Health Care Costs and Instability of Insurance: Impact on Patients’ Experiences with Care and Medical Bills

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Hearing on “A Review of Hospital Billing and Collection Practices”
U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Oversight and Investigations
Uninsured Up by Nearly 4 Million People in Past Two Years

Millions uninsured, 1987–2002

National Health Expenditures’ Average Annual Percentage Growth, Selected Calendar Years, 1960–2004

Growth in Employment-Based Insurance Premiums

Percent change in health insurance premiums and workers’ earnings from previous year

Percent of Employers with Increases in Cost-Sharing, Reductions in Benefits

Chart 4

Percent of firms offering coverage

- Increased employee copayments or coinsurance: 33%
- Increased employee shares of premiums: 31%
- Raised deductibles: 25%
- Eliminated or placed limits on benefits: 18%
- Offset premium increases with lower wage increases: 15%

More than One-Quarter of Adults Uninsured: Rates Highest Among Adults with Low Incomes, 2001–2003

Percent of adults ages 19–64

- Insured now, time uninsured in past year
- Uninsured now

Note: Income groups based on 2002 household income.
Uninsured Rates Highest Among Hispanics and African Americans, 2001–2003

Percent of adults ages 19–64

Percent of Graduates with Gaps in Insurance Coverage in Year Following Graduation, by Student Status 1996–2000*

* People who graduated from high school or college during 1996–2000.

Share of Uninsured Workers by Firm Size, 1987–2001

Nearly Half of Adults with Private Health Insurance Report Erosions in Their Benefits

Percent of adults 19–64 with continuous coverage throughout past year

- **Premium increased***:† 43%
- **Benefits cut** 21%
- **Share of medical bills increased***: 28%
- **Any of the three erosions in quality of benefits** 49%

* Increased a lot or a moderate amount.
† Among those who pay any premium.

Adults with Low and Moderate Incomes Spend Greatest Share of Income on Out-of-Pocket Costs

Percent of adults ages 19–64 insured all year with private insurance

- Spent 5% or more of income on out-of-pocket costs
- Spent 10% or more of income on out-of-pocket costs

Note: Income groups based on 2002 household income.

Percent of adults ages 19–64 who had any of four access problems* in past year because of cost

* Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic.

Lacking Health Insurance for Any Period Threatens Access to Care

Percent of adults ages 19–64 reporting the following problems because of cost:

- Did not fill a prescription
- Did not see specialist when needed
- Skipped medical test, treatment, or follow-up
- Had medical problem, did not see doctor or clinic
- Any of the four access problems

Two of Five Adults Have Medical Bill Problems or Accrued Medical Debt:* Uninsured and Low Income Most at Risk

Percent of adults ages 19–64 with any medical bill problem or outstanding debt

* Problems paying/not able to pay medical bills, contacted by a collection agency for medical bills, had to change way of life to pay bills, or has medical debt being paid off over time.

Note: Income groups based on 2002 household income.

Adults with Any Time Uninsured Have High Rates of Medical Bill Problems

Percent of adults ages 19–64 who had the following problems in past year:

- Not able to pay medical bills
- Contacted by collection agency
- Had to change way of life to pay medical bills
- Medical bills/debt being paid off over time
- Any medical bill problem or outstanding debt

Half of Adult Women Have Medical Bill Problems or Accrued Medical Debt,* Uninsured at Highest Risk

Percent of adults ages 19–64 with any medical bill problem or outstanding debt

* Problems paying/not able to pay medical bills, contacted by a collection agency for medical bills, had to change way of life to pay bills, or has medical debt being paid off over time.

More than Two of Five Adults with Medical Bill Burdens Used All or Most of Their Savings on Medical Bills

Percent of adults ages 19–64 with medical bill problems or accrued medical debt:

<table>
<thead>
<tr>
<th>Percent of adults reporting:</th>
<th>Total</th>
<th>Uninsured now</th>
<th>Insured now, time uninsured during year</th>
<th>Insured all year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unable to pay for basic necessities, such as food, heat, or rent</td>
<td>27%</td>
<td>39%</td>
<td>41%</td>
<td>18%</td>
</tr>
<tr>
<td>Used all or most of savings</td>
<td>44</td>
<td>53</td>
<td>46</td>
<td>39</td>
</tr>
<tr>
<td>Had large credit card debt, or had to take loan against home</td>
<td>20</td>
<td>21</td>
<td>30</td>
<td>18</td>
</tr>
</tbody>
</table>