

FACT SHEET

January 2006

Cover Missouri Project: Report 1

Consequences of the Lack of Health Insurance on Health and Earnings

In 2005, between 635,000 and 707,000 Missouri residents were without health insurance. Additionally, changes to the state's Medicaid program substantially increased the number of uninsured. This fact sheet highlights excerpts from a research report by the same name. The in-depth report examines the serious health and financial consequences associated with being uninsured as well as the importance of health insurance as it relates to people's access to care, use of services, and ultimate health outcomes.

The Uninsured Have Worse Health Outcomes

- In a study of pediatric trauma cases, 2.1 percent of children with commercial insurance died, compared to 4.2 percent of uninsured children.
- A study of breast cancer patients showed that 18 percent of the uninsured died within 3-4 years of diagnosis, compared to 13-14 percent of privately insured patients.
- In looking at heart attack victims, 13.1 percent of the uninsured died, compared to 8.3 percent of the privately insured.
- The Institute of Medicine estimates that there are approximately 18,000 excess deaths among non-elderly adults each year in the United States due to the lack of health insurance.
- Findings of higher death rates for uninsured trauma patients, newborns, cancer patients, and heart attack patients are the culmination of less preventive care and screening for serious chronic conditions, poorer health or more advanced disease upon entry into the health care system, and less therapeutic care even when seriously ill or injured.

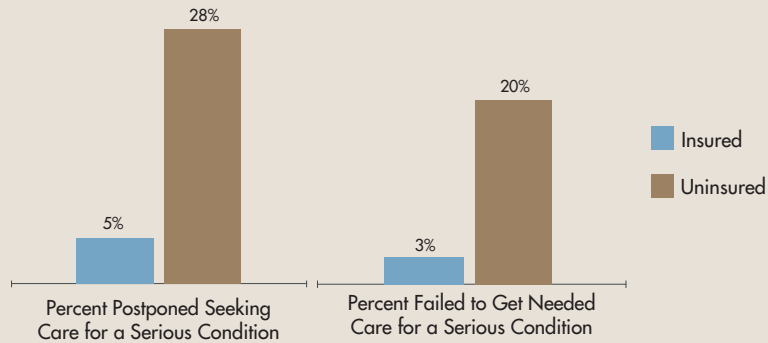
The Uninsured Enter the Health Care System in Poorer Health

- The uninsured receive a late-stage breast cancer diagnosis a greater percentage of the time compared to the commercially insured (43% to 32%).
- When beginning dialysis in Medicare's End Stage Renal Disease program, 62 percent of previously uninsured people had low hematocrit levels, compared to 49 percent of those with private insurance.
- An analysis of tissue pathology results for people who had in-hospital colonoscopies or endoscopies found that the uninsured were 50 percent more likely to have an abnormal tissue report.

The Uninsured Lack Needed Medical Care

- The uninