

RISKS FOR MIDLIFE AMERICANS:
GETTING SICK, BECOMING DISABLED,
OR LOSING A JOB AND HEALTH COVERAGE

John Budetti
Abt Associates

Cathy Schoen
The Commonwealth Fund

Elisabeth Simantov
The Commonwealth Fund

Janet Shikles
Abt Associates

The Commonwealth Fund Task Force on the Future
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RISKS FOR MIDLIFE AMERICANS: GETTING SICK, BECOMING DISABLED, OR LOSING A JOB AND HEALTH COVERAGE

The majority of midlife Americans ages 45 to 64 can expect to remain in the workforce for another 10 to 20 years. Yet as they bridge the gap between the first half of their working life and retirement, the baby boom generation faces increasing risks for serious health problems and difficulties in securing adequate health coverage.

While a modicum of health and income protections are assured by Medicare and Social Security at age 65, *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance* finds that millions of midlife Americans have no such guarantee—and may face more dire consequences than younger adults. The fragile nature of job-based health insurance leaves adults who have reached middle age vulnerable in the face of heightened risk for chronic disease, disability, or loss of employment.

The survey comprises interviews with 5,002 adults ages 18 to 64 conducted during the first five months of 1999. Participants were asked about their health, health insurance, access to care, and financial well-being. Representing 167 million men and women, the survey documents the potential midlife crises resulting from a lack of stable, adequate health insurance.

Key findings from the survey reveal that:

- More than one of every five adults ages 45 to 64 rated their health as fair or poor—twice the rate found for adults under age 45 (22% vs. 12%).
- Many more midlife adults than younger adults were out of the workforce due to early retirement or disability (18% vs. 2%).
- One-third (33%) of all midlife adults went without needed health care because of costs or did not have enough money to pay medical bills during the year. This rate was substantially greater among midlife individuals in fair or poor health (62%), nonworkers (53%), and the uninsured (72%).
- Half of adults ages 45 to 64 who were in fair or poor health or not working faced collection agencies for unpaid medical bills or had a time when they could not pay these bills.

- One of eight midlife adults were uninsured (12%); among those with family incomes less than \$35,000, the rate was nearly one of four (23%).
- Seven of 10 uninsured adults ages 45 to 64 went without needed health care or had problems paying their medical bills. Half the uninsured rated negatively the quality of care they had received or reported getting no care at all during the year.
- More than one-quarter (29%) of midlife adults in fair or poor health were dissatisfied with the quality of care provided to them during the year.
- One-quarter of insured adults ages 45 to 64 rated their coverage as fair or poor. Significantly higher proportions of those in fair or poor health (40%) and those with low incomes (32%) gave negative ratings.

POTENTIAL HAZARDS ON THE ROAD TO MEDICARE

Americans ages 45 to 64 share a variety of health insurance characteristics with the rest of the under-65 population. Both groups depend primarily on employer-sponsored insurance for their coverage needs and are at higher risk for being uninsured if they have a low income, belong to a minority group, have a disability, or are single. Midlife Americans, however, differ in some notable ways, including their greater risk of contracting a chronic or serious disease and of losing their link to the workforce and employer-based health insurance system because of illness, disability, or loss of a job late in their career. At a time of life when “average” illness rates increase sharply, middle-age adults find that obtaining adequate health insurance becomes increasingly difficult—unless they have sufficient coverage through their work.

The health-related concerns of the baby boom population are likely to have a ripple effect throughout American society. In 1998, 57 million Americans, or 24 percent of the population, were in the 45-to-64 age group. When the first baby boomers reach Medicare eligibility in 2010, midlife Americans will number 78 million—26 percent of the population.¹ The future of Medicare, as well as the health and productivity of the workforce, is likely to depend on the well-being of today’s and tomorrow’s midlife Americans. Enhancing the health and health security of those in their prime working years should therefore be a national public policy concern.

