



# Insured But Poorly Protected: How Many Are Underinsured?

U.S. Adults Trends, 2003 to 2007

Release Briefing Charts

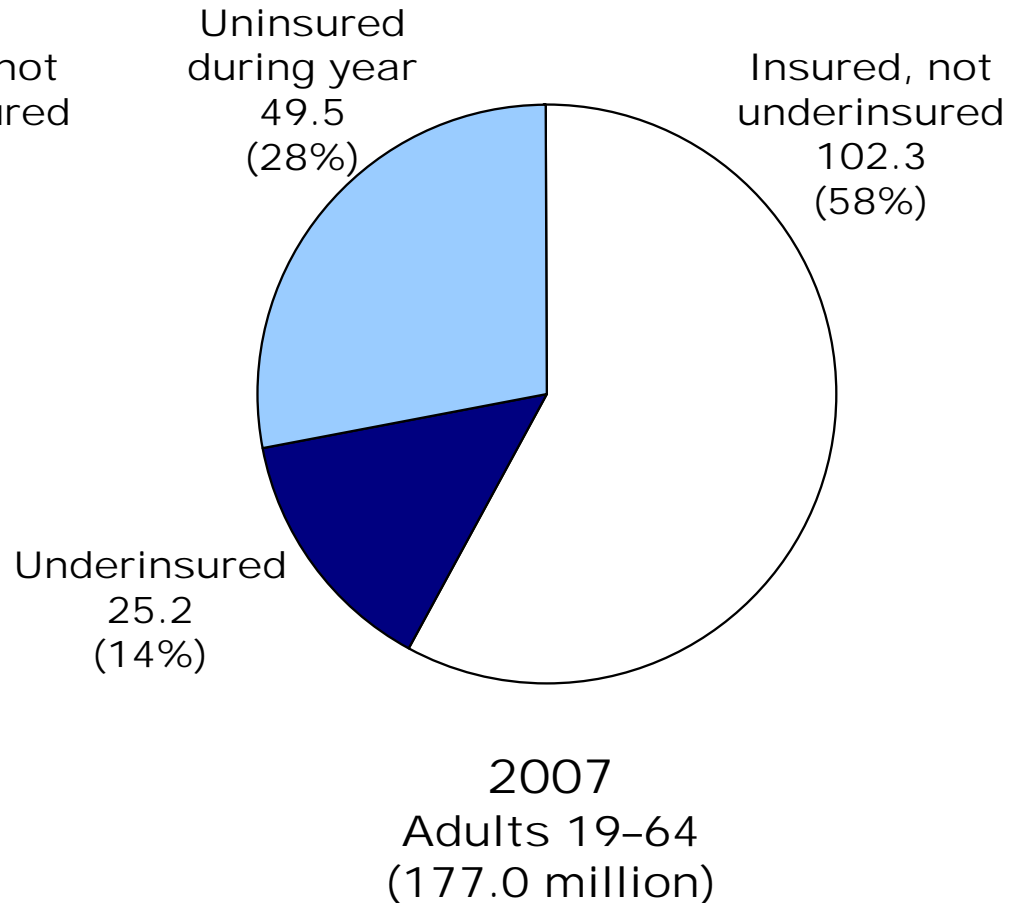
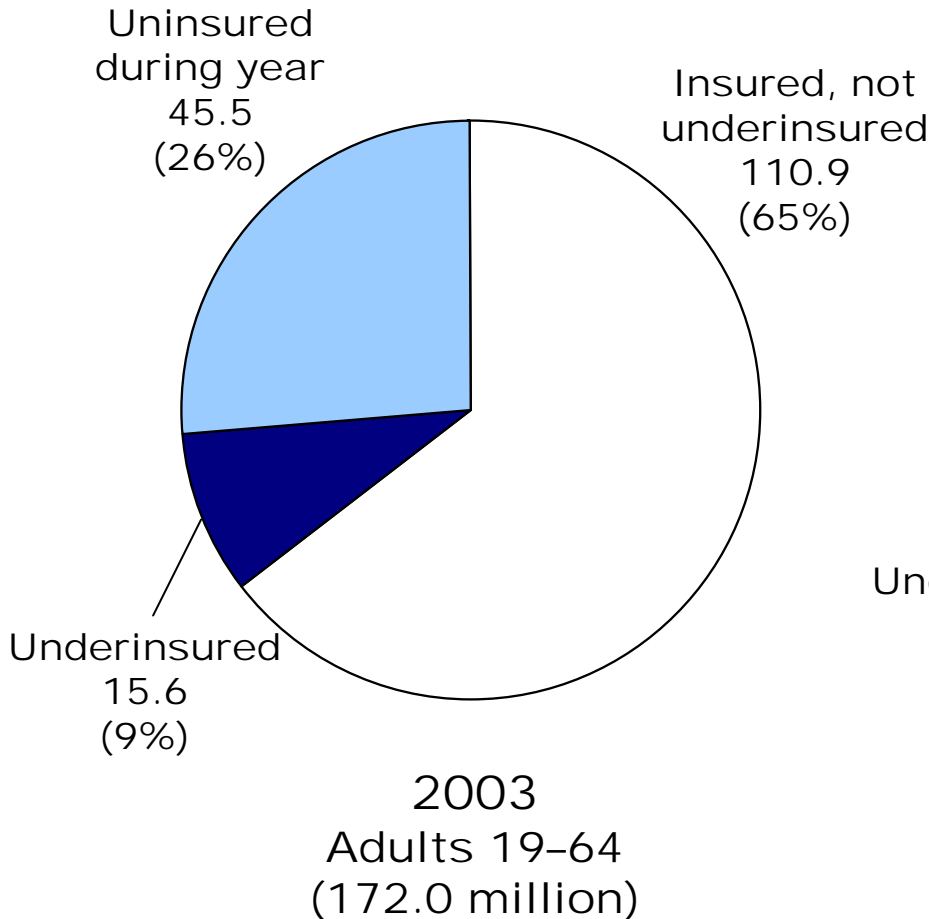
Commonwealth Fund

