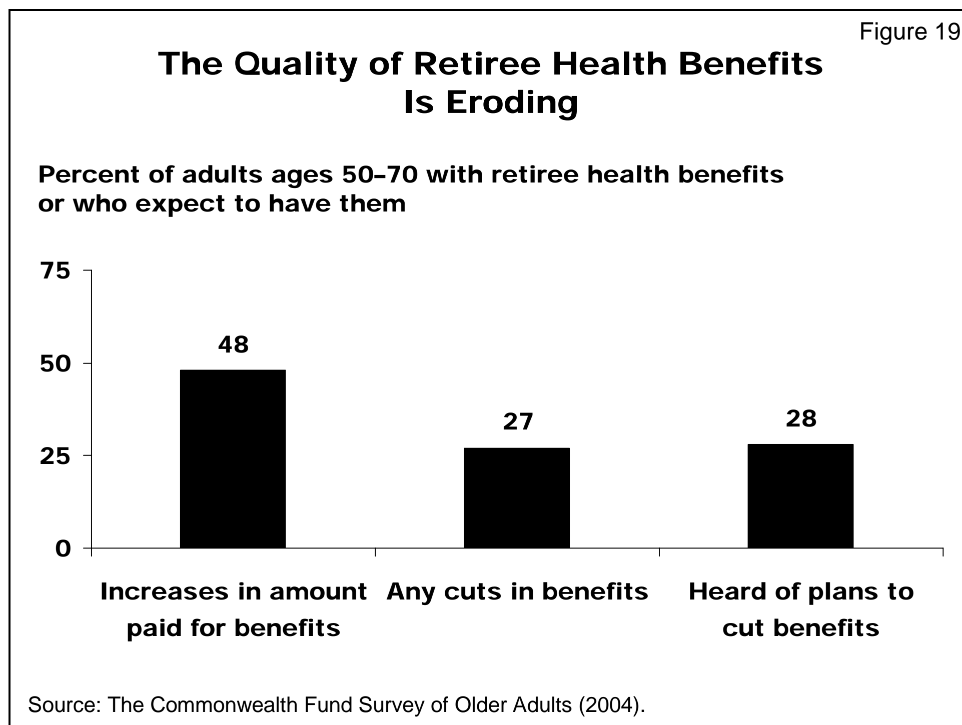
Source: The Commonwealth Fund Survey of Older Adults (2004).

Less Than Half of Older Adults Have or Expect to Have Retiree Health Insurance

Retiree health benefits offered by employers have historically accorded retirees substantial protection from medical costs by providing coverage before they become eligible for Medicare and by covering services that Medicare has not covered, such as prescription

drugs. The survey asked retirees whether they had retiree health insurance from an employer and asked those in working families whether they expected to have benefits. Fewer than half of older adults have or expect to have retiree health benefits from their own or their spouse's employer (Table 12). Of those older adults who are currently working or who are married to someone who is working, just 38 percent expect to have retiree health insurance. Among those already retired, 48 percent have benefits. Whether someone has retiree health benefits is strongly linked to household income. Only a quarter (24%) of retirees with incomes of less than $25,000 a year said that they had retiree benefits compared with more than two-thirds (68%) of those with incomes of $60,000 or more (data not shown).

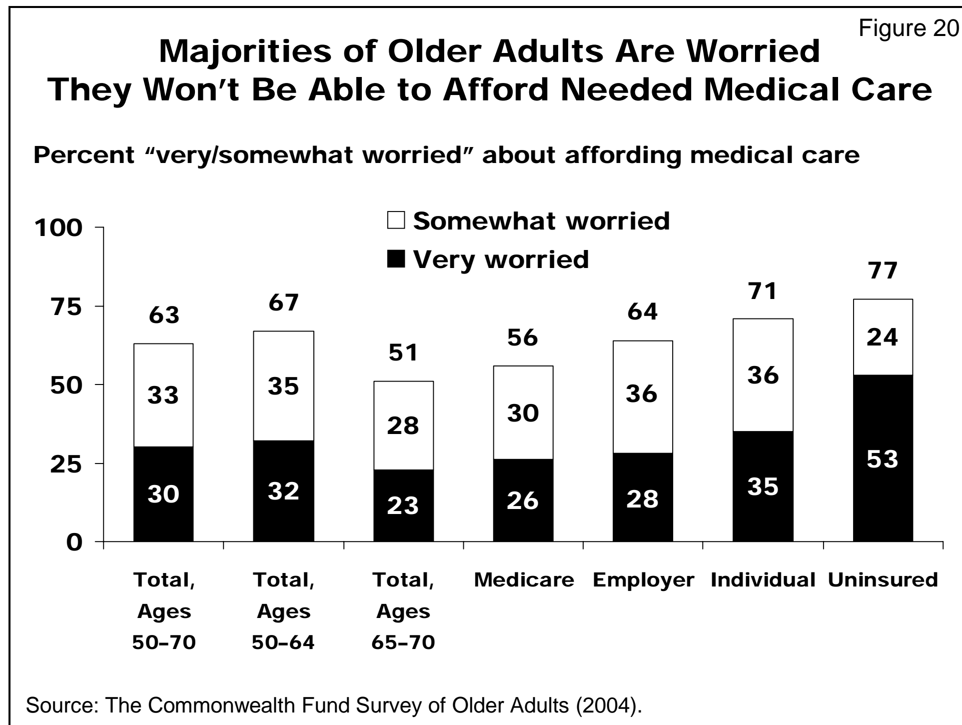
There are also signs of erosion in the quality of retiree health benefits. The survey found that nearly half (48%) of older adults who either currently have retiree health benefits or expect to have them reported increases in the amount they are required to pay out-of-pocket when they visit a doctor, fill prescriptions, or receive other medical services (Figure 19). Twenty-seven percent said that there had been actual cuts in the scope of services covered by the plan and 28 percent reported that they recently had heard of plans either to cut benefits or increase cost-sharing.



Older Adults Are Concerned They Will Not be Able to Afford Health Care

Against a backdrop of eroding retiree health insurance coverage, insufficient savings, and rapidly rising health care costs, majorities of older adults express fear that they will not be

able to afford health care in the future. More than three of five (63%) older adults ages 50 to 70 said they were very or somewhat worried they might not be able to afford needed medical care in the future (Figure 20, Table 10). Uninsured older adults or those with individual coverage were the most concerned about being able to afford health care: 77 percent of uninsured older adults and 71 percent of those with individual coverage were very or somewhat worried.



Older adults also are concerned they will not be able to afford the costs of insurance coverage in the future. Seventy-one percent of adults ages 50 to 70 said they were very or somewhat worried that they would not be able to afford health insurance (Table 10). Affordability concerns again were the highest among uninsured older adults and those with coverage on the individual market: 85 percent of uninsured older adults and 77 percent of those with individual coverage were very or somewhat worried about not being able to afford insurance.