ADULTS IN THEIR MIDLIFE YEARS AT GREATER RISK FOR HAVING POOR HEALTH AND LOSING WORK

Midlife Americans face an increasing risk of poor health as they grow older, including the risk of developing a chronic illness that could threaten employment and job-based health

coverage. National data indicate that the incidence of disease and associated mortality rates increase sharply at age 45 and again at age 55. According to the *National Health Interview Survey*, nearly three of 10 (28%) adults ages 55 to 64 had a disability that limited their daily activities, compared with 19 percent of adults ages 45 to 54 and only 10 percent of adults ages 18 to 44. Similarly, rates for chronic conditions such as arthritis and hypertension jump at age 45 and again at age 55, as does the risk of death from heart disease or a malignant neoplasm.^{2,3}

Table 1
Selected Health Indicators by Adult Age Group

	AGE GROUP		
	18-44	45-54	55-64
Adults in millions	107.1	34.4	22.4
Percent reporting:			
Disability limit on daily activities ^a	10%	19%	28%
Arthritis ^a	5%	19%	31%
High blood pressure ^a	5%	18%	29%
Death rates per 100,000 ^b			
All causes	161 ^b	431	1,064
Diseases of the heart	20 ^b	105	302
Malignant neoplasm	26 ^b	135	396

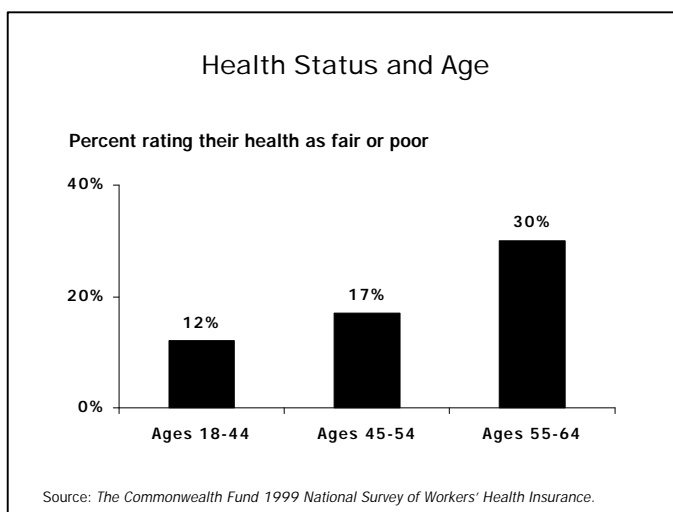
Sources:

^a UCLA Center for Health Policy Research. Disability limits based on 1995 and 1996 National Health Interview Survey; chronic disease rates based on 1994 National Health Interview Survey.

^b Mortality statistics for younger adults are for ages 25-44. Based on age adjusted mortality rates reported by National Center for Health Statistics, *Health, United States, 1999 with Health and Aging Chartbook*. (Hyattsville, Maryland: 1999).

In The Commonwealth Fund survey, adults ages 45 to 64 were nearly twice as likely as younger adults to rate their own health as fair or poor (22% vs. 12%). Health problems increased with age in a step-like fashion, reaching 30 percent for those ages 55 to 64.

The likelihood of being out of the workforce because of disability or early retirement also escalates in midlife years. Among adults ages 55 through 64, one of 10 surveyed were not working because of disability, while one-quarter said they had retired—thus severing their ties to employer-based health insurance.



In general, adults in their middle years have more tenuous links to work, often as a result of sickness, disability, or early retirement. Nearly one of three (30%) midlife adults were not working in the past year, compared with one of five (20%) younger adults. Among those in midlife, 7 percent were disabled and not working, and 11 percent were retired. Middle-age adults who were no longer working and thus lacking the protection provided by job-based health insurance were at increased risk for experiencing health care access and medical bill problems.

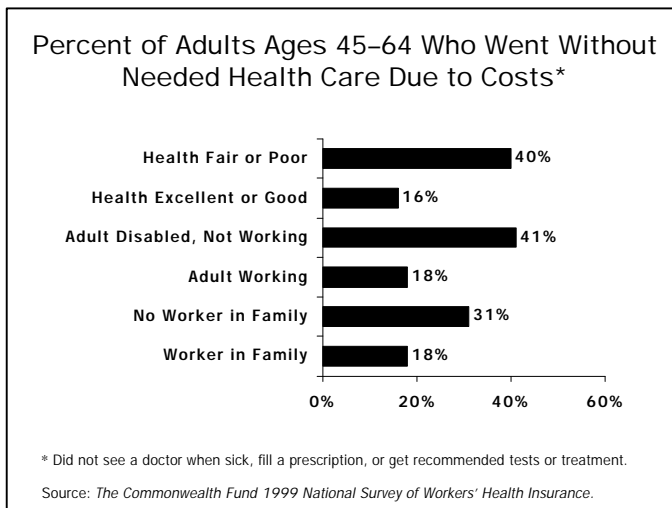
Table 2
Health and Work Status by Age Group

