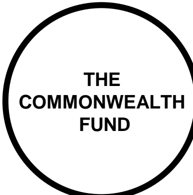
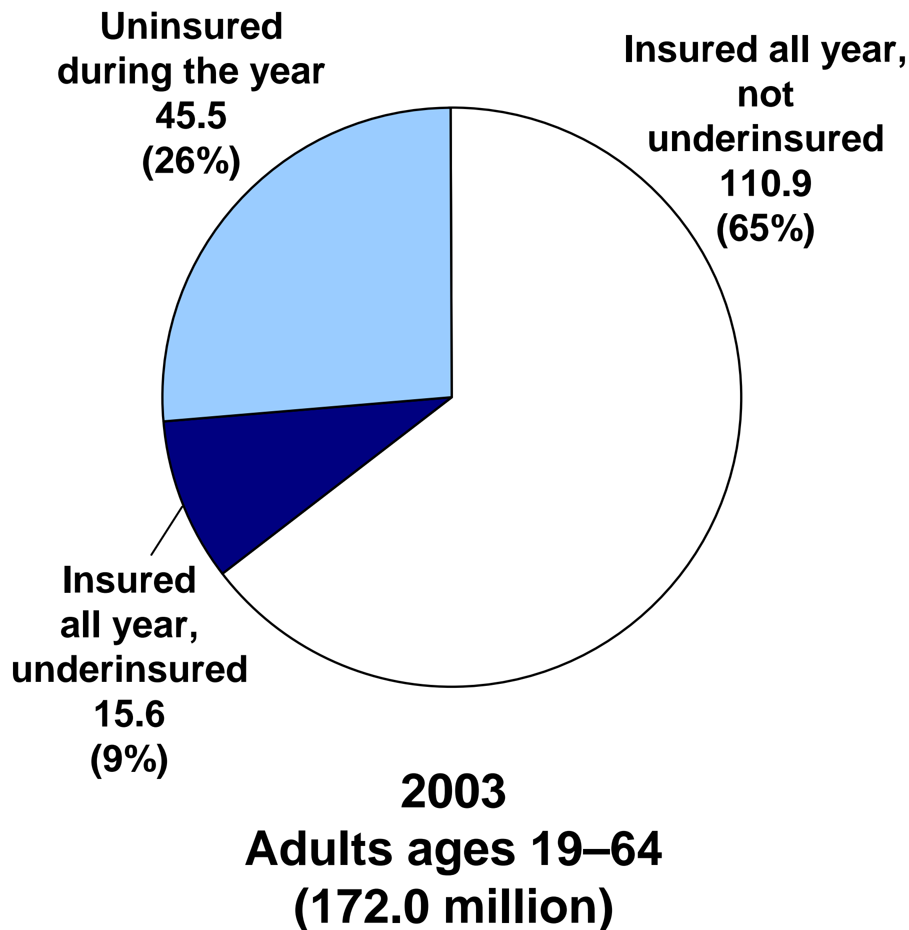
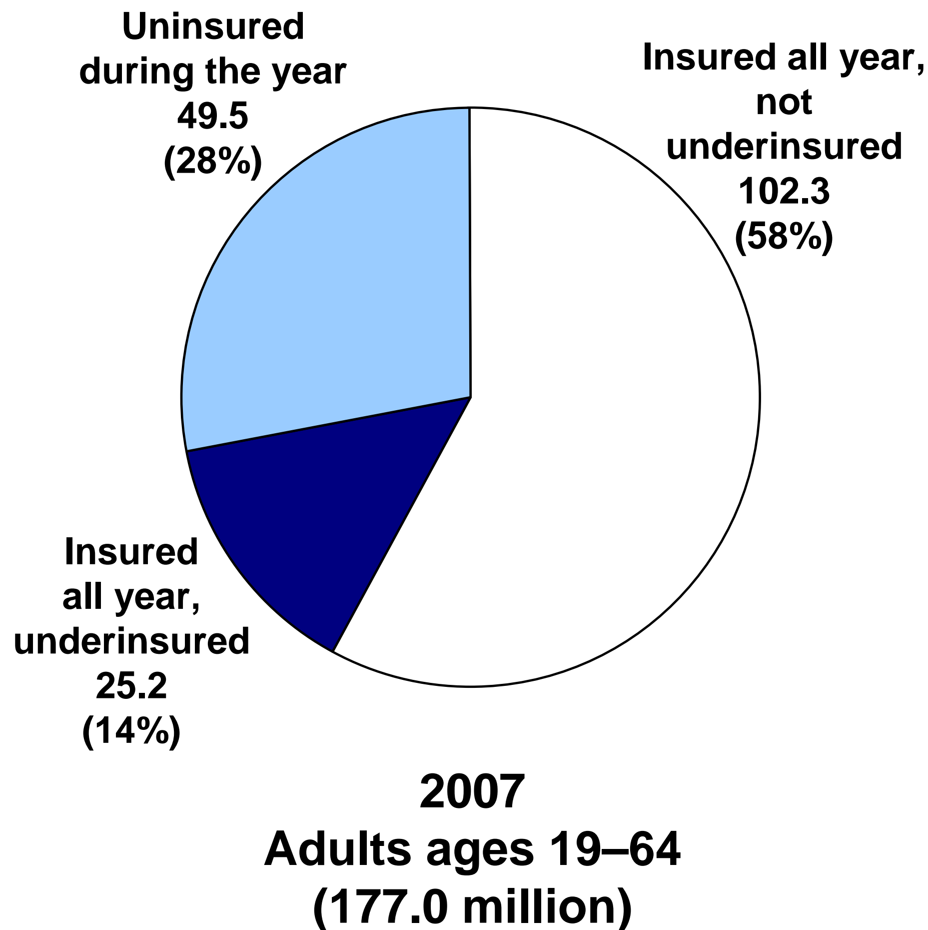
Figure 1. 46 Million Uninsured in 2008; Increase of 7.9 Million Since 2000



