The Future of Employer-Sponsored Health Insurance

The Commonwealth Fund and The Century Foundation Business and National Health Care Reform September 14, 2007

Chartpack is available at www.commonwealthfund.org

The Future of Employer-Based Health Insurance

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1. Employer-Based Coverage is the Backbone of the U.S. Health Insurance System

Figure 1. Employers Provide Health Benefits to More than 160 Million Working Americans and Family Members

92 Million U.S. Workers* Ages 19–64 Have Coverage Through Their Own or Another Employer

![Pie chart showing insurance coverage types.]

- **Own-employer coverage**: 71.3 million
- **Other employer coverage**: 21.0 million
- **Public programs**: 4.6 million
- **Other coverage**: 10.0 million
- **Uninsured**: 19.0 million

*Includes full-time and part-time workers (including self-employed).


People With Employer Insurance Have More Stable Coverage Than Those with Individual Market Insurance

![Bar graph showing insurance retention rates.]

- **Employer insurance**: 86% retained initial insurance status, 2% one or more spells uninsured, 12% other transition uninsured.
- **Individual insurance**: 53% retained initial insurance status, 26% one or more spells uninsured, 21% other transition uninsured.

Risk Pooling and Employer Premium Contributions Lower the Cost of Health Benefits for Adults with Employer Coverage Relative to Those with Individual Market Coverage

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

- **Annual out-of-pocket premium $6,000 or more**
  - Total: 20
  - Employer: 13
  - Individual: 7

- **Annual out-of-pocket premium $3,000–$5,999**
  - Total: 18
  - Employer: 5
  - Individual: 13

- **Annual out-of-pocket premium $0–$2,999**
  - Total: 54
  - Employer: 13
  - Individual: 22


2. Steady Growth in Health Care Costs is Placing Pressure on Employers’ Ability to Provide Comprehensive Benefits
Percentage of National Health Expenditures Spent on Insurance Administration and Overhead, 2003

Net costs of health administration and health insurance as percent of national health expenditures

<table>
<thead>
<tr>
<th>Country</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
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<td>2.1</td>
<td>2.6</td>
<td>3.3</td>
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<tr>
<td>Finland</td>
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<td>2.1</td>
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<td>3.3</td>
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<tr>
<td>United Kingdom*</td>
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<td>2.6</td>
<td>4.2</td>
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<tr>
<td>Netherlands</td>
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<td>Austria</td>
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<tr>
<td>Australia</td>
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<tr>
<td>Switzerland</td>
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<tr>
<td>Germany</td>
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<td></td>
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</tr>
<tr>
<td>United States*</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Includes claims administration, underwriting, marketing, profits, and other administrative costs; based on premiums minus claims expenses for private insurance.

Data: OECD Health Data 2005.

Increases in Health Insurance Premiums Compared with Other Indicators, 1988–2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Health insurance premiums</th>
<th>Workers earnings</th>
<th>Overall inflation</th>
<th>National health expenditures per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>12.0</td>
<td>12.0</td>
<td>8.5</td>
<td>8.5</td>
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<td>1989</td>
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<td>8.5</td>
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<tr>
<td>1991</td>
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<td>1992</td>
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<td>8.5</td>
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<td>1993</td>
<td>12.0</td>
<td>12.0</td>
<td>8.5</td>
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<td>1994</td>
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<tr>
<td>1996</td>
<td>12.0</td>
<td>12.0</td>
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<td>1997</td>
<td>12.0</td>
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<td>12.0</td>
<td>12.0</td>
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<td>12.0</td>
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<tr>
<td>2002</td>
<td>12.0</td>
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<tr>
<td>2003</td>
<td>12.0</td>
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<tr>
<td>2004</td>
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<td>12.0</td>
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<tr>
<td>2005</td>
<td>12.0</td>
<td>12.0</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>2006</td>
<td>12.0</td>
<td>12.0</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>2007</td>
<td>12.0</td>
<td>12.0</td>
<td>8.5</td>
<td>8.5</td>
</tr>
</tbody>
</table>

*Estimate is statistically different from the previous year shown at p<0.05.
^Estimate is statistically different from the previous year shown at p<0.1.
Note: Data on premium increases reflect the cost of health insurance premiums for a family of four. Historical estimates of workers’ earnings have been updated to reflect new industry classifications (NAICS).
Employer Coverage Continues to Be Major Source of Coverage for Employees of Larger Firms

Percent of firms offering health benefits


Deductibles Rise Sharply, Especially in Small Firms, Over 2000–2007

Mean deductible for single coverage (PPO, in-network)


PPO = preferred provider organization. PPOs covered 57 percent of workers enrolled in an employer-sponsored health insurance plan in 2007.
3. Many Americans Are Left Out of the Employer-Based System
Employer-Provided Health Insurance, By Household Income Quintile, 2000–2005

Percent of population under age 65 with health benefits from employer


Uninsured Rates are Increasing Most for Working Middle Class Adults

Percent of working adults who are uninsured

*In 1999, CPS added a follow-up verification question for health coverage.
**Percent of Nonelderly Workers Enrolled in Health Insurance Sponsored by Own Employer, by Wage Quartile and Firm Size**

**Percent of nonelderly workers**

- 1st quartile wage
- 2nd quartile wage
- 3rd quartile wage
- 4th quartile wage

<table>
<thead>
<tr>
<th>Wage Quartile and Firm Size</th>
<th>1st quartile wage</th>
<th>2nd quartile wage</th>
<th>3rd quartile wage</th>
<th>4th quartile wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50 employees, 1 location</td>
<td>20</td>
<td>42</td>
<td>55</td>
<td>66</td>
</tr>
<tr>
<td>&lt;50 employees, 2+ locations</td>
<td>32</td>
<td>60</td>
<td>66</td>
<td>60</td>
</tr>
<tr>
<td>50 to 99 employees</td>
<td>42</td>
<td>77</td>
<td>82</td>
<td>82</td>
</tr>
<tr>
<td>100 to 499 employees</td>
<td>67</td>
<td>81</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>500 or more employees</td>
<td>47</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>32</td>
<td>42</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: Analysis by S. Glied and B. Mahato of Columbia University of the Medical Expenditure Panel Survey, 2001–05.

**Population Under Age 65 With Employer Coverage, 2006**

**Percent with employer coverage**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2000</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total &lt;65</td>
<td>68</td>
<td>63</td>
</tr>
<tr>
<td>&lt;18</td>
<td>63</td>
<td>60</td>
</tr>
<tr>
<td>18-24</td>
<td>60</td>
<td>54</td>
</tr>
<tr>
<td>25-34</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>35-44</td>
<td>68</td>
<td>60</td>
</tr>
<tr>
<td>45-54</td>
<td>74</td>
<td>69</td>
</tr>
<tr>
<td>55-64</td>
<td>71</td>
<td>66</td>
</tr>
</tbody>
</table>

Percent of Children and Adults With Employer-Sponsored Coverage, by Poverty

Percent with coverage through their own or other employer

<table>
<thead>
<tr>
<th>Children</th>
<th>Adults*</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100% FPL</td>
<td>&lt;100% FPL</td>
</tr>
<tr>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>100–199% FPL</td>
<td>100–199% FPL</td>
</tr>
<tr>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>200%+ FPL</td>
<td>200%+ FPL</td>
</tr>
<tr>
<td>76%</td>
<td>79%</td>
</tr>
</tbody>
</table>

FPL = federal poverty level.
*Adults age 19 and over; children are age 18 and under.

The Majority of Uninsured Adults Are in Working Families

Adults ages 19–64 with any time uninsured

<table>
<thead>
<tr>
<th>Adult work status</th>
<th>Family work status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not currently employed 36%</td>
<td>At least one full-time worker 67%</td>
</tr>
<tr>
<td>Full-time 49%</td>
<td>No worker in family 21%</td>
</tr>
<tr>
<td>Part-time 15%</td>
<td>Only part-time worker(s) 11%</td>
</tr>
</tbody>
</table>

Note: Percentages may not sum to 100% because of rounding.
More than Three of Five Working Adults with Any Time Uninsured Are Employed in Firms with Fewer than 100 Employees

Percent of employed adults with any time uninsured, ages 19–64

- Don’t know/refused: 4%
- Self-employed/1 employee: 10%
- 500+ employees: 21%
- 2–19 employees: 31%
- 100–499 employees: 11%
- 20–99 employees: 22%

Note: Percentages may not sum to 100% because of rounding.