	Younger Adults	MIDLIFE ADULTS		
	18-44	45-54	55-64	All 45-64
Adults in millions	107.1	34.4	22.4	56.8
Adult rated own health as fair or poor	12%	17%	30%	22%
Neither respondent nor spouse working	11	12	35	21
Respondent disabled and not working	2	4	11	7
Respondent not working, retired	0	4	24	11

Source: *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance.*

HEALTH AND WORK STATUS AFFECT MIDLIFE AMERICANS' EXPERIENCES WITH THE HEALTH CARE SYSTEM

Having access to affordable medical care is often a concern for midlife adults, especially those who have health problems or are out of work. One of every five adults ages 45 to 64 reported that he or she went without needed care during the past year because of costs. Respondents in fair or poor health were at double the risk: two of five did not see a doctor when sick, did not fill a prescription for medication, or skipped recommended medical tests or treatment due to costs. In contrast, only 16 percent of those in excellent to good health reported going without care because of the expense.

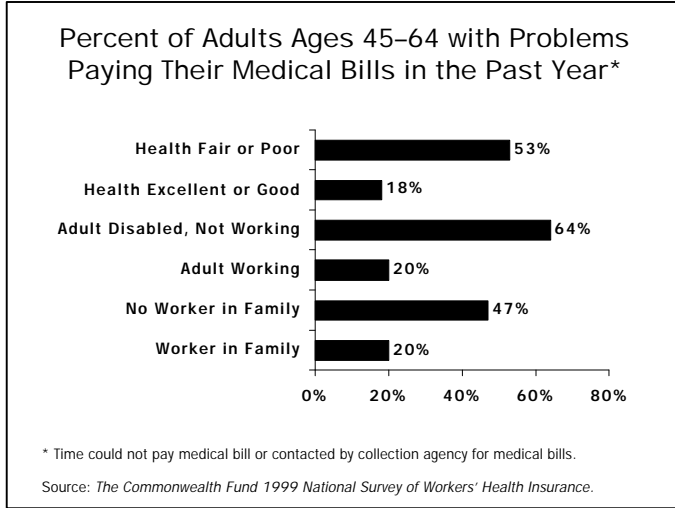


Paying for medical care is often difficult when illness strikes. More than half (53%) of midlife adults in fair or poor health could not pay medical bills in the past year or were

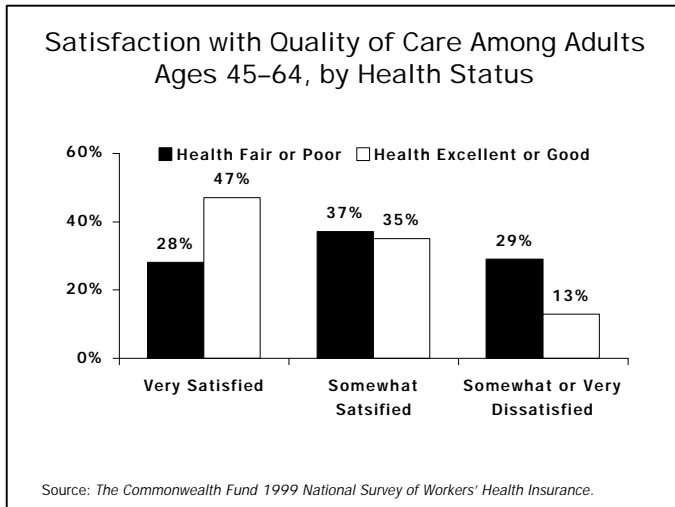
contacted by a collection agency about their medical bills, compared with 18 percent of those in excellent or good health. More than one of four (27%) midlife adults said they were forced to deal with collection agencies as a result of unpaid medical bills.

Overall, one-third (33%) of middle-age adults had difficulty obtaining needed care or paying medical bills on time. Twenty-five percent of those in excellent or good health reported such problems, versus 62 percent in fair or poor health.

Loss of a job—especially resulting from a disability—can lead to sharply increased difficulty in getting needed care or paying for medical bills. Two of five (41%) midlife adults who were not working because of disability, as well as one-third of those in families with no workers, had difficulty accessing medical care. These rates are double those found among adults ages 45 to 64 who were working themselves or came from a family with at least one worker. A significantly greater percentage of nonworking, disabled midlife adults also reported having difficulty paying medical bills.



