



Issue Brief

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From Coast to Coast: Regional Variations in the Affordability of Health Care

Findings from the Commonwealth Fund Biennial Health Insurance Survey

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For the full survey report, see Sara R. Collins et al.,

The Affordability Crisis in U.S. Health Care: Findings from the Commonwealth Fund Biennial Health Insurance Survey (pub. no. 723).

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Record growth in health care costs and increasing instability in health insurance coverage have combined to make health care a central issue in the 2004 presidential election. Nearly all the candidates who competed in the Democratic primary, as well as President Bush, proposed formal plans to expand health insurance coverage and make it more affordable.¹ The Commonwealth Fund Biennial Health Insurance Survey, conducted between September 2003 and January 2004, finds that majorities of Americans from each region of the country strongly support federal efforts to extend health insurance to more people. Underpinning this sentiment is a growing affordability crisis in health care, as families across the United States experience reductions in insurance coverage that threaten their financial security.

Americans' Views on Health Care Reform

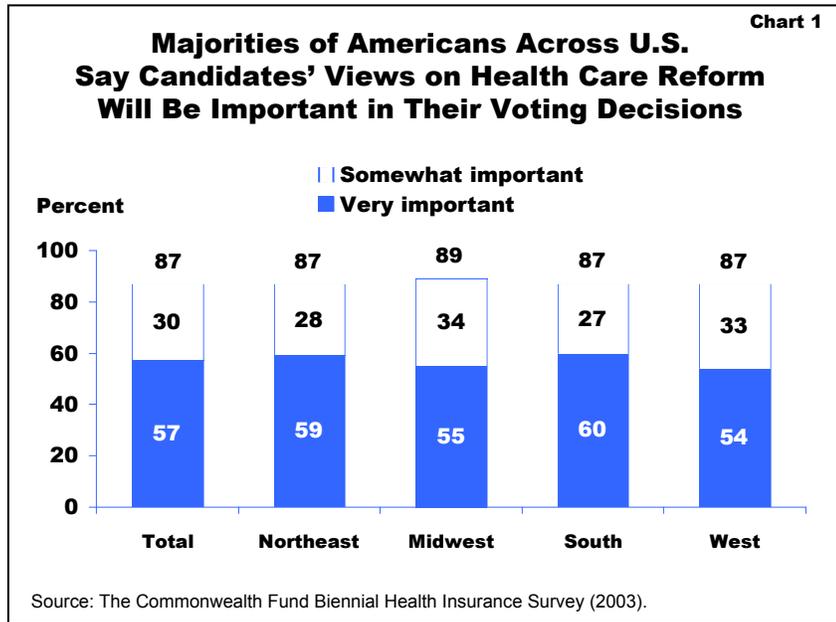
Americans across the country express strong support for expanding health insurance coverage. And they believe that everyone—individuals, employers, and government—should contribute to the cost.

Importance of health care in the 2004 election. When Americans go to the polls this November to vote for president and members of Congress, health care will be a significant factor in their choice. In the Commonwealth Fund survey, more than half of respondents in each region of the country—the Northeast, Midwest, South, and West—said that health care will

be a “very important” factor in their decision (Chart 1, Table 1). Between one-quarter and one-third of respondents in each region considered health care to be “somewhat” important.

presidential candidates proposed rolling back all or part of the federal tax cuts that have been enacted since 2001. The survey asked people whether they would prefer to keep the recent federal tax cut, or

repeal it and use the revenues to help guarantee health insurance security for everyone.² More than 60 percent of adults in each geographic region responded that they would give up the tax cut in exchange for insurance security (Chart 3). When people were asked if they would favor capping the tax cut at no more than \$1,000 per person and using the balance of revenues to expand health insurance coverage, support in each region climbed to around 70 percent. In the Midwest, 61 percent of respondents supported a full repeal of the tax cut, with support rising to 73 percent for the