Uninsured Workers By Firm Size 1987–2005

Workers Who Are Offered, Eligible for, and Participate in Their Employer’s Health Plan, by Firm Size and Hourly Wage

Percent of working adults^ ages 19–64

- Employer offers a plan
- Eligible for employer plan
- Covered through own employer

<table>
<thead>
<tr>
<th></th>
<th>Small employer (fewer than 50 employees)</th>
<th>Medium to large employer (50 or more employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15/hr</td>
<td>42%</td>
<td>98%</td>
</tr>
<tr>
<td>More than $20/hr</td>
<td>21%</td>
<td>95%</td>
</tr>
<tr>
<td>Less than $15/hr</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>More than $20/hr</td>
<td>45%</td>
<td>83%</td>
</tr>
</tbody>
</table>

^Includes both part-time and full-time workers.


Percent Uninsured Workers by Firm Size and Hourly Wage

Percent of working adults^ ages 19–64 who are uninsured

<table>
<thead>
<tr>
<th></th>
<th>Small employer (fewer than 50 employees)</th>
<th>Medium to large employer (50 or more employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15/hr</td>
<td>39%</td>
<td>1%</td>
</tr>
<tr>
<td>More than $20/hr</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

^Includes both part-time and full-time workers.


- Worked full time over 48 months
- Worked, less than full time over 48 months
- No work over 48 months

<table>
<thead>
<tr>
<th>Group</th>
<th>Worked Full Time</th>
<th>Worked, Less Than Full Time</th>
<th>No Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>34</td>
<td>56</td>
<td>10</td>
</tr>
<tr>
<td>African American</td>
<td>16</td>
<td>63</td>
<td>21</td>
</tr>
<tr>
<td>White</td>
<td>24</td>
<td>63</td>
<td>12</td>
</tr>
<tr>
<td>Total 19–64</td>
<td>24</td>
<td>62</td>
<td>14</td>
</tr>
</tbody>
</table>


Low-Income* Hispanics Are Less Likely to Have Insurance—Though More Likely to Be Steadily Employed

Percent uninsured by employment of head of household among low-income adults (19–64), 1996–1999

- Any time uninsured
- Uninsured more than one year

<table>
<thead>
<tr>
<th>Group</th>
<th>Any Time Uninsured</th>
<th>Uninsured More Than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>49</td>
<td>71</td>
</tr>
<tr>
<td>African American</td>
<td>54</td>
<td>78</td>
</tr>
<tr>
<td>Hispanic</td>
<td>88</td>
<td>71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group</th>
<th>Worked, but less than full-time employment over 48 months</th>
<th>Full-time employment over 48 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>47</td>
<td>55</td>
</tr>
<tr>
<td>African American</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td>Hispanic</td>
<td>61</td>
<td>73</td>
</tr>
</tbody>
</table>

Percent of Children in Employer-Sponsored Insurance or Uninsured, by Employment Status of Adults in Family


Notes: Families are assigned to a unique employment status using the following hierarchy: one or more full-time adult workers employed by a large firm, one or more full-time adult workers employed by a small firm, one or more adult workers with multiple part-time jobs, one or more adult workers with one part-time job, no workers.

Uninsured Workers: Reasons for Lack of Insurance Coverage, Ages 19–64

Nonstandard Workers as a Share of the Workforce

- Temp. agency workers: 1%
- On-call/day laborers: 2%
- Wage & salaried independent contractor: 1%
- Self-employed independent contractor: 6%
- Contract company workers: 0.4%
- Direct-hire temporaries: 2%
- Regular part-time workers: 13%
- Regular self-employed workers (neither standard nor nonstandard): 4%


Non-Standard Workers Are Less Likely to Have Access to Job-Based Health Insurance, 2001

Take-up rates:
- Standard workers: 85.1%
- All nonstandard workers: 53.5%

- Not eligible/not offered: 60%
- Eligible, but declined: 19%
- Insured by own-employer plan: 21%

Notes: Self-employed independent contractors are excluded from this analysis. "Not eligible/Not offered" includes workers who are not eligible for the company plan as well as workers who are not offered coverage because their company does not sponsor a health insurance plan.

Non-Standard Workers Are Less Likely to Have Health Insurance Coverage Through Their Own Job, 2001

<table>
<thead>
<tr>
<th>Category</th>
<th>Standard workers</th>
<th>All nonstandard workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured</td>
<td>12%</td>
<td>24%</td>
</tr>
<tr>
<td>Medicare/Medicaid/other government source</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Other source of health insurance</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Spouse/family member plan</td>
<td>74%</td>
<td>39%</td>
</tr>
<tr>
<td>Own employer’s health insurance</td>
<td>21%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Notes: Self-employed independent contractors are excluded from this analysis. “Other source of health insurance” includes insurance from the individual market, from another job, from a previous job, or from an association, school, or other unidentified source.

People with Lower Incomes and Young Adults Have Less Stable Employer Coverage

- **Employer insurance**
  - Retained initial insurance status: 86%
  - One or more spells uninsured: 12%
  - Other transitions uninsured: 2%

- **Low-income* with employer insurance**
  - Retained initial insurance status: 61%
  - One or more spells uninsured: 32%
  - Other transitions uninsured: 6%

- **Young adults ages 17–22 with employer insurance**
  - Retained initial insurance status: 70%
  - One or more spells uninsured: 27%
  - Other transitions uninsured: 3%

*Low-income defined as less than 200% of the federal poverty level.
Note: Numbers may not sum to 100% due to rounding.
Insurance Instability Among Older Adults in Working Families

Percent of adults 50–64 not on Medicare who are employed or whose spouse is employed

- Insured all last year, time uninsured since age 50
- Insured now, time uninsured in past year
- Uninsured now

*Difference across income is statistically significant at p < 0.05 or better.

Note: Income groups based on 2003 household income.

Nearly One Quarter of Medicare Beneficiaries Were Uninsured Just Before Enrolling

Percent of Medicare beneficiaries ages 50–70

Workers With Employer-Sponsored Insurance Often Become Uninsured if They Leave or Switch Jobs

Percent of non-elderly workers

- Kept employer-sponsored coverage: 98%
- Became uninsured:
  - Same job: 1%
  - Switched jobs (n=1804): 45%
  - Left job, voluntary (n=638): 0%
  - Left job, involuntary (n=540): 0%
  - Left job, health reasons (n=122): 43%

Source: Commonwealth Fund analysis of the 2001 through 2005 Medical Expenditure Panel Survey.
Notes: Only includes workers age 19 to 64 who were initially enrolled in employer-sponsored insurance through their employer. Job changes were identified based on employment status reported in two survey rounds approximately four months apart.

Lower Income Workers Are Least Likely to Be Eligible for COBRA*

- Below 200% poverty
  - Other insurance: 20%
  - COBRA-eligible: 40%
  - ESI**: Small firm: 11%
  - Uninsured: 32%

- 200% poverty or more
  - Other insurance: 8%
  - COBRA-eligible: 75%
  - ESI**: Small firm: 8%
  - Uninsured: 6%

*The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires employers with 20 or more employees to offer continuation of health insurance coverage to former employees.
**Employer-sponsored insurance coverage.
More Than Half of Unemployed Adults are Uninsured


Unemployed Uninsured People Have Lower Incomes

4. Employer Views of Employment-Based Coverage

Among Firms Offering Health Benefits, How Important Are Firms’ Health Benefits in Attracting Highly Qualified Employees?*

<table>
<thead>
<tr>
<th></th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms</td>
<td>34%</td>
<td>57%</td>
<td>91%</td>
</tr>
<tr>
<td>Small firms</td>
<td>34%</td>
<td>55%</td>
<td>89%</td>
</tr>
<tr>
<td>(3–199 workers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large firms</td>
<td>34%</td>
<td>59%</td>
<td>93%</td>
</tr>
<tr>
<td>(200+ workers)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Tests found no statistically different estimates between subgroups.
Note: Figure is shown with employee-based weights.
Among Firms Offering Health Benefits, How Important Are Firms’ Health Benefits in Retaining Highly Qualified Employees?*

- **All firms**: 37% very important, 56% somewhat important, 93% total important
- **Small firms (3–199 workers)**: 35% very important, 54% somewhat important, 89% total important
- **Large firms (200+ workers)**: 39% very important, 57% somewhat important, 96% total important

*Difference between subgroups is statistically significant at p<.05.

