THE ADEQUACY OF HEALTH INSURANCE

Testimony of Diane Rowland, Sc.D.
Executive Vice President, Henry J. Kaiser Family Foundation
Executive Director, Kaiser Commission on Medicaid and the Uninsured

Before the U.S. Senate
Committee on Health, Education, Labor, and Pensions
Hearing on
“Addressing Underinsurance in National Health Reform”
February 24, 2009
SUMMARY OF TESTIMONY BY DIANE ROWLAND, Sc.D

- Health insurance helps to improve access to basic primary and preventive care and lowers the likelihood of postponing or foregoing needed care and medications due to costs by promoting more stable health care arrangements.

- While having insurance is clearly better than being uninsured, the scope of health insurance coverage varies widely across plans. Families face increasing health insurance premiums plus higher deductibles and more cost-sharing when they seek care resulting in a growing financial burden for families.

- How well health insurance is working to protect families from large medical bills is one measure of the adequacy of health insurance. Among the insured non-elderly population, three in ten adults in October 2008 reported problems paying medical bills (compared, however, to 60 percent of the uninsured). Families are often forced to make difficult choices, including limiting paying for other necessities such as food, heat, or housing; using savings or borrowing money; and considering filing for bankruptcy; cost considerations lead to skipped medical tests and failure to follow through on needed treatment.

- Interviews held with diverse working families across the U.S. in the spring of 2008 showed families with health insurance often struggled to afford the combination of premiums, copays, deductibles, and costs for services not covered by their plan, with these costs rising faster than their paychecks.

- Insured families facing health spending that exceeds 10 percent of after-tax income can be considered as “underinsured” in that the coverage they have is insufficient to protect them from the financial toll of health spending. By 2004, researchers estimated that 45.4 million non-elderly people met this definition of underinsured compared to 39.5 million people in similar circumstances in 2001.

- One of the clearest examples of the holes in health care coverage is the experience of families where cancer has taken a toll. Most have private health insurance, but many face high health care costs that alter their care --- 5 percent of the insured (and 27 percent of the uninsured) said they had delayed or decided not to get care due to costs, putting their life and survival at risk due to costs not covered by insurance.

- These experiences document the challenges families face today --- even those with private health insurance coverage --- when seeking medical care. High levels of cost-sharing and caps on covered benefits can compromise the level of protection health insurance provides and lead to both reduced access to needed care and serious financial burdens and medical debt. As consideration of health reform moves forward, it will be important to assess both the scope of coverage provided and the level of financial assistance offered against the substantial medical costs especially for those with chronic and serious illness.
Mr. Chairman and members of the Committee -

Thank you for the opportunity to be with you today to discuss the status of health insurance coverage in America and the gaps and limits to coverage that leave millions of Americans poorly protected when confronting illness. I am Diane Rowland, Executive Vice President of the Kaiser Family Foundation, and Executive Director of the Foundation’s Kaiser Commission on Medicaid and the Uninsured. I am also an adjunct professor of Health Policy and Management at the Bloomberg School of Public Health at The Johns Hopkins University.

My statement today will focus on why health insurance and the scope of coverage matters for a family’s health, well-being, and financial security. The evidence is clear and strong showing that being without health insurance affects the health care people receive and leaves the uninsured with diminished access to health services and poorer health than their insured counterparts. The consequences of inadequate insurance for the many “underinsured” Americans are less well-documented, but both affordability and adequacy of coverage are major challenges to be addressed in reforming our health care system.

Health Insurance Matters

Health insurance is a key link to receiving health care when needed. Having coverage helps to improve access to basic primary and preventive care and lowers the likelihood of postponing or foregoing needed care and medications due to costs. It helps to promote more stable health care arrangements leading to early detection and preventive care. The uninsured use fewer preventive and screening services, are sicker when diagnosed, receive fewer therapeutic services, have higher mortality and disability rates, and lower annual earnings because of poorer health than those with health insurance (Figures 1 and 2). The uninsured are less likely to have a usual source of care and be connected to the health care system for ongoing preventive and primary care. They are also at greater risk of being hospitalized for preventable conditions and
less likely to receive critical screening services that could lead to early detection and better treatment options for cancer (Figures 3 and 4).² ³ On all measures, those with health insurance have better access to care than the uninsured.