Health Insurance Coverage Is a Key Factor in Decision to Retire

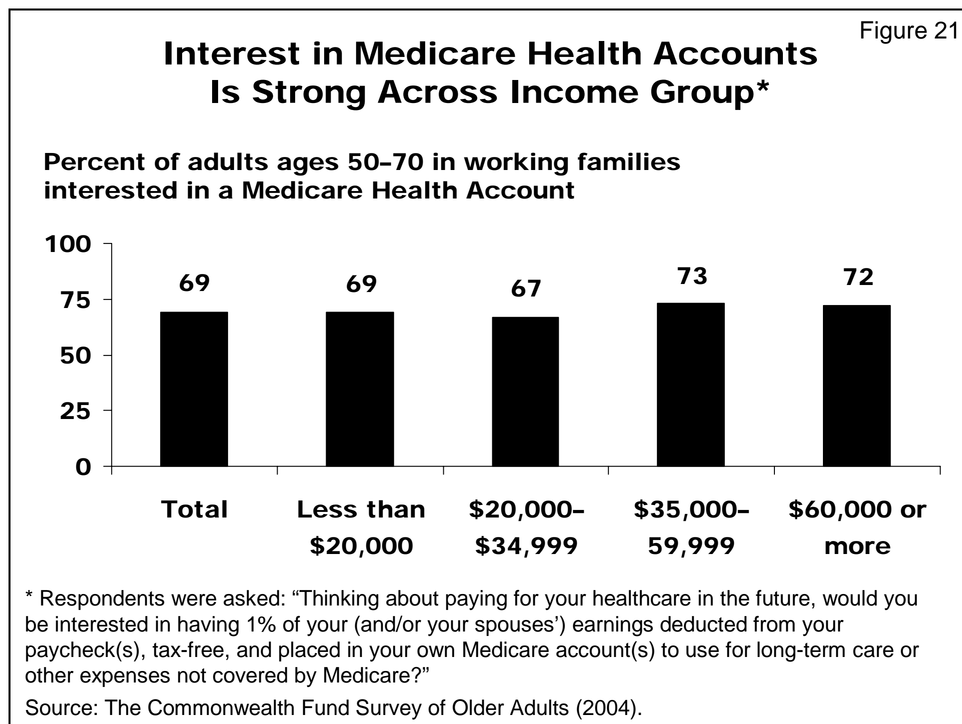
The survey found that, for both current retirees and those still working, the availability of affordable health insurance is a key factor in the decision to retire. Two-thirds (66%) of those currently working said that health insurance was going to be a very important factor in their decision to leave the workforce (Table 12). Fifty-eight percent of those who are already retired said that health insurance was a very important consideration when they made the decision to retire.

OLDER ADULTS SUPPORT POLICY SOLUTIONS TO IMPROVE THEIR HEALTH AND FINANCIAL SECURITY

Older adults' concerns about their health and financial security are reflected in their strong desire for public policy solutions to address them. The survey asked respondents about their interest in a set of strategies intended to improve their access to health insurance and help them save for their future health and long-term care needs.

Older Adults Express Strong Support for New Medicare Accounts to Help Them Save for Long-Term Care and Other Costs Not Covered by Medicare

Concerned about not having enough income and savings to live comfortably in retirement, older adults are interested in new strategies to help them save for future health care costs. The survey asked older adults in working families if they would be interested in having 1 percent of their earnings deducted from their paychecks and placed into a Medicare account. They could then use their accumulated savings in their accounts to pay for long-term care or other health services that Medicare does not cover. A substantial majority of respondents, 69 percent, said they would be interested in participating in such an automatic savings plan (Figure 21). There was broad-based, majority support across income group, region of the country, health status, and political affiliation (Table 13). Interest was higher among people in their early 50s.

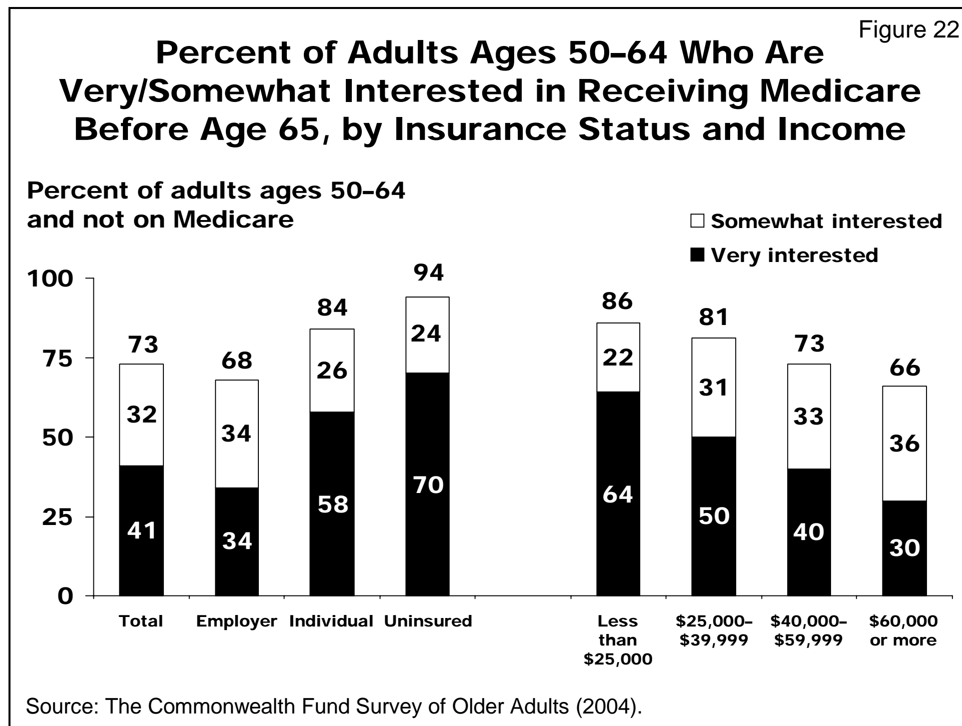


* Respondents were asked: "Thinking about paying for your healthcare in the future, would you be interested in having 1% of your (and/or your spouses') earnings deducted from your paycheck(s), tax-free, and placed in your own Medicare account(s) to use for long-term care or other expenses not covered by Medicare?"

Source: The Commonwealth Fund Survey of Older Adults (2004).

Majorities of Older Adults Would Like to Buy into Medicare Before Age 65

Older adults are worried about their exposure to rising health care costs and access to medical services and show interest in new options for health insurance coverage. The survey asked adults ages 50 to 64 if Medicare were available to their age group how interested they would be in having Medicare coverage before their 65th birthdays. Nearly three-fourths (73%) of adults ages 50 to 64 said they would be very or somewhat interested in enrolling in Medicare before age 65 (Figure 22, Table 14). Interest was highest among people with the least protection from health care costs. Ninety-four percent of uninsured older adults were very or somewhat interested in early participation in Medicare. Eighty-four percent of those with coverage purchased on the individual market were very or somewhat interested. In addition, a large majority (68%) of older adults with employer-based insurance coverage were interested in getting into Medicare. While interest was highest among older adults earning less than $25,000 a year, a majority of those with incomes above $60,000 also were somewhat or very interested in receiving Medicare before age 65.



A majority of older adults would be willing to pay at least a small monthly premium to join Medicare before age 65. Just over a quarter (26%) said they would be willing to pay up to $200 per month and another quarter (26%) would be willing to pay up to $100 (Figure 23). About 11 percent said they would pay no more than $50 monthly. The amount people were willing to pay rose with their incomes, with larger

shares of those earning $40,000 a year or more willing to pay up to $200 monthly than those with lower incomes.

