

**CAN'T AFFORD TO GET SICK:
A REALITY FOR MILLIONS OF WORKING AMERICANS**

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CAN'T AFFORD TO GET SICK: A REALITY FOR MILLIONS OF WORKING AMERICANS

While many Americans are prospering in the best economy in 30 years, national statistics often hide a more somber reality for a large number of working men and women. Even though unemployment is at a historic low, *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance* finds a significant cross-section of Americans struggling to get the health care they need. Millions of working-age men and women lack health insurance or experience gaps in coverage, resulting in unmet medical needs when sick and an inability to pay medical bills. In an economy in which many middle-income families are stretching their budgets just to meet basic living expenses, the survey finds that adults too often cannot afford to get sick.

The Commonwealth Fund 1999 National Survey of Workers' Health Insurance surveyed 5,002 adults ages 18 to 64 about their health, health insurance, access to health care, and financial well-being. Interviews took place during the first five months of 1999. Representing 167 million men and women, the survey results provide an up-to-date comparison of working-age adults' experiences by four income groups.

GOOD TIMES HIDE DISTURBING STATISTICS

The generally rosy economic picture masks a troubling story. The survey reveals disturbingly high numbers of uninsured people who do not have the resources to pay medical bills and who live in insecurity about their health and finances. Nearly one of five adults ages 18 to 64 surveyed was uninsured. One of four adults—an estimated 40 million people—said they went without needed medical care when sick due to costs; a similar proportion (23%) said they did not have enough money in the past year to pay their medical bills.

For those with annual incomes below \$35,000—the bottom half of the income distribution—the survey finds notably high levels of concern about insurance, health, and ability to afford needed medical care. Among these men and women, in the past year:

- one-third (32%) were uninsured, compared with 7 percent of those in the top half of the income distribution range;
- one-fourth (25%) were in fair or poor health—a rate more than three times as high as those in the top half of the income distribution range;
- nearly two of five (37%) went without needed medical care due to costs;

- more than two of five (41%) did not have enough money to pay medical bills at some time; and
- more than half (54%) said they had “just enough” or “not enough” money to pay for basic living expenses.

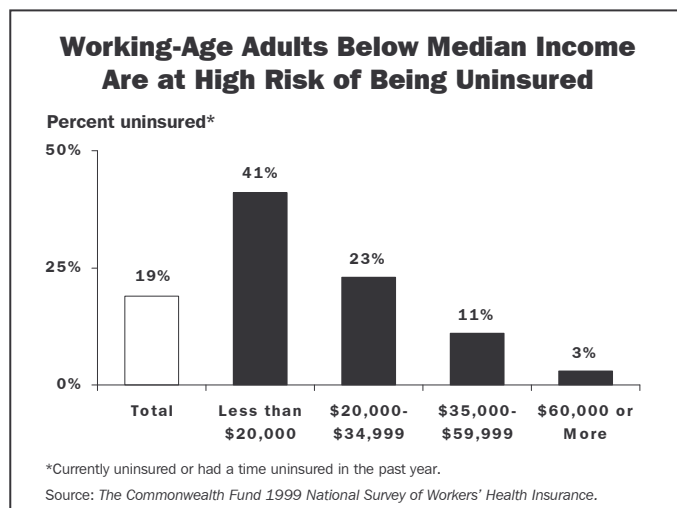
Table 1
Health and Economic Concerns Among Working-Age Adults

	All Adults	INCOME*	
		Less than \$35,000	\$35,000 or More
Adults 18–64, in millions	167	69	79
Uninsured	19%	32%	7%
In fair or poor health	16	25	7
Skipped needed medical care in the past year because of cost	24	37	13
Could not pay medical bills in the past year	23	41	9
Contacted by collection agency about unpaid medical bills in the past year	19	29	11
Struggling to meet basic living costs	32	54	15
Just enough for the basics	22	34	13
Not enough for the basics	10	19	2

*10 percent of those surveyed did not report income.