Health status also affects satisfaction with the quality of care received. The better their health, the more likely adults ages 45 to 64 were to be highly satisfied with their quality of care: nearly half (47%) of those in excellent or good health reported being “very satisfied,” while only 13 percent said they were “dissatisfied.” Ratings dropped for those in fair or poor health: only 28 percent rated their care highly, while a nearly equal proportion (29%) said they were not satisfied with their quality of care.



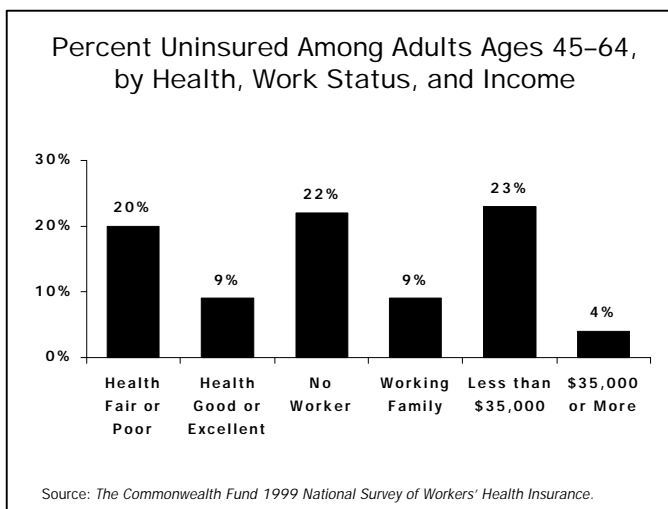
For those who have health coverage, insurance ratings also varied significantly by health status. One of four surveyed adults ages 45 to 64 rated their coverage as only fair or poor. Among those in fair or poor health, however, 40 percent gave a negative rating, with less than one of five characterizing their insurance as “excellent.” Such responses are likely attributable to gaps in coverage experienced by those in need of care.

INSURANCE IS CRITICAL TO INCOME AND HEALTH SECURITY OF MIDLIFE AMERICANS

While working adults constitute the bulk of the uninsured in this country, the proportion of nonworking adults in the 45-to-64 uninsured population is nearly twice that found in the younger uninsured population.⁴ For many midlife adults, losing a job breaks a critical link with the employer-based health insurance system.

One of eight (12%) adults ages 45 to 64 in the survey were uninsured at an age when health and income security should be at their strongest. The risk of being uninsured was particularly high among midlife adults who suffer from health problems. One of five middle-age Americans in fair or poor health were uninsured, compared with 9 percent of those in good to excellent health.

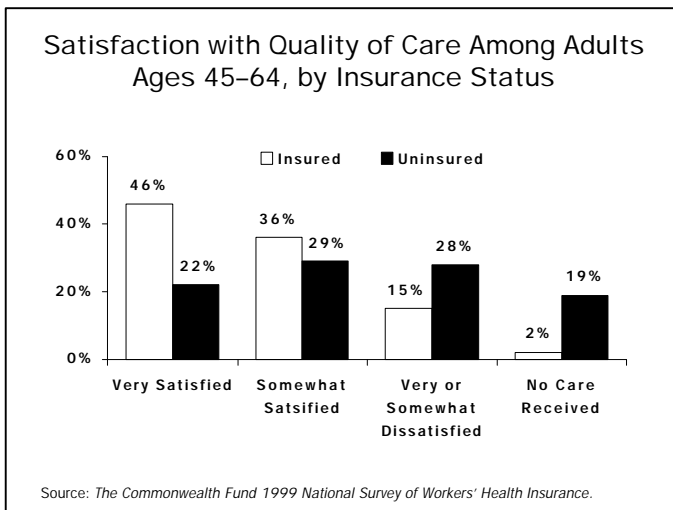
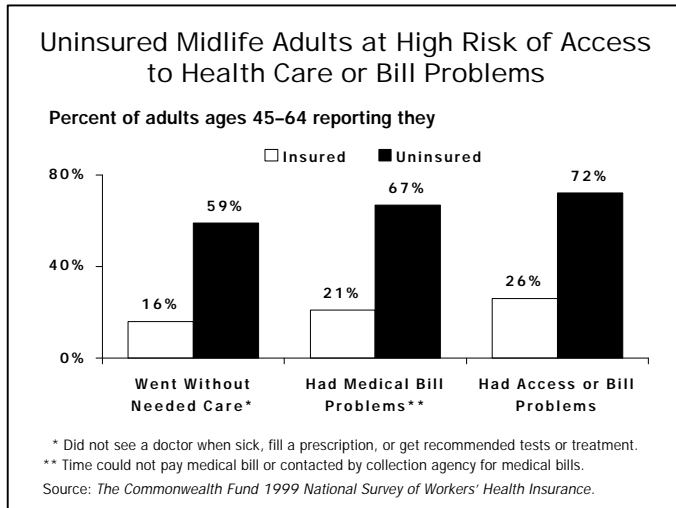
In addition, the absence of a link to the workforce and lower income were found to increase uninsured rates. More than one of five adults in families without a current worker (22%) or with an annual income below \$35,000 (23%) were uninsured when surveyed or at some point during the year. In contrast, just one of 10 midlife adults in working families and less than 5 percent of those with incomes of \$35,000 or more were uninsured.