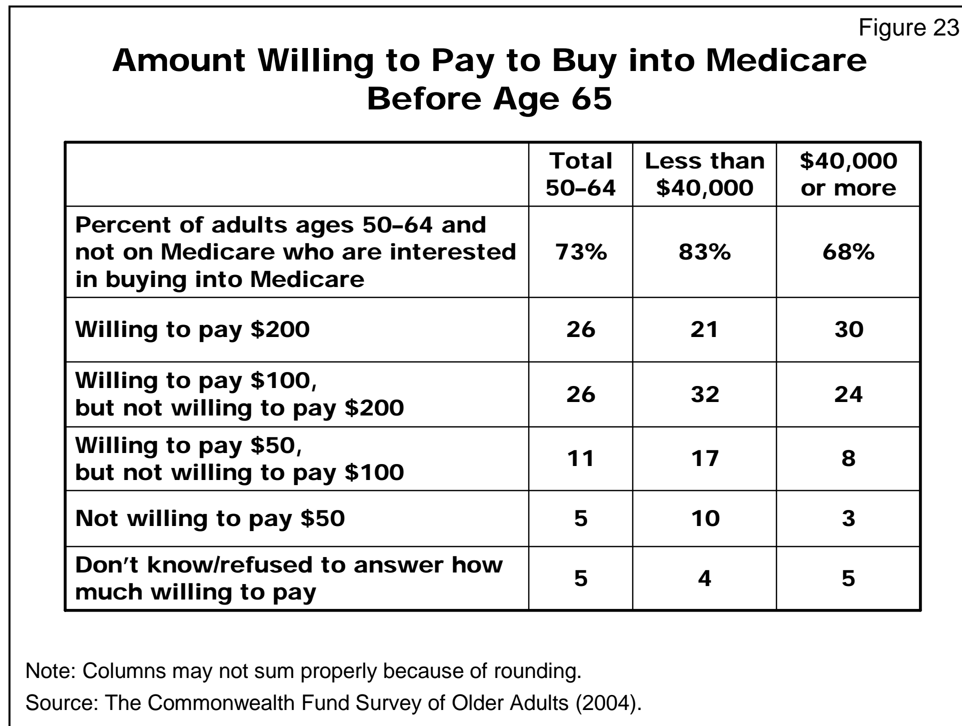


Figure 23

Amount Willing to Pay to Buy into Medicare Before Age 65

	Total 50-64	Less than $40,000	$40,000 or more
Percent of adults ages 50-64 and not on Medicare who are interested in buying into Medicare	73%	83%	68%
Willing to pay $200	26	21	30
Willing to pay $100, but not willing to pay $200	26	32	24
Willing to pay $50, but not willing to pay $100	11	17	8
Not willing to pay $50	5	10	3
Don't know/refused to answer how much willing to pay	5	4	5

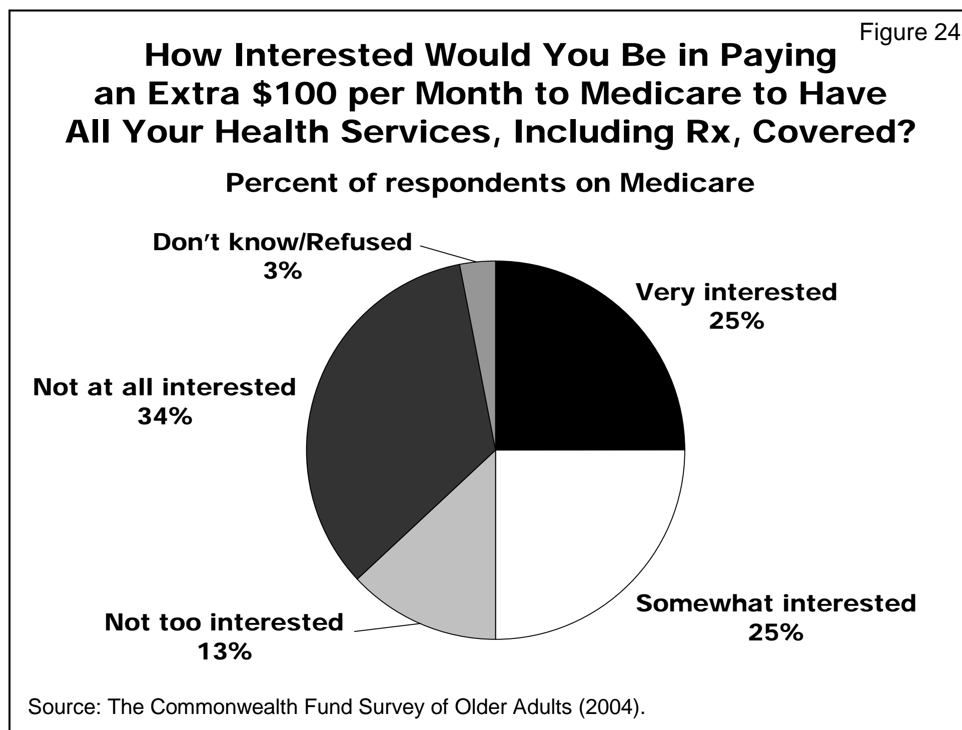
Note: Columns may not sum properly because of rounding.
Source: The Commonwealth Fund Survey of Older Adults (2004).

This finding suggests that premiums would have to be subsidized in order to facilitate early buy-in to Medicare. Assuming a community-rated annual premium of approximately $4,000, $200 per month would cover about 60 percent of premium costs, $100 would cover approximately 30 percent of premiums, and $50 would pay only 15 percent of premiums. Subsidies or tax credits for a buy-in could be linked to income, so that those with household incomes of less than 200 percent of poverty would pay no more than 5 percent of their income and those with higher incomes would pay no more than 10 percent.[17]

Half of Medicare Beneficiaries Interested in Consolidating Coverage

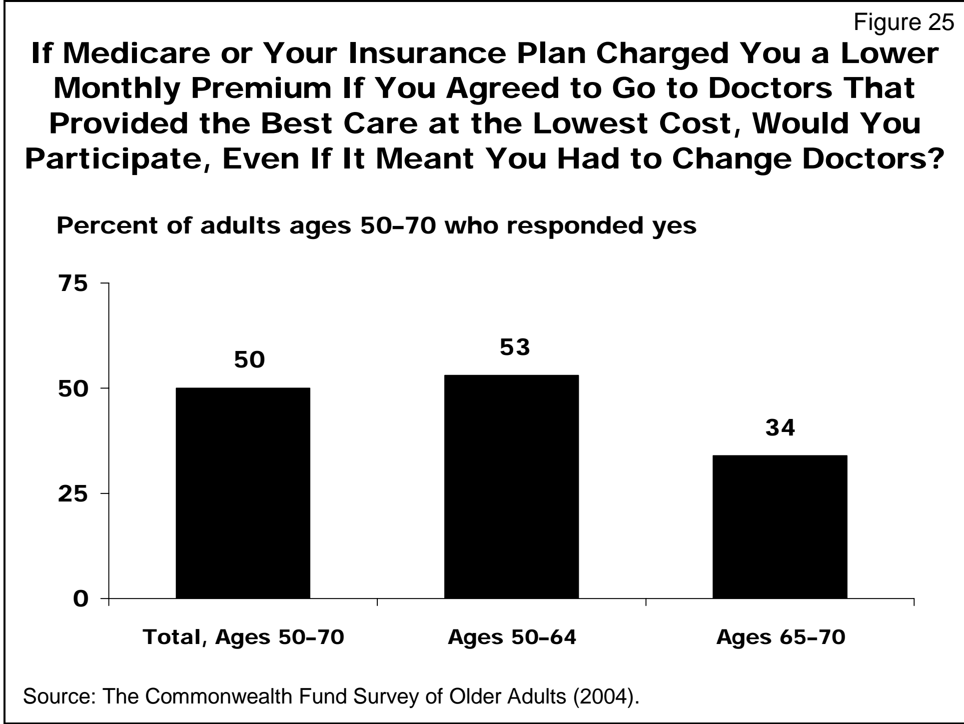
The Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003 provides beneficiaries a new Part D drug benefit offered exclusively through private plans. The plans can be stand-alone private drug insurance plans or Medicare Advantage managed care plans. Beneficiaries who remain in the traditional Medicare fee-for-service program will thus need three separate plans in order to have comprehensive benefits: Medicare Parts A and B, for hospital and physicians' services; Part D, a prescription drug plan; and supplemental private coverage to help cover Medicare's high cost-sharing and protect against catastrophic costs.

A different approach would be to allow traditional Medicare to offer an option of comprehensive benefits rolled into one plan, at an extra monthly cost of $100.[18] The survey asked respondents how interested they would be in paying an extra $100 a month to Medicare to have all their health services, including prescription drugs, covered. A quarter of Medicare beneficiaries was very interested in this option and another quarter was somewhat interested (Figure 24). Interest was somewhat greater among higher-income beneficiaries. Nearly three of five (58%) of those in households with incomes of 200 percent of poverty or higher were very or somewhat interested in having this option compared with 46 percent of those with household incomes under 200 percent of poverty (data not shown).