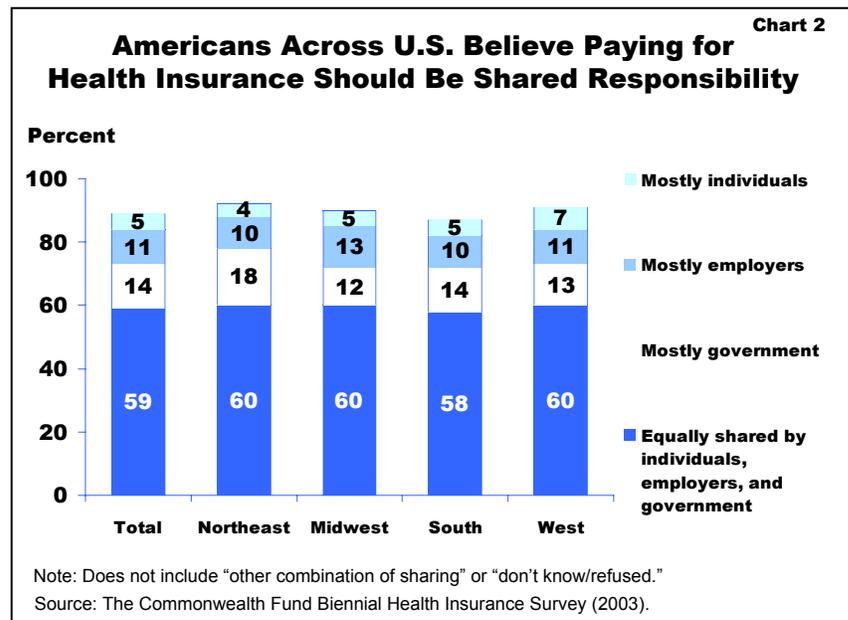


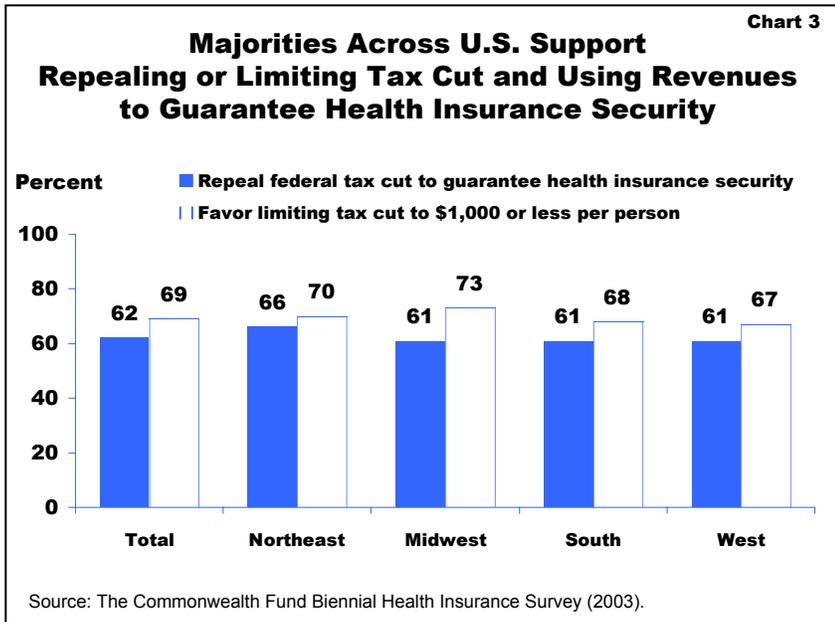
Paying for health insurance. The financing of health coverage in the United States—an employer-based system with contributions from individuals and substantial support from government—is unique among industrialized nations. Americans’ views on who should pay for health insurance may reflect their experience in such a system. When asked whether individuals, employers, or the government should bear the costs of health insurance, or if they should be shared by all three, nearly six of 10 respondents (59%) said that costs should be shared (Chart 2). This notion of joint responsibility for health insurance costs was shared by respondents in each region of the country.

limited repeal.

Support for specific policies to expand coverage. In the last year, presidential candidates, federal and state legislators, health care industry leaders, physicians, and academics have all proposed ways to increase health insurance coverage.³ These proposals range from incremental expansions to a com-

Support for rolling back tax cut to help pay for insurance expansions. New solutions for extending health insurance to more Americans will require new revenue sources. To help pay for expanded coverage, several Democratic





bined set of approaches that promise to achieve near-universal coverage over time.

