Affordable Care Act Reforms Could Reduce the Number of Underinsured U.S. Adults by 70 Percent

Release Briefing Charts
Commonwealth Fund
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Key Study Findings

• As of 2010, 29 million adults who were insured all year were underinsured, an 80 percent increase since 2003 (16 million)
  – Based on high out-of-pocket cost exposure for medical care relative to income

• Including adults uninsured during the year, 81 million adults—44 percent of all adults—were either uninsured or underinsured
  – Up from 75 million 2007 and 61 million in 2003

• Rates high for middle class (30%). Highest for those with low-wage or modest incomes
  – High risk for going without care because of costs and medical debt

• Affordable Care Act reforms targeted on income groups most at risk
  – When fully implemented, could reduce number of underinsured by 70 percent
2010: 29 Million Adults Under Age 65 Underinsured, 81 Million Either Underinsured or Uninsured

- **Uninsured during year**
  - 2003: 45.5 million (26%)
  - 2010: 52 million (28%)

- **Insured, not underinsured**
  - 2003: 110.9 million (65%)
  - 2010: 102 million (56%)

- **Underinsured***
  - 2003: 15.6 million (9%)
  - 2010: 29 million (16%)

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* 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, by Poverty Group, 2010

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

<table>
<thead>
<tr>
<th>Poverty Group</th>
<th>Underinsured</th>
<th>Uninsured during year</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Adults</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td>Below 133% FPL</td>
<td>26</td>
<td>51</td>
</tr>
<tr>
<td>133%–249% FPL</td>
<td>22</td>
<td>36</td>
</tr>
<tr>
<td>250%–399% FPL</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>400% FPL or more</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: FPL refers to federal poverty level.
Underinsured and Uninsured Adults at High Risk of Going Without Needed Care and of Financial Stress

Percent of adults (ages 19–64)

- Insured, not underinsured
- Underinsured
- Uninsured during year

Went without needed care because of costs*:
- Insured, not underinsured: 28%
- Underinsured: 46%
- Uninsured during year: 63%

Have medical bill problem or outstanding debt**:
- Insured, not underinsured: 27%
- Underinsured: 52%
- Uninsured during year: 58%

* 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 or medical debt.

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
  - 33% have a deductible of $1,000 or more
- Underinsured also pay a high share of income for premiums
  - 31 percent pay 5% or more of income for premiums
  - one of five pays 10% or more of income for premiums

## Premiums and Insurance Gaps Put Low- and Modest-Income Adults at Risk

<table>
<thead>
<tr>
<th>Poverty group</th>
<th>Below 133% FPL</th>
<th>133%–249% FPL</th>
<th>250%–399% FPL</th>
<th>400% FPL or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium 5% or more of income OR uninsured/underinsured</td>
<td>79%</td>
<td>73%</td>
<td>48%</td>
<td>28%</td>
</tr>
<tr>
<td>Premium 10% or more of income OR uninsured/underinsured</td>
<td>79%</td>
<td>65%</td>
<td>35%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Note: FPL refers to federal poverty level.
# Affordable Care Act: Premium and Cost-Sharing by Poverty Group

<table>
<thead>
<tr>
<th>Poverty threshold 2011</th>
<th>Income, single or family</th>
<th>Premium as % of income, silver level</th>
<th>Out-of-pocket maximum</th>
<th>Actuarial value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;133%</td>
<td>S: &lt;$14,484 F: &lt;$29,726</td>
<td>2%</td>
<td>$1,983 $3,967</td>
<td>94%</td>
</tr>
<tr>
<td>133%–149%</td>
<td>S:&lt;$16,335 F:&lt;$33,525</td>
<td>3% to 4%</td>
<td>$1,983 $3,967</td>
<td>94%</td>
</tr>
<tr>
<td>150%–199%</td>
<td>S:&lt;$21,780 F:&lt;$44,700</td>
<td>4.0% to 6.3%</td>
<td>$1,983 $3,967</td>
<td>87%</td>
</tr>
<tr>
<td>200%–249%</td>
<td>S:&lt;$27,225 F:&lt;$55,875</td>
<td>6.3% to 8.05%</td>
<td>$2,975 $5,950</td>
<td>73%</td>
</tr>
<tr>
<td>250%–299%</td>
<td>S:&lt;$32,670 F:&lt;$67,050</td>
<td>8.05% to 9.5%</td>
<td>$2,975 $5,950</td>
<td>70% if silver</td>
</tr>
<tr>
<td>300%–399%</td>
<td>S:&lt;$43,560 F:&lt;$88,200</td>
<td>9.5%</td>
<td>$3,967 $7,933</td>
<td>70% if silver</td>
</tr>
</tbody>
</table>

Note: Actuarial values is the average percent of medical costs covered by a health plan.
Policy Implications

• Affordable Care Act reforms are well targeted
  – Income-related premiums to 400% of poverty
  – Lower-cost-sharing up to 200% of poverty

• Reforms could lower number of uninsured by 70 percent
  – Seven of 10 underinsured and uninsured adults have incomes below 250% of poverty

• Success will depend on benefit design and choice of plans offered through exchanges
  – Important to monitor at national and state level
  – Those with modest income remain at risk

• Affordability long-term requires intensified efforts to slow cost growth
Methodology

Study data come from The Commonwealth Fund 2010 Biennial Health Insurance Survey
- Nationally representative survey of 4,005 adults living in the continental U.S.
- Includes 2,616 adults ages 19–64
- Conducted by Princeton Survey Research Associates International
- Interviews took place July to November 2010

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