While having insurance is clearly better than being uninsured, the scope of health insurance coverage varies widely across plans and can result in costs and limits that leave some of the insured ill-equipped to afford the care they or a family member needs. Rising health care costs for families have continued to outpace increases in salaries and wages over the last decade, greatly increasing the financial burden for health care for families. In the past decade premiums for employer-sponsored group coverage have more than doubled, with a cumulative growth rate of 119%, compared to only a 34% growth in worker’s earnings (Figure 5).⁴

Today, families face not only increasing health insurance premiums, but also pay higher deductibles and more cost-sharing when they seek care. In 2006, ten percent of workers with employer-sponsored health insurance were enrolled in a plan with a general deductible of $1,000 or more for single coverage; two years later in 2008, 18 percent of such workers and over a third of covered workers in small firms (defined as under 200 workers) had high deductibles (Figure 6).⁵ Both the premium workers pay for coverage and their out-of-pocket costs are increasingly a financial burden for families. From 2003 to 2007, the share of non-elderly people in families with medical bill problems increased from 14 to 18 percent for insured families (Figure 7).⁶ Out-of-pocket costs have been climbing as cost-sharing, deductibles, and limits on covered benefits grow.

Problems Paying Medical Bills

How well health insurance is working to protect families from large medical bills is one measure of the adequacy of health insurance. Millions of Americans --- both insured and uninsured --- worry about their ability to obtain and pay for health care. The uninsured are more likely to be worried about their ability to afford the health care
services and medications they need than those with insurance. Yet, among the insured non-elderly population one in four adults say they are very worried about their ability to afford needed care and over a third of the insured are very worried about having to pay more for health care or health insurance (Figure 8).\textsuperscript{7}

Their concerns too often cause them to cut back on care due to cost --- with many of the insured putting off or postponing needed health care (34%), skipping a recommended medical visit or treatment (30%), not filling prescriptions (27%) or skipping doses and cutting pills (21%) due to cost (Figure 9). Failure to get needed care can lead to adverse health outcomes and the need for more intensive and often costly care.\textsuperscript{8}

In our October 2008 survey, almost one in three adults (32%) reported that their family had problems paying medical bills in the past year and nearly one in five (19%) reported that these bills had a major impact on their family. Even among the insured non-elderly population, three in ten adults reported problems paying medical bills with almost one in five of those with problems (17%) reporting that these bills are having a major impact on their families. As expected, the uninsured non-elderly population has had a particularly hard time in paying medical bills with three out of five (60%) reporting that they have had problems paying medical bills in the past year and over two out of five with problems (43%) reporting that these medical bills have had a major impact on their family (Figure 10). Most notably, those over 65 with Medicare coverage are less likely to report problems with medical bills.\textsuperscript{9}

Medical bills can severely impact a family’s ability to pay for household necessities. Individuals in families with problems paying medical bills are often forced to make difficult sacrifices, including limiting paying for other necessities such as food, heat, or housing; using savings or borrowing money; and even considering filing for bankruptcy. Over the last five years, among non-elderly insured adults, 21 percent reported they had been contacted by a collection agency, 15 percent said they had used all or most of their savings, and 3 percent reported they had declared bankruptcy.
because of medical bills (Figure 11). Again, the uninsured faced even greater challenges.

**Looking at How Health Care Costs Impact Family Budgets**

In order to understand more about the circumstances and the financial and health care challenges facing low- and middle-income working families, the Kaiser Family Foundation interviewed the heads of household in 27 diverse working families across the U.S. in the spring of 2008 to learn more about their ability to pay for health care. Our study found that health care costs are indeed a strain on family budgets, even for families with insurance coverage. In numerous cases, families had monthly health care bills totaling hundreds of dollars – a significant share of their earnings.