Source: U.S. Census Bureau, March Current Population Survey, 2001–2009.

Figure 2. 25 Million Adults Underinsured in 2007, Up from 16 Million in 2003





*Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

Source: C. Schoen, S. R. Collins, J. L. Kriss, and M. M. Doty, "How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007," *Health Affairs* Web Exclusive, June 10, 2008. Data: Commonwealth Fund Biennial Health Insurance Surveys (2003 and 2007).

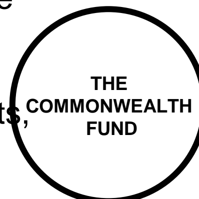


Figure 3. Half of Adults with Low Incomes Lack Coverage During the Year; Another Quarter Are Underinsured

Percent of adults ages 19–64

Underinsured*
Uninsured during year

100
80
60
40
20
0

35
9
26

42
14
28

68
19
49

72
24
48

17
4
13

27
11
16

2003 2007
Total

2003 2007
Under 200% of poverty

2003 2007
At or above 200% of poverty

*Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

Source: C. Schoen, S. R. Collins, J. L. Kriss, and M. M. Doty, "How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007," *Health Affairs* Web Exclusive, June 10, 2008. Data: Commonwealth Fund Biennial Health Insurance Surveys (2003 and 2007).

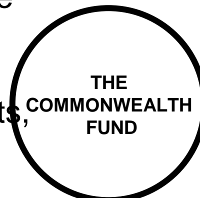


Figure 4. Underinsured Adults are More Likely to Have Health Plans With Coverage Limits; Less Likely to Have Dental Coverage

Percent of insured adults (ages 19–64)

	Insured, not underinsured	Underinsured
Deductible $1,000 or more	8	26
Annual Limits on What Plan Will Pay	36	48
Limits on Annual Physician Visits	11	19
Dental Coveage	78	59

Source: C. Schoen, S. Collins, J. Kriss, M. Doty, How Many are Underinsured? Trends Among U.S. Adults, 2003 and 2007, *Health Affairs* Web Exclusive, June 10, 2008. Data: 2007 Commonwealth Fund Biennial Health Insurance Survey

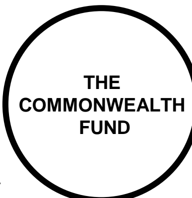


Figure 5. Underinsured Adults Report Higher Rates of Health Insurance Plan Problems than Adults with Adequate Insurance

Percent of adults ages 19–64 who were insured all year and had problems with health insurance plan

	All insured adults	Insured all year, not underinsured	Insured all year, underinsured
Had expensive medical bills for services not covered by insurance	26	22	44
Doctor charged more than insurance would pay and you had to pay difference	28	25	38
Had to contact insurance company because they did not pay a bill promptly or denied payment	34	32	42
Any problem with health plan	51	47	64

Source: S. R. Collins, J. L. Kriss, M. M. Doty, and S. D. Rustgi, Losing Ground: How the Loss of Adequate Health Insurance Is Burdening Working Families: Findings from the Commonwealth Fund Biennial Health Insurance Surveys, 2001–2007, The Commonwealth Fund, August 2008.

