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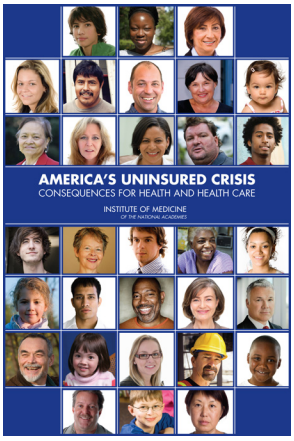
America's Uninsured Crisis: Consequences for Health and Health Care



When policy makers and researchers consider potential solutions to the crisis of uninsurance in the United States, the question of whether health insurance matters to health is often an issue. This question is far more than an academic concern. It is crucial that U.S. health care policy be informed with current and valid evidence on the consequences of uninsurance for health care and health outcomes, especially for the 45.7 million individuals without health insurance.

From 2001 to 2004, the Institute of Medicine (IOM) issued six reports, which concluded that being uninsured was hazardous to people's health and recommended that the nation move quickly to implement a strategy to achieve health insurance coverage for all.

The goal of this report is to inform the health reform policy debate—in 2009—with an up-to-date assessment of the research evidence. This report addresses three key questions: (1) What are the dynamics driving downward trends in health insurance coverage? (2) Is being uninsured harmful to the health of children and adults? (3) Are insured people affected by high rates of uninsurance in their communities?

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CAUGHT IN A DOWNWARD SPIRAL: HEALTH INSURANCE COVERAGE IS DECLINING AND WILL CONTINUE TO DECLINE

A number of ominous signs point to a continuing decline in health insurance coverage in the United States. Health care costs and insurance premiums are growing substantially faster than the economy and family incomes. Rising health care costs and a severely weakened economy threaten not only employer-sponsored insurance, the cornerstone of private health coverage in the United States, but also threaten recent expansions in public coverage. There is no evidence to suggest that the trends driving loss of insurance coverage will reverse without concerted action.

Overall, fewer workers, particularly those with lower wages, are offered employer-sponsored insurance, and fewer among the workers that are offered such insurance can afford the premiums. Moreover, employment has shifted away from industries with traditionally high rates of coverage, such as manufacturing, to service jobs, such as wholesale and retail trades, with historically lower rates of coverage. In some industries, employers have relied more heavily on jobs without health benefits, including part-time and shorter-term

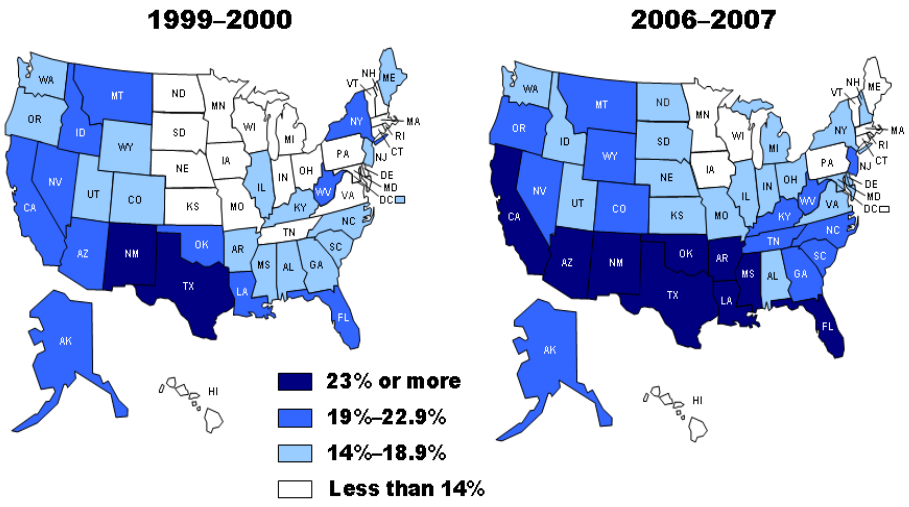
employment, and contract and temporary jobs. In addition, early retirees are less likely to be offered retiree health insurance benefits than in the past.

The states and the federal government have increased substantially health insurance coverage among low-income children and, to a lesser degree, among adults in the last decade. While these coverage expansions have mitigated the overall numbers of uninsured, many states are now under extreme economic pressures to cut their recent expansions of public programs.

A robust body of well-designed, high-quality research provides compelling findings about the harms of being uninsured and the benefits of gaining health insurance for both children and adults.

Americans without access to employer-sponsored health coverage, other sources of group health insurance, or public insurance must turn to the nongroup health insurance market if they want to obtain coverage. For many people, nongroup coverage is prohibitively expensive or altogether unavailable. In most states, insurers may deny applicants for nongroup coverage completely; impose either a permanent or temporary preexisting condition limitation on coverage; or charge a higher premium based on health status, occupation, and other personal characteristics.

Percent of Adults Ages 18–64 Uninsured by State



COVERAGE MATTERS: HEALTH INSURANCE IS INTEGRAL TO PERSONAL WELL-BEING AND HEALTH

A robust body of well-designed, high-quality research provides compelling findings about the harms of being uninsured and the benefits of gaining health insurance for both children and adults. Despite the availability of some safety net services, there is a chasm between the health care needs of people *without* health insurance and access to effective health care services. This gap results in needless illness, suffering, and even death.

RECENT RESEARCH FINDINGS ON THE HARMFUL EFFECTS OF UNINSURANCE FOR ADULTS WITH SELECTED ACUTE CONDITIONS AND CHRONIC DISEASE

Condition	Findings
Acute ischemic stroke	Uninsured adults are more likely than insured adults to suffer extremely poor outcomes, including neurological impairment, intracerebral hemorrhage, and death.
Cancer	Uninsured adults are more likely than insured adults to be diagnosed at an advanced stage of cancer, especially if effective treatments are available and the condition can be detected early by screening (e.g., breast or colorectal cancer) or by clinical assessment of symptoms (e.g., melanoma, bladder cancer).
Congestive heart failure	Uninsured adults are at greater risk of death than insured adults.
Diabetes	Uninsured adults have significantly worse glycemic control than insured adults.
Heart attack	Uninsured adults are more likely than insured adults to die after heart attack.
Hospital inpatients with serious acute conditions	Uninsured adults are at greater risk than insured adults of higher mortality in hospital and for at least 2 years after admission.
Hypertension	Uninsured adults are less likely than insured adults to be aware of hypertension and, if hypertensive, more likely to have inadequate blood pressure control.
Serious injury or trauma	After an unintentional injury, uninsured adults are less likely than insured adults to fully recover and more likely to report subsequent declines in health status. Uninsured adults in severe automobile accidents have a substantially higher mortality rate.

Research shows children benefit considerably from health insurance. When children acquire health insurance:

- They are more likely to have access to a usual source of care; well-child care and immunizations to prevent future illness and monitor developmental milestones; prescription medications; appropriate care for asthma; and basic dental services.
- Serious childhood health problems are more likely to be identified early, and children with special health care needs are more likely to have access to specialists.
- They receive more timely diagnosis of serious health conditions, experience fewer avoidable hospitalizations, have improved asthma outcomes, and miss fewer days of school.

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For adults *without* health insurance, the evidence shows:

- Men and women are much less likely to receive clinical preventive services that have the potential to reduce unnecessary morbidity and premature death.
- Chronically ill adults delay or forgo visits with physicians and clinically effective therapies, including prescription medications.
- Adults are more likely to be diagnosed with later-stage cancers that are detectable by screening or by contact with a clinician who can assess worrisome symptoms.
- Adults are more likely to die from trauma or other serious acute conditions, such as heart attacks or strokes.
- Adults with cancer, cardiovascular disease (including hypertension, coronary heart disease, and congestive heart failure), stroke, respiratory failure, chronic obstructive pulmonary disease (COPD), or asthma exacerbation, hip fracture, seizures, and serious injury are more likely to suffer poorer health outcomes, greater limitations in quality of life, and premature death.