The survey finds that majorities of adults across the nation would support a variety of policy options to extend health insurance coverage (Chart 4). More than seven of 10 adults in each region were in favor of each of four policy options: letting uninsured adults participate in Medicare; letting uninsured adults participate in state public insurance programs like Medicaid and the State Children’s Health Insurance Program (CHIP);

offering tax credits for people to purchase health coverage on their own; or requiring employers to contribute to the cost of their employees’ coverage.

Instability in Coverage and Erosion in Quality of Benefits

What accounts for such widespread public support for federal action on health care this year? The survey finds that Americans across the country are experiencing instability in their insurance coverage and a decline in the quality of their health benefits.

Many working-age adults go through a period without coverage. The survey

results indicate that 26 percent of U.S. adults ages 19 to 64 experienced a time when they were uninsured in 2003—an estimated 45.4 million people (Chart 5, Table 2). Respondents were asked whether they were currently uninsured or whether they had any time when they were uninsured during the previous 12 months. In 2003, 17 percent of adults (29.8 million people) said that they were uninsured at the time of the survey. An additional 9 percent (15.6 million people) said that while they had coverage now, they had been uninsured during part of the previous 12 months.

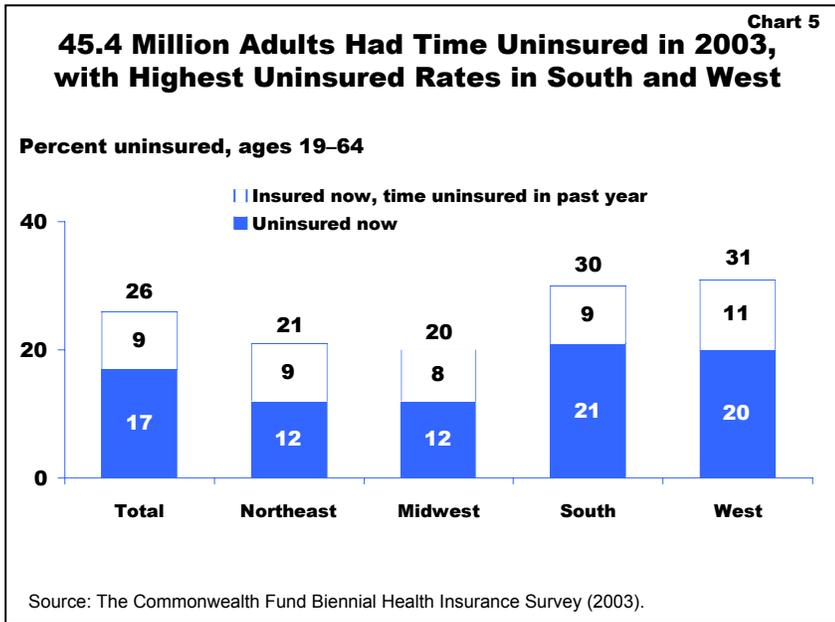
Looking across geographic regions, adults living in the West and South were at highest risk of experiencing gaps in their health insurance coverage. Three of 10 working-age adults in the West (31%) and South (30%) were without coverage at some point during the year compared with one of five in the Northeast (21%) and Midwest (20%) (Chart 5).⁴ Differences by region were largely attributable to those respondents who said they were uninsured at the time of the survey: one-fifth of working-age adults in the South and West were uninsured at the

Chart 4

Americans Across U.S. Support Proposals to Expand Health Insurance Coverage

Percent of adults in favor of:	Total	Northeast	Midwest	South	West
Letting uninsured adults participate in state government insurance programs like Medicaid or CHIP	77%	78%	76%	77%	76%
Letting uninsured adults participate in Medicare	76	77	73	76	77
Offering tax credits/other assistance to help people buy health insurance on their own	75	76	76	75	75
Requiring all businesses to contribute to the cost of health insurance for their employees	79	82	79	78	75

Source: The Commonwealth Fund Biennial Health Insurance Survey (2003).