SICK AND UNINSURED: OFTEN A DOUBLE BURDEN FOR AMERICANS WITH MORE LIMITED INCOMES

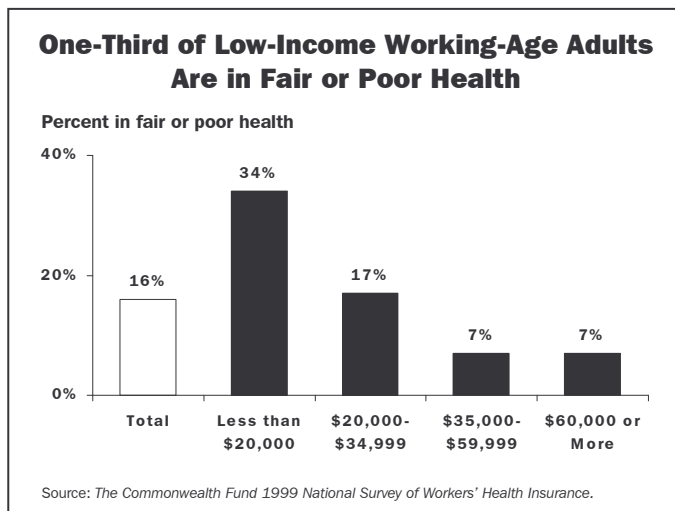
Adults living on incomes already stretched to make ends meet often face a double burden of being at higher risk of being uninsured and sick. For those in the bottom fourth of the income distribution—those earning less than \$20,000—a startling two of five were uninsured, compared with only 3 percent of those in the top fourth—those earning \$60,000 or more. Working-age



adults living on incomes well into the middle class were also at high risk: nearly one of four (23%) with incomes between \$20,000 and \$35,000 was uninsured.

Adults living on incomes in the bottom half of the income distribution were at high risk for health problems as well as being uninsured. The estimated 69 million adults with incomes below \$35,000 were more than three times as likely to rate their health as fair or poor as adults with incomes above \$35,000 (25% vs. 7%). This same group of men and women was also nearly four times as likely to be uninsured as that in the top half (32% vs. 7%).

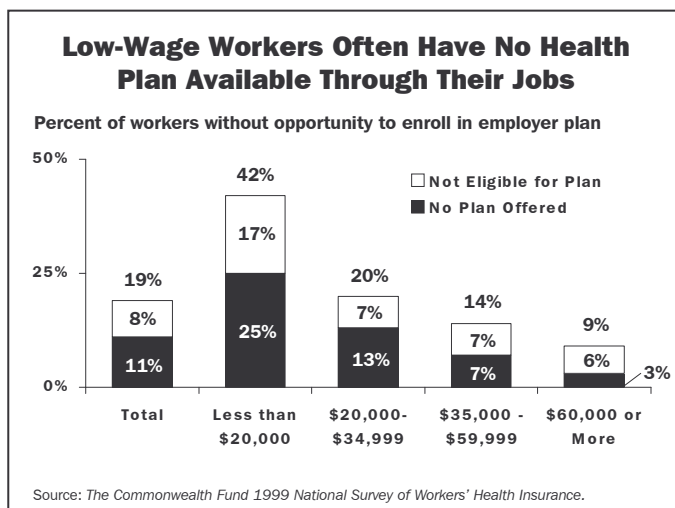
The chances of having health problems were strikingly high among adults with incomes in the bottom quarter of those surveyed. Those earning less than \$20,000 were almost five times as likely to be in fair or poor health as those with incomes of \$60,000 or more (34% vs. 7%).



Adults with incomes in the bottom two quarters of the income distribution accounted for a disproportionate share of the uninsured. Seven of ten uninsured adults had incomes below \$35,000, and nearly half had incomes below \$20,000.

MANY LOWER-INCOME WORKERS DO NOT HAVE AN OPPORTUNITY TO PARTICIPATE IN EMPLOYER-BASED COVERAGE

Although most Americans have health insurance through an employer, working is no guarantee of being insured. In fact, most uninsured adults surveyed were working or married to a worker. Typically, they were uninsured despite full-time work efforts: three of five worked full time or were married to a full-time worker. This lack of insurance was often due to the unavailability of employer-based insurance. Despite the importance of ready access to



health care for a productive and stable work force, many employers do not offer health benefits to their employees or restrict eligibility for benefits. Nearly one-fifth of all workers (19%) were not offered an employer-based plan or were ineligible for coverage, based on reports of those employed when surveyed.