Forgoing needed medical treatments and health care services can exacerbate existing medical conditions, lead to preventable hospitalization, and prolong illness for people of all ages. Owing to their increased risk of illness, ready access to care is particularly critical for midlife adults' health and economic well-being.

Lack of health insurance was responsible for the frequent reports of going without needed care and having difficulties paying medical bills during the year. More than seven of 10 uninsured adults ages 45 to 64 experienced a time when they went without care due to costs, faced collection agencies for unpaid bills, or could not pay their bills.

Three of five (59%) uninsured midlife Americans said they did not go to a doctor when sick, did not fill a prescription, or skipped recommended medical tests or treatment because of costs. Uninsured adults ages 45 to 64 were more than three times as likely to go without needed care than those insured all year.



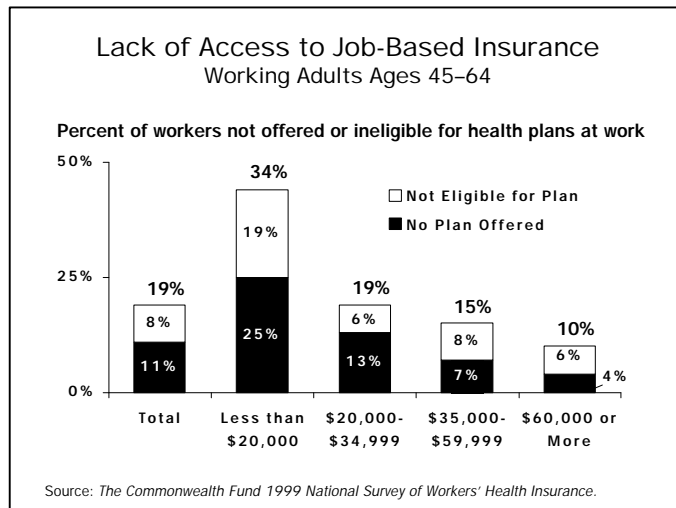
The level of satisfaction with quality of care also plummets for those without health care coverage. The likelihood of being “dissatisfied” with the quality of care was nearly double for uninsured compared with insured midlife adults (28% vs. 15%). In contrast, nearly half of the insured were “very satisfied” with their quality of care—twice the rate found for the uninsured (46% vs. 22%).

LOWER-INCOME MIDLIFE ADULTS HAVE RESTRICTED ACCESS TO EMPLOYER-BASED COVERAGE

The majority of Americans—155 million in 1998—have health coverage through an employer.⁵ Midlife workers are also highly dependent on job-based health coverage: 78 percent of those surveyed reported having coverage through their job or that of another family member. Even so, access to job-based insurance was highly unequal when calculated by income. Low-wage, older workers often did not have the opportunity to participate in an employer plan through their work.

Overall, nearly one-fifth of all midlife workers (19%) said they were not offered an employer-based health plan or were ineligible for coverage. For workers in the 45-to-64 age group with incomes less than \$35,000, health insurance was often unavailable: nearly one-third (30%) reported having no access to a plan through their employer.

The lower one's income, the greater the likelihood of being without access to job-based coverage. Thirty-four percent of workers earning less than \$20,000 annually, and 19 percent of workers earning between \$20,000 and \$35,000, were either not offered health insurance or were ineligible for their employer's plans. On the other hand, only one of 10 middle-age workers earning more than \$60,000 annually were not offered or were ineligible for an employer plan.