June 10, 2008

# Key Study Findings

- As of 2007, 25 million insured adults were underinsured, a 60% increase since 2003, up from 16 million
  - Based on high out of pocket cost exposure relative to income for adults insured all year
- Rates nearly tripled for insured, middle income families those with income above 200% poverty (\$40,000 for a family)
- An estimated 42% of all adults were underinsured or uninsured—75 million people, up from 35% in 2003
- Underinsured and uninsured face access barriers and financial stress/medical debt
- Plans have benefit limits as well as high cost-sharing; Premiums are high relative to incomes
- Policy implications

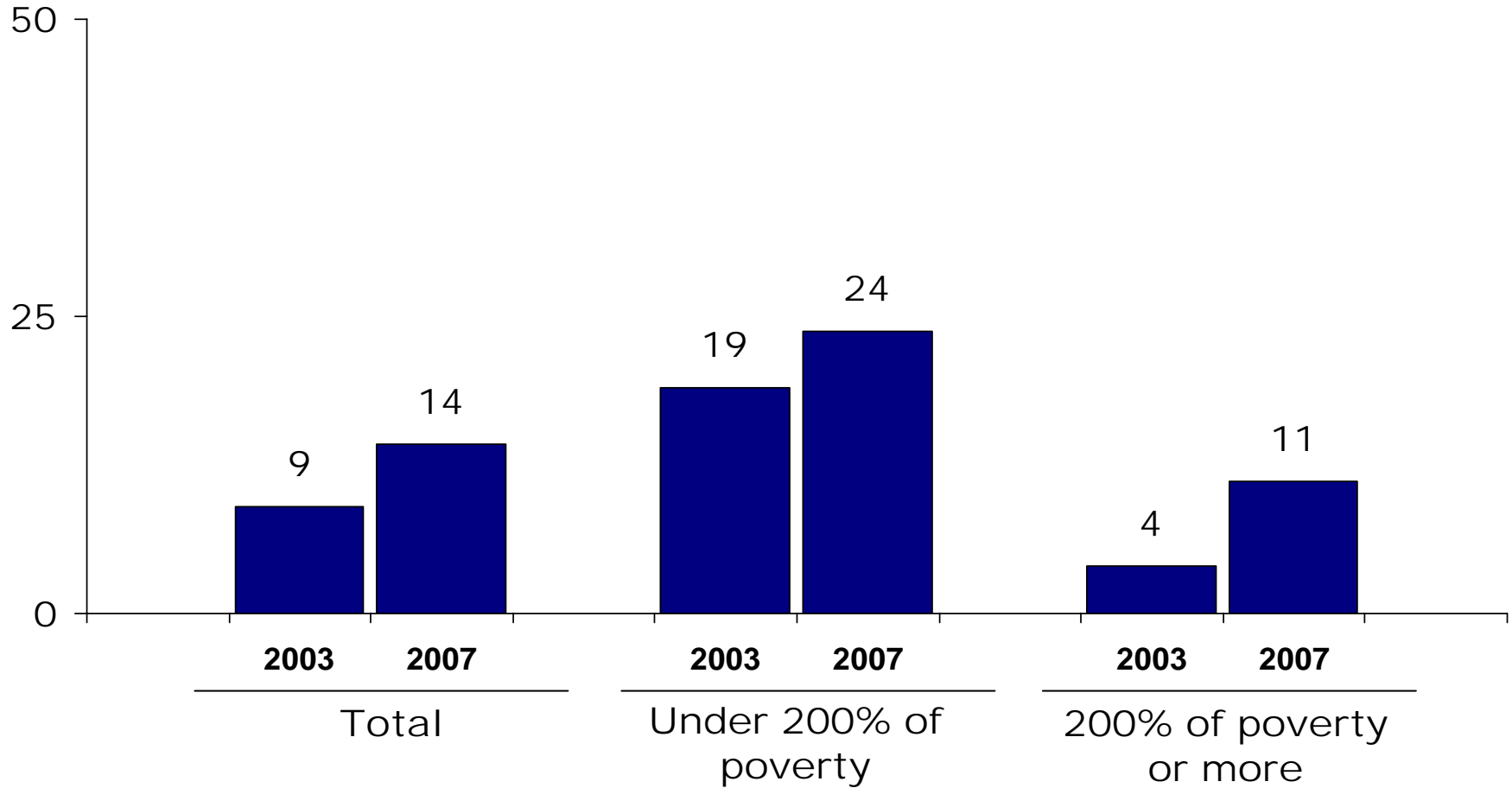
# 25 Million Adults Under Age 65 Were Underinsured in 2007, Up from 16 Million in 2003



