Insured But Poorly Protected: How Many Are Underinsured?
U.S. Adults Trends, 2003 to 2007

Release Briefing Charts
Commonwealth Fund
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Key Study Findings

- As of 2007, 25 million insured adults were underinsured, a 60% increase since 2003, up from 16 million
  - Based on high out of pocket cost exposure relative to income for adults insured all year

- Rates nearly tripled for insured, middle income families those with income above 200% poverty ($40,000 for a family)

- An estimated 42% of all adults were underinsured or uninsured—75 million people, up from 35% in 2003

- Underinsured and uninsured face access barriers and financial stress/medical debt

- Plans have benefit limits as well as high cost-sharing; Premiums are high relative to incomes

- Policy implications
25 Million Adults Under Age 65 Were Underinsured in 2007, Up from 16 Million in 2003

Uninsured during year

Insured, not underinsured

2003
Adults 19–64
(172.0 million)

Underinsured
15.6 (9%)

Uninsured
45.5 (26%)

Insured, not underinsured
110.9 (65%)

Underinsured
25.2 (14%)

Uninsured
49.5 (28%)

Insured, not underinsured
102.3 (58%)

2007
Adults 19–64
(177.0 million)

* 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.

Underinsured Adults, 2007 Compared with 2003

Percent of adults (ages 19–64) who are underinsured

* 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.

Underinsured and Uninsured Adults at High Risk of Going Without Needed Care and Financial Stress

Percent of adults (ages 19–64)

- **Insured, not underinsured**
- **Underinsured**
- **Uninsured during year**

<table>
<thead>
<tr>
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<th>Insured, not underinsured</th>
<th>Underinsured</th>
<th>Uninsured during year</th>
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<tbody>
<tr>
<td>Went without needed care due to costs*</td>
<td>31</td>
<td>53</td>
<td>68</td>
</tr>
<tr>
<td>Have medical bill problem or outstanding debt**</td>
<td>21</td>
<td>45</td>
<td>51</td>
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*Did not fill prescription; skipped recommended medical test, treatment, or follow-up, had a medical problem but did not visit doctor; or did not get needed specialist care because of costs. **Had problems paying medical bills; changed way of life to pay medical bills; or contacted by a collection agency for inability to pay medical bills.

Insurance Characteristics

• Underinsured have plans with benefit limits
  – Limits on visits; limits on total amount plans will pay; benefit gaps such as prescriptions
• Underinsured have plans with higher deductibles
  – 26% have a deductible of $1,000 or more
• They also face high premiums and pay a high share of income for premiums
  – 41 percent pay 5% or more of income for premiums; one of five pays 10% or more of income for premiums

Policy Implications

• Universal health insurance: One of five key strategies for improving overall health system performance (The Commonwealth Fund Commission on a High Performance Health System)

• Design of health insurance reform matters:
  – Equitable and comprehensive insurance for all
  – Benefits cover essential services with financial protection
  – Premiums/deductibles/out of pocket costs affordable relative to family income

• Health reform strategies & underinsured:
  – Massachusetts
  – Building Blocks for Reform (Schoen, Davis, Collins)
  – Senator McCain
  – Senator Obama
Methodology

Study data come from The Commonwealth Fund 2007 Biennial Health Insurance Survey
  – Nationally representative survey of 3,501 adults living in the continental U.S.
  – Includes 2,616 adults ages 19–64
  – Conducted by Princeton Survey Research Associates International
  – Interviews took place June–October 2007

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)
  – Deductibles equaled 5% or more of income