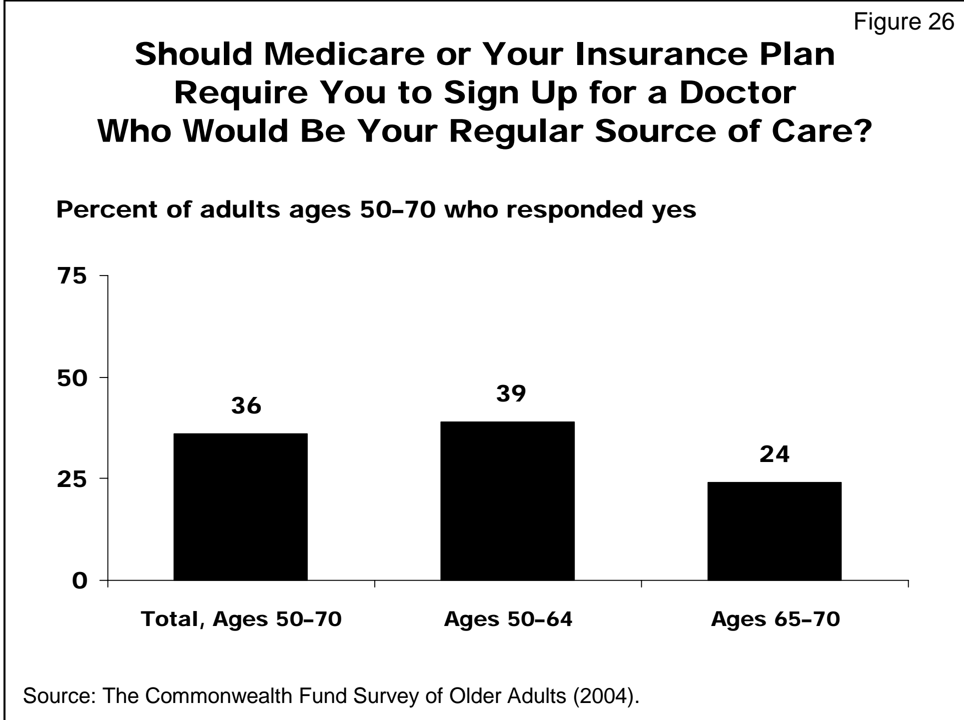
Half of Older Adults are Interested in Elite Networks of Physicians

The survey asked respondents whether, if Medicare or their insurance plan were to charge them a lower monthly premium if they agreed to go to doctors that provided the best care at the lowest cost, they would participate, even if it meant they had to change doctors. Half of adults 50 to 70 expressed interest in participating in such an option (Figure 25). There was more interest among those 50 to 64 than among those 65 and older: 53 percent of adults under age 65 were interested compared with just over a third (34%) of adults ages 65 to 70. Interest was greatest among older adults without coverage: more than three of five (64%) uninsured older adults said they would participate in such a plan (data not shown).



Most Older Adults Do Not Support Requirement to Have a Regular Doctor

Few older adults agreed that their insurance plans should require them to have a medical home. The survey asked whether Medicare or insurance plans should require enrollees to sign up for a doctor who would be their regular source of care. Just over one-third (36%) of all respondents agreed with such a requirement (Figure 26). Those 65 and older were the most opposed to the idea: less than a quarter (24%) agreed that Medicare should require them to have a regular doctor.



CONCLUSION

High rates of chronic health conditions among older adults make them a vulnerable population. Being uninsured or underinsured in any age group is risky, but older adults without adequate coverage are at particular risk of suffering adverse health events from skipping needed care, spending large shares of their income on out-of-pocket costs, and accumulating medical debt.

Recent research by J. Michael McWilliams and colleagues has found that uninsured adults ages 55 to 64 have greatly reduced access to preventive care and estimates that more than 13,000 premature deaths occur annually in this age group because of a lack of health insurance coverage.[19] In addition, a recent review of more than 20 studies of the impact of cost-sharing on health care use and the health status of people 65 and older found that increases in cost-sharing nearly always reduced the health care use and/or the health status of this population.[20] Poor health can hinder older adults' ability to participate in daily activities and accumulate income prior to retirement. Moreover, if adults in these vulnerable years postpone or do not receive essential care for chronic health conditions such as diabetes, arthritis, or high blood pressure, they are at risk of entering the Medicare program in deteriorating health and with much more costly medical conditions.[21]

Yet, despite evidence that exposure to medical costs is unhealthy for older adults and potentially harmful for the Medicare program and the U.S. economy overall, older adults are becoming less rather than better protected. According to the most recent U.S. Census data, the number of uninsured older adults ages 50 to 64 climbed from 5.5 million in 2000 to 6.4 million in 2003, with nearly all of the increase attributable to a decline in employer-sponsored coverage.[22] In addition, the percentage of firms with 200 or more employees that offer retiree health benefits has fallen from 66 percent in 1988 to 36 percent in 2004.[23] Companies that still offer retiree health benefits are making them less generous. According to a recent survey of large employers by the Kaiser Family Foundation and Hewitt Associates, 79 percent of companies said they had increased retiree premium contributions in the past year and more than half had increased drug copayments or coinsurance.[24]

The erosion of retiree health benefits is a financial blow to older adults. Hewitt Associates estimates that medical costs can add up to about 20 percent of annual pre-retirement income for workers who retire at age 65 without employer health benefits.[25] Early retirees without employer coverage can expect to spend an estimated 40 percent of pre-retirement income on their medical expenses. While the new Medicare prescription drug benefit will offset some of those costs for beneficiaries, retirees without retiree health benefits will continue to see a large portion of their income go toward health care costs.

Recent research also shows that health savings accounts (HSAs), which have been promoted in part as a way for people to save for future health care costs, will have a limited impact on the overall savings of those who decide to use them.[26] Moreover, people who open HSAs must have a high-deductible health plan of a least $1,000 for individuals and $2,000 for families. This means that, depending on whether and how much their employers contribute to their HSAs, participants' ability to save for their retirement during their working years could be weakened by the demands on their incomes from higher out-of-pocket health costs. [27]

So what is to be done? This survey shows strong interest among older adults to have a Medicare account in which they could set aside income to save for long-term and other health care expenses not covered by Medicare. In addition, a large majority of adults ages 50 to 64 would be interested in participating in the Medicare program before the age of 65. While a majority would be willing to pay a monthly premium in order to join, the responses indicate that the benefit would likely have to be subsidized to facilitate participation. Tax credits for a buy-in could be linked to income such that those with household incomes of less than 200 percent of poverty would pay no more than 5 percent of their income and those with higher incomes would pay no more than 10 percent. In addition to these options, eliminating the two-year waiting period for the disabled in the Medicare program would directly address the financial hardship of that population so clearly evident in this survey.[28]

Cutting back on the health care of older adults through the erosion of employee and retiree health benefits will serve only to worsen the health and financial status of older adults and magnify the financing issues currently looming before Medicare. Instead, targeted investments in their health care would likely make strides toward a more robust economy and a sustainable Medicare program.