Note: Figure is shown with employee-based weights.


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Among Firms Offering Health Benefits, How Important Are Firms’ Health Benefits in Improving Employee Morale and Satisfaction?*

- **All firms**: 28% very important, 67% somewhat important, 95% total important
- **Small firms (3–199 workers)**: 30% very important, 61% somewhat important, 91% total important
- **Large firms (200+ workers)**: 26% very important, 71% somewhat important, 97% total important

*Difference between subgroups is statistically significant at p<.05.

Note: Figure is shown with employee-based weights.

Among Firms Offering Health Benefits, How Important Are Firms’ Health Benefits in Improving Employee Health?*

- **Very important**
  - All firms: 39%
  - Small firms (3–199 workers): 44%
  - Large firms (200+ workers): 36%

- **Somewhat important**
  - All firms: 55%
  - Small firms (3–199 workers): 45%
  - Large firms (200+ workers): 60%

*Difference between subgroups is statistically significant at p<.05.

Note: Figure is shown with employee-based weights.


---

Among Firms Offering Health Benefits, How Important Are Firms’ Health Benefits in Improving Employee Performance or Productivity?*

- **Very important**
  - All firms: 43%
  - Small firms (3–199 workers): 38%
  - Large firms (200+ workers): 46%

- **Somewhat important**
  - All firms: 35%
  - Small firms (3–199 workers): 33%
  - Large firms (200+ workers): 36%

*Difference between subgroups is statistically significant at p<.05.

Note: Figure is shown with employee-based weights.

**Firms’ Agreement with Statement That All Employers Should Share in the Cost of Health Insurance for Employees by Either Providing Health Insurance or Contributing to a Fund to Cover the Uninsured**

![Bar chart showing the percentage of firms' agreement with the statement.](chart)

- **All firms**: Somewhat agree: 66%, Strongly agree: 42%
- **Don't offer health benefits**: Somewhat agree: 54%, Strongly agree: 41%
- **Offer health benefits**: Somewhat agree: 67%, Strongly agree: 42%
- **Large firms (200+ workers)**: Somewhat agree: 66%, Strongly agree: 42%
- **Small firms (3-199 workers)**: Somewhat agree: 66%, Strongly agree: 41%

*Difference between subgroups is statistically significant at p<0.05.

Note: Figure is shown with employee-based weights.


**Reasons Why New York Firms Did Not Offer Health Benefits, 2003**

<table>
<thead>
<tr>
<th>Reason of Non-Offering</th>
<th>Percent of Non-Offering Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums too high</td>
<td>85%</td>
</tr>
<tr>
<td>Firm is too small</td>
<td>54%</td>
</tr>
<tr>
<td>Employees are covered elsewhere</td>
<td>28%</td>
</tr>
<tr>
<td>Can attract good employees without health insurance</td>
<td>22%</td>
</tr>
<tr>
<td>Administrative hassle too great</td>
<td>20%</td>
</tr>
<tr>
<td>Employee turnover too great</td>
<td>15%</td>
</tr>
<tr>
<td>Too newly established</td>
<td>5%</td>
</tr>
<tr>
<td>Firm has seriously ill employee</td>
<td>5%</td>
</tr>
</tbody>
</table>

5. Employee Views of Employment-Based Coverage

Percent of People with ESI* Who Say That Employers Do a Good Job Selecting Quality Insurance Plans to Offer Their Workers

<table>
<thead>
<tr>
<th>Percent</th>
<th>Total</th>
<th>&lt;200%</th>
<th>200%+</th>
<th>&lt;20</th>
<th>20-99</th>
<th>100-499</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>68</td>
<td>75</td>
<td>69</td>
<td>70</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>&lt;200%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200%+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100-499</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*ESI = employer-sponsored insurance. FPL = federal poverty level.

Note: Based on respondents age 19-64 who were covered all year by their own employer’s insurance.

The High Cost of Coverage Makes Employee Health Benefits Very Valuable

Employers who provide health benefits now pay an average of $6,700 per employee each year for that coverage, which is not counted as taxable income to employees. Would you rather have...

*Among those employed full- or part-time (2006 n=572)

- $6,700 in employer-provided health insurance coverage: 73% (2001), 76% (2004), 80% (2005), 75% (2006)
- An additional $6,700 in taxable income: 25% (2001), 21% (2004), 14% (2005), 20% (2006)
- Don’t know/refused

Note: The $6,700 amount was used in the 2006 survey. Smaller dollar amounts were used in earlier years, based on average premiums in those years.

Many Workers Value Their Employer-Provided Health Benefits Far Above Their Actual Cost

How much would an employer have to give you each year in taxable income for you to willingly give up your employer-provided coverage?

*Among those with employer-based coverage preferring employer-provided coverage to an additional $6,700 in taxable income (n=400)

- Under $10,000: 11%
- $10,000–14,999: 25%
- $15,000+: 22%
- No amount enough: 13%
- Don’t know/refused: 30%

Note: Percentages may not sum to 100% due to rounding.
Employed Adults or Those with Employer-Sponsored Insurance Prefer Having an Employer-Chosen Set of Health Plan Options Over a Cash Account

- Employer-chosen set of health plans: 67%
- Employer-funded account, find own health plan: 24%
- Unknown: 9%


Four of Five Adults with Employer-Sponsored Insurance Report Having “A Great Deal” or “A Fair Amount” of Choice in Where To Go for Medical Care

Percent of adults 19–64

- Employer-sponsored insurance: 81% (A fair amount of choice), 46% (Great deal of choice)
- Individual insurance: 70% (A fair amount of choice), 37% (Great deal of choice)
- Public/other insurance: 64% (A fair amount of choice), 41% (Great deal of choice)
- Uninsured: 47% (A fair amount of choice), 33% (Great deal of choice)

Employees in Large Firms Are Most Likely to Have Two or More Health Plan Choices

Percent of adults ages 19-64 insured all year with ESI*

<table>
<thead>
<tr>
<th>% FPL</th>
<th>Number of employees in firm</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Total</td>
<td>54</td>
</tr>
<tr>
<td>&lt;200%</td>
<td>&lt;200%+</td>
<td>45</td>
</tr>
<tr>
<td>200%+</td>
<td>&lt;20</td>
<td>56</td>
</tr>
<tr>
<td>&lt;20</td>
<td>20-99</td>
<td>25</td>
</tr>
<tr>
<td>20-99</td>
<td>100-499</td>
<td>38</td>
</tr>
<tr>
<td>100-499</td>
<td>500+</td>
<td>48</td>
</tr>
</tbody>
</table>

*ESI = employer-sponsored insurance.

Based on adults 19-64 who were insured all year through their own employer.


