



NEWS RELEASE

12:00 noon EDT, Monday,
March 29, 2004

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HEALTH CARE REFORM A MAJOR CAMPAIGN ISSUE FOR VOTERS: NEW SURVEY

Many Americans Report Not Getting Recommended Care Because of Cost and Difficulty Paying Medical Bills; Majority Back Policies to Guarantee Health Insurance Security

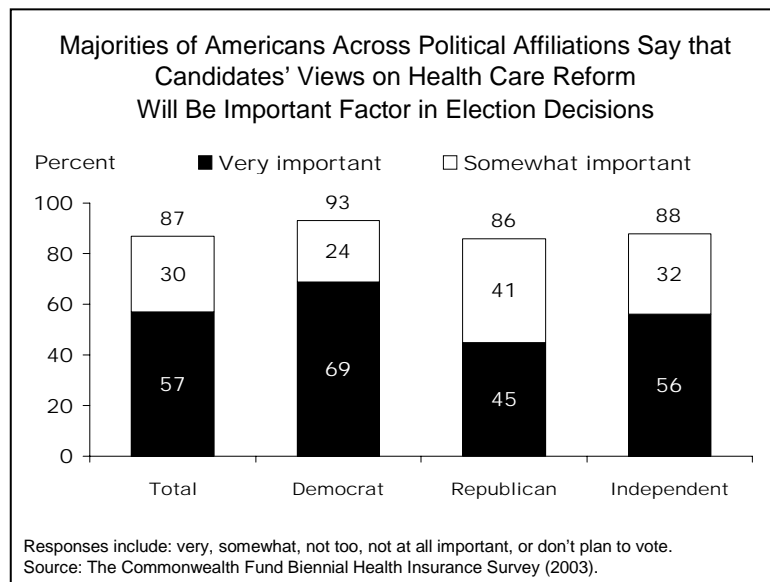
Washington, D.C., March 29, 2004 - Rising health care costs and growing instability in insurance coverage have made health reform a key issue in this election year, a new Commonwealth Fund survey released today shows.

Nearly six in 10 Americans (57%) say presidential and congressional candidates' views on health reform will be a "very important" factor in their vote this November, the Fund's Biennial Health Insurance Survey finds. What's more, majorities across the political spectrum support a variety of policies that would provide coverage to uninsured adults, as well as believe that financing care should remain a shared responsibility between individuals, employers and government.

"These findings point to a looming affordability crisis in American health care," says Commonwealth Fund President Karen Davis. "The survey also indicates that there is widespread agreement among Americans that the United States should act on its chronic and growing health insurance problem."

Indeed, voter concerns about these issues have reached the

point where there is significant support for rolling back recent federal tax cuts to guarantee health insurance security for everyone, the survey finds. Sixty-two percent of American adults would be willing to give up the entire tax cut in exchange for guaranteeing health insurance security, the survey finds. Support climbs to 69% when respondents are given the option of capping the tax cut at \$1,000 per person, with the remaining federal dollars earmarked for wider health insurance protection. Majorities of Americans across all income



groups, including those with incomes exceeding \$100,000, supported a full or partial repeal to enhance coverage.

The survey results are in the new report, *The Affordability Crisis in U.S. Health Care: Findings from The Commonwealth Fund Biennial Health Insurance Survey*, by Sara R. Collins and colleagues. The survey is based on a nationally representative sample of 4,052 adults ages 19 and older living in the continental United States. It was conducted from September 2003 through January 2004 by Princeton Survey Research Associates International. Researchers examined where the public stands on financing broader coverage, the stability of Americans' health insurance coverage, the quality of their health benefits, and whether they can afford the health care that they need and pay their medical bills.

Insurance Coverage and the Quality of Health Benefits are Eroding

The widespread support for federal action on health coverage may stem from discontent with the health care system among both those with and without health insurance. The survey, an update of a similar 2001 Fund survey, finds more people without health insurance today than two years ago, and those with coverage reporting an increase in what they are being asked to pay for care. More than a quarter of adults 19-65 (26%) were either uninsured at the time of the survey or had experienced a period when they were uninsured in the previous 12 months.