Figure 6. Adults with Plans Purchased on the Individual Insurance Market Are More Likely to Underinsured Than Those with Employer Coverage

Percent of privately insured adults ages 19–64 who are underinsured

	2003	2007
Total	10	18
Employer insurance	10	17
Individual insurance	17	30

Notes: Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.
Adults continuously insured all year with employer-sponsored insurance or individual insurance.
Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

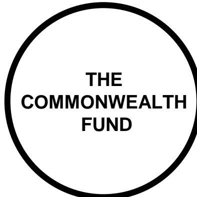


Figure 7. Increases in Health Insurance Premiums Compared with Other Indicators, 1988–2009

Percent

Health insurance premiums
Workers' earnings
Overall inflation
National health expenditures per capita

20
15
10
5
0
-5

1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

12.0
18.0
8.5
0.8
5.3*
8.2*
10.9*
12.9*
13.9^
11.2*
9.2*
7.7*
6.1*
4.7*
5.5*

* Estimate is statistically different from the previous year shown at p<0.05.
^ Estimate is statistically different from the previous year shown at p<0.1.
Note: Data on premium increases reflect the cost of health insurance premiums for a family of four. Historical estimates of workers' earnings have been updated to reflect new industry classifications (NAICS).
Source: Premiums: Henry J. Kaiser Family Foundation/Health Research and Educational Trust Survey of Employer-Sponsored Health Benefits, 1999–2007, and KPMG Survey of Employer-Sponsored Health Benefits, 1993 and 1996. Inflation: Bureau of Labor Statistics, Consumer Price Index (U.S. City Average of Annual Inflation, April to April), 1993–2009. Earnings: Bureau of Labor Statistics, seasonally adjusted data from the Current Employment Statistics Survey (April to April), 1993–2009. NHE: A. Cisko, C. Truffer, S. Smith, et al, "Health Spending Projections Through 2018: Recession Effects Add Uncertainty To The Outlook," *Health Affairs*, 28, no. 2 (2009): w346-w357.

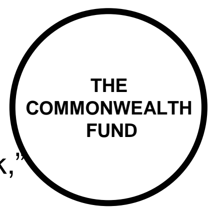


Figure 8. Projected Premiums for Family Coverage, 2008, 2015, 2020

Health insurance premiums for family coverage

	2008	2015	2020
U.S. average	12,298	17,599	23,842
Lowest state[1]	10,837	15,508	21,009
Highest state	13,788	19,731	26,730

[1]The lowest state is Idaho; highest state is Massachusetts.

Data: 2008 premium data from Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends, 2008 Medical Expenditure Panel Survey-Insurance Component; Premium estimates for 2015 and 2020 based on CMS, Office of the Actuary, National Health Statistics Group, national health expenditures per capita annual growth rate.

Source: C. Schoen, J.L. Nicholson, S.D. Rustgi, *Paying the Price: How Health Insurance Premiums Are Eating Up Middle-Class Incomes, State-by-State Health Insurance Premium Projections With and Without National Reform* (New York: The Commonwealth Fund) August 2009.

Figure 9. Deductibles Rise Sharply, Especially in Small Firms, 2000–2009

Mean deductible for single coverage (PPO, in-network)

2000 | 2009

$1,250
$1,000
$750
$500
$250
$0

	2000	2009
Total	187	634
Small firms, 3–199 employees	210	1,040
Large firms, 200+ employees	157	478

PPO = preferred provider organization. PPOs covered 57 percent of workers enrolled in an employer-sponsored health insurance plan in 2007.
Source: The Kaiser Family Foundation/Health Research and Educational Trust, *Employer Health Benefits*, 2000 and 2009 Annual Surveys.