the Midwest (32%) and South (30%) compared with the Northeast (25%) and West (25%).⁶

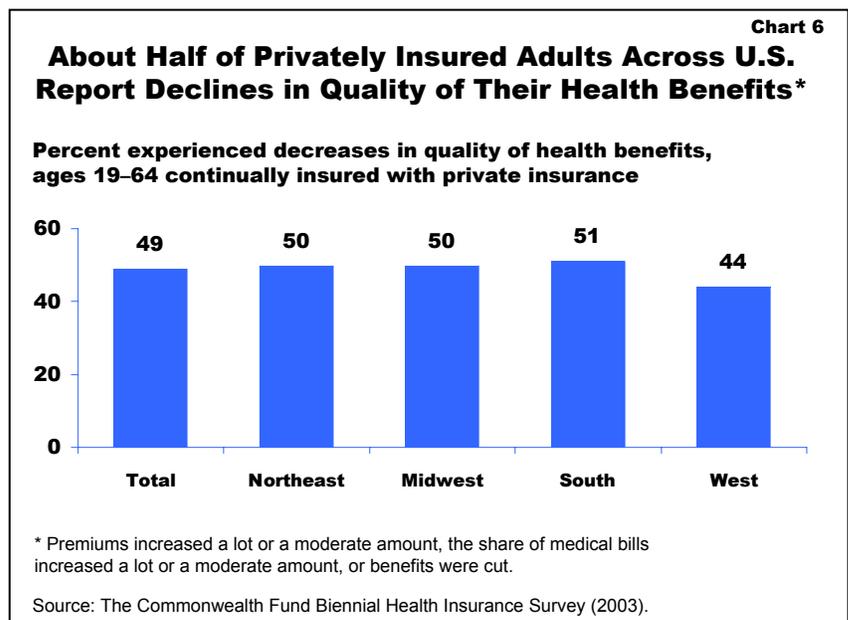
Furthermore, many people said that their health plans are cutting back or placing new limits on covered benefits. Such reductions can include new limits on coverage for prescription drugs, dental care, vision care, or mental health, or even dropped coverage for one or more of these types of care. About one-fifth of adults with private coverage in each region of the country said that their benefits had been reduced (Table 2).

time, compared with about one of eight in the Northeast and Midwest.⁵

The quality of health benefits is eroding. In addition to instability in insurance coverage, the survey found evidence of a decline in the quality of coverage among those who have health insurance. About half of Americans across the country who had private insurance coverage throughout the year reported an increase in the amount that they had to pay for premiums, an increase in their contribution to the cost of their medical bills, or cuts or new limits in benefits (Chart 6).

Across the country, Americans are paying more for their health insurance and more for their medical care. Of those adults who are privately insured and contribute to their premiums, more than two of five in each region said that their premiums had increased by a moderate amount or a lot in the past year, with about one-fifth reporting that their share increased by a lot (Table 2). More than a quarter (28%) of adults with private insurance coverage said their shares of medical bills had increased a moderate amount or a lot. Slightly more people reported such increases in their share of bills in

People across the country report not getting health care because of cost. Instability in insurance coverage, coupled with declines in the quality of private health benefits, appear to be impeding Americans’ ability to obtain the health care they need. The survey asked people whether in the last 12 months they had not been able to obtain the care they needed because of the cost—including not filling a prescription; having a medical problem and not visiting a physician or clinic; skipping a medical test, treatment, or follow-up visit recommended by doctor; or not seeing a specialist when



a doctor or respondent thought it was needed. More than one-third of adults ages 19 to 64 across the country reported at least one of these problems; in the South, the rate was greater than 40 percent (Chart 7).⁷

incurred in the last three years. Nationwide, about two of five adults under age 65 either had had medical bill problems in the last 12 months or were paying off accrued medical debt (Chart 8, Table 2).