Table 1. Demographic Characteristics of Older Adults by Age and Insurance
Base: All respondents

	Total	Ages 50–64	Ages 65–70	Insured				Uninsured
				Total Insured	Medicare	Employer	Individual	
Total in Millions (estimated)	59.08	47.62	11.46	54.49	14.68	32.68	3.65	4.59
Percent Distribution	100%	81%	19%	92%	25%	55%	6%	8%
Income								
Less than $25,000	23	21	33	21	42	9	10	50
$25,000–$39,999	16	16	19	16	17	16	21	20
$40,000–$59,999	15	16	13	16	11	18	23	8
$60,000 or above	31	34	16	31	12	45	32	5
Don’t know/Refused	15	13	19	14	19	13	14	17
Poverty Status								
Less than 200% poverty	24	22	32	21	40	10	12	51
200% poverty or above	64	68	51	67	43	80	78	34
Respondent’s Work Status								
Employed	55	63	21	55	16	73	64	52
Not currently employed	45	37	79	45	84	27	36	48
Retired	26	16	68	27	57	16	20	12
Not employed, but not retired	18	20	11	17	27	11	16	35
Self-Rated Health Status								
Excellent or very good	51	52	47	52	40	58	63	41
Good	27	26	30	27	28	26	28	25
Fair or poor	22	22	23	21	33	16	9	34
Race/Ethnicity								
White	76	75	82	77	78	79	78	65
Black	10	10	9	10	12	9	5	3
Hispanic	8	8	6	7	6	7	3	22
Marital Status								
Married	64	65	58	66	53	73	67	46
Not married	36	34	42	34	47	27	33	54
Political Affiliation								
Republican	28	27	33	29	29	29	42	20
Democrat	35	35	34	35	34	35	29	37
Independent	21	22	18	21	19	22	18	21
Other	9	10	6	9	8	9	5	13
Voter Registration Status								
Not registered	13	14	11	11	13	9	10	38
Registered	87	86	88	89	86	91	90	62

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 2. Health Status of Older Adults Ages 50 to 70, by Age and Poverty Status
Base: All respondents

		Ages 50–64			Ages 65–70		
	Total	Total	<200% Poverty	≥200% Poverty	Total	<200% Poverty	≥200% Poverty
Total in Millions (estimated)	59.08	47.62	10.41	32.16	11.46	3.63	5.86
Percent Distribution	—	—	22%	68%	—	32%	51%
Self-rated health status							
Excellent or very good	51	52	28	60	47	28	59
Good	27	26	25	26	30	36	25
Fair or poor	22	22	46	14	23	36	16
Disability or handicap limits daily activities	23	24	48	17	21	39	10
Current health conditions:							
Hypertension/ high blood pressure	39	36	46	33	50	64	42
Heart disease/heart attack	13	12	21	10	18	17	17
Cancer	5	5	8	4	8	11	7
Diabetes	15	13	21	10	23	32	18
Arthritis	37	34	48	31	47	56	45
High cholesterol	35	34	38	32	42	47	38
Any of the above conditions	70	67	75	64	84	93	81
Has health problems*	74	71	81	67	85	95	82

* Rates own health as fair or poor, has limits on daily activities, or has chronic health problem or condition.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 3. Insurance History of Older Adults Ages 50 to 70, by Age and Poverty Status
Base: All respondents

		Ages 50–64			Ages 65–70		
	Total	**Total**	**<200% Poverty**	**≥200% Poverty**	**Total**	**<200% Poverty**	**≥200% Poverty**
Total in Millions (estimated)	59.08	47.62	10.41	32.16	11.46	3.63	5.86
Percent Distribution	—	—	22%	68%	—	32%	51%
Insurance Type							
Medicare	25	8	23	3	94	95	93
Employer	55	68	32	80	4	1	6
Individual	6	7	4	9	1	0	2
Other	6	7	18	3	1	3	0
Uninsured	8	10	22	5	—	1	0
Insurance History							
Insured continuously, no gaps	76	76	50	85	77	62	85
Uninsured now	8	10	22	5	—	1	0
Insured now, time uninsured in past year	7	7	13	5	6	14	0
Insured all year, time uninsured since age 50	10	8	15	5	17	23	16
General Experience with Health Insurance as Adult							
Insured all of the time	63	60	33	69	72	51	82
Insured most of the time	23	25	32	24	16	27	13
Only insured some of the time	7	8	17	4	6	10	3
Rarely or never insured	6	7	17	2	5	12	1

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 4. Health Insurance Expenses of Older Adults Ages 50 to 70, by Age and Insurance
Base: All respondents

				Insured			
	Total	Ages 50–64	Ages 65–70	Total Insured	Medicare	Employer	Individual
Total in Millions (estimated)	59.08	47.62	11.46	54.49	14.68	32.68	3.65
Percent Distribution	100%	81%	19%	92%	25%	55%	6%
Insurance Premium Expenses							
Monthly premium costs (Respondents who are insured) (q49)							
None	19	20	14	19	17	16	3
Less than $100	29	27	35	29	40	27	14
$100–$199	19	18	23	19	19	21	8
$200–$299	10	10	9	10	8	11	16
$300–$499	10	11	6	10	4	11	28
$500 or more	6	6	3	6	2	6	26
Spent annually 5% or more of income	23	23	22	23	22	21	57
Spent annually 10% or more of income	10	10	11	10	10	8	33
Paying premium is very or somewhat difficult: (Respondents who pay a premium)	34	34	32	34	37	27	62
Annual Deductible Per Person (Respondents who are insured)							
No deductible	36	37	35	36	39	33	19
Less than $500	34	32	41	34	38	37	12
$500–$999	10	11	8	10	7	12	12
$1,000–$1,999	5	6	3	5	2	5	18
$2,000 or more	3	4	1	3	—	2	24

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 5. Health Care Expenses of Older Adults Ages 50 to 70, by Age and Insurance
Base: All respondents

				Insured				
	Total	Ages 50–64	Ages 65–70	Total Insured	Medicare	Employer	Individual	Uninsured
Total in Millions (estimated)	59.08	47.62	11.46	54.49	14.68	32.68	3.65	4.59
Percent Distribution	100%	81%	19%	92%	25%	55%	6%	8%
Prescription Drug Expenses								
Has prescription drug coverage (Respondents who are insured)	85	89	71	85	67	95	72	na
Takes prescription drugs on regular basis	70	68	81	73	84	69	59	42
Monthly out-of-pocket prescription drug expenses: (Respondents who take prescription drugs regularly)								
Up to $25	37	38	32	37	34	37	*	*
$26–$50	21	22	18	22	15	27	*	*
$51–$100	19	19	20	19	19	19	*	*
More than $100	19	19	24	19	26	16	*	*
Spent annually 5% or more of income	15	13	21	14	25	8	*	*
Spent annually 10% or more of income	6	6	9	6	12	3	*	*
Annual Out-of-Pocket Medical Expenses, including Prescription Drugs								
Less than $100	23	22	25	22	26	19	15	28
$100–$499	36	36	35	36	33	40	30	25
$500–$999	16	15	18	16	16	17	17	11
$1,000–$4,999	20	20	16	19	17	20	27	26
$5,000 or more	3	4	2	3	3	2	8	10
Spent annually 5% or more of income	16	16	17	15	21	11	26	29
Spent annually 10% or more of income	7	7	8	6	10	3	11	24
Total Annual Out-of-Pocket Medical Expenses**								
Less than $500	22	23	18	19	21	16	5	53
$500–$999	21	20	24	22	25	21	13	11
$1,000–$2,499	18	16	23	19	22	21	4	0
$3,000–$5,499	24	24	24	24	23	25	28	26
$5,500–$9,999	11	12	7	11	6	12	36	10
$10,000 or more	3	4	2	4	2	4	14	0
Spent annually 5% or more of income	37	36	41	38	43	33	64	29
Spent annually 10% or more of income	18	18	20	18	23	14	40	24

* Not shown due to insufficient sample size.

** Includes health insurance premiums (for insured only) and medical expenses including prescription drugs.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 6. Access Barriers and Medical Bill Problems by Age and Insurance
Base: All respondents

	Total	Ages 50–64	Ages 65–70	Insured: Total Insured	Insured: Medicare	Insured: Employer	Insured: Individual	Uninsured
Total in Millions (estimated)	59.08	47.62	11.46	54.49	14.68	32.68	3.65	4.59
Percent Distribution	100%	81%	19%	92%	25%	55%	6%	8%
Access Problems in Past Year								
Went without needed care in past year due to costs:								
Did not fill prescription	15	16	12	14	18	12	14	30
Skipped recommended test or follow up	11	13	5	9	9	8	18	35
Had a medical problem, did not visit doctor or clinic	11	13	4	9	9	7	15	40
Did not get needed specialist care	9	10	4	7	7	7	12	27
At least one of four access problems due to inability to pay	24	26	17	21	23	18	32	57
Medical Bill Problems in Past Year								
Not able to pay medical bills	18	19	13	16	20	12	20	39
Contacted by a collection agency for medical bills	15	15	11	14	18	11	11	26
Had to change way of life to pay bills	14	15	14	13	19	9	17	32
Any bill problem	27	28	22	25	30	21	30	50
Medical bills/debt being paid over time	11	12	7	11	8	12	12	8
Base: Any bill problem or medical debt	35	37	27	33	35	30	39	54
Insurance status of person/s when having difficulties with medical bills								
Insured at time care was provided	73	70	88	80	80	86	*	*
Uninsured at time care was provided	25	28	10	18	18	13	*	*

* Not shown due to insufficient sample size.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 7. Access Barriers and Medical Bill Problems, by Age and Poverty

Base: All respondents

	Ages 50–70			Ages 50–64			Ages 65–70		
	Total	**<200% Poverty**	**≥200% Poverty**	**Total**	**<200% Poverty**	**≥200% Poverty**	**Total**	**<200% Poverty**	**≥200% Poverty**
Total in Millions (estimated)	59.08	14.04	38.02	47.62	10.41	32.16	11.46	3.63	5.86
Percent Distribution	100%	24%	64%	—	22%	68%	—	32%	51%
Access Problems in Past Year									
Went without needed care in past year due to costs:									
Did not fill prescription	15	29	11	16	32	11	12	21	7
Skipped recommended test or follow up	11	19	9	13	22	10	5	10	4
Had a medical problem, did not visit doctor or clinic	11	21	8	13	25	9	4	10	1
Did not get needed specialist care	9	17	7	10	19	8	4	8	3
At least one of four access problems due to inability to pay	24	41	19	26	45	20	17	28	13
Medical Bill Problems in Past Year									
Not able to pay medical bills	18	37	12	19	40	13	13	29	5
Contacted by a collection agency for medical bills	15	30	10	15	32	11	11	24	6
Had to change way of life to pay bills	14	33	8	15	34	9	14	30	5
Any bill problem	27	51	19	28	54	21	22	41	12
Medical bills/debt being paid over time	11	12	11	12	14	12	7	9	7
Base: Any bill problem or medical debt	35	57	28	37	60	30	27	46	18
Insurance status of person/s when having difficulties with medical bills									
Insured at time care was provided	73	61	82	70	53	82	88	*	*
Uninsured at time care was provided	25	37	17	28	44	18	10	*	*

* Not shown due to insufficient sample size.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 8. Medicare Beneficiaries: Insurance History, Ratings of Medicare, and Comparisons to Insurance Before Eligible for Medicare

Base: All respondents on Medicare

		Age Group		Poverty Level	
	All on Medicare	**65–70**	**50–64 Disabled**	**<200% Poverty**	**≥200% Poverty**
Total Millions (estimated)	14.68	10.80	3.87	5.86	6.37
Percent Distribution	100%	74%	26%	40%	43%
Uninsured right before Medicare	24	18	41	38	11
Insurance History					
Insured continuously, no gaps	76	77	68	62	84
Insured now, time uninsured in past year	8	6	15	14	4
Insured all year, time uninsured since age 50	17	17	17	24	11
General experience with health insurance as adult					
Insured all of the time	63	71	40	44	78
Insured most of the time	23	17	40	34	15
Only insured some of the time	6	6	7	9	3
Rarely or never insured	7	6	13	14	3
Importance of Becoming Eligible for Medicare					
Very important	71	66	84	85	58
Somewhat important	14	16	9	10	17
Not too/not at all important	14	17	6	3	24
Rating of Medicare					
Excellent	13	13	13	11	15
Very good	24	24	21	24	22
Good	31	32	28	27	33
Fair or poor	27	25	35	33	25
Don't know/Refused	4	5	2	4	5
Comparison of Medicare to Before Becoming Eligible for Medicare (Respondents insured before Medicare)					
Overall insurance is better now	23	22	30	27	17
Overall insurance is worse	14	12	24	14	15
Overall insurance is about the same	59	63	44	56	34
Choice of doctors is better now	11	9	18	11	12
Choice of doctors is less	8	5	22	10	7
Choice of doctors about the same	75	79	57	74	75
Spend more time on insurance paperwork now	7	5	15	10	7
Spend less time on insurance paperwork	30	30	32	34	27
Spend about the same time on insurance paperwork	55	56	52	49	61

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 9. Experiences with Health Insurance
Base: All respondents currently insured

	Total Insured	Ages 50–64	Ages 65–70	Insurance Source		
				Medicare	Employer	Individual
Total in Millions (estimated)	54.49	43.06	11.43	14.68	32.68	3.65
Percent Distribution	100%	79%	21%	27%	60%	7%
Rating of current insurance						
Excellent	23	21	30	27	22	12
Very good	32	32	30	28	35	20
Good	29	29	29	29	28	37
Fair or poor	15	17	10	14	14	27
Choice in where to go for medical care						
A great deal	46	43	56	52	44	47
A fair amount	40	42	32	34	44	36
Not too much/no choice at all	13	14	8	11	11	17
In current health plan ever a time when:						
Doctor charged a lot more than insurance would pay	19	19	18	19	18	30
Doctor did not accept or participate in insurance plan	23	26	13	18	24	22
You reached limit of what insurance would pay for treatment	11	12	7	9	11	12
Any type of problem with health insurance	38	41	29	34	38	46
Had to fill out paper work for health care in past year: If so, how much of a problem was this?	37	40	28	29	39	44
A big problem	8	8	7	7	8	12
A small problem	25	26	17	24	26	23
Not a problem	67	65	76	70	66	62
How much of problem is getting insurance to pay for doctor or hospital medical bills?						
A big problem	5	5	4	4	4	5
A small problem	17	19	9	12	19	21
Not a problem	77	75	83	81	75	68

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 10. Concerns about Affordability, Confidence in Future Care, and Satisfaction with Quality of Care

Base: All respondents

	Total	Ages 50–64	Ages 65–70	Insured: Total Insured	Insured: Medicare	Insured: Employer	Insured: Individual	Uninsured
Total in Millions (estimated)	59.08	47.62	11.46	54.49	14.68	32.68	3.65	4.59
Percent Distribution	100%	81%	19%	92%	25%	55%	6%	8%
How worried are you that you won't be able to afford the medical care you will need?								
Very worried	30	32	23	28	26	28	35	53
Somewhat worried	33	35	28	34	30	36	36	24
Not too worried	17	16	23	18	20	18	11	8
Not at all worried	18	17	25	19	23	17	18	10
How worried are you that health insurance will become so expensive you will not be able to afford it?								
Very worried	40	42	33	38	37	37	48	63
Somewhat worried	31	32	26	32	26	35	29	22
Not too worried	14	12	21	15	17	15	9	2
Not at all worried	15	13	20	15	18	13	14	11
Overall, how satisfied are you with the quality of health care you have received in the past 12 months?								
Very satisfied	54	52	64	57	60	58	41	23
Somewhat satisfied	26	28	20	27	22	28	37	19
Somewhat dissatisfied	6	6	5	6	6	5	7	4
Very dissatisfied	6	6	4	4	6	3	4	21
Not received health care	7	7	6	5	5	5	9	30
How confident are you that you will get the best medical care available when you need it?								
Very confident	49	47	60	52	56	52	45	18
Somewhat confident	32	34	27	33	28	35	40	23
Not too confident	9	10	6	9	8	9	11	11
Not at all confident	7	8	5	5	6	4	4	39
How worried are you that you won't be able to get the type of specialist you will need?								
Very worried	27	28	20	25	24	24	28	52
Somewhat worried	31	32	27	32	29	33	34	21
Not too worried	20	19	24	21	21	22	17	12
Not at all worried	22	20	29	22	26	21	21	12

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 11. Trust in Sources of Coverage for Older Adults Under Age 65
Base: All respondents