The opportunity to participate in an employer-sponsored insurance plan varied significantly by income. More than two of five (42%) workers with incomes below \$20,000 and one-fifth (20%) with incomes between \$20,000 and \$35,000 said their employer did not offer a health plan or they were not eligible for benefits. In contrast, only 9 percent of employees with incomes of \$60,000 or more were unable to participate in employer-sponsored health insurance coverage.

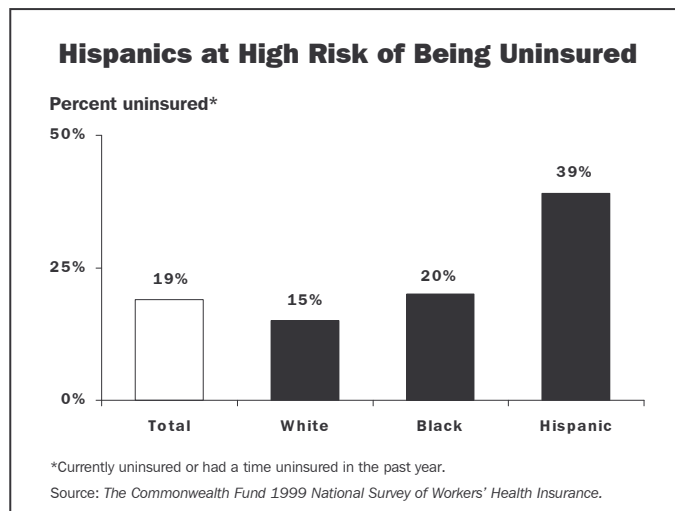
Uninsured workers rarely had access to employer health plans. Only 16 percent of uninsured workers were eligible for an employer health plan, and many worked for employers where no health plan was offered.

HISPANIC ADULTS ARE AT HIGH RISK FOR BEING UNINSURED AND LACKING EMPLOYER-BASED COVERAGE

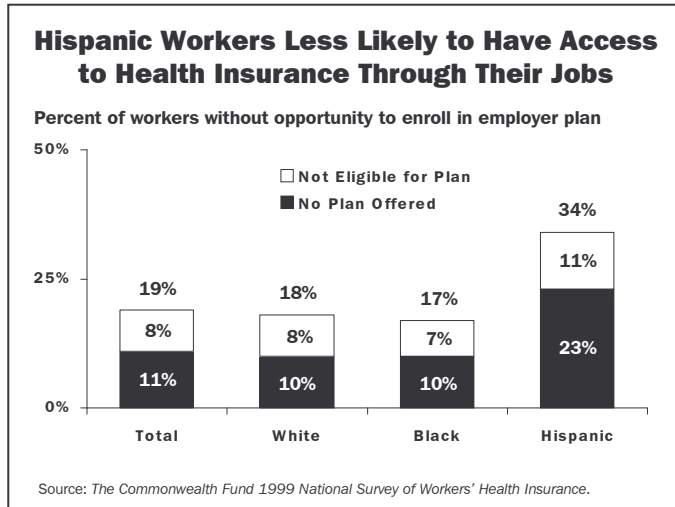
Working-age Hispanic adults are twice as likely to be uninsured as white or black adults. About two of five (39%) Hispanic men and women were uninsured, compared with 15 percent of white and 20 percent of black adults.

Lack of access to employer-based health plans appears to be a major reason for high rates of Hispanics being

uninsured. In the survey, Hispanic workers were at notably high risk of working for employers who did not offer health insurance or restricted eligibility for coverage. One-third (34%) of Hispanic workers did not have an opportunity to participate in an employer-based health plan, compared with 17 percent of black non-Hispanic and 18 percent of white non-Hispanic workers.