Adults With Employer Coverage Give Their Health Plans Higher Ratings Than Those in the Individual Market

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

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total</th>
<th>ESI</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good</td>
<td>53</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>Excellent</td>
<td>31</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Percentages</td>
<td>22</td>
<td>22</td>
<td>14</td>
</tr>
</tbody>
</table>

6. Few Options Outside of Employer-Based Coverage: Growing Numbers of Uninsured

47 Million Uninsured in 2006; Increase of 8.6 Million Since 2000

Number of uninsured, in millions

*1999–2006 estimates reflect the results of follow-up verification questions and implementation of Census 2000-based population controls.
Population Under Age 65 Without Health Insurance


Uninsured Non-Elderly Adult Rate
Increased from 17.8% to 20.0% in Last Five Years


---

**Percent of Uninsured Children Declined Since Implementation of SCHIP but Gaps Remain**

**1999–2000**
- U.S. Average: 12.7%

**2005–2006**
- U.S. Average: 11.3%

- **16% or more**
- **10%–15.9%**
- **7%–9.9%**
- **Less than 7%**

---

**One of Four People Under Age 65 Was Uninsured During Part of 2005**

- Insured all year: 73.9%
- Uninsured all year: 14.2%
- Uninsured part year: 11.9%

**Total population under age 65 = 256 million**

Insurance Instability and Churning
38 Percent of Nonelderly People – 85 Million – Were Uninsured over the Four-Year Period 1996–1999

Percent of population under age 65

- Any time uninsured
- More than one year uninsured


Uninsured Rates High Among Adults with Low and Moderate Incomes, 2001–2005

Percent of adults ages 19–64

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

Note: Income refers to annual income. In 2001 and 2003, low income is <$20,000, moderate income is $20,000–$34,999, middle income is $35,000–$59,999, and high income is $60,000 or more. In 2005, low income is <$20,000, moderate income is $20,000–$39,999, middle income is $40,000–$59,999, and high income is $60,000 or more.

Distribution of Uninsured Adults Ages 18–64 by Poverty, 2006


Uninsured Population, 2005
Nearly Two-Thirds are Low Income*

*Low-income defined as less than 200% of the federal poverty level.
**Percent Under Age 65 Uninsured During Year by Poverty Level, 2004**

- **Uninsured all year**
  - Total: 26%
  - <100% FPL: 18%
  - 100%–199% FPL: 26%
  - 200%–399% FPL: 14%
  - >400% FPL: 12%

- **Uninsured part year**
  - Total: 25%
  - <100% FPL: 24%
  - 100%–199% FPL: 25%
  - 200%–399% FPL: 14%
  - >400% FPL: 6%


**Length of Time Uninsured, Adults Ages 19–64**

- **Insured now, time uninsured in past year**
  - 16.2 million
  - 3 months or less: 34%
  - 4 to 11 months: 39%
  - One year or more: 26%
  - Don't know/refused: 1%

- **Uninsured at the time of the survey**
  - 31.6 million
  - 3 months or less: 6%
  - 4 to 11 months: 11%
  - One year or more: 82%
  - Don't know/refused: 2%

Note: Percentages may not sum to 100% because of rounding.

Adults Ages 19–64 Who Are Uninsured and Underinsured, by Poverty Status, 2003

*Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of incomes if low-income (<200% of poverty); or deductibles equaled 5% or more of income.


Uninsured Rates Are High Among Hispanics and African Americans, 2005

Note: Because of rounding, totals above stacked bars may not reflect the sum of each insurance category.

There Are 13.3 Million Uninsured Young Adults Ages 19–29,
30 Percent of Nonelderly Uninsured Adults, 2005

Uninsured nonelderly adults = 44.4 million

Rates of Uninsurance Rise Dramatically After Age 19, Particularly Among Lower Income Young Adults, 2005

<table>
<thead>
<tr>
<th>Percent Uninsured</th>
<th>Children Age 18 and Under</th>
<th>Young Adults Ages 19–29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11%</td>
<td>30%</td>
</tr>
<tr>
<td>&lt;100% FPL</td>
<td>20</td>
<td>51</td>
</tr>
<tr>
<td>100%–199% FPL</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>&gt;200% FPL</td>
<td>7</td>
<td>16</td>
</tr>
</tbody>
</table>

FPL = federal poverty level.
Nearly Two of Five College Graduates Had Time Uninsured in Year Following Graduation, 1996–2000*

<table>
<thead>
<tr>
<th>Percent of college graduates</th>
<th>Insured continuously</th>
<th>Time uninsured</th>
<th>Uninsured for six months or more</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Uninsured Rates Remain High Over the Life Span Among People With Lower Incomes, 2005

<table>
<thead>
<tr>
<th>Percent Uninsured</th>
<th>18 and Under</th>
<th>19–29</th>
<th>30–35</th>
<th>36–49</th>
<th>50–64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11%</td>
<td>30%</td>
<td>22%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>&lt;100% FPL</td>
<td>20</td>
<td>51</td>
<td>47</td>
<td>43</td>
<td>32</td>
</tr>
<tr>
<td>100%–199% FPL</td>
<td>16</td>
<td>42</td>
<td>39</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>&gt;200% FPL</td>
<td>7</td>
<td>16</td>
<td>13</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

FPL = federal poverty level.
Lacking Health Insurance for Any Period Threatens Access to Care

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

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

<table>
<thead>
<tr>
<th>Problem</th>
<th>Insured all year</th>
<th>Insured now, time uninsured in past year</th>
<th>Uninsured now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not fill a prescription</td>
<td>18</td>
<td>10</td>
<td>43</td>
</tr>
<tr>
<td>Did not see specialist when needed</td>
<td>33</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Skipped medical test, treatment, or follow-up</td>
<td>13</td>
<td>36</td>
<td>39</td>
</tr>
<tr>
<td>Had medical problem, did not see doctor or clinic</td>
<td>15</td>
<td>44</td>
<td>49</td>
</tr>
<tr>
<td>Any of the four access problems</td>
<td>28</td>
<td>60</td>
<td>59</td>
</tr>
</tbody>
</table>


Receipt of Recommended Screening and Preventive Care for Adults, by Family Income and Insurance Status, 2004

Percent of adults (ages 18+) who received all recommended screening and preventive care within a specific time frame given their age and sex*

- National: 48
- 400%+ FPL: 57
- 200%–399% FPL: 46
- <200% FPL: 38
- Insured all year: 52
- Uninsured part year: 46
- Uninsured all year: 29

FPL = federal poverty level.
*Recommended care includes seven key screening and preventive services: blood pressure, cholesterol, Pap, mammogram, fecal occult blood test or sigmoidoscopy/colonoscopy, and flu shot.

Preventive and Primary Care Varies by Workers’ Job Compensation Levels

- **Lowest compensated**
- **Mid-compensated**
- **Higher compensated**

**Regular doctor (ages 19–64)**
- Lowest compensated: 64%
- Mid-compensated: 74%
- Higher compensated: 89%

**Blood pressure check in past year (ages 19–64)**
- Lowest compensated: 74%
- Mid-compensated: 84%
- Higher compensated: 91%

**Cholesterol check in past five years (ages 19–64)**
- Lowest compensated: 54%
- Mid-compensated: 66%
- Higher compensated: 85%

---

Note: Lowest compensated are all workers with wage rate <$10/hr; mid-compensated are workers with wage rate $10–$15/hour and those >$15/hour but no employer-sponsored insurance; higher compensated are workers with wage rate >$15/hour and employer-sponsored insurance.


---

**Preventive Care Visits for Children, by Top and Bottom States, Race/Ethnicity, Family Income, and Insurance, 2003**

**Percent of children (ages <18) who received BOTH a medical and dental preventive care visit in past year**

- **U.S. average**: 59%
- **Top 10% states**: 73%
- **Bottom 10% states**: 48%
- **White**: 62%
- **Black**: 58%
- **Hispanic**: 49%
- **400%+ FPL**: 70%
- **<100% FPL**: 48%
- **Private insurance**: 63%
- **Uninsured**: 35%

FPL = federal poverty level.


Adults Without Insurance Are Less Likely to Be Able to Manage Chronic Conditions

Percent of adults ages 19–64 with at least one chronic condition*

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

Skipped doses or did not fill prescription for chronic condition because of cost
Visited ER, hospital, or both for chronic condition

*Hypertension, high blood pressure, or stroke; heart attack or heart disease; diabetes; asthma, emphysema, or lung disease.