POOR HEALTH, LOW INCOME, AND LACK OF INSURANCE: A TRIPLE WHAMMY

A common misperception is that by age 45, most midlife adults are already well into their careers and have moved into higher-paying jobs that have enabled them to build a cushion of savings. In fact, more than a third (37%) of adults ages 45 to 64 reported that their family annual income was less than \$35,000. Adults in this income range were generally struggling just to meet basic living costs such as food, rent, and utilities.

Lack of access to job-based coverage is the key factor in the high uninsured rates found among low-income older adults. Nearly one of four (23%) of those with incomes below \$35,000 was uninsured. The risks of being in fair or poor health also rose steeply for those with lower incomes: nearly two of five midlife adults with an income below \$35,000 rated their health as fair or poor, triple the rate among higher-income adults (39% vs. 10% for those earning more than \$35,000).

Table 3
Health Care and Economic Concerns Among Adults Ages 45–64

	All Adults Ages 45–64	ANNUAL INCOME	
		Less than \$35,000	\$35,000 or More
Adults in millions	57	21	28
Uninsured	12%	23%	4%
In fair or poor health	22	39	10
Did not get needed medical care in past year due to cost*	21	37	11
Had medical bill problems in past year**	26	48	11
Could not pay medical bills	22	42	8
Contacted by collection agency about medical bills	13	25	6
Access or medical bill problems in past year	32	54	16
Very or somewhat dissatisfied with quality of care received in past year	16	22	12
Stretching to meet basic living costs	31	58	14
Just enough for the basics	21	36	12
Not enough for the basics	10	22	2

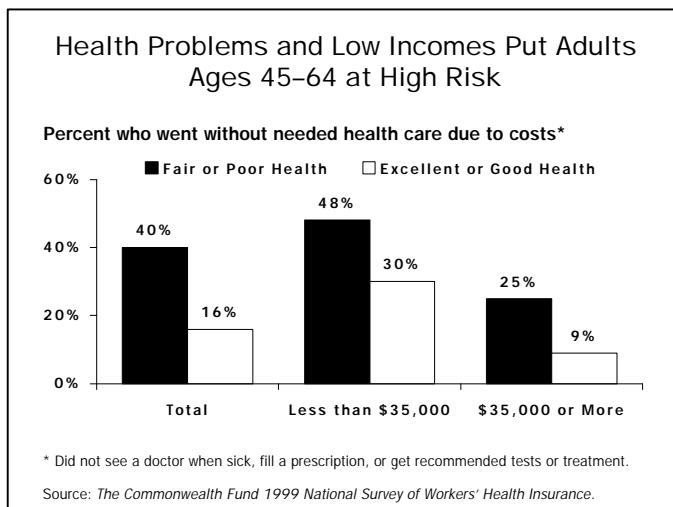
* Did not see a doctor when needed or did not fill a prescription or skipped medical test or treatments due to cost.

** Had a time could not pay medical bills or contacted by collection agency about medical bills.

Source: *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance.*

Reflecting their high uninsured rates and elevated rates of poor health, midlife Americans living on below-average incomes commonly reported encountering barriers to health care. Overall, more than one-third (37%) had a time during the year when they went without needed care because of costs, and half had difficulty paying their medical bills.

Health care access problems were most acute among those who had a low income as well as health problems. Nearly half (48%) of all middle-age adults in fair or poor health with an annual income of less than \$35,000 went without needed medical care in the past year because of costs. Among those with similar health characteristics but a higher income (\$35,000 or more), only one-quarter did not get needed care.



Restricted budgets also limited access to care for lower-income midlife adults who were in better health. Nearly one of three (30%) adults ages 45 to 64 who reported good to excellent health and an annual income less than \$35,000 went without needed medical care. By comparison, just 9 percent of healthy midlife adults with incomes of \$35,000 or more went without care.

The interrelation of health, insurance, and economic security is readily apparent among those midlife Americans who reported they were stretching to meet basic living costs. Nearly one-third (31%) of all middle-age adults surveyed indicated they were in this situation, with 21 percent saying they had “just enough for the basics” and 10 percent “not enough for the basics.” Among those earning less than \$35,000, 58 percent reported they had to stretch to meet basic living costs, compared with only 14 percent of those with an income of \$35,000 or more.

ADEQUATE INSURANCE COULD PREVENT OR EASE MIDLIFE CRISES

The survey findings underscore the importance of having adequate, affordable health insurance upon entering the prime working years. Despite recent gains in income for many Americans ages 45 to 64, the survey finds substantial insecurity linked to problems paying medical bills and fear of costs raising barriers to health care.