Figure 10. Adults with Higher Deductibles Are More Likely to Spend $1,000 or More on Family Out-of-Pocket Expenses, 2007

Percent of privately insured adults ages 19–64

☐ Annual out-of-pocket costs $5,000 or more

■ Annual out-of-pocket costs $1,000–$4,999

75

50

25

0

Annual Deductible	Total	Less than $500	$500–$999	$1,000 or more
Annual out-of-pocket costs $5,000 or more	10	9	13	24
Annual out-of-pocket costs $1,000–$4,999	38	34	51	46
Total	48	43	63	69

Notes: Family out-of-pocket expenses include out-of-pocket spending on medical care, prescription drugs, and dental and vision care. Does not include premium costs. Numbers may not sum because of rounding.
Adults continuously insured all year with employer-sponsored insurance or individual insurance.
Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

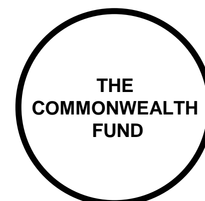


Figure 11. Increasing Shares of Adults Across the Income Scale Are Spending Large Amounts of Income on Out-of-Pocket Costs and Premiums, 2001–2007

Percent of privately insured adults ages 19–64 with high out-of-pocket costs and premiums

	Out-of-Pocket Costs Equal 5% or More of Household Income		Out-of-Pocket Costs Equal 10% or More of Household Income	
	Under 200% FPL	200% FPL or more	Under 200% FPL	200% FPL or more
2001	64	30	40	13
2007	75	41	60	25

Notes: Family out-of-pocket costs include all medical expenses, premiums, and prescription drug spending. Adults continuously insured all year with employer-sponsored insurance or individual insurance.
FPL = Federal Poverty Level.
Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

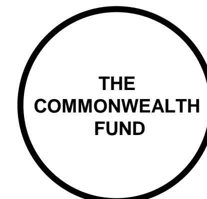
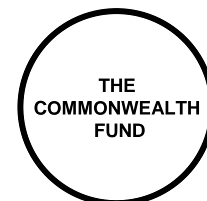


Figure 12. The Individual Insurance Market Is Not an Affordable Option for Many People

Adults ages 19–64 with individual coverage or who tried to buy it in past three years who:	Total	Health problem	No health problem	<200% FPL*	200%+ FPL*
Found it very difficult or impossible to find coverage they needed	47%	60%	35%	52%	40%
Found it very difficult or impossible to find affordable coverage	57	70	45	63	53
Were turned down, charged a higher price, or excluded because of a preexisting condition	36	47	26	39	34
Never bought a plan	73	79	66	85	62



* FPL = federal poverty level.

Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

Figure 13. Deductibles, Premium Costs, and Out-of-Pocket Spending Are Higher for Adults with Individual Insurance, 2007

Percent of privately insured adults ages 19–64

100
75
50
25
0

Employer
Individual

11
39
27
65
44
72
29
51

$1,000+ deductible per person
Premiums total 5% or more of income
Out-of-pocket costs total 5% or more of income*
Out-of-pocket costs total 10% or more of income*

* Out-of-pocket costs include all medical expenses, premiums, and prescription drug spending.
Note: Adults continuously insured all year with employer-sponsored insurance or individual insurance.
Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

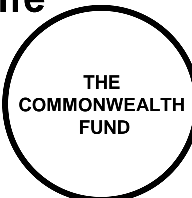


Figure 14. More than Three of Five Adults with Individual Market Coverage Have Annual Premium Costs of $3,000 or More, 2007

Percent of privately insured adults ages 19–64

75
50
25
0

Annual premium $6,000 or more
Annual premium $3,000–$5,999

	Total	Employer	Individual
Annual premium $6,000 or more	8	6	31
Annual premium $3,000–$5,999	15	14	33
Total	23	20	64

Note: Adults continuously insured all year with employer-sponsored insurance or individual insurance.
Source: Commonwealth Fund Biennial Health Insurance Survey (2007).

Figure 15. Individual Insurance Plans Are More Likely to Limit Benefits and Require Greater Cost-Sharing in 2007

Percent of privately insured adults ages 19–64

	Employer	Individual
No prescription drug coverage	5	20
No dental coverage	18	66
Had expensive medical bills for services not covered by insurance	27	36
Doctor charged more than insurance would pay; patient paid difference	28	39
Health plan limits total dollar amount that plan will pay	38	49

Note: Adults continuously insured all year with employer-sponsored insurance or individual insurance.
Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

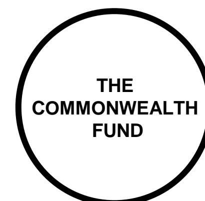


Figure 16. More Privately Insured Adults Are Spending Large Amounts of Income on Out-of-Pocket Costs and Premiums, 2001–2007

Percent of privately insured adults ages 19–64 with high out-of-pocket costs and premiums

	Total privately insured	Employer	Individual insurance
Out-of-Pocket Costs Equal 5% or More of Household Income			
2001	39	36	71
2007	47	44	72
Out-of-Pocket Costs Equal 10% or More of Household Income			
2001	20	18	47
2007	31	29	51

Notes: Family out-of-pocket costs include all medical expenses, premiums, and prescription drug spending. Adults continuously insured all year with employer-sponsored insurance or individual insurance.

Source: M. M. Doty, S. R. Collins, J. L. Nicholson, and S. D. Rustgi, Failure to Protect: Why the Individual Insurance Market Is Not a Viable Option for Most U.S. Families, The Commonwealth Fund, July 2009.

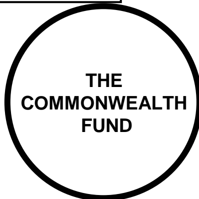


Figure 17. Uninsured and Underinsured Adults Report High Rates of Cost-Related Access Problems

Percent of adults ages 19–64 who had cost-related access problems in the past 12 months

	Total	Insured all year, not underinsured	Insured all year, underinsured	Insured now, time uninsured in past year	Uninsured now
Did not fill a prescription	31	19	46	54	45
Did not see specialist when needed	20	9	24	37	39
Skipped medical test, treatment, or follow-up	25	13	34	45	47
Had medical problem, did not see doctor or clinic	31	15	42	57	60
Any of the four access problems	45	29	60	72	71

Source: S. R. Collins, J. L. Kriss, M. M. Doty, and S. D. Rustgi, Losing Ground: How the Loss of Adequate Health Insurance Is Burdening Working Families: Findings from the Commonwealth Fund Biennial Health Insurance Surveys, 2001–2007, The Commonwealth Fund, August 2008.

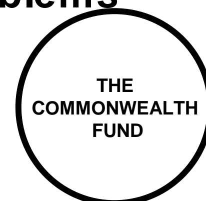


Figure 18. Uninsured and Underinsured Adults with Chronic Conditions Are More Likely to Visit the ER for Their Conditions

Percent of adults ages 19–64 with at least one chronic condition*

	Total	Insured all year, not underinsured	Insured all year, underinsured	Insured now, time uninsured in past year	Uninsured now
Skipped doses or did not fill prescription for chronic condition because of cost**	33	15	46	62	64
Visited ER, hospital, or both for chronic condition	26	19	32	43	33

*Hypertension, high blood pressure; heart disease; diabetes; asthma, emphysema, or lung disease.
**Adults with at least one chronic condition who take prescription medications on a regular basis.
Source: S. R. Collins, J. L. Kriss, M. M. Doty, and S. D. Rustgi, Losing Ground: How the Loss of Adequate Health Insurance Is Burdening Working Families: Findings from the Commonwealth Fund Biennial Health Insurance Surveys, 2001–2007, The Commonwealth Fund, August 2008.

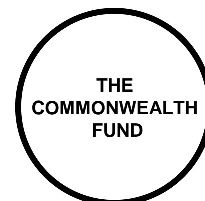


Figure 19. Sixty Percent of Underinsured or Uninsured Adults Reported Medical Bill Problems or Debt

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

	Total	Insured all year, not underinsured	Insured all year, underinsured	Insured now, time uninsured in past year	Uninsured now
Not able to pay medical bills	27	13	43	51	47
Contacted by collection agency*	16	8	23	31	27
Had to change way of life to pay medical bills	18	8	31	29	34
Medical bills/ debt being paid off over time	28	19	47	39	35
Any medical bill problem or outstanding debt	41	26	61	62	60

*Includes only those individuals who had a bill sent to a collection agency when they were unable to pay it.

Source: S. R. Collins, J. L. Kriss, M. M. Doty, and S. D. Rustgi, Losing Ground: How the Loss of Adequate Health Insurance Is Burdening Working Families: Findings from the Commonwealth Fund Biennial Health Insurance Surveys, 2001–2007, The Commonwealth Fund, August 2008.

Figure 20. More Than One-Quarter of Adults Under Age 65 with Medical Bill Burdens and Debt Were Unable to Pay for Basic Necessities

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

		Insured All Year		Uninsured Anytime During Year	
Percent of adults reporting:	Total	No underinsured indicators	Underinsured	Insured now, time uninsured in past year	Uninsured now
Unable to pay for basic necessities (food, heat, or rent) because of medical bills	29%	16%	29%	42%	40%
Used up all of savings	39	26	46	46	47
Took out a mortgage against your home or took out a loan	10	9	12	11	11
Took on credit card debt	30	28	33	34	26
Insured at time care was provided	61	80	82	46	24

Source: S. R. Collins, J. L. Kriss, M. M. Doty, and S. D. Rustgi, Losing Ground: How the Loss of Adequate Health Insurance Is Burdening Working Families: Findings from the Commonwealth Fund Biennial Health Insurance Surveys, 2001–2007, The Commonwealth Fund, August 2008.

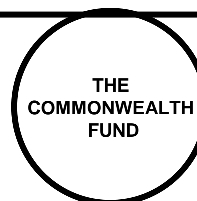


Figure 21. America's Health Choices Act (H.R. 3200) As Amended

Insurance Market Regulations	Guaranteed issue, adjusted community rating with 2:1 age bands; no annual or lifetime limits on benefits; prohibits rescissions; carriers meet medical loss standards
Individual mandate	Penalty 2.5% of difference between MAGI and GI up to average national premium;
Exchange	National or state
Plans offered	Private, public and co-op
Eligibility for exchange	Individuals and small businesses phase in <10-20+
Minimum benefit standard	Essential Health Benefits 70%-95% actuarial value, Four cost sharing tiers
Premium / cost-sharing assistance	Sliding scale 1.5%-12% of income 133%-400% FPL; cost-sharing credits 133%-350%FPL
Medicaid / CHIP expansion	Up to 133% FPL
Shared Responsibility / Employer Pay-or-play	Play or pay; amended firms >$500,000 payroll, contribute 72.5%+ prem. contribution for ind/65%+ for families; sliding scale phased-in from 2% to 8% of payroll $500k-$750K; Small employer tax credit

THE COMMONWEALTH FUND

Source: Commonwealth Fund analysis of H.R. 3200.

Figure 22. Trend in the Number of Uninsured, 2012–2020 Under Current Law and H.R. 3200

Millions

	2012	2013	2014	2015	2016	2017	2018	2019
Current law	51	51	51	51	52	53	53	54
House Proposal	50	28	23	16	17	17	16	17

Note: The uninsured includes unauthorized immigrants. With unauthorized immigrants excluded from the calculation, 97% of legal nonelderly residents are projected to have insurance under H.R. 3200.
Data: Estimates by The Congressional Budget Office.

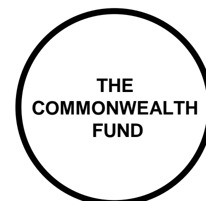


Figure 23. America's Health Choices Act (H.R. 3200) As Amended

Minimum Benefit Package	**An essential health benefits package, as specified by new Health Benefits Advisory Council, must provide comprehensive set of services, cover at least 70% of actuarial value, limit annual cost-sharing and not impose limits on benefits; All plans, including employers, must provide at least the basic package inside and outside the exchange**
Cost Sharing Tiers	**Essential health benefits package at four cost-sharing tiers 1st tier (Basic) actuarial value: 70% 2nd tier (Enhanced) actuarial value: 85% 3rd tier (Premium) actuarial value: 95% 4th tier (Premium-Plus) actuarial value: 95% plus oral health and vision care Annual out-of-pocket maximum $5,000 for individuals, $10,000 for families**
Premium subsidy	**Premium subsidy for purchase through exchange so contribution is limited to: 133-150% FPL: 1.5%-3.0% of income 150-200% FPL: 3.0-5.5% of income 200-250% FPL: 5.5-8.0% of income 250-300% FPL: 8.0-10.0% of income 300-350% FPL: 10.0-11.0% of income 350-400%FPL: 11.0-12.0% of income (based on average premium of 3 lowest cost plans) If ESI coverage contribution is <12% of income, not eligible for subsidies**
Cost-sharing credits	**Cost sharing credits reduce limits on cost-sharing, thus increasing actuarial value of basic plan to: 133-150% FPL: 97% 150-200% FPL: 93% 200-250% FPL: 85% 250-300% FPL: 78% 300-350% FPL: 72%**

Source: Commonwealth Fund analysis of health reform proposals.

Figure 24. Annual Premium Amount Paid by Individuals Under House Energy and Commerce Committee Health Reform Proposal

Annual premium amount

Area	Age	150% FPL	200% FPL	300% FPL	400% FPL	500% FPL
Lower Cost Area	Age 20	487	1,191	2,535	2,535	2,535
Lower Cost Area	Age 40	487	1,191	2,800	2,800	2,800
Lower Cost Area	Age 60	487	1,191	3,249	5,071	5,071
Medium Cost Area	Age 20	487	1,191	3,169	3,169	3,169
Medium Cost Area	Age 40	487	1,191	3,249	3,500	3,500
Medium Cost Area	Age 60	487	1,191	3,249	5,198	6,339
Higher Cost Area	Age 20	487	1,191	3,249	3,803	3,803
Higher Cost Area	Age 40	487	1,191	3,249	4,200	4,200
Higher Cost Area	Age 60	487	1,191	3,249	5,198	7,606

Y-axis: $0, $1,000, $2,000, $3,000, $4,000, $5,000, $6,000, $7,000, $8,000, $9,000, $10,000

FPL = Federal Poverty Level

Note: Estimates are for single adults with no access to employer coverage.

Source: Health Reform Subsidy Calculator – Premium Assistance for Coverage in Exchanges/Gateways, Kaiser Family Foundation, http://healthreform.kff.org/Subsidycalculator.aspx, accessed 10/9/09.

Figure 25. Concentrated Insurance Markets: Market Share of Two Largest Health Plans, by State, 2006

- *80%–100%*
- *70%–79%*
- *50%–69%*
- *Less than 50%*

Note: Market shares include combined HMO+PPO products. For MS and PA share = top 3 insurers 2002-2003.
Source: American Medical Association, *Competition in health insurance: A comprehensive study of U.S. markets, 2008 update*; MS and PA from J. Robinson, “Consolidation and the Transformation of Competition in Health Insurance,” *Health Affairs*, Nov/Dec 2004; ND from D. McCarthy et al., “The North Dakota Experience: Achieving High-Performance Health Care Through Rural Innovation and Cooperation,” The Commonwealth Fund, May 2008.

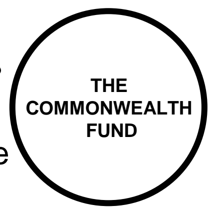
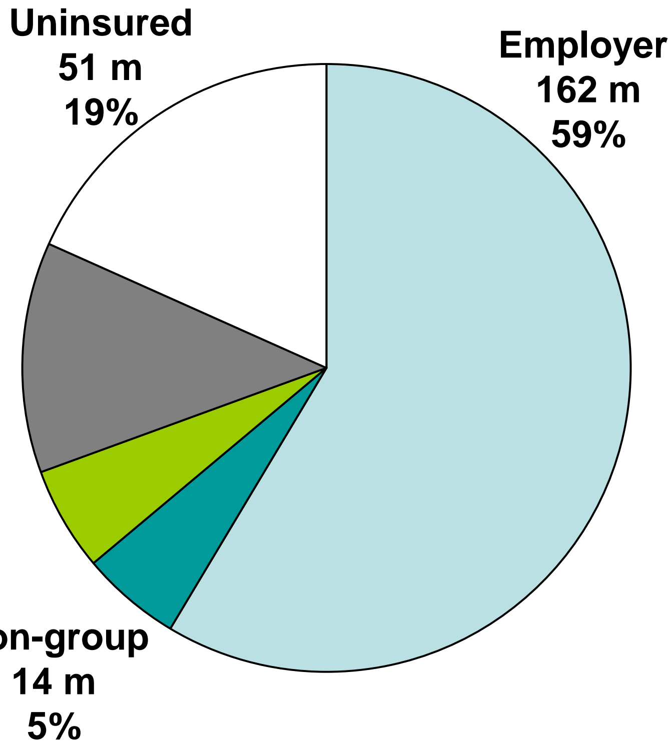