Receipt of All Three Recommended Services for Diabetics, by Race/Ethnicity, Family Income, Insurance, and Residence, 2002

Percent of diabetics (ages 18+) who received HbA1c test, retinal exam, and foot exam in past year

- Total
- White
- Black
- Hispanic
- <40% of poverty
- 40%–59% of poverty
- 60%–79% of poverty
- 80%–100% of poverty
- Private
- Uninsured
- Urban
- Rural

*Insurance for people ages 18–64.
**Urban refers to metropolitan area >1 million inhabitants; Rural refers to noncore area <10,000 inhabitants.
Previously Uninsured Medicare Beneficiaries With History of Cardiovascular Disease or Diabetes Have Much Higher Self-Reported Hospital Admissions After Entering Medicare Than Previously Insured

Number of hospital admissions per 2-year period


Among Adults with New Onset of Chronic Condition, Uninsured Receive Less Care, Health Status More Likely to Worsen*

Notes: Analysis only includes nonelderly individuals who experienced the onset of a new chronic condition.

* Differences between uninsured and insured in receipt of care and changes in health status are statistically significant at p ≤ 0.002.

Among Older Adults, Uninsured Have Significantly Higher Mortality Rates*

Percent of 55–64 year olds dying over eight-year period

- **Uninsured**: 10.5%
- **Insured**: 7.5%

Notes: Analysis included adults age 55 to 64. Results are adjusted for individual characteristics using a propensity score matching technique.
* Differences in mortality rates between uninsured and insured are statistically significant at p ≤ 0.01.

More than Half of Uninsured Adults Reported Problems Paying Medical Bills or Are Paying Off Medical Debt

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

- **Total**:
  - Not able to pay medical bills: 23%
  - Contacted by collection agency*: 13%
  - Had to change way of life to pay medical bills: 14%
  - Medical bills/debt being paid off over time: 21%
  - Any medical bill problem or outstanding debt: 34%

- **Insured all year**:
  - Not able to pay medical bills: 10%
  - Contacted by collection agency*: 8%
  - Had to change way of life to pay medical bills: 9%
  - Medical bills/debt being paid off over time: 18%
  - Any medical bill problem or outstanding debt: 26%

- **Uninsured during the year**:
  - Not able to pay medical bills: 53%
  - Contacted by collection agency*: 53%
  - Had to change way of life to pay medical bills: 53%
  - Medical bills/debt being paid off over time: 53%
  - Any medical bill problem or outstanding debt: 53%

*Includes only those individuals who had a bill sent to a collection agency when they were unable to pay it.
One-Quarter of Adults With Medical Bill Burdens and Debt Were Unable to Pay for Basic Necessities

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>Insured all year</th>
<th>Insured now, time uninsured during year</th>
<th>Uninsured now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unable to pay for basic necessities (food, heat or rent) because of medical bills</td>
<td>26%</td>
<td>19%</td>
<td>28%</td>
<td>40%</td>
</tr>
<tr>
<td>Used up all of savings</td>
<td>39</td>
<td>33</td>
<td>42</td>
<td>49</td>
</tr>
<tr>
<td>Took out a mortgage against your home or took out a loan</td>
<td>11</td>
<td>10</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Took on credit card debt</td>
<td>26</td>
<td>27</td>
<td>31</td>
<td>23</td>
</tr>
</tbody>
</table>


7. The Individual Insurance Market is Not an Affordable Option for Many People
Individual Market Is Not an Affordable Option for Many People

<table>
<thead>
<tr>
<th>Adults ages 19–64 with individual coverage or who thought about or tried to buy it in past 3 years who:</th>
<th>Total</th>
<th>Health Problem</th>
<th>No Health Problem</th>
<th>&lt;200% Poverty</th>
<th>200%+ Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Found it very difficult or impossible to find coverage they needed</td>
<td>34%</td>
<td>48%</td>
<td>24%</td>
<td>43%</td>
<td>29%</td>
</tr>
<tr>
<td>Found it very difficult or impossible to find affordable coverage</td>
<td>58</td>
<td>71</td>
<td>48</td>
<td>72</td>
<td>50</td>
</tr>
<tr>
<td>Were turned down or charged a higher price because of a pre-existing condition</td>
<td>21</td>
<td>33</td>
<td>12</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>Never bought a plan</td>
<td>89</td>
<td>92</td>
<td>86</td>
<td>93</td>
<td>86</td>
</tr>
</tbody>
</table>


Two of Five Adults with Individual Coverage Spent 5 Percent or More of Income on Premium Costs

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

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

*ESI = employer-sponsored insurance.

More than One-Third of Adults with Individual Coverage Have Annual Deductibles of $1,000 or More

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

- Annual deductible $1,000 or more
- Annual deductible $500–$999

<table>
<thead>
<tr>
<th>Total</th>
<th>ESI*</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>10</td>
<td>48</td>
</tr>
<tr>
<td>20</td>
<td>8</td>
<td>37</td>
</tr>
<tr>
<td>12</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

*ESI = employer-sponsored insurance.


More than 2 in 5 Adults with Individual Coverage Spent 10 Percent or More of Their Household Income Annually on Family Out-of-Pocket Expenses and Premiums

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

<table>
<thead>
<tr>
<th>Total</th>
<th>ESI*</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>25</td>
<td>65</td>
</tr>
<tr>
<td>38</td>
<td>24</td>
<td>43</td>
</tr>
</tbody>
</table>

*ESI = employer-sponsored insurance.

More than Half of Older Adults with Individual Coverage Spend $3,600 or More Annually on Premiums

Percent of insured adults ages 50–70

<table>
<thead>
<tr>
<th></th>
<th>Annual out-of-pocket premium $6,000 or more</th>
<th>Annual out-of-pocket premium $3,600–$5,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Insured</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Medicare</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>ESI*</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Individual</td>
<td>54</td>
<td>26</td>
</tr>
</tbody>
</table>

*ESI* = employer-sponsored insurance.


Percent of Older Adults Spending 5% or 10% of Income on Out-of-Pocket Premiums, by Insurance Coverage

Percent of insured adults ages 50–70

<table>
<thead>
<tr>
<th></th>
<th>5% or more of income</th>
<th>10% or more of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Insured</td>
<td>23</td>
<td>10</td>
</tr>
<tr>
<td>Medicare</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>ESI*</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Individual</td>
<td>57</td>
<td>33</td>
</tr>
</tbody>
</table>

*ESI* = employer-sponsored insurance.

More than Two of Five Older Adults with Individual Coverage Have Annual Deductibles of $1,000 or More

Percent of insured adults ages 50–70

- **Annual deductible $1,000 or more**
- **Annual deductible $500–$999**

<table>
<thead>
<tr>
<th></th>
<th>Total Insured</th>
<th>Medicare</th>
<th>ESI*</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000+</td>
<td>18</td>
<td>9</td>
<td>7</td>
<td>54</td>
</tr>
<tr>
<td>$500–999</td>
<td>8</td>
<td>7</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

*ESI = employer-sponsored insurance.


8. Rising Health Care Costs Relative to Income
Financial Burden for Low- and Middle-Income Families Is Increasing

Percent of nonelderly adults who spend >10% of disposable household income on out-of-pocket premiums and expenditures on health care services

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>&lt;100% FPL</td>
<td>26</td>
<td>33</td>
</tr>
<tr>
<td>100–&lt;200% FPL</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>200–&lt;400% FPL</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>400%+ FPL</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Note: Financial burden includes out-of-pocket expenditures on premiums for private insurance and other health care services.