A case from our family interviews highlights how medical bills can mount and leave a family struggling with medical debt. Ron, 59, and his wife from Wichita, Kansas have had significant health problems and struggle to pay their bills on a monthly income of $1,815 --- or about $30,000 a year. She suffers from congestive heart failure and diabetes and he was diagnosed with diverticulitis. Subsequently, a sonogram and CAT scans revealed a mass on his kidney, raising concern that he had cancer and resulting in surgery. Although Ron has worked for the same company for 26 years and at the time of our interview had health insurance through his job, health care costs had taken a toll on his family finances. A $4,750 deductible; $90 a month in copays for his wife’s six prescription medications for diabetes, heart disease and glaucoma; and unexpected and costly medical needs for himself and his wife have meant very high out-of-pocket costs and substantial medical debt for previous hospital and doctor care. Facing aggressive collection, Ron borrowed money from his 401(k) plan to pay thousands of dollars owed for a hospitalization six years ago when his wife got pneumonia and currently is paying $25 a month to reduce the $1,800 medical debt. Ron’s experience demonstrates the financial consequences of limits on what insurance covers and the impact of health bills on the overall financial well-being of a family. Unfortunately for
Ron and his wife, life has gotten even more precarious: in December of 2008, Ron was laid off from his job of 27 years.\footnote{11}

Families with health insurance, like Ron, in our study often struggled to afford the combination of premiums, copays, deductibles, and costs for services not covered by their plan, with these costs rising faster than their paychecks. Frequently, private insurance did not cover dental and vision care, and dental care, in particular, had saddled families with large expenses. Some insured families, despite having coverage, avoided using services because they could not afford the out-of-pocket costs. Costs often mounted up quickly, especially when a member of a family had ongoing needs for chronic care or prescription drugs. Even in generally healthy families, one-time health crises like a broken arm or hospitalization resulted in large, sometimes staggering, bills. Families without insurance were still worse off, having to pay all their medical bills out of pocket.

Our interviews found both insured and uninsured families had substantial unpaid bills for medical care – some owed tens of thousands of dollars. Most families with medical debt were trying to pay it off in small amounts like $5 or $25 or $50, month by month or when they could; they were unsure how they would manage to pay it all back. The couple above had begun to use retirement savings to pay down their medical debts; another family had considered filing for bankruptcy. Beyond the burden of the medical debt itself, the debt also prevented those who were relatively new to the workforce from getting established financially, and compromised families’ credit and ability to borrow and save, jeopardizing their hopes and plans for the future – for example, to purchase a home, or retire. Iris, who is only twenty-three, has severe back pain from a car accident, asthma, and severe allergies, but relies on over-the-counter medications and an old asthma pump. She has $7,500 of medical debt she cannot afford and is already concerned that the debt from her medical conditions at a young age will hurt her credit, which may prevent her from buying a house or a car in the future.
Families especially turn to cost cutting measures when health care costs and medical debt have already strained their family resources. Families with private insurance and medical debt were 3 times as likely to skip tests as those with private insurance and no medical debt and in fact behave more comparably to the uninsured in how they access the health care system (Figure 12). Most notably, over a quarter of both privately insured individuals with medical debt (28%) and uninsured individuals (29%) postponed care due to cost compared to only six percent of the privately insured without medical debt. The inadequate coverage and financial burdens for health care are leaving families to make choices based on their pocketbook rather than their health care needs.

Financial Burden for Health Care

The share of family after-tax income going to pay for health care services is a measure of the adequacy of health insurance protection. Analysis by researchers at the U.S. Department of Health and Human Services documents the increase in out-of-pocket burdens and health spending relative to income for families from 2001 to 2004 (Figures 13 and 14). Health care costs for a family’s share of premiums, cost-sharing, and out-of-pocket spending that exceed 10 percent of after-tax income are considered a high financial burden. Families facing health spending at this level can be considered as “underinsured” in that the coverage they have is insufficient to protect them from the financial toll of health spending. It appears that the number of families falling into this group is growing. By 2004, the researchers estimated that 45.4 million non-elderly people lived in families with health care costs greater than 10 percent of their after-tax income compared to 39.5 million people in similar circumstances in 2001.

The nature of one’s health insurance is a critical component of determining whether a family faces high expenditures for health care. Public insurance through Medicaid for low-income families offers the broadest protection with low cost-sharing and comprehensive benefits. Employer-based coverage varies widely, but offers coverage that protects the majority from high costs. However, in 2004, nearly one in five
(17%) families with coverage through their employer faced substantial out-of-pocket costs exceeding 10 percent of income.

The least protection and greatest burden was among those purchasing non-group private insurance with over half of these families (53%) encountering health spending in excess of 10 percent of their after-tax income. Those in the non-group market pay the full share of the premium and generally have benefits that are less generous with higher deductibles and more cost-sharing than in coverage available through employer-based group policies. On average, their out-of-pocket costs for premiums are more than twice as high as that paid by persons with job-based group coverage, and their out-of-pocket spending for health services is almost 50 percent greater.