Typically, Hispanic employees lacked access to coverage because their employer did not offer a health plan; in fact, they were more than twice as likely as black or white workers (23% vs. 10%) to work for such an employer. In addition, 11 percent of Hispanic workers said they were ineligible to participate in their employer's health plan.



LACK OF INSURANCE CONTRIBUTES TO GOING WITHOUT HEALTH CARE WHEN SICK

Forgoing medical care when sick can lead to further medical complications or prolonged illnesses. To the extent that poor health results in lost wages and unpaid medical bills, untreated illness may jeopardize family well-being as well as personal health.

The survey finds that medical costs that are not covered by insurance create access barriers to care. Nearly one of four (24%) adults—an estimated 40 million people—said they had not visited a doctor when sick, had not followed up on a recommended medical test or treatment, or had not filled a prescription in the past year because of the cost.

Reports of difficulty getting care when needed because of costs were particularly prevalent among adults in the bottom two quarters of the income distribution. Almost half (45 percent) of men and women with incomes below \$20,000 said they had gone without at least one of these services when needed because of the cost, as did 29 percent of those with incomes between \$20,000 and \$35,000.

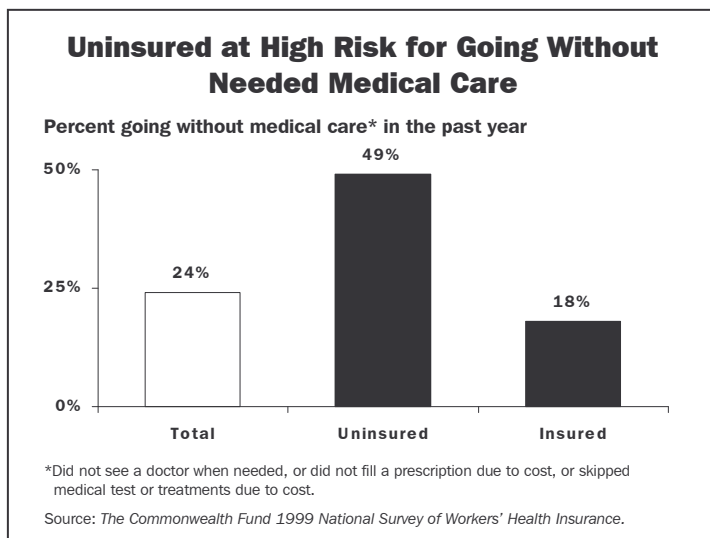
Table 2
Millions of Working-Age Adults Are Going Without Needed Health Care

	All Adults	INCOME*			
		Less than \$20,000	\$20,000–\$34,999	\$35,000–\$59,999	\$60,000 or More
Adults 18–64, in millions	167	35	35	43	37
Percent who did not get needed care in past year due to costs:					
Had a medical problem but did not visit doctor	15%	33%	19%	9%	6%
Did not fill prescription	14	31	16	8	4
Skipped test or follow-up	16	29	17	12	7
Had at least one access problem	24	45	29	17	10
Contacted by collection agency about unpaid medical bills in the past year	19	34	25	13	8

*10 percent of those surveyed did not report income.

The high cost of health care can be a notable detriment to care even for adults with incomes above \$35,000. One of six (17%) adults with incomes between \$35,000 and \$60,000 and one of ten adults with incomes above \$60,000 said they had gone without needed health care in the past year because of the cost.