\* 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.  
Source: C. Schoen, S. Collins, J. Kriss, M. Doty, How Many are Underinsured? Trends Among U.S. Adults, 2003 and 2007, *Health Affairs* Web Exclusive, June 10, 2008. Data: 2003 and 2007 Commonwealth Fund Biennial Health Insurance Surveys.

# Underinsured Adults, 2007 Compared with 2003

Percent of adults (ages 19-64) who are underinsured



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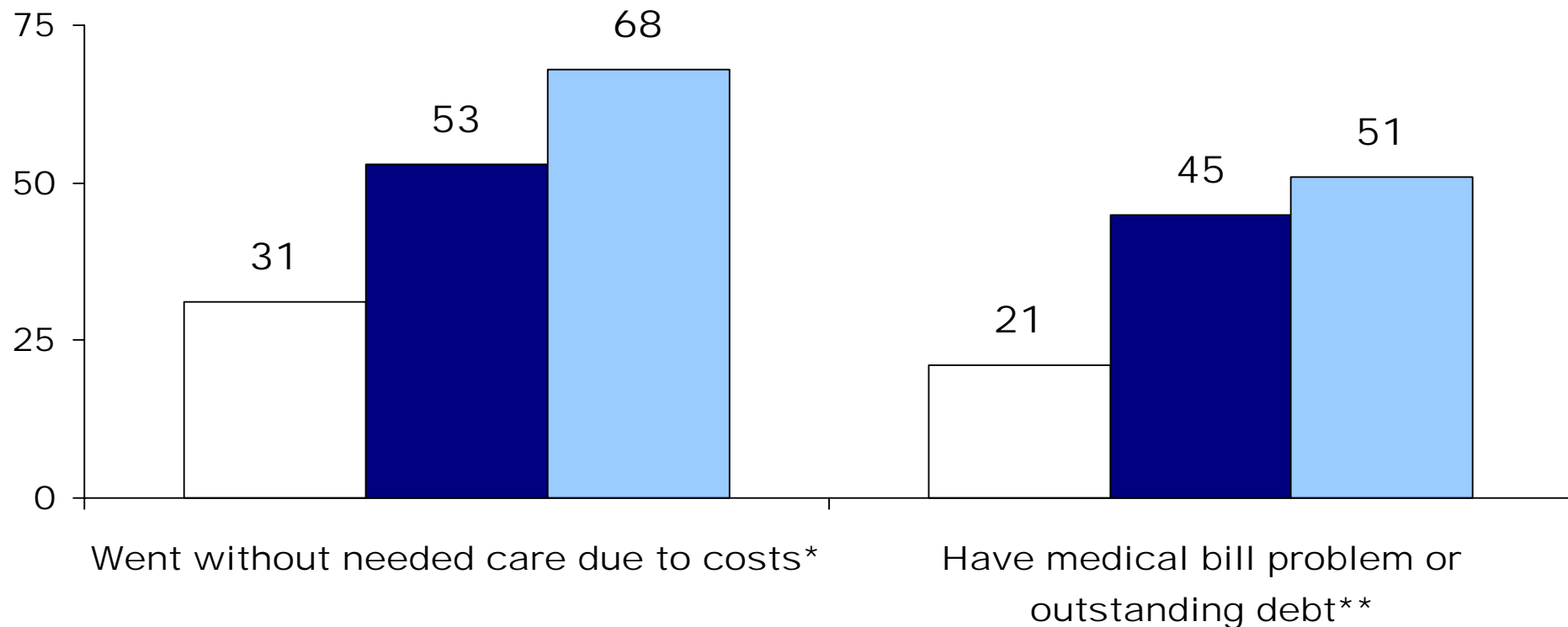
# Underinsured and Uninsured Adults at High Risk of Going Without Needed Care and Financial Stress <sup>5</sup>