Most notably those with the fewest financial resources as well as the greatest health needs face the greatest health care burdens. In 2004 over half (54%) of the non-elderly in families with incomes below the poverty level and more than a third (37%) of the near-poor faced spending that exceeded 10 percent of after-tax income compared to one in ten from families with incomes over 400 percent of poverty (roughly $88,000 for a family of four today) (Figure 14). One in three non-elderly people in fair or poor health or with a disability are dealing with medical costs above 10 percent of their incomes. Persons with chronic conditions are at even greater risk – almost 40 percent of non-elderly diabetics and over half (56%) of families affected by stroke fall into the high costs burden group (Figure 15).14

Again, in our interviews of families, we found that out-of-pocket costs can be steep even for families with private coverage. Families that had private coverage through their jobs or had purchased it on their own, in several cases, faced copays, deductibles, and out-of-pocket costs for care not covered by the insurer that posed a severe financial strain. While copays for prescription drugs and doctor visits were often nominal on a unit basis, families who had ongoing or multiple needs were confronted with large cumulative costs. Deductibles reaching as high as $6,000 exposed some
families to medical costs their budgets could not absorb, resulting in large medical debts. When private insurers limited coverage, as for mental health care or prescription drugs, or excluded particular services, such as dental care, families --- although insured --- were uninsured for this care, and like the uninsured, avoided seeking care due to cost.

Cancer: A High Cost Diagnosis

One of the fears that many American families have is that the illness of a family member and the desire to provide the fullest and best treatment will lead to financial ruin. When someone we hold dear is ill, being able to provide treatment and hopefully a cure is paramount, but unfortunately today even those with health insurance may face devastating medical bills that both compromise treatment and sap financial resources. One of the clearest examples of the holes in health care coverage is the experience of families where cancer has taken a toll.

The majority of cancer patients under age 65 have private health insurance. Yet, despite having private health insurance some face high health care costs that can put both their treatment and physical and financial well-being at risk. In our 2006 Kaiser/Harvard/USA Today survey of households affected by cancer in 2006, 13 percent of people who said the person with cancer was insured (and 45 percent of those who were uninsured at some point during cancer treatment) reported that the cost of cancer care was a major burden on their family (Figure 16). Among those with insurance, nearly a quarter reported the plan paid less than expected for a medical bill for their family member and one in ten reached the limit the plan would pay for cancer treatment (Figure 17).

As a result, nearly a quarter of those with insurance reported that as a result of the financial cost of dealing with cancer they had used up all or most of their savings and one in ten turned to relatives for help. Although those without insurance faced significantly more challenges, 7 percent of people who said the person with cancer was
insured reported being unable to pay for basic necessities and 3 percent said they needed to declare bankruptcy (Figure 18).

Cost considerations not only affected financial stability for the family but in some cases compromised treatment for the cancer -- 5 percent of the insured and 27 percent of the uninsured said they had delayed or decided not to get care due to costs (Figure 19). These are people who stopped or postponed treatment for a deadly disease, putting their life and survival at risk due to costs not covered by insurance.15

Our recent report conducted jointly with the American Cancer Society profiles the situations faced by 20 cancer patients who had called in to the American Cancer Society Health Insurance Assistance Service. Their stories show that even with private insurance a diagnosis of cancer can lead to large medical debts, filing for personal bankruptcy, and going without potentially lifesaving treatments and point out the shortcomings of their private health insurance coverage. Even when cancer patients have relatively comprehensive coverage through their private health insurance coverage, the sizeable costs from co-payments, deductibles, and co-insurance can easily mount up.16

One of the profiled patients, Keith Blessington, has been in and out of the hospital since he was diagnosed with stomach cancer. When his COBRA ran out his only option was to join a high-risk pool that includes a monthly premium of $1,100, a $1,000 deductible, and 20 percent cost-sharing. Keith has already gone through his 401K, has not paid his mortgage for a few months, and is borrowing money from a credit card to pay for care for his ailing mother and his various medical bills. As Keith mentions in his own words, “[w]hen you have medical problems, a lot of people think it’s just their doctor and the hospital. But that is not the case. There are so many outside groups that you get bills from…you could have five different doctors bills for one treatment that you had and you don’t even know who the four others are. But, they touch base and they submit a bill and you don’t know for sure if they will accept your...
insurance until they actually submit.” Keith is now $60,000 in debt and that figure climbs an additional $6,000 every month.