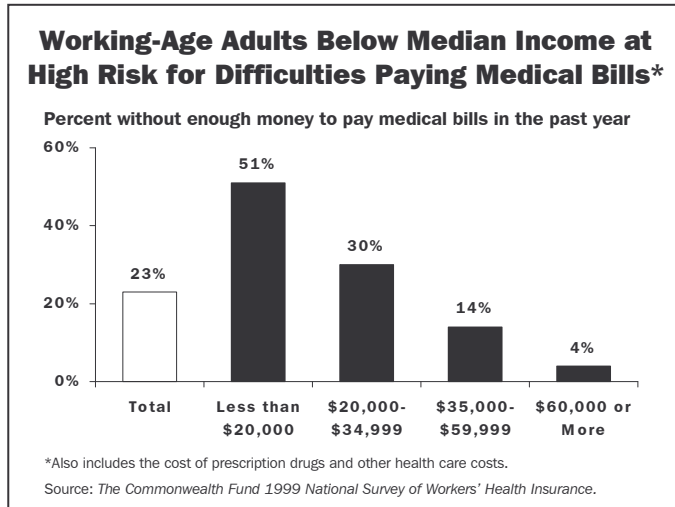
Across all income groups, being uninsured heightened the risk of not getting medical care because of the cost. Uninsured adults were more than three times as likely as insured adults to have gone without a needed doctor visit, not filled a prescription, or not followed up on a recommended medical test or treatment in the past year because of an inability to pay (49% vs. 18%).



MEDICAL BILLS: A THREAT TO FAMILIES' FINANCIAL SECURITY

Families often lack the resources to pay for their personal or their family's uninsured medical expenses. An estimated 39 million adults—nearly one of four (23%) surveyed—reported a time in the past year when they did not have enough money to pay for medical bills, prescription drugs, or other health care costs.

Inability to pay for medical care costs is especially problematic for those already struggling to make ends meet. More than half (51%) of those in the bottom fourth of the income distribution (incomes below \$20,000) and almost one-third (30%) of those with incomes between \$20,000 and \$35,000 had experienced a time when they could not pay medical bills in the past year.



An inability to pay for medical bills can have serious financial consequences. An estimated 31 million adults—nearly one of five (19%)—said they or their family had to face collection agencies because they owed money for medical bills during the past year. The more limited the income, the higher the risk: one of three (34%) working-age adults with incomes below \$20,000 and one of four (25%) with incomes between \$20,000 and \$34,999 were contacted by a collection agency in the past year.

Even those who otherwise felt financially secure experienced difficulties when faced with an unexpected family illness. Fourteen percent of adults with incomes between \$35,000 and \$60,000 and 4 percent with incomes of \$60,000 or more said they had been unable to pay medical bills at some time during the past year. Such expenses tended to be major. One of eight (13%) adults with incomes between \$35,000 and \$60,000, and one of twelve (8%) adults with incomes \$60,000 and more, said they had been contacted by a collection agency in the past year about medical bills.

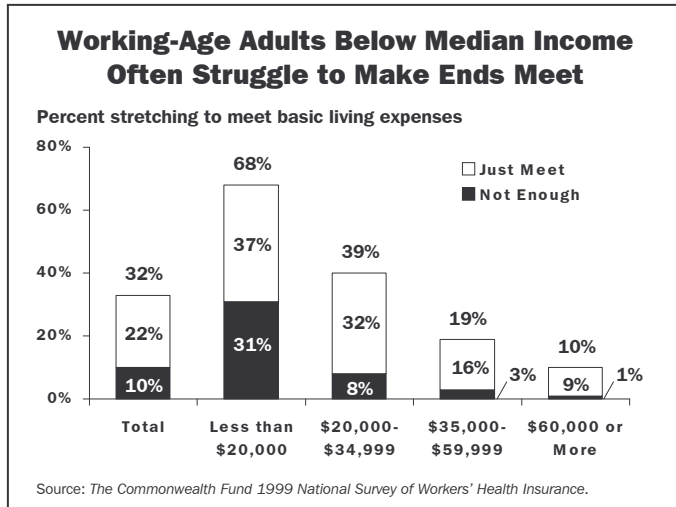
LIVING FROM PAYCHECK TO PAYCHECK

Financial difficulties arising from medical care often exacerbate budgets already stretched thin just to meet daily costs of living. Despite a robust economy in 1999, the survey finds that a significant number of adults describe themselves as living from paycheck to paycheck, with little financial protection in the event of a major illness or injury. One-third of all working-age adults surveyed—representing 54 million men and women—said that, at best, they have just enough money or are not able to pay for the basic costs of living. Nearly one-fourth (23%) said they “just meet” their basic living expenses and another 10 percent said they “do not have enough to meet basic expenses.”¹

¹ Adults participating in the survey were asked which description best fit their financial situation: live comfortably; meet your expenses with a little left over for extras; just meet your basic living expenses; or don't even have enough to meet basic expenses.