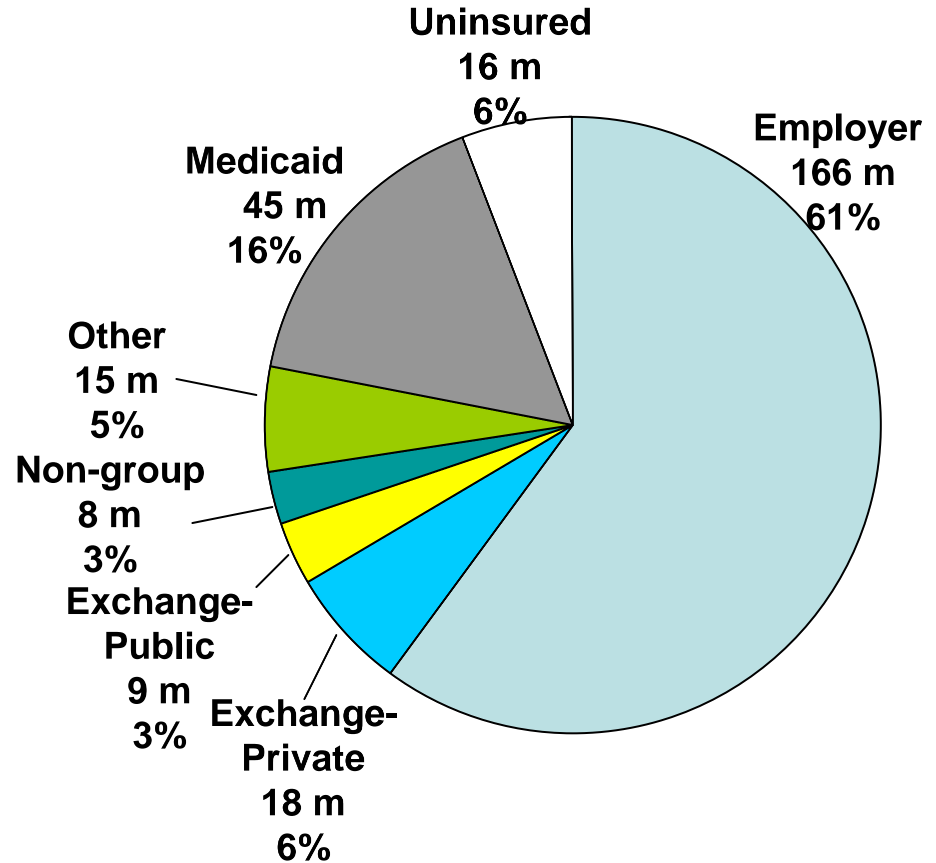
Figure 26. Effect of HR 3200 on Insurance Coverage of People Under Age 65, 2015

(in millions)

Current Law



House Tri-Committee



Source: Congressional Budget Office, Letters to Honorable Charles Rangel and Honorable Henry Waxman, July 17, 2009.

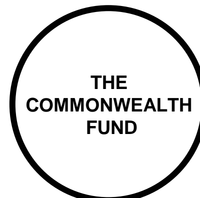


Figure 27. System Improvement Provisions of National Health Reform Proposals, 2009

	H.R. 3200 as amended
Exchange Standards and Plans	National or state exchanges; private, public or co-op plans offered; Essential health benefits 70%-95% actuarial value, four tiers; insurers must meet specified medical loss ratio
Primary Care	Increase Medicare payments for PCPs by 5%; bring Medicaid PCPs up to Medicare level
Prevention and Wellness	Develop a national prevention and wellness strategy; remove cost-sharing for proven preventive services in Medicare; grants to support employer wellness programs
Innovative payment pilots: medical homes, accountable care organizations, bundled hospital and post-acute care	Adopt medical homes, ACOs, and bundled payments on large scale if pilot programs prove successful; Center for Payment Innovation
Productivity Improvements	Modify market basket updates to account for productivity improvements
Comparative Effectiveness	Establish Comparative Effectiveness Research within AHRQ
Quality Improvement	Establish the Center for Quality Improvement to identify, develop, evaluate, disseminate, and implement best practices; develop national priorities for performance improvement and quality measures

Source: Commonwealth Fund analysis of health reform proposals.

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Figure 28. Major Sources of Savings And Revenues Compared with Projected Spending, Net Cumulative Effect on Federal Deficit, 2010–2019

Dollars in billions

	CBO estimate of H.R. 3200, as of 7.31.09
Total Net Impact on Federal Deficit, 2010-2019	**$239**
Total Federal Cost of Coverage Expansion and Improvement	***$1,042***
• Medicaid/CHIP outlays	438
• Exchange subsidies	773
• Payments by employers to exchanges	-45
• Small employer subsidies	53
• Payments by uninsured individuals	-29
• Play-or-pay payments by employers	-163
• Associated effects on taxes and outlays	15
Total Savings from Payment and System Reforms	***-$219***
• Physician payment SGR reform	229
• Net improvements and savings	-448
Total Revenues	***-$583***
• Excise tax on high premium insurance plans	0
• Surtax on wealthy individuals and families	-544
• Other revenues	-39

Source: The Congressional Budget Office Analysis of HR 3200, The Affordable Health Choices Act, July 17, 2009, http://www.cbo.gov/ftpdocs/104xx/doc10464/hr3200.pdf.

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