In addition to the cost-sharing and deductibles, many patients find maximum caps on their benefits or that their policy does not pay for treatments recommended by their doctor. Among our profiled patients, some faced a cap of $250 for coverage of radiation and $10,000 for outpatient costs --- amounts easily exceeded in the course of treatment for many cancers. For example, Debra Gauvin, 52, diagnosed with stage II breast cancer had employer-sponsored insurance that covered 80 percent of her lumpectomy. However, she quickly met the $20,000 annual maximum on her insurance plan, which left her responsible for her treatment costs. She currently owes $18,000 for surgery and chemotherapy. Although she was able to receive a 61 percent discount for the radiation she still needs, the remaining costs of the radiation treatment were too significant of a financial burden for Debra so she decided to postpone her radiation until 2009, when her insurance would help cover the costs.17 Such cost considerations can both compromise treatment objectives and health outcomes.

Implications for Health Reform

These experiences document the challenges families face today --- even those with private health insurance coverage --- when seeking medical care. High levels of cost-sharing and caps on covered benefits can compromise the level of protection health insurance provides and lead to both reduced access to needed care and serious financial burdens and medical debt. As our family budget study shows for low- and moderate-income people, especially those with chronic health problems, even modest levels of cost-sharing can mount up, impeding access to care and resulting in financial burdens. Likewise, as the cancer patient profiles demonstrate, those with serious illness can have their care and outcomes jeopardized by limits and gaps in coverage even when they have health insurance.
In the struggle to bring affordable health insurance coverage to all Americans, budget constraints and the high cost of health insurance will undoubtedly put pressure on policymakers to limit the scope of coverage and impose substantial cost-sharing to hold down federal costs. Cost concerns, however, need to be balanced against the expectation that health reform will bring improved coverage and lower health spending for families. As consideration of health reform moves forward, it will be important to assess both the scope of coverage provided and the level of financial assistance offered against substantial medical costs especially for those with chronic and serious illness.

Thank you for your consideration.
**Figure 1**

Children’s Access to Care, by Health Insurance Status, 2007

<table>
<thead>
<tr>
<th>Condition</th>
<th>Employer/Other Private</th>
<th>Medicaid/Other Public</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Usual Source of Care</td>
<td>32%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Postponed Seeking Care Due to Cost*</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Needed Care but Did Not Get it Due to Cost*</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Last MD Contact &gt;2 Years Ago</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Unmet Dental Need Due to Cost*</td>
<td>4%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Last Dental Visit &gt;2 Years Ago</td>
<td>12%</td>
<td>18%</td>
<td>12%</td>
</tr>
</tbody>
</table>

* In the past 12 months

Questions about dental care were analyzed for children age 2-17. Respondents who said usual source of care was the emergency room were included among those not having a usual source of care.

SOURCE: KCMU analysis of 2007 NHIS data.

**Figure 2**

Barriers to Health Care Among Nonelderly Adults, by Insurance Status

**Percent of Adults (age 18 – 64) Reporting (2007):**

- No Usual Source of Care: 57%
  - Uninsured: 10%
  - Medicaid: 9%
  - Privately Insured: 47%
- No Preventive Care: 7%
  - Uninsured: 5%

**Percent of Adults with Chronic Conditions Reporting (2006):**

- No Usual Source of Care: 43%
  - Uninsured: 6%
  - Medicaid: 4%
- No Health Professional Visit in Past Year: 31%
  - Uninsured: 7%
  - Medicaid: 7%

Figure 3
Preventable Hospitalizations as a Share of All Hospitalizations
Nonelderly, by Insurance Status, 1980-1998


Figure 4
Cancer Screening, by Insurance Status, 2005

Percent Screened:

<table>
<thead>
<tr>
<th>Test</th>
<th>Uninsured at Interview</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammogram in past 2 yrs</td>
<td>75%</td>
<td>38%</td>
</tr>
<tr>
<td>Pap Test in past 3 yrs</td>
<td>88%</td>
<td>68%</td>
</tr>
<tr>
<td>Colorectal Screening*</td>
<td>48%</td>
<td>19%</td>
</tr>
<tr>
<td>PSA Test in past yr</td>
<td>37%</td>
<td>14%</td>
</tr>
</tbody>
</table>