16 Million Adults Under Age 65 Were Underinsured in 2005

Uninsured during the year 47.8 (28%)
Insured, not underinsured 108.6 (63%)
Underinsured 16.1 (9%)

Note: Underinsured defined as insured all year but experienced one of the following: medical expenses equaled 10% or more of income; medical expenses equaled 5% or more of incomes if low-income (<200% of poverty); or deductibles equaled 5% or more of income.
Americans Spend More Out-of-Pocket on Health Care Expenses Than Citizens in Other Industrialized Countries

National health expenditures per capita (US$)

Out-of-pocket health care spending per capita (US$)


Small-Firm Workers More Likely than Large-Firm Workers to Contribute Large Share of Premium

Percentage of premium contributed by covered workers for family coverage, by firm size, 2007

Small Firms (3–199 workers)

Large Firms (200+ workers)

All Firms

Low Income Adults are Less Likely to Have Rx Benefits, Those without Rx Benefits Less Likely to Fill Rx, And More Likely to Report Problems Paying Medical Bill


Adults with High Deductibles Are More Likely to Avoid Needed Health Care Because of Cost

People With Capped Drug Benefits Have Lower Drug Utilization, Worse Control of Chronic Conditions; Cost Savings From Cap Are Offset by Increases in Hospitalization and Emergency Room Use

<table>
<thead>
<tr>
<th>Drug Benefits Capped</th>
<th>Benefits not capped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-HBP* drugs</td>
<td>15 18</td>
</tr>
<tr>
<td>Lipid-lowering drugs</td>
<td>27 31</td>
</tr>
<tr>
<td>Antibiotic drugs</td>
<td>21 26</td>
</tr>
<tr>
<td>HBP*</td>
<td>30 40</td>
</tr>
<tr>
<td>High cholesterol</td>
<td>20 21</td>
</tr>
<tr>
<td>High blood glucose levels</td>
<td>17 20</td>
</tr>
<tr>
<td>ED visits</td>
<td>45 49</td>
</tr>
<tr>
<td>Non-elective hospitalization</td>
<td>17 19</td>
</tr>
</tbody>
</table>

Percent of drug nonadherence
Percent of poor physiological outcomes
Rate** of medical services use

*HBP=high blood pressure. **Rate per 100 person-years.

Cost-Sharing Reduces Use of Both Essential and Less Essential Drugs and Increases Risk of Adverse Events

<table>
<thead>
<tr>
<th>Drugs</th>
<th>Percent reduction in drugs per day</th>
<th>Percent increase in incidence per 10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
<td>Low income</td>
<td>Elderly</td>
</tr>
<tr>
<td>Essential</td>
<td>9 14</td>
<td>117 97</td>
</tr>
<tr>
<td>Less essential</td>
<td>15 22</td>
<td>43 78</td>
</tr>
</tbody>
</table>

Adults with High Deductibles Have Problems Paying Medical Bills or Are Paying Off Medical Debt

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

- Not able to pay medical bills: 14% < $500, 23% $500–$999, 20% $1,000+
- Contacted by collection agency*: 8% < $500, 9% $500–$999, 5% $1,000+
- Had to change way of life to pay medical bills: 6% < $500, 13% $500–$999, 17% $1,000+
- Medical bills/debt being paid off over time: 17% < $500, 27% $500–$999, 31% $1,000+
- Any medical bill problem or outstanding debt: 23% < $500, 35% $500–$999, 41% $1,000+

*Includes only those individuals who had a bill sent to a collection agency when they were unable to pay it.


Increased Health Care Costs Associated with Reduced Savings

Has increased spending on health care expenses in the past year caused you to do any of the following? Among those with health insurance coverage who had increases in health care costs in the last year (percentage saying yes)

- Decrease your contributions to a retirement plan, such as a 401(k), 403(b) or 457 plan, or an IRA: 45% 2005, 53% 2006
- Have difficulty paying for other bills: 34% 2005, 37% 2006
- Use up all or most of your savings: 29% 2005, 33% 2006
- Decrease your contributions to a retirement plan, such as a 401(k), 403(b) or 457 plan, or an IRA: 26% 2005, 36% 2006
- Have difficulty paying for basic necessities, like food, heat, and housing: 24% 2005, 28% 2006
- Borrow money: 18% 2005, 21% 2006

9. Consumer Driven Health Plans Not Attractive to Workers

Very Few Americans Are Enrolled in Consumer Driven Health Plans

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.
Note: Percentages may not sum to 100% due to rounding.
Satisfaction with Out-of-Pocket Costs for Health Care, by Type of Health Plan, 2006

Percent of privately insured adults 21–64

<table>
<thead>
<tr>
<th></th>
<th>Comprehensive</th>
<th>HDHP</th>
<th>CDHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely or very satisfied</td>
<td>46</td>
<td>18*</td>
<td>20*</td>
</tr>
<tr>
<td>Somewhat satisfied</td>
<td>33</td>
<td>27*</td>
<td>28</td>
</tr>
<tr>
<td>Not too or not at all satisfied</td>
<td>21</td>
<td>55*</td>
<td>53*</td>
</tr>
</tbody>
</table>

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.
*Difference between HDHP/CDHP and Comprehensive is statistically significant at p ≤ 0.05 or better.

More Enrollees in Consumer Driven and High Deductible Health Plans Spend Large Share of Income on Out-of-Pocket Medical Expenses and Premiums

Percent of privately insured adults 21–64 spending ≥ 5% of income

<table>
<thead>
<tr>
<th></th>
<th>10%+ of income</th>
<th>5–9% of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Health problem** &lt;$50,000 annual income</td>
<td>22</td>
<td>22*</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>HDHP</td>
<td>29*</td>
<td>28</td>
</tr>
<tr>
<td>CDHP</td>
<td>23*</td>
<td>17</td>
</tr>
<tr>
<td>Total Health problem** &lt;$50,000 annual income</td>
<td>28</td>
<td>31*</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>HDHP</td>
<td>24*</td>
<td>23</td>
</tr>
<tr>
<td>CDHP</td>
<td>23*</td>
<td>23</td>
</tr>
<tr>
<td>Total Health problem** &lt;$50,000 annual income</td>
<td>23</td>
<td>29*</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>HDHP</td>
<td>43*</td>
<td>43*</td>
</tr>
<tr>
<td>CDHP</td>
<td>64*</td>
<td>66*</td>
</tr>
</tbody>
</table>

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.
*Difference between HDHP/CDHP and Comprehensive is statistically significant at p ≤ 0.05 or better.
**Health problem defined as fair or poor health or one of eight chronic health conditions.
Enrollees in Consumer Driven and High Deductible Health Plans More Likely to Delay or Avoid Health Care When Sick Due to Cost

Percent of privately insured adults 21–64

<table>
<thead>
<tr>
<th>Health Problem**</th>
<th>&lt;$50,000 Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive</td>
<td>HDHP</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
</tr>
</tbody>
</table>

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.
*Difference between HDHP/CDHP and Comprehensive is statistically significant at p ≤ 0.05 or better.
**Health problem defined as fair or poor health or one of eight chronic health conditions.

Enrollees in Consumer Driven and High Deductible Health Plans More Likely To Report Not Filling a Prescription Due to Cost or Skipping Doses to Make a Medication Last Longer

Percent of privately insured adults 21–64

<table>
<thead>
<tr>
<th>Health Problem**</th>
<th>&lt;$50,000 Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive</td>
<td>HDHP</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
</tr>
</tbody>
</table>

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.
*Difference between HDHP/CDHP and Comprehensive is statistically significant at p ≤ 0.05 or better.
**Health problem defined as fair or poor health or one of eight chronic health conditions.
Consumer Driven Health Plans (CDHPs) Unlikely to Solve Uninsured Problem – Few in CDHPs Uninsured Prior to Enrolling

Percent of privately insured adults 21–64 without health insurance prior to enrolling in their current plan

- Comprehensive
- HDHP
- CDHP

Total: 24 Comprehensive, 20 HDHP, 10 CDHP
Employment-based: 21 Comprehensive, 19 HDHP, 10 CDHP
Individual: 53 Comprehensive, 21 HDHP, 9 CDHP

Comprehensive = health plan with no deductible or <$1,000 (individual), <$2,000 (family).
HDHP = high-deductible health plan with deductible $1,000+ (individual), $2,000+ (family), no account.
CDHP = consumer-driven health plan with deductible $1,000+ (individual), $2,000+ (family), with account.

*Difference between HDHP/CDHP and Comprehensive is statistically significant at p ≤ 0.05 or better.