The problem was most severe among those living in the Midwest (43%) and South (47%).⁸ About one-fourth of adults in those two regions reported that they had difficulty paying, or were not able to pay, their medical bills (Table 2). Compared with other regions, the Midwest had the largest share of adults who said they were paying off accrued medical debt (13%).⁹

Conclusion

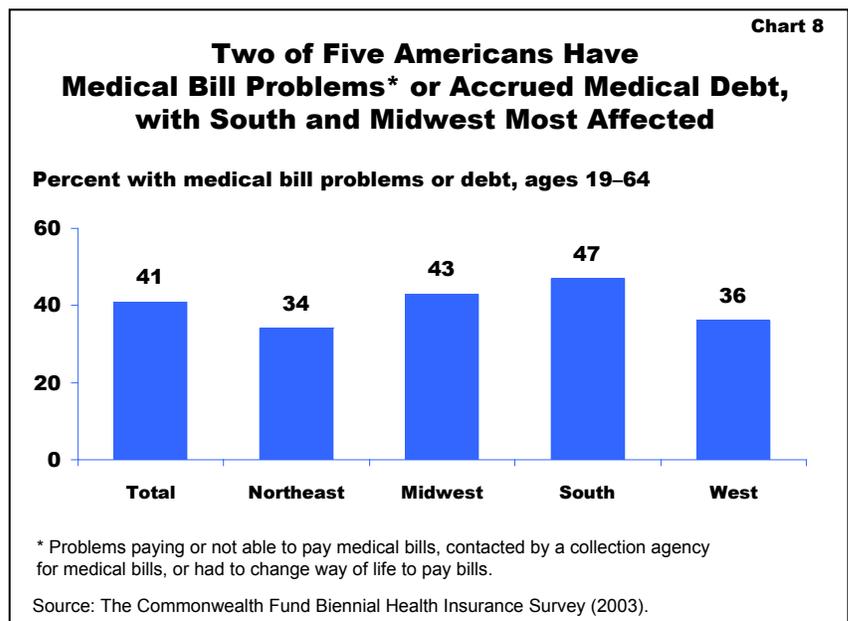
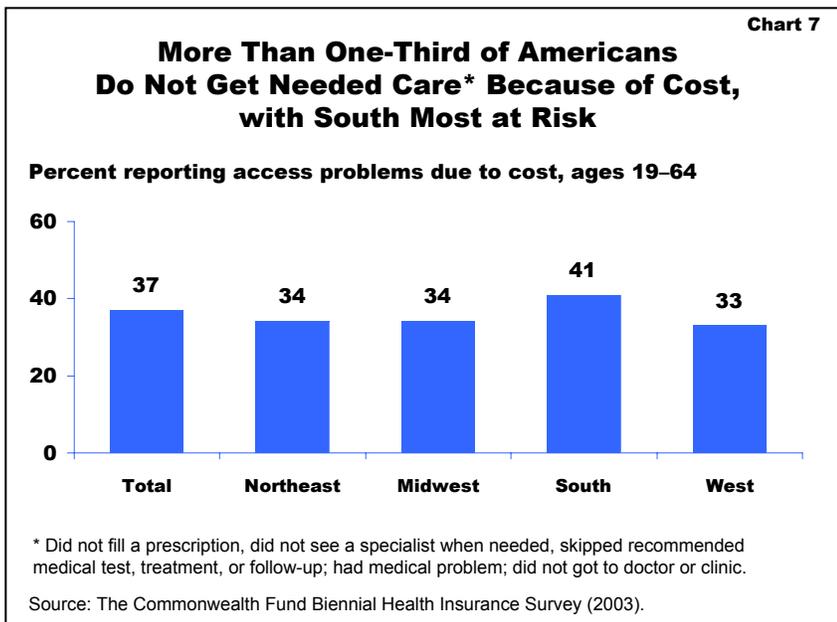
The Commonwealth Fund 2003 Health Insurance Survey reveals broad-based agreement among Americans in all regions of the country that the United States should act on its chronic, and growing, health insurance problem.

As the general election unfolds this year, the survey suggests that presidential and congressional candidates will find that health care will be an important issue to voters no matter where they are campaigning.

Medical Bills and Medical Debt: Undermining Families' Financial Security

Instability in health insurance coverage and declines in the quality of benefits may also be having an effect on household economic security.

Families in the Midwest and South are particularly affected. The survey asked people about their ability to pay their medical bills in the last 12 months: whether there were times when they had difficulty or were unable to pay their bills, whether they had been contacted by a collection agency about outstanding medical bills, or whether they had had to change their lives significantly in order to meet their obligations. In addition, people who said they had not had medical bill problems in the last year were asked if they were currently paying off medical debt



Broad support for federal policy action on health care likely stems from the importance Americans place on health insurance coverage and the growing affordability crisis in the U.S. health system. Americans are experiencing unstable insurance coverage and reductions in the quality of their coverage, both of which are leaving family finances vulnerable to health care costs, which can be highly unpredictable. This survey indicates that some regions are faring somewhat worse than others in terms of coverage instability, having to pay more for coverage, or experiencing medical debt or bill problems.

Nonetheless, concern about health care is consistent from coast to coast. Majorities in each region of the country express support for health care reform, even if it means giving up all or part of the recent federal tax cut. By providing a public forum for Americans to discuss their concerns about health care, the 2004 elections may help move the nation toward consensus on how to make health insurance more stable and more affordable.

NOTES

- ¹ S. R. Collins, K. Davis, and J. M. Lambrew, *Health Care Reform Returns to the National Agenda: The 2004 Presidential Candidates' Proposals* (New York: The Commonwealth Fund, updated March 17, 2004).
- ² Congress enacted a set of federal income tax cuts in 2001, 2002, and 2003. The question in the survey is general: it asks people whether they would “prefer to keep the recent federal tax cut or repeal the tax cut and instead use those revenues to help guarantee health insurance security for everyone.”
- ³ Collins, *Health Care Reform*, 2004.
- ⁴ Differences statistically significant at $p < .05$.
- ⁵ Differences statistically significant at $p < .05$.
- ⁶ Differences statistically significant at $p < .05$ between Midwest and Northeast and West, but not between South and Northeast and West.
- ⁷ Difference statistically significant at $p < .05$ between the South and the Northeast, Midwest, and West.
- ⁸ Differences statistically significant at $p < .05$ between the Midwest and the Northeast and West, and between the South and the Northeast and West.
- ⁹ Difference statistically significant at $p < .05$ between the Midwest and the Northeast and West.

Table 1. Views of Health Care Reform, Total Adult Population

	Total	Northeast	Midwest	South	West
Total in millions (estimated)	207.3	38.0	47.4	78.6	43.3
Percent distribution	100%	18%	23%	38%	21%
<i>When you are deciding who to vote for in next year's presidential and congressional election, how important will the candidate's views on health care reform be? Will they be...?</i>					
Very important	57	59	55	60	54
Somewhat important	30	28	34	27	33
Not too/Not at all important	8	8	7	9	9
Don't plan to vote	1	2	1	1	1
<i>Who do you think should pay for health insurance? Should insurance costs be mostly paid for by individuals, mostly by employers, mostly by the government, or should insurance costs be equally shared by individuals, employers and the government?</i>					
Mostly individuals	5	4	5	5	7
Mostly employers	11	10	13	10	11
Mostly the government	14	18	12	14	13
Equally shared by individuals, employers/government	59	60	60	58	60
Other combination of sharing	5	5	6	5	4
Don't know/Refused to answer	4	2	4	7	4
<i>Which one of the following options would you prefer: Keep the recent Federal tax cut or repeal the tax cut and instead use those revenues to help guarantee health insurance security for everyone?</i>					
Guarantee health insurance security for everyone	62	66	61	61	61
Keep tax cut	26	22	28	26	26
Don't know/Refused to answer	13	13	11	13	13
<i>Would you favor or oppose limiting the tax cut to no more than \$1,000 per person and using the money saved to help guarantee health insurance security for everyone?</i>					
Favor	69	70	73	68	67
Oppose	20	19	18	20	24
Don't know/Refused to answer	10	11	8	11	9
<i>Percent of adults in favor of:</i>					
Letting uninsured adults participate in state government insurance programs like Medicaid or CHIP	77	78	76	77	76
Letting uninsured adults participate in Medicare	76	77	73	76	77
Offering tax credits/other assistance to help people buy health insurance on their own	75	76	76	75	75
Requiring all businesses to contribute to the cost of health insurance for their employees	79	82	79	78	75

Source: The Commonwealth Fund Biennial Health Insurance Survey (2003).