* Fecal occult blood test in past year or an endoscopy in past 10 yrs.
Figure 5
Cumulative Changes in Health Insurance Premiums, Inflation, and Workers’ Earnings, 1999-2008


Figure 6
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006-2008

*Estimate is statistically different from estimate for the previous year shown (p<.05).
Note: Estimates include workers enrolled in HDHP/SO and other plan types.
Figure 7

Percentage of Nonelderly People in Families with Medical Bill Problems, 2003-2007

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S.</td>
<td>15.1%</td>
<td>19.4%*</td>
</tr>
<tr>
<td>Age 65 +</td>
<td>6.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>All Insured</td>
<td>14.3%</td>
<td>18.3%*</td>
</tr>
<tr>
<td>Uninsured</td>
<td>27.2%</td>
<td>34.4%*</td>
</tr>
</tbody>
</table>

-Difference with 2003 is statistically significant at p<.05

Note: Results from HSC 2003 Community Tracking Study Household Survey and HSC 2007 Health Tracking Household Survey that are both nationally representative telephone surveys of the US population.


Figure 8

Health Care Worries

Percent of nonelderly adults who say they are very worried

<table>
<thead>
<tr>
<th>Issue</th>
<th>Insured under 65</th>
<th>Uninsured under 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not being able to afford the health care services you think you need</td>
<td>26</td>
<td>69</td>
</tr>
<tr>
<td>Having to pay more for your health care or health insurance</td>
<td>38</td>
<td>56</td>
</tr>
<tr>
<td>Not being able to afford the prescription drugs you need</td>
<td>21</td>
<td>56</td>
</tr>
<tr>
<td>The quality of health care services you receive getting worse</td>
<td>24</td>
<td>52</td>
</tr>
</tbody>
</table>

Figure 9

Cutting Back Care Due to Cost in Past Year

Percent of nonelderly adults who say because of cost they or a family member has

- Put off or postponed getting health care you needed: 71%
- Skipped a recommended medical test or treatment: 61%
- Not filled a prescription: 41%
- Cut pills or skipped doses of medicine: 37%
- Had problems getting mental health care: 22%


Figure 10

Percent of Adults Reporting Problems Paying Medical Bills and the Impact on Families in Past Year

No Impact  Minor Impact  Major Impact

Total: 2 32 30
Insured under 65: 11 17 12
Uninsured under 65: 12 5 5
Over 65: 7 7

Financial Consequences of Medical Bills by Insurance

Percent of nonelderly adults in each group who say they have experienced each of the following in the past 5 years because of medical bills...

- Had difficulty paying other bills: 40% (Uninsured under 65), 19% (Insured under 65)
- Been contacted by a collection agency: 37% (Uninsured under 65), 21% (Insured under 65)
- Used up all or most of savings: 37% (Uninsured under 65)
- Unable to pay for basic necessities like food, heat, or housing: 25% (Uninsured under 65), 11% (Insured under 65)
- Borrowed money/got a loan/another mortgage: 23% (Uninsured under 65), 9% (Insured under 65)
- Declared bankruptcy: 5% (Uninsured under 65), 3% (Insured under 65)
- Had any of the above problems: 65% (Uninsured under 65), 35% (Insured under 65)


Problems with Access to Care Among the Uninsured and Those with Medical Debt (Nonelderly Population)

- Private: No Medical Debt
- Private: With Medical Debt
- Uninsured Full-Year

- Percent Skipping Test/Treatment due to Cost: 8% (Private: No Medical Debt), 9% (Private: With Medical Debt), 6% (Uninsured Full-Year)
- Percent Not Filling Rx due to Cost: 24% (Private: No Medical Debt), 27% (Private: With Medical Debt), 28% (Uninsured Full-Year)
- Percent Postponing Care due to Cost: 25% (Private: No Medical Debt), 29% (Uninsured Full-Year)

*Significant difference compared to those privately insured with medical debt (95% CI). Rates adjusted for age, education, income, race, health status, and employment.