The Tax Benefits Of Health Savings Accounts Will Not Benefit Most Uninsured Adults

Income Tax Distribution of Uninsured

- 5% (25% tax bracket)
- 24% (15% tax bracket)
- 17% (10% tax bracket)
- 1% (28-35% tax bracket)
- 53% (0% tax bracket)

Health Care Costs Concentrated in Sick Few
Sickest 10% Account for 64% of Expenses

Distribution of health expenditures for the U.S. population,
by magnitude of expenditure, 2003

Expenditure Threshold
(2003 Dollars)

<table>
<thead>
<tr>
<th>Expenditure Threshold (2003 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36,280</td>
</tr>
<tr>
<td>$12,046</td>
</tr>
<tr>
<td>$6,992</td>
</tr>
<tr>
<td>$715</td>
</tr>
</tbody>
</table>

U.S. population Health expenditures


10. Universal Health Insurance Is Essential to a High Performance Health System
**Mortality Amenable to Health Care**

Mortality from causes considered amenable to health care (deaths before age 75 that are potentially preventable with timely and appropriate medical care)

**Deaths per 100,000 population**

*Countries’ age-standardized death rates, ages 0–74; includes ischemic heart disease.*

See Technical Appendix for list of conditions considered amenable to health care in the analysis.

Data: International estimates—World Health Organization, WHO mortality database (Nolte and McKee 2003);
State estimates—K. Hempstead, Rutgers University using Nolte and McKee methodology.


**Infant Mortality Rate, 2002**

Infant deaths per 1,000 live births

*2001.*

Data: International estimates—OECD Health Data 2005;

**Access Problems Because of Costs in Five Countries, Total and by Income, 2004**

**Percent of adults who had any of three access problems* in past year because of costs**

<table>
<thead>
<tr>
<th>Country</th>
<th>Below average income</th>
<th>Above average income</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>CAN</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>AUS</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>NZ</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>US</td>
<td>40</td>
<td>29</td>
</tr>
</tbody>
</table>

*Did not get medical care because of cost of doctor's visit, skipped medical test, treatment, or follow-up because of cost, or did not fill prescription or skipped doses because of cost.

UK=United Kingdom; CAN=Canada; AUS=Australia; NZ=New Zealand; US=United States.

Data: 2004 Commonwealth Fund International Health Policy Survey of Adults’ Experiences with Primary Care (Schoen et al. 2004; Huynh et al. 2006).


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**State Ranking on Overall Health System Performance**

Source: Commonwealth Fund State Scorecard on Health System Performance, 2007
State Ranking on Access and Quality Dimensions

State Ranking on Quality Dimension

SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007
11. What is the Employer Role in Achieving Universal Coverage?

Majority of Americans Believe Paying for Health Insurance Should Be a Shared Responsibility

Who do you think should pay for health insurance?

- Don't know/refused: 7%
- Mostly government: 17%
- Mostly employers: 8%
- Mostly individuals: 6%
- Shared by individuals, employers, and government: 61%

Percent of adults ages 19 and older

Note: Percentages may not sum to 100% because of rounding.
Americans Across U.S. Believe Paying for Health Insurance Should Be Shared Responsibility

Note: Does not include "don’t know/refused."

Three-Quarters of Americans Believe that Employers Should Provide Health Insurance or Contribute to a Fund to Cover Uninsured Workers

# What Are the Most Important Health Care Issues for Presidential and Congressional Action?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Total</th>
<th>Republican</th>
<th>Democrat</th>
<th>Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure that all Americans have adequate, reliable health insurance</td>
<td>52</td>
<td>38</td>
<td>64</td>
<td>51</td>
</tr>
<tr>
<td>Control the rising cost of medical care</td>
<td>37</td>
<td>36</td>
<td>36</td>
<td>38</td>
</tr>
<tr>
<td>Lower the cost of prescription drugs</td>
<td>31</td>
<td>29</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Ensure that Medicare remains financially sound in the long term</td>
<td>29</td>
<td>28</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Improve the quality of nursing homes and long-term care</td>
<td>14</td>
<td>17</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Reform the medical malpractice system</td>
<td>14</td>
<td>24</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Reduce the complexity of insurance</td>
<td>12</td>
<td>13</td>
<td>10</td>
<td>13</td>
</tr>
</tbody>
</table>


# Health Care Opinion Leaders: Views on Health Insurance and Expansion

"Which of the following should be top priorities for action?"

- Allow individuals and small businesses to buy into FEHBP or similar federal group option: 51%
- Require employers who don’t provide coverage to contribute to a fund that would pay for such coverage: 46%
- Let near-elderly adults buy into Medicare: 43%
- Provide federal matching funds for Medicaid/SCHIP coverage of everyone below 150% poverty: 41%
- Establish a single-payer insurance system: 38%
- Open up Medicare to those not covered by an employer plan: 35%
- Provide tax credits or other subsidies to low-wage workers to buy coverage: 32%
- Provide incentives or requirements to expand employer-based health insurance: 32%
- Individual mandate with tax credits for uninsured to buy individual market coverage: 29%
- Reinsurance for small business insurance plans: 22%
- Eliminate 2-year waiting period for the disabled for Medicare: 21%
- Promote tax-free health savings accounts: 16%
- Permit association health plans to provide coverage without state licensing: 5%

Achievable and Desirable Goals for Health Insurance Coverage in Next 10 Years According to Health Care Opinion Leaders

“What you would see as both an achievable and a desirable target or goal for policy action for the next 10 years?”

- **Current**
  - Proportion of under-65 population that has no health insurance: 18%
  - Total cost of health care as a percentage of GDP: 15%
  - Percent of under-65 population with employer-provided insurance: 63%

- **Goal**
  - Proportion of under-65 population that has no health insurance: 8%
  - Total cost of health care as a percentage of GDP: 16%
  - Percent of under-65 population with employer-provided insurance: 65%

Note: Goal percentages represent median responses.

Americans, Regardless of Political Affiliation, Support Providing Health Insurance Coverage to Uninsured Adults

<table>
<thead>
<tr>
<th>Percent of adults in favor of:</th>
<th>Total</th>
<th>Democrat</th>
<th>Republican</th>
<th>Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letting uninsured adults participate in state government insurance programs like Medicaid or SCHIP</td>
<td>77%</td>
<td>84%</td>
<td>67%</td>
<td>78%</td>
</tr>
<tr>
<td>Letting uninsured adults participate in Medicare</td>
<td>76</td>
<td>81</td>
<td>70</td>
<td>74</td>
</tr>
<tr>
<td>Offering tax credits/other assistance to help people buy health insurance on their own</td>
<td>75</td>
<td>77</td>
<td>77</td>
<td>79</td>
</tr>
<tr>
<td>Requiring all businesses to contribute to the cost of health insurance for their employees</td>
<td>79</td>
<td>87</td>
<td>70</td>
<td>76</td>
</tr>
</tbody>
</table>

Seven in Ten People Say They Would Prefer to Continue With Their Current Level of Health Benefits Even If Premium Is Taxed

The amount of money employers currently spend on your health insurance premium is not counted toward your taxable income. If Congress were to pass a law so that part of your premium was taxed, which would you prefer? *Among those with employer-provided coverage (n=582)


How Willing Would Firms Be to Assist Employee Enrollment in Government Administered Health Programs by Making Payroll Deductions on Their Behalf to the State for the Premium Amount?

*Difference between subgroups is statistically significant at p<.05.
Note: All figures are shown with employee-based weights.
If A Tax Credit Were Available to Help Low-Income Workers Pay for Health Insurance, How Willing Would Firms Be to Collect Credit and Apply to Employee Share of Premium?

<table>
<thead>
<tr>
<th>Offer status*</th>
<th>Firm size*</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t offer health benefits</td>
<td>All firms</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Small firms (3–199 workers)</td>
<td>24%</td>
</tr>
<tr>
<td>Offer health benefits</td>
<td>Small firms (3–199 workers)</td>
<td>18%</td>
</tr>
<tr>
<td>Large firms (200+ workers)</td>
<td>Large firms (200+ workers)</td>
<td>18%</td>
</tr>
<tr>
<td>Very willing</td>
<td>Large firms (200+ workers)</td>
<td>51%</td>
</tr>
<tr>
<td>Somewhat willing</td>
<td>Large firms (200+ workers)</td>
<td>58%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.
Note: All figures are shown with employee-based weights.