The erosion of coverage since 2001 was most marked for those with household incomes between \$20,000 and \$34,999: 35 percent were without coverage in 2003, up from 28 percent in 2001. Coverage among African-Americans also worsened considerably with the share of those with a time uninsured rising from 27% in 2001 to 38% in 2003.

The survey also finds that the quality of coverage is eroding. Nearly half (49%) of those who were insured all year with private coverage said they had experienced either an increase in what they pay for premiums, an increase in their share of medical bills, or reduced benefits.

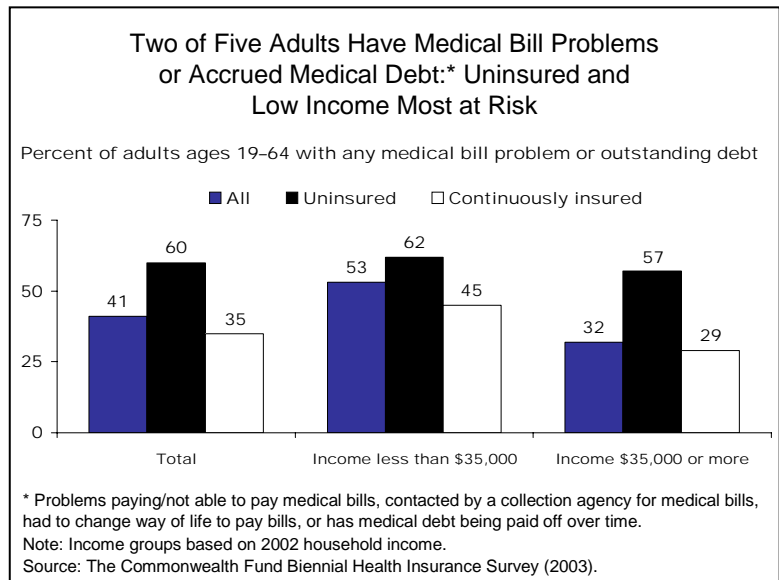
Instability in coverage and higher out-of-pocket costs may be preventing people from getting the care they need. The share of people who reported problems getting needed care because of costs increased from 29% in 2001 to 37% in 2003. Those problems included: not filling a prescription; having a medical problem but not going to a physician or clinic; skipping a medical test, treatment, or follow-up visit recommended by a doctor; or not seeing a specialist when a doctor or the respondent thought it needed. The problem was most severe among those with a time uninsured, but increasing numbers of adults with coverage reported problems accessing care because of cost.

Declining Coverage, Increased Cost-Sharing Leave Families with Medical Debt

The survey found that a substantial number of Americans are struggling with medical debt. Forty-one percent of adults under age 65 reported either having problems paying medical bills in the last 12 months or were paying off medical debt accrued in the last three years. Problems cited included having difficulty paying medical bills, being contacted by a collection agency concerning outstanding bills, or being forced to make significant life changes in order to pay such bills. The problem was most acute among those without coverage, but even those who were continuously insured over the past 12 months cited

problems. Moreover, among those with bill problems or accrued medical debt, 62% said the bills were incurred either for themselves or a family member who had had insurance coverage at the time.

This reported increase in medical bills is creating an array of financial hardship for many families. Among those who said they had a medical bill problem in the last 12 months or were paying off accrued medical debt, more than a quarter (27%) said they had been unable to pay for basic necessities like food, heat, or rent. Two of five (44%) said they had used all or most of their savings to pay their bills; one-fifth (20%) said they had run up large credit card debts or had to take out loans against their homes to pay these bills.



“Americans pay more out of pocket for their health care than people from other industrialized countries, and the survey shows that growing numbers of adults with and without insurance are foregoing necessary care because they simply can’t afford it,” says Fund Senior Program Officer Sara Collins, lead author of the report. “New policies to expand coverage and make it more affordable would help alleviate the financial stress currently plaguing many U.S. families.”

Copies of *The Affordability Crisis in U.S. Health Care: Findings from the Commonwealth Fund Biennial Health Insurance Survey*, by Sara Collins, Michelle Doty, Karen Davis, Cathy Schoen, Alyssa Holmgren, and Alice Ho, can be obtained through the Commonwealth Fund website (www.cmwf.org) or by e-mailing publications@cmwf.org.

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