	Which would you trust more to provide health insurance for people age 50 to 64?			
	Medicare	**Employers**	**Private Individual Market**	**None of These/ Don't Know**
Total	38%	28%	24%	9%
Age				
50–64	38	28	25	9
50–54	35	32	24	9
55–59	39	27	26	5
60–64	41	24	26	9
65–70	39	30	20	10
Gender				
Men	39	28	24	7
Women	37	28	24	10
Region of the United States				
Northeast	36	28	22	14
Northcentral	38	34	22	6
South	41	25	25	8
West	35	29	27	8
Race/Ethnicity				
White	35	30	26	8
Black	58	27	11	4
Hispanic	50	16	17	17
Insurance Status				
Uninsured	58	8	22	13
Employer	30	37	25	8
Medicare	45	24	21	11
Individual	39	10	41	10
Other	63	12	17	7
Income				
Less than $25,000	54	18	19	8
$25,000–$39,999	37	32	22	8
$40,000–$59,999	33	31	27	9
$60,000 or above	29	35	29	8
Poverty				
Less than 200% poverty	54	18	20	8
200% poverty or above	32	33	27	9
Work Status				
Employed	35	33	24	8
Not currently employed	42	22	25	11
Self-Rated Health Status				
Excellent or very good	34	31	27	8
Good	39	30	23	7
Fair or poor	47	21	19	13
Political Affiliation				
Democrat	44	29	18	9
Republican	28	31	31	9
Independent	38	28	28	6
Other	43	26	20	10
Voter Registration Status				
Not registered	53	18	18	11
Registered	36	30	25	9

Note: Rows may not sum to 100% because of rounding.

Source: The Commonwealth Fund Survey of Older Adults Ages (2004).

Table 12. Retirement Security: Confidence, Savings, and Importance of Health Insurance
Base: All respondents

		Ages 50–64			Ages 65–70		
	Total	Total	<200% Poverty	≥200% Poverty	Total	<200% Poverty	≥200% Poverty
Total in Millions (estimated)	59.08	47.62	10.41	32.16	11.46	3.63	5.86
Percent Distribution	—	—	22%	68%	—	32%	51%
Overall confidence in having enough income and savings to live comfortably in retirement							
Very confident	17	15	4	18	22	9	28
Somewhat confident	43	42	24	48	47	37	56
Not too confident/Not at all confident	39	41	69	32	29	50	15
Total savings for retirement							
Under $25,000	38	39	81	26	38	76	22
$25,000 to under $50,000	10	10	5	13	10	9	14
$50,000 to under $100,000	11	11	5	14	9	5	14
$100,000 or more	25	26	2	37	21	4	37
Have retiree health insurance through your (or spouse's) employer (Respondents who are retired)	48	54	*	60	42	*	51
Your (or spouse's) employer provides retiree health benefits once you retire (Respondents/spouses currently working)	38	39	21	43	24	*	*
Have or expect to have retiree health insurance:	36	36	14	44	34	19	42
Changes in retiree health insurance: (Respondents have or expect to have retiree health insurance)							
Cuts in benefits covered by insurance plan	27	25	*	26	33	*	33
Increases in how much you have to pay for medical services	48	48	*	50	50	*	51
Heard of recent plans to cut benefits or increase costs you will have to pay	28	29	*	30	24	*	23
In making your decision about when to retire:							
How important will the availability of health insurance be? (Respondents currently working/looking for work)							
Very important	66	67	76	66	*	*	*
Somewhat important	18	18	10	20	*	*	*
Not too/not at all important	14	13	10	13	*	*	*
How much was the availability of affordable health insurance? (Respondents who are retired)							
Very important	58	59	*	60	58	*	62
Somewhat important	12	12	*	10	13	*	13
Not too/not at all important	25	26	*	27	24	*	21

* Not shown due to insufficient sample size.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Table 13. Interest in Medicare Health Accounts for Long-Term Care and Other Medical Expenses Not Covered by Medicare

Base: All respondents in working families

	Thinking about paying for your healthcare in the future, would you be interested in having 1 percent of your (and/or your spouse's) earnings deducted from your paycheck(s), tax free, and placed in your own Medicare account(s) to use for long term care or other expenses not covered by Medicare, (when you become covered by Medicare)?		
	Yes, would be interested	**No, would not be interested**	**Don't Know/Refused**
Total	69%	24%	7%
Age			
50–64	71	23	6
50–54	76	19	4
55–59	67	24	8
60–64	64	27	9
65–70	48	42	10
Gender			
Men	69	25	6
Women	69	23	8
Region of the United States			
Northeast	75	20	5
Northcentral	68	27	6
South	68	24	7
West	66	25	9
Race/Ethnicity			
White	70	24	6
Black	71	23	6
Hispanic	60	25	15
Insurance Status			
Uninsured	59	27	15
Employer	73	22	5
Medicare	48	40	12
Individual	61	28	11
Other	75	21	4
Income			
Less than $25,000	69	26	6
$25,000–$39,999	67	25	8
$40,000–$59,999	73	21	5
$60,000 or above	72	24	4
Poverty			
Less than 200% poverty	67	26	8
200% poverty or above	71	24	5
Work Status			
Employed	69	25	6
Not currently employed	68	22	10
Self-Rated Health Status			
Excellent or very good	69	25	5
Good	68	25	7
Fair or poor	68	22	10
Political Affiliation			
Democrat	68	24	7
Republican	71	24	5
Independent	71	23	6
Other	69	25	6
Voter Registration Status			
Not registered	67	21	12
Registered	69	25	6

Note: Rows may not sum to 100% because of rounding.

Source: The Commonwealth Fund Survey of Older Adults Ages (2004).

Table 14. Interest in Enrolling in Medicare Before Age 65
Base: Adults ages 50–64 and not on Medicare

	If Medicare were available to people age 50 to 64, how interested would you be in getting Medicare insurance before you turn 65?			
	Very Interested	Somewhat Interested	Not Too Interested	Not Interested at All
Total	41%	32%	12%	13%
Age				
50–54	38	36	13	9
55–59	43	31	10	14
60–64	43	26	10	17
Gender				
Men	38	34	10	15
Women	44	30	13	11
Region of the United States				
Northeast	42	28	15	12
Northcentral	40	32	10	13
South	43	33	11	11
West	38	33	11	15
Race/Ethnicity				
White	37	33	13	14
Black	56	29	8	5
Hispanic	55	29	6	4
Insurance Status				
Uninsured	70	24	1	4
Employer	34	34	14	14
Medicare	—	—	—	—
Individual	58	26	4	8
Other	49	26	8	15
Income				
Less than $25,000	64	22	6	6
$25,000–$39,999	50	31	9	7
$40,000–$59,999	40	33	12	12
$60,000 or above	30	36	14	16
Poverty				
Less than 200% poverty	64	20	7	7
200% poverty or above	36	35	13	13
Work Status				
Employed	41	31	13	13
Not currently employed	42	34	9	12
Self-Rated Health Status				
Excellent or very good	36	32	14	15
Good	42	34	9	11
Fair or poor	54	30	7	6
Political Affiliation				
Democrat	48	29	10	10
Republican	33	34	13	16
Independent	36	34	14	14
Other	46	33	7	11
Voter Registration Status				
Not registered	55	31	5	5
Registered	39	32	13	14

Note: Rows may not sum to 100% because of rounding and because "Don't know/Refused to answer" not shown.
Source: The Commonwealth Fund Survey of Older Adults Ages (2004).

APPENDIX. SURVEY METHODOLOGY

The Commonwealth Fund Survey of Older Adults was conducted by International Communications Research from September 14 through November 21, 2004. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 2,007 adults ages 50 to 70 living in the continental United Sates. The study included 1,591 adults ages 50 to 64 and 416 adults ages 65 to 70.