Table 2. Health Insurance Security, Ages 19–64

	Total	Northeast	Midwest	South	West
Total in millions (estimated)	171.9	30.8	38.9	64.5	37.8
Percent distribution	100%	18%	23%	38%	22%
Continuity of Insurance					
Insured continuously	74	78	81	70	69
Insured now, but uninsured in past 12 months	9	9	8	9	11
Uninsured now	17	12	12	21	20
Access Problems in Past Year					
Went without needed care in past year due to costs:					
Did not fill prescription	23	22	22	26	20
Did not get needed specialist care	13	12	11	15	12
Skipped recommended test or follow up	19	14	17	23	17
Had a medical problem, did not visit doctor or clinic	22	16	19	27	21
<i>At least one of four access problems due to inability to pay</i>	37	34	34	41	33
Medical Bill Problems in Past Year					
Problems paying/not able to pay medical bills	23	19	24	27	19
Contacted by a collection agency for medical bills	21	19	17	26	17
Had to change way of life to pay bills	15	13	11	19	13
<i>Any medical bill problem</i>	32	28	31	38	28
Medical bills/debt being paid off over time	9	5	13	9	7
<i>Any medical bill problem or outstanding debt</i>	41	34	43	47	36
Changes in Health Benefits Among Insured Adults in Past Year					
Base: Adults 19–64, continually insured with private insurance, total in millions (estimate)					
	108.4	20.6	27.1	38.3	22.4
Cuts in benefits					
Yes	21%	21%	21%	22%	20%
No	75	73	77	74	77
Increases in paying share of medical bills					
None	56	60	55	54	55
Increased a lot	9	8	11	9	9
Increased a moderate amount	19	17	21	21	16
Increased only a little	15	14	13	16	18
Premiums increases (base: respondents reporting paying any premiums)					
None	40	35	42	42	40
Increased a lot	19	22	20	17	19
Increased a moderate amount	24	24	24	25	23
Increased only a little	13	17	11	11	12
<i>One or more of the above changes in health benefits*</i>	49	50	50	51	44

* Respondents whose premiums increased a lot or a moderate amount, had cuts in benefits, or whose share of medical bills increased a lot or a moderate amount.
Source: The Commonwealth Fund Biennial Health Insurance Survey (2003).

METHODOLOGY

The Commonwealth Fund Biennial Health Insurance Survey was conducted by Princeton Survey Research Associates International from September 3, 2003, through January 4, 2004. The survey, which consisted of 25-minute telephone interviews in either English or Spanish, was conducted among a random nationally representative sample of 4,052 adults age 19 and older living in the continental United States.

The study over-sampled low-income African American and Hispanic households. Statistical results in this report are weighted to correct for the disproportionate sample design and to make the final total sample results representative of all adults age 19 and older living in the continental United States. The data are weighted to the United States' adult population age 19 or older by age, sex, race/ethnicity, education, household size, geographic region, and telephone service interruption using the U.S. Census Bureau's 2003 Annual Social and Economic Supplement (ASEC). The resulting weighted sample is representative of the approximately 207 million adults ages 19 and older, including 171.9 million adults ages 19 to 64.

Insurance status in the past 12 months is classified as insured all year, insured when surveyed but uninsured during the past 12 months, or currently uninsured. These categories enabled exploration of insurance instability and its role in access to care and financial security. The study also classified adults by annual income. Thirteen percent of adults ages 19 to 64 did not provide sufficient income data for classification. Other totals may also not add to 100 percent due to missing data or rounding.

The survey has an overall margin of sampling error of ± 2 percentage points at the 95 percent confidence level. For adults ages 19 to 64, the margin of error for the three insurance groups is ± 2 percent for the continuously insured, ± 5 percent for those uninsured when surveyed, and ± 7 percent for those insured when surveyed but uninsured earlier in the year. The 50 percent survey response rate was calculated consistent with standards of the American Association for Public Opinion Research.

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