



NEWS RELEASE

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NEW STUDY: AT LEAST 16 MILLION ADULTS LACK ADEQUATE HEALTH INSURANCE COVERAGE; TOTAL NUMBER OF UNINSURED AND UNDERINSURED ADULTS CLIMBS TO 61 MILLION

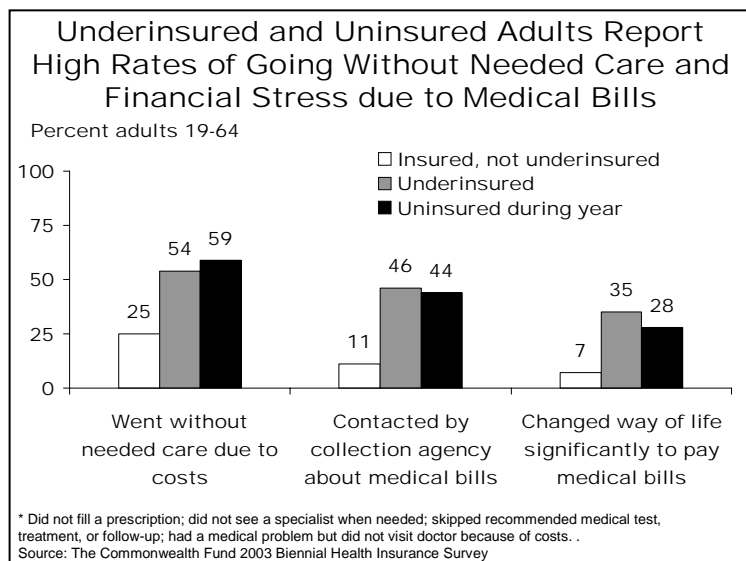
Many Patients at Greater Financial Risk; Cutting Back on Needed Medications and Treatment

New York City, June 14, 2005—In addition to the 45 million uninsured adults in this country, at least another 16 million adults were underinsured in 2003, meaning they did not have enough financial protection to cover their health care expenses, according to a [web-exclusive study](#) released today in the journal *Health Affairs*.

An estimated 61 million adults, equal to 35 percent of adults ages 19-64, had either no insurance, sporadic coverage, or insurance that exposed them to catastrophic medical costs during 2003. The study, conducted by researchers at the Commonwealth Fund, is the first in over a decade to assess the growing numbers of underinsured adults and how their lack of adequate coverage affects their health, as well as their finances and related stress.

Until now researchers have only surmised about the effects of being underinsured. This study, which surveyed over 4,000 adults across the country between September 2003 and January 2004, finds that the under-insured are almost as likely as the uninsured to go without needed health care and to incur medical debt.

Those most at risk for being underinsured are people with low or moderate incomes, and those who suffer from chronic illnesses. Underinsured adults were more likely than those with more adequate coverage to face higher cost-sharing, limits on what their plans would pay for treatment and to find that their plans did not cover care that they thought would be covered. Yet, despite more limited coverage, they also faced high annual premium costs. One third had annual premiums of \$1,500 or higher, while nearly half paid premiums that amounted to 5 percent of their incomes.



“In the past several years, this country has seen a relentless rise in insurance costs and a major shift in comprehensive insurance benefits toward plans with higher deductibles, more patient cost-sharing, and in some cases, restricted benefits,” said Cathy Schoen, lead study author and vice president at The Commonwealth fund. “The result is that significantly more people face real barriers to care as well as financial stress.”

According to the study, “Insured But Not Protected: How Many Adults Are Underinsured?,” these changes in health insurance coverage are leaving more people without adequate financial protection. This increases their risk for not being able to obtain needed, quality health care.

Compared to adults with adequate insurance coverage, underinsured and uninsured adults were significantly more likely to go without care because of costs, to lack confidence that they would receive quality care, and to rate their care experiences negatively. Findings related to access and care include:

- Half of the underinsured (54 percent) and uninsured (59 percent) went without at least one of four needed medical services—double the rate of those with adequate insurance.
- Two-thirds of sicker adults who were underinsured and three-fourths of sicker adults who were uninsured went without needed care because of costs.
- Nearly half of underinsured sicker adults with chronic diseases or poor health did not adhere to medications.
- Thirty-eight percent of sicker underinsured adults did not see a doctor when sick, and one third did not follow up on treatments or care recommended by their doctors because of cost.

Rates of medical bill stress among the underinsured were almost equal to those reported by the uninsured. Findings related to financial stress include:

- Seven out of 10 low-income adults (household income 200 percent below federal poverty level) were either uninsured or underinsured during the year
- Nearly half (46 percent) of underinsured adults were contacted by a bill collection agency in regard to medical bills

About 7 percent of continuously insured adults spent 10 percent or more of their income on family medical expenses during the year. The study highlights the importance of taking income into account in insurance plan design. This includes limiting out-of-pocket cost exposure to not more than ten percent of income in general, and five percent for those with low incomes. Yet, in today’s markets income-related designs rarely occur.

“Unless this country starts to pay attention to health insurance benefits design, it is going to be harder to distinguish the insured from the uninsured,” said Commonwealth Fund President Karen Davis. “What we are seeing is a health care divide between people who have adequate insurance, and those who have inadequate insurance. Without policy action the number of underinsured is likely to increase.”