The evidence also demonstrates that when adults acquire health insurance, many of the negative health effects of uninsurance are mitigated.

COMMUNITIES AT RISK: HIGH LEVELS OF UNINSURANCE MAY UNDERMINE HEALTH CARE FOR THE INSURED POPULATION

There are stark differences in community-level uninsurance rates across states, counties, and even areas within counties. In 2007, state-level uninsurance rates ranged from 6 percent in Massachusetts up to almost 28 percent in Texas. Across zip codes in Los Angeles county, uninsurance rates in the nonelderly population in 2005 ranged from 6 percent to 45 percent.

The available research suggests that when community-level rates of uninsurance are relatively high, *insured* adults in those communities are more likely to have difficulties obtaining needed health care and to be less satisfied with the care they receive.

Evaluating the effects of community-level uninsurance rates on insured populations and health care delivery systems is challenging. Even when the rates of uninsurance are comparable, uninsurance may not affect all communities in the same way. The available research suggests that when community-level rates of uninsurance are relatively high, *insured* adults in those communities are more likely to have difficulties obtaining needed health care and to be less satisfied with the care they receive. For example, privately insured, working-age adults in areas of higher uninsurance are less likely to report having a place to go when sick, having had a doctor's visit or routine preventive care, and having seen a specialist when needed. They are also less likely to be satisfied with their choice of primary care and specialty physicians or to feel trust in their doctor's decisions.

The specific contribution of uninsurance to these problems is not well-established. Nevertheless, well-documented fault lines in local health care delivery are particularly vulnerable to the financial pressures that may be exacerbated by higher uninsurance. These pressures contribute to the tendency of providers and capital investments in health care facilities and technology to be concentrated in well-insured areas, the reluctance of specialists to assume on-call responsibilities for emergencies, and a cascade of interrelated hospital-based problems such as insufficient inpatient bed capacity, strained emergency services, and barriers to timely trauma care. These problems can only worsen existing disparities between communities in the supply of provider services and other health care resources and may have potentially serious implications

for the quality and timeliness of care for insured people, as well as uninsured people, in these communities.

The current economic crisis and associated growth in unemployment will fuel further decline in the number of people with health insurance and likely intensify financial pressures on local health care delivery.

The committee does not believe that action should be delayed pending the development of a long-term approach to underlying health care costs.

RECOMMENDATION

The committee recommends that the President work with Congress and other public and private sector leaders on an urgent basis to achieve health insurance coverage for everyone and, in order to make that coverage sustainable, to reduce the costs of health care and the rate of increase in per capita health care spending.

CONCLUSION

In the 5 years since the IOM recommended action to achieve coverage for all Americans, there has been no comprehensive national effort to expand coverage to everyone. A severely weakened economy, rising health care and health insurance costs, growing unemployment, and declining employment-based health insurance coverage all provide evidence that the U.S. health insurance system is in a state of crisis.

There is a compelling case for action. Simply stated: Health insurance coverage matters. Expanding health coverage to all Americans is essential. Action to reduce health care expenditures and the rate of increase in per capita health care spending is also of paramount importance if health insurance coverage for all is to be achieved and sustained.

The committee does not believe that action should be delayed pending the development of a long-term approach to underlying health care costs. Given the demonstrated harms of not having health insurance for children and adults, the committee believes that action to achieve coverage improvements should proceed immediately.

FOR MORE INFORMATION . . .

Copies of *America's Uninsured Crisis: Consequences for Health and Health Care* are available from the National Academies Press, 500 Fifth Street, N.W., Lockbox 285, Washington, DC 20055; (800) 624-6242 or (202) 334-3313 (in the Washington metropolitan area); Internet, www.nap.edu. The full text of this report is available at www.nap.edu.

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