The experience of living from paycheck to paycheck extends well into the middle class. Nearly two of five (39%) adults with incomes between \$20,000 and \$35,000 were stretching their budgets just to make ends meet.

Not surprisingly, those in the bottom quarter of the income distribution were most likely to describe themselves as unable to cover basic expenses. Two-thirds (68%) were living on the edge financially: one-third (31%) said they did not have enough money to meet basic expenses, and another 37 percent were just able to meet expenses.



A GROWING IMPETUS TO ADDRESS PROBLEMS

The survey findings underscore the disparity between statistics touting record economic growth and the daily struggles of many working Americans trying to make ends meet. Currently, more than 43 million Americans lack health insurance coverage, and experts predict that up to 54 million people or more could be uninsured in 2007, even if the economy remains strong.² If the economy turns sour or health insurance premiums begin rising faster than inflation, even more adults will be at risk for not getting the health care they need for fear of costs and mounting financial burdens from unpaid bills.

Lack of confidence in their health care future and the plight of the uninsured remain a top concern of Americans.³ Amidst a booming economy, public support continues for new strategies that would improve access to affordable health insurance coverage. With most of the uninsured working, the challenge to policymakers is to craft solutions that fit the workforce of the 21st century.

² John Sheils, Lewin Group, testimony before the Subcommittee on Health, House Committee on Ways and Means, Hearing on Uninsured Americans, June 15, 1999.

³ CBS News, July 20, 1999, http://www.cbs.com/flat/story_168972.html; The Pew Research Center for the People and the Press, January 1999 and July 1999, <http://www.people-press.org/jan99rpt.htm> and <http://www.people-press.org/july99rpt.htm>.

The Commonwealth Fund 1999 National Survey of Workers' Health Insurance, conducted by Princeton Survey Research Associates from January through May 1999, consisted of 20- to 25-minute telephone interviews with a random, national sample of 5,002 adults ages 18 to 64, with over-samples of adults in telephone areas with a high proportion of lower-income residents. The analysis weights responses to reflect national demographic characteristics. Some numbers may not add due to rounding.

The report divides the sample into four income groups: less than \$20,000 (21%); \$20,000–\$34,999 (21%); \$35,000–\$59,999 (26%); and \$60,000 or more (22%). Ten percent of respondents did not report sufficient detail for income classification. The “uninsured” includes adults without insurance when surveyed plus those who had been uninsured at some time during the year. The latter accounts for less than 5 percent of the sample.

The survey has an overall margin of error of +/- 2 percent.

Table 3
Demographic Characteristics of Working-Age Adults, by Annual Income

	All Adults	INCOME*			
		Less than \$20,000	\$20,000–\$34,999	\$35,000–\$59,999	\$60,000 or More
Adults 18–64, in millions	167	35	35	43	37
Gender					
Male	48%	43%	49%	51%	54%
Female	52	57	51	49	46
Age					
18–29	26	39	31	26	12
30–39	25	21	28	28	29
40–49	25	18	21	26	34
50–64	23	22	19	20	25
Race/Ethnicity					
White	73	57	69	80	86
Black	11	17	14	8	6
Hispanic	11	22	12	8	3
Family Composition					
Single, no children	28	42	29	25	18
Single, with children	14	26	18	10	5
Married, no children	22	12	20	24	26
Married, with children	36	19	32	41	51
Family Work Status					
Full-time worker	76	48	80	87	90
Part-time worker	7	14	6	5	5
No current worker	14	33	11	6	4
Among Those Working:					
Type of Employer					
Public	23	17	22	25	25
Private	76	77	75	75	75
Size of Private Employer					
Less than 25	23	31	25	21	17
25–99	15	16	17	15	15
100 or more	52	39	47	58	64

*10 percent of those surveyed did not report income.