Although uninsured rates are generally lower among adults ages 45 to 64 than younger adults, the midlife years are a time when health care is often critical. Faced with increasing rates of chronic disease, disability, and acute illness, midlife adults need ready access to health care to maintain their quality of life and ensure productive years to come. At a time of life when saving for retirement or children’s college education is at a premium, adequate health coverage can protect against the chance of a serious illness greatly diminishing a family’s economic security.

With health insurance so closely linked to employment, few safety nets exist for adults who have reached age 45 yet remain too young for Medicare. Medicaid, for example, is usually unavailable no matter how low the income, unless one becomes permanently disabled. At the dawn of a new century, the unfinished business of the previous one remains: to secure adequate health insurance for all working-age Americans, irrespective of current work status or income level. Such insurance becomes ever more essential during the midlife years—when so much more is at stake.

Table 4
Health Care Experiences Among Adults Ages 45–64 by Health and Work Status

Health Care Experiences	Total All Adults Ages 45–64	HEALTH STATUS		OWN WORK STATUS		FAMILY WORK STATUS	
		Fair or Poor	Excellent or Good	Not Working Disabled	Working	No Worker	At Least One Worker
Uninsured*	12%	20%	9%	17%	10%	22%	9%
Went without needed care due to costs							
Did not visit the doctor when needed	15	31	10	34	11	24	12
Did not fill a prescription	12	23	8	30	9	20	10
Skipped recommended medical test or treatment	13	26	10	22	12	18	12
At least one of the three access problems	21	40	16	41	18	31	18
Problems paying medical bills							
Could not pay medical bills past year	22	45	15	56	16	42	16
Contacted by collection agency about medical bills	13	27	9	32	10	20	11
Either medical bill problem	26	53	18	64	20	47	20
Access problem or medical bill problem	33	62	25	70	27	53	28
Satisfaction with quality of care received							
Very satisfied	43	28	47	36	43	42	43
Somewhat satisfied	35	37	35	34	37	30	37
Somewhat/very dissatisfied	16	29	13	24	15	20	15
No care received	4	5	4	2	4	6	3
Insured adults ages 45–64							
Rating of health insurance:							
Excellent	29	19	32	19	30	25	31
Good	44	38	46	46	47	42	45
Fair or poor	24	40	19	34	20	31	22

* Currently uninsured or had a time uninsured in the past year.

Source: *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance.*

Table 5
Health Experiences Among Adults Ages 45–64 by Health Status
Within Income Groups

	LESS THAN \$35,000 BY HEALTH STATUS		\$35,000 OR MORE BY HEALTH STATUS	
	Fair or Poor	Excellent or Good	Fair or Poor	Excellent or Good
Contacted by collection agency for medical bills	35%	18%	16%	5%
Time could not pay medical bills in the past year	56	34	20	6
Did not get needed medical care because of cost*	48	30	25	9
Very or somewhat dissatisfied with quality of care received	30	18	33	10
Insured adults ages 45–64: Fair or poor rating of health insurance	45	24	38	16

* Did not see a doctor when needed or did not fill a prescription, or skipped medical tests or treatment due to cost in the past year.

Source: *The Commonwealth Fund 1999 National Survey of Workers' Health Insurance.*

NOTES

¹ J. Day, "Population Projections of the United States, by Age, Sex, Race and Hispanic Origin: 1995 to 2050," Current Population Reports, Series P25-1130, U.S. Bureau of the Census, Washington, D.C., March 1996.

² Disability rates based on the 1995 and 1996 *National Health Interview Survey*, chronic disease rates on the 1994 *National Health Interview Survey*. Rates calculated by the UCLA Center for Health Policy Research.

³ Authors' calculations based on National Center for Health Statistics, *Health, United States, 1999 with Health and Aging Chartbook*, Hyattsville, MD.

⁴ G. Smolka, N. Brangan, M.J. Gibson, and C. Figueiredo, *Health Coverage Among Persons Age 50 Through 64*, Public Policy Institute, American Association of Retired Persons, January 1998.

⁵ P. Fronstin, *Both Job-Based Health Coverage and Uninsured Continue to Rise, CPS Shows*, (Washington, DC: Employee Benefits Research Institute, November 1999).

METHODOLOGY

The Commonwealth Fund 1999 National Survey of Workers' Health Insurance, conducted by Princeton Research Survey 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 to 100 percent 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.