

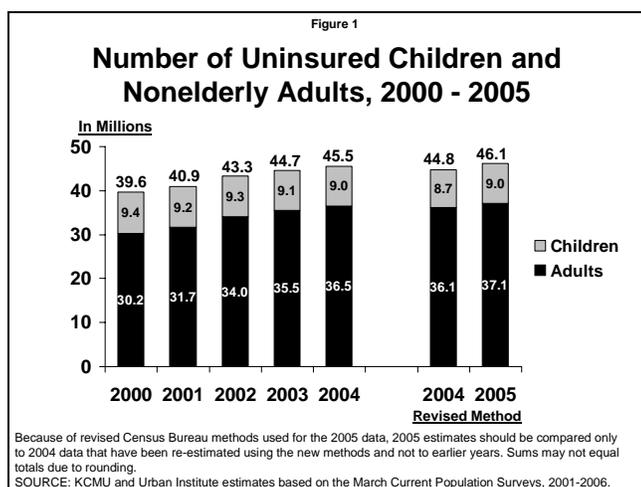
## THE UNINSURED AND THEIR ACCESS TO HEALTH CARE

While the majority of Americans under the age of 65 receive health insurance coverage through their employers and almost all the elderly are covered through Medicare, 46.1 million nonelderly Americans lacked health insurance in 2005. Medicaid and the State Children's Health Insurance Program (SCHIP) play an important role by covering millions of nonelderly low-income people, especially children. However, limits to these public programs and gaps in employer coverage leave millions of nonelderly Americans uninsured – creating substantial barriers to obtaining timely and appropriate health care.

### WHY ARE THERE MORE UNINSURED TODAY?

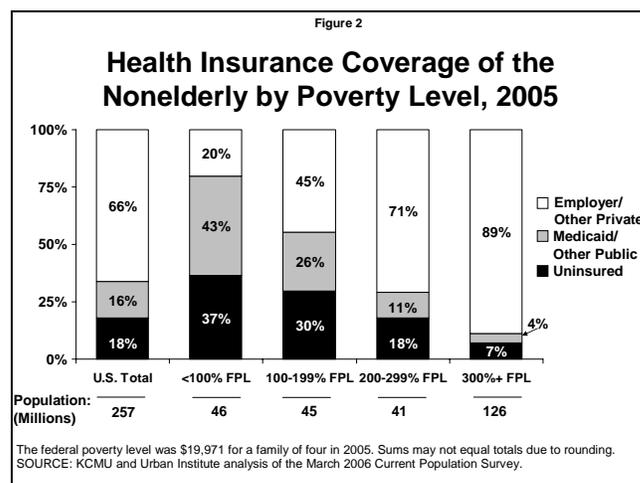
The number of uninsured continues to grow steadily. Between 2004 and 2005, 1.3 million more people became uninsured. By 2005, nearly 18% of nonelderly people lacked health insurance. Most of the growth in the uninsured occurred among adults and those with low incomes—1.1 million of the 1.3 million had family incomes of less than twice the poverty level.

The economic downturn in 2001, coupled with rapidly rising health premiums, triggered a prolonged decrease in employer-sponsored coverage. Enrollment in both Medicaid and SCHIP increased between 2000 and 2004, in response to the greater numbers who qualified and because of improved program outreach efforts. These programs filled in the gap in private coverage for children, but were not enough to buffer adults' lost coverage (Figure 1).

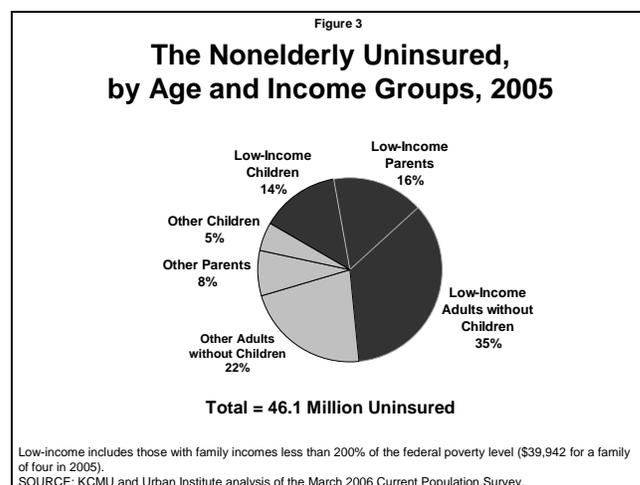


### WHO ARE THE UNINSURED?

Low-income Americans with family incomes below 200% of the poverty level run the highest risk of being uninsured. Over a third of the poor and 30% of the near-poor (100-199% of poverty) lack health coverage (Figure 2).



About two-thirds of the uninsured come from low-income families, and about one third of the uninsured are either low-income parents or their children (Figure 3).