Figure 13
Prevalence of High Family Out-of-Pocket Burdens among the Nonelderly, By Source of Health Coverage, 2001 vs. 2004

Percent with Total Burden >10% of Income

<table>
<thead>
<tr>
<th>Source of Coverage</th>
<th>2001</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Nonelderly *</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Employment-Based Coverage *</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Public Insurance</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Private Non-Group Insurance*</td>
<td>39%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Total financial burden includes all out-of-pocket payments for health care, including premiums—relative to after-tax income.
* Statistically significant difference between 2001 and 2004 (p=.01).

Figure 14
Percent of Nonelderly in Families with Private Insurance and High Out-of-Pocket Burden, By Poverty Level, 2004

Percent with Total Out-of-Pocket Health Costs >10% of After-Tax Family Income

<table>
<thead>
<tr>
<th>Poverty Level</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100% FPL</td>
<td>54%</td>
</tr>
<tr>
<td>100-199% FPL</td>
<td>37%</td>
</tr>
<tr>
<td>200-399%</td>
<td>21%</td>
</tr>
<tr>
<td>400% +</td>
<td>10%</td>
</tr>
</tbody>
</table>

Total financial burden includes all out-of-pocket payments for health care, including premiums—relative to after-tax income.
Groups at Greater Risk of Having High Financial Burden for Health Care (Nonelderly Population)

- Age 55-64: 31%
- Fair or Poor Health: 32%
- Activity Limited: 31%
- Diabetes: 39%
- Stroke/Other Cerebral Disease: 56%
- Heart Disease: 33%
- Arthritis: 31%

High Financial Burden defined as families spending more than 10% of their after-tax income on health care, including premiums and out-of-pocket health costs.

Source: Banthin et al., 2007.

Financial Burden of Cancer Care by Insurance Status, Income, and Age

Percent saying the cost of cancer care is a MAJOR burden on their family...

- Ever uninsured: 45%
- Always insured: 13%

Household income:
- <$40K: 23%
- $40K+: 11%

Age of person with cancer:
- 18-49: 28%
- 50-64: 21%
- 65+: 10%

Source: USA Today/Kaiser Family Foundation/Harvard School of Public Health National Survey of Households Affected by Cancer (conducted Aug 1-Sept 14, 2006).
Reported Problems with Insurance Paying Cancer Bills

Among those with insurance, percent saying they/their family member had the following problems during cancer treatment...

- Plan paid less than expected for a medical bill: 23%
- Plan would not pay anything for care you received that you thought was covered: 13%
- Reached the limit of what insurance would pay for cancer treatment: 10%
- Were turned away or unable to get a specific treatment because of insurance issues: 8%

Source: USA Today/Kaiser Family Foundation/Harvard School of Public Health National Survey of Households Affected by Cancer (conducted Aug 1-Sept 14, 2006).

Consequences of Financial Costs of Cancer by Insurance Status

Percent who say each of the following happened to them/their family member as a result of the financial cost of dealing with cancer...

- Used up all or most of savings: 46% (30% Ever uninsured, 22% Always insured)
- Borrowed money from relatives: 30% (10% Ever uninsured, 20% Always insured)
- Contacted by a collection agency: 34% (9% Ever uninsured, 25% Always insured)
- Unable to pay for basic necessities like food, heat, or housing: 41% (7% Ever uninsured, 34% Always insured)
- Sought the aid of charity or public assistance: 35% (7% Ever uninsured, 28% Always insured)
- Borrowed money/got a loan/another mortgage: 15% (6% Ever uninsured, 9% Always insured)
- Declared bankruptcy: 6% (3% Ever uninsured, 3% Always insured)

Source: USA Today/Kaiser Family Foundation/Harvard School of Public Health National Survey of Households Affected by Cancer (conducted Aug 1-Sept 14, 2006).
### Reports of Cost-Based Treatment Decisions

**Percent reporting that they/their family member did each of the following...**

<table>
<thead>
<tr>
<th>Event</th>
<th>Total</th>
<th>Ever uninsured</th>
<th>Always insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ever delayed or decided not to get care for cancer because of the cost</td>
<td>27%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Ever chose one cancer treatment over another because of the cost</td>
<td>13%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: USA Today/Kaiser Family Foundation/Harvard School of Public Health National Survey of Households Affected by Cancer (conducted Aug 1-Sept 14, 2006).
References

5 Ibid.
8 Ibid.
9 Ibid.
15 USA Today/Kaiser Family Foundation/Harvard School of Public Health National Survey of Households Affected by Cancer (conducted Aug 1-Sept 14, 2006).
17 Ibid.