How Interested Would Firms Be in Providing an Option to Employees That Would Allow Employees and Their Dependents to Participate in Public Health Insurance Programs, with Firms Paying Part of the Monthly Premium Cost?

<table>
<thead>
<tr>
<th>Offer status*</th>
<th>Firm size*</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t offer health benefits</td>
<td>All firms</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Small firms (3–199 workers)</td>
<td>15%</td>
</tr>
<tr>
<td>Offer health benefits</td>
<td>Small firms (3–199 workers)</td>
<td>9%</td>
</tr>
<tr>
<td>Large firms (200+ workers)</td>
<td>Large firms (200+ workers)</td>
<td>41%</td>
</tr>
<tr>
<td>Very interested</td>
<td>Large firms (200+ workers)</td>
<td>41%</td>
</tr>
<tr>
<td>Somewhat interested</td>
<td>Large firms (200+ workers)</td>
<td>41%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.
Note: All figures are shown with employee-based weights.
How Interested Would Firms Be in Covering Employees Through the Same Insurance Program That Covers State Public Employees or the Federal Insurance Program That Covers the United States Congress, with Firms Paying at Least Part of the Monthly Premiums?

<table>
<thead>
<tr>
<th>Firm size*</th>
<th>Offer status</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms</td>
<td>Don't offer health benefits</td>
<td>39%</td>
</tr>
<tr>
<td>Small firms (3–199 workers)</td>
<td>Offer health benefits</td>
<td>17%</td>
</tr>
<tr>
<td>Large firms (200+ workers)</td>
<td>Offer health benefits</td>
<td>11%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.
Note: All figures are shown with employee-based weights.

What Are Firms’ Views of the Importance of the Government Offering Reinsurance to Protect Employers Against Catastrophic Health Care Costs, Even if Employers Had to Pay Part of the Cost?

<table>
<thead>
<tr>
<th>Firm size*</th>
<th>Offer status</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms</td>
<td>Don't offer health benefits</td>
<td>19%</td>
</tr>
<tr>
<td>Small firms (3–199 workers)</td>
<td>Offer health benefits</td>
<td>22%</td>
</tr>
<tr>
<td>Large firms (200+ workers)</td>
<td>Offer health benefits</td>
<td>19%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.
Note: All figures are shown with employee-based weights.
How Interested Are Firms in Offering a High Performance Provider Network to Employees, Even if It Means They Might Have a Smaller Number of Providers to Choose From?*

<table>
<thead>
<tr>
<th>Frequency Distribution</th>
<th>All firms</th>
<th>Small firms (3–199 workers)</th>
<th>Large firms (200+ workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very interested</td>
<td>16%</td>
<td>3%</td>
<td>21%</td>
</tr>
<tr>
<td>Somewhat interested</td>
<td>47%</td>
<td>51%</td>
<td>45%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.

Note: All figures are shown with employee-based weights.


To Best of Firms’ Knowledge, Which of the Following Five Measures Would Be the Most Beneficial in Reducing Administrative Costs for Employers, Insurers, and Providers?*

<table>
<thead>
<tr>
<th>Frequency Distribution</th>
<th>All firms</th>
<th>Small firms (3–199 workers)</th>
<th>Large firms (200+ workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardization of health benefits</td>
<td>21%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Standardization of payment methods</td>
<td>18%</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Universally accepted quality performance standards for providers</td>
<td>22%</td>
<td>14%</td>
<td>25%</td>
</tr>
<tr>
<td>Joint purchasing of health insurance by employers</td>
<td>17%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Joint purchasing of health insurance by employers and public insurance programs</td>
<td>15%</td>
<td>21%</td>
<td>12%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Difference between subgroups is statistically significant at p<.05.

Note: All figures are shown with employee-based weights.

### 17 States Have Passed Laws That Increase the Age up to Which Young Adults Are Considered Dependents for Insurance Purposes

<table>
<thead>
<tr>
<th>State</th>
<th>Year law passed or implemented</th>
<th>Limiting age of dependency status</th>
<th>Applies to non-students?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>2006</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Delaware</td>
<td>2006</td>
<td>24</td>
<td>Yes</td>
</tr>
<tr>
<td>Idaho</td>
<td>2007</td>
<td>25</td>
<td>No</td>
</tr>
<tr>
<td>Indiana</td>
<td>2007</td>
<td>24</td>
<td>Yes</td>
</tr>
<tr>
<td>Maine</td>
<td>2007</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Maryland</td>
<td>2007</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2006</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2007</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>2007</td>
<td>26</td>
<td>Yes</td>
</tr>
<tr>
<td>New Jersey</td>
<td>2006</td>
<td>30</td>
<td>Yes</td>
</tr>
<tr>
<td>New Mexico</td>
<td>2005</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>2006</td>
<td>25</td>
<td>No</td>
</tr>
<tr>
<td>South Dakota</td>
<td>2005</td>
<td>24</td>
<td>No</td>
</tr>
<tr>
<td>Texas</td>
<td>2003</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>Utah</td>
<td>1994</td>
<td>26</td>
<td>Yes</td>
</tr>
<tr>
<td>Washington</td>
<td>2007</td>
<td>25</td>
<td>Yes</td>
</tr>
<tr>
<td>West Virginia</td>
<td>2007</td>
<td>25</td>
<td>Yes</td>
</tr>
</tbody>
</table>


### Some Reform Proposals Achieve Near-Universal Coverage While Reducing Total Health System Spending (Change in Health Spending by Stakeholder Group, Billions of Dollars, 2007)

<table>
<thead>
<tr>
<th></th>
<th>President Bush’s Proposal</th>
<th>Healthy Americans Act&lt;sup&gt;2&lt;/sup&gt; (Wyden)</th>
<th>Federal/State Partnership 15 States</th>
<th>AmeriCare (Stark)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Uninsured Covered, Millions</td>
<td>9.0</td>
<td>45.3</td>
<td>20.3</td>
<td>47.8</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$70.4</td>
<td>$24.3</td>
<td>$22.0</td>
<td>$154.5</td>
</tr>
<tr>
<td>State and Local Government</td>
<td>($0.3)</td>
<td>($10.2)</td>
<td>$13.4</td>
<td>($57.4)</td>
</tr>
<tr>
<td>Private Employers</td>
<td>($50.8)</td>
<td>$60.2</td>
<td>$5.7</td>
<td>($15.2)</td>
</tr>
<tr>
<td>Households</td>
<td>($31.0)</td>
<td>($78.8)</td>
<td>($18.4)</td>
<td>($142.6)</td>
</tr>
<tr>
<td><strong>Net Health System Cost in 2007 (in billions)</strong></td>
<td><strong>($11.7)</strong>*</td>
<td><strong>($4.5)</strong>*</td>
<td><strong>$22.7</strong></td>
<td><strong>($60.7)</strong></td>
</tr>
<tr>
<td>Total Uninsured Not Covered&lt;sup&gt;1&lt;/sup&gt;, Millions</td>
<td>38.8</td>
<td>2.5</td>
<td>27.5</td>
<td>0</td>
</tr>
</tbody>
</table>

<sup>1</sup>Out of an estimated total uninsured in 2007 of 47.8 million.

<sup>2</sup>Estimates reflect a mandatory cash-out of benefits on the part of employers that currently offer coverage.

**Employer and Individual Mandates are Critical Elements in Achieving Universal Coverage in Mixed Private-Public Reform Proposals Like the New Massachusetts Law**

**Net changes in sources of coverage (millions of nonelderly)**

- **New group pool**: 31.3 million
- **Medicaid**: 5.6 million
- **Less generous subsidies, no mandate**: -2.8
- **More generous subsidies, no mandate**: 7.8
- **Employer coverage**: 22.7
- **More generous subsidies, employer mandate**: 8.1
- **More generous subsidies, individual mandate**: 38.1 million


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**Survey Data**


Medical Expenditure Panel Survey, 1997–2005

Panel of the Survey of Income and Program Participation (SIPP), 1996


The Commonwealth Fund Survey of Older Adults, 2004


Sources


Sources continued
Sources continued