Percent of adults (ages 19–64)

□ Insured, not underinsured

■ Underinsured

□ Uninsured during year

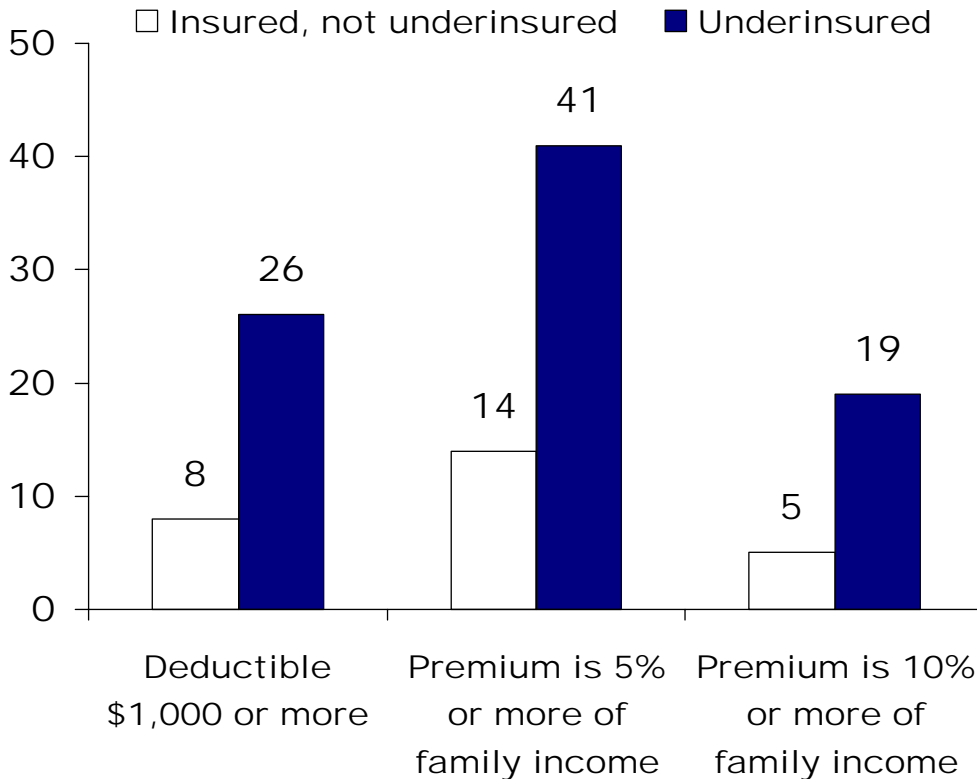


\*Did not fill prescription; skipped recommended medical test, treatment, or follow-up, had a medical problem but did not visit doctor; or did not get needed specialist care because of costs. \*\*Had problems paying medical bills; changed way of life to pay medical bills; or contacted by a collection agency for inability to pay medical bills.

Source: C. Schoen, S. Collins, J. Kriss, M. Doty, How Many are Underinsured? Trends Among U.S. Adults, 2003 and 2007, *Health Affairs* Web Exclusive, June 10, 2008. Data: 2007 Commonwealth Fund Biennial Health Insurance Survey.

# Insurance Characteristics

Percent of adults (ages 19–64)



- 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
  - 26% have a deductible of \$1,000 or more
- They also face high premiums and pay a high share of income for premiums
  - 41 percent pay 5% or more of income for premiums; one of five pays 10% or more of income for premiums

# Policy Implications

- Universal health insurance: One of five key strategies for improving overall health system performance (The Commonwealth Fund Commission on a High Performance Health System)
- Design of health insurance reform matters:
  - Equitable and comprehensive insurance for all
  - Benefits cover essential services with financial protection
  - Premiums/deductibles/out of pocket costs affordable relative to family income
- Health reform strategies & underinsured:
  - Massachusetts
  - Building Blocks for Reform (Schoen, Davis, Collins)
  - Senator McCain
  - Senator Obama

# Methodology

Study data come from The Commonwealth Fund 2007 Biennial Health Insurance Survey

- Nationally representative survey of 3,501 adults living in the continental U.S.
- Includes 2,616 adults ages 19-64
- Conducted by Princeton Survey Research Associates International
- Interviews took place June-October 2007

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