Statistical results are weighted to make the results representative of all adults ages 50 to 70 in the continental United States. The data are weighted to the U.S. adult population by age, sex, race/ethnicity, education, and geographic region using the 2004 March Supplement of the Current Population Survey. The resulting weighted sample is representative of the approximately 59 million adults ages 50 to 70, including 48 million adults ages 50 to 64 and 11 million adults ages 65 to 70.

The study classified adults by age, annual household income, and insurance status at the time of the survey. Fifteen percent of adults 50 to 70 did not provide sufficient income data for classification by income or poverty. We asked respondents whether, when surveyed, they had the following types of insurance: Medicare, employer-sponsored, individually purchased, Medicaid, or insurance through any other source (including military or veteran's coverage). Respondents who had none of these insurance sources were classified as uninsured. Although respondents were allowed to report multiple sources of insurance, in this analysis only mutually exclusive insurance categories were allowed. Thus, respondents reporting multiple sources of insurance were classified into one category using a hierarchy. For individuals under 65 years, the hierarchy for insurance was employer, Medicare, Medicaid, individual, or other. For adults 65 years and older with multiple sources of coverage, the principal source of insurance was always Medicare, followed by employer, Medicaid, individual, and other.

The survey has an overall margin of sampling error of +/– 2.29 percentage points at the 95 percent confidence level. For the sample of adults ages 50 to 64 and those ages 65 to 70, the margins of error are +/– 2.58 and +/– 4.98 percentage points, respectively.

The 71.6 percent survey response rate was calculated consistent with standards of the American Association for Public Opinion Research.

NOTES

[1] All reported differences are statistically significant at $p < .05$ or better, unless otherwise noted.

[2] J. Gabel et al., "Health Benefits in 2004: Four Years of Double-Digit Premium Increases Take Their Toll on Coverage," *Health Affairs* 23 (September/October 2004): 200–209; Bureau of Labor Statistics, Employment Cost Index for Civilian Workers, Wages and Salaries, http://data.bls.gov.

[3] J. Gabel et al., 2004; S. R. Collins, C. Schoen, M. M. Doty, A. L. Holmgren, *Job-Based Health Insurance in the Balance: Employer Views of Coverage in the Workplace* (New York: The Commonwealth Fund, March 2004).

[4] Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits, 2004 Annual Survey*; P. Fronstin, *The Impact of the Erosion of Retiree Health Benefits on Workers and Retirees*, Issue Brief No. 279 (Washington: Employee Benefit Research Institute, March 2005).

[5] J. M. McWilliams, A. M. Zaslavsky, E. Meara, J. Z. Ayanian, "Health Insurance Coverage and Mortality Among the Near Elderly," *Health Affairs* 23 (July/August 2004): 223–233; J. M. McWilliams, A. M. Zaslavsky, E. Meara, J. Z. Ayanian, "Impact of Medicare Coverage on Basic Clinical Services for Previously Uninsured Adults," *Journal of the American Medical Association* 290 (August 13, 2003): 757–764; D. W. Baker, et al., "Lack of Health Insurance and Decline in Overall Health in Late Middle Age," *New England Journal of Medicine* 345 (October 11, 2001): 1106–1112.

[6] P. F. Short, D. G. Shea, M. P. Powell, "Health Insurance for Americans Approaching Age Sixty-five: An Analysis of Options for Incremental Reform," *Journal of Health Politics, Policy and Law* 28 (February 2003): 41–76.

[7] S. R. Collins, C. Schoen, K. Tenney, M. M. Doty, A. Ho., *Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help* (New York: The Commonwealth Fund, May 2005).

[8] All reported differences are statistically significant at $p < .05$ or better, unless otherwise noted.

[9] C. Schoen, M. M. Doty, S. R. Collins, A. L. Holmgren, "Insured But Not Protected: How Many Adults Are Underinsured?" *Health Affairs* Web Exclusive (June 14, 2005): W5-289–W5-302.

[10] Difference between Medicare and individual coverage is not statistically significant.

[11] Differences statistically significant between those with deductibles of less than $500 and those with deductibles of $1,000 or more.

[12] Only the difference between uninsured and other coverage sources is statistically significant.

[13] Differences statistically significant between those with no deductible or deductibles of less than $500 and those with deductibles of $500 or more.

[14] S. B. Dale and J. M. Verdier, *Elimination of Medicare's Waiting Period for Seriously Disabled Adults* (New York: The Commonwealth Fund, July 2003).

[15] The difference between those with Medicare and individual coverage is statistically significant at $p < .05$. The difference between those with employer and individual coverage is not statistically significant.

[16] The difference between those with Medicare and individual coverage is statistically significant at $p < .05$. The difference between those with employer coverage and individual coverage is not statistically significant.

[17] K. Davis and C. Schoen, "Creating Consensus on Coverage Choices," *Health Affairs* Web Exclusive (23 April 2003): W3-199–W3-211.

[18] K. Davis, M. Moon, and B. Cooper, "Medicare Extra: A Comprehensive Benefits Option for Medicare Beneficiaries." Under review.

[19] J. M. McWilliams, A. M. Zaslavsky, E. Meara, J. Z. Ayanian, "Health Insurance Coverage and Mortality Among the Near Elderly," *Health Affairs* 23(4): 223–233; J. M. McWilliams et al., 2003.

[20] T. Rice and K. Y. Matsuoka, "The Impact of Cost-Sharing on Appropriate Utilization and Health Status: A Review of the Literature on Seniors," *Medical Care Research and Review* 16 (December 2004): 415–452.

[21] R. B. Friedland and L. Summer, *Demography Is Not Destiny, Revisited* (New York: The Commonwealth Fund, March 2005).

[22] Analysis of the March 2004 Current Population Survey by Sherry Glied and Douglas Gould of Columbia University; C. DeNavas-Walt, B. D. Proctor, and R. J. Mills, *Income, Poverty and Health Insurance Coverage in the United States: 2003,* Current Population Reports, U.S. Census Bureau, August 2004; R. J. Mills and S. Bhandari, *Health Insurance Coverage in the United States: 2002,* Current Population Reports, U.S. Census Bureau, September 2003.

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[24] Kaiser Family Foundation and Hewitt Associates, *Current Trends and Future Outlook for Retiree Health Benefits: Findings from the Kaiser/Hewitt 2004 Survey on Retiree Health Benefits*, December 2004; P. Fronstin, *The Impact of the Erosion of Retiree Health Benefits on Workers and Retirees*, Issue Brief No. 279 (Washington, D.C.: Employee Benefit Research Institute, March 2005).

[25] Hewitt Associates, *Total Retirement Income at Large Companies: The Real Deal*, June 2004. Available at http://was4.hewitt.com/hewitt/resource/newsroom/pressrel/2004/06-28-04_study.htm.

[26] P. Fronstin and D. Salisbury, *Health Care Expenses in Retirement and the Use of Health Savings Accounts*, Issue Brief No. 271 (Washington: Employee Benefit Research Institute, July 2004)

[27] K. Davis, M. M. Doty, A. Ho, *How High Is Too High? Implications of High Deductible Health Plans* (New York: The Commonwealth Fund, April 2005).

[28] S. B. Dale and J. M. Verdier, July 2003.

RELATED PUBLICATIONS

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Insured But Not Protected: How Many Adults Are Underinsured? (June 14, 2005). Cathy Schoen, Michelle. M. Doty, Sara R. Collins, and Alyssa. L. Holmgren. *Health Affairs* Web Exclusive (June 14, 2005). In addition to 45 million uninsured U.S. adults, another 16 million were underinsured in 2003, according to this study by Commonwealth Fund researchers. The authors find that inadequate coverage—much like no coverage at all—creates obstacles to care and other burdens.

Variations in the Impact of Health Coverage Expansion Proposals Across States (June 7, 2005). Sherry Glied and Douglas Gould. *Health Affairs* Web Exclusive (*In the Literature* summary). While some states could reduce their uninsured rate by as much as 20 percent under federal proposals such as tax credits or public program expansions, other states might not see much change at all.

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