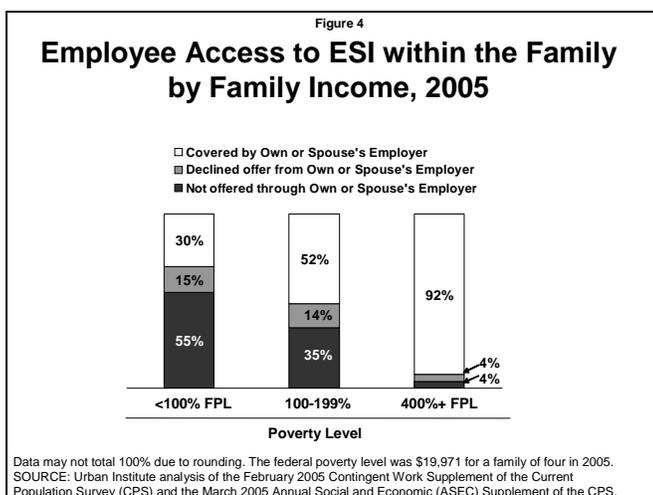


Four out of five (81%) of the uninsured are in working families – 69% in households with at least one full-time worker and 11% with a part-time worker. Low-wage workers are at greater risk of being uninsured, as are those employed in small businesses, service industries, and blue-collar jobs.

### WHY ARE SO MANY AMERICANS UNINSURED?

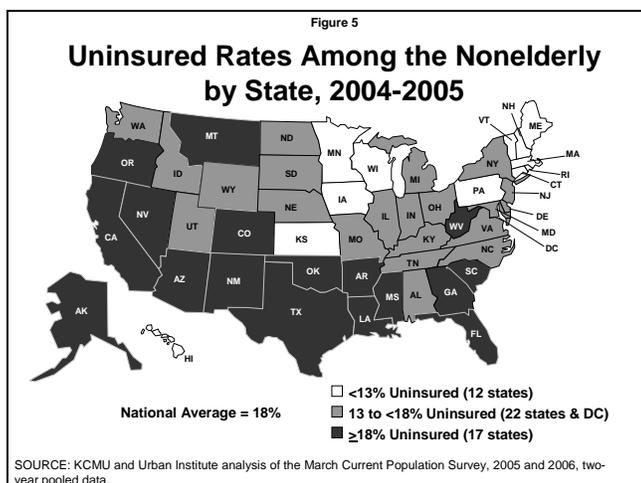
Most Americans obtain health insurance through their employers. Job-based coverage is affected by rising health care costs and premiums relative to the growth in wages and the general economy. Family incomes have not kept pace with health care costs recently, fewer businesses are offering health benefits, and employment continues to shift to jobs where health benefits are less likely to be offered.

Low-income workers—those at greatest risk of being uninsured—are less likely to be offered coverage through their own or a spouse’s job or able to afford premiums in the nongroup market (Figure 4).



Medicaid covers many low-income children, but coverage for adults is more limited. Parent income eligibility levels are set much lower than those of children. Unless severely disabled, even the poorest adults are generally ineligible if they do not have children. In addition, enrollment hurdles and lack of outreach leave many eligible people uninsured.

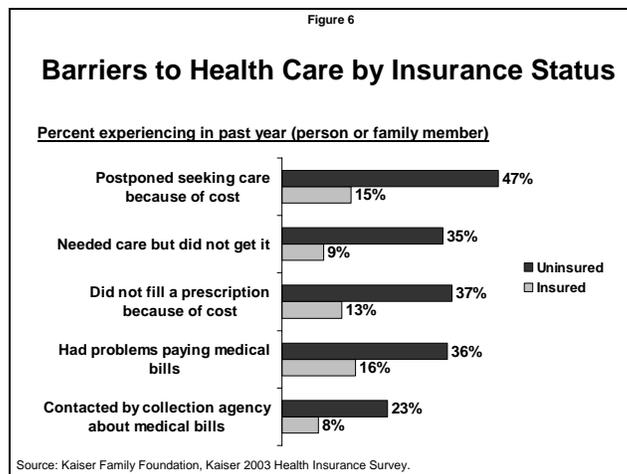
Uninsured rates vary nearly three-fold across states largely due to differences in state economies and employer coverage, the share of families with low incomes, and the scope of state Medicaid programs. (Figure 5).



### WHAT DIFFERENCE DOES HEALTH INSURANCE MAKE?

Health insurance affects access to health care as well as the financial well-being of families. Over 40% of nonelderly uninsured adults have no regular source of health care, and coupled with a fear of high medical bills, many delay or forgo needed care (Figure 6).

Lack of insurance can have a substantial financial impact—over a third of the uninsured have a serious problem paying medical bills, and nearly a quarter are contacted by collection agencies for medical bills.



Delaying or not receiving treatment can lead to more serious illness and avoidable health problems. The uninsured are less likely to receive preventive care than those with insurance and more likely to be hospitalized for conditions that could have been avoided. For example, people with insurance are significantly more likely to have had recent mammograms, and other types of cancer screenings than the uninsured. Consequently, uninsured cancer patients are diagnosed later and die earlier than those with insurance.

Researchers estimate that a reduction in mortality of 5% to 15% could be achieved if the uninsured were to gain continuous health coverage. The Institute of Medicine estimates that at least 18,000 Americans die prematurely each year because they lack health coverage.

Charitable care and the safety net of community clinics and public hospitals do not fully substitute for health insurance. Lack of health coverage matters for millions of uninsured Americans, affecting their access to care, health status, job decisions, and financial security, as well as exacting an indirect toll on society in terms of more disability, lower productivity, and increased burden on the health care system.

For additional copies of this publication (#1420-08) and additional information on the uninsured, visit the Kaiser Family Foundation’s website at [www.kff.org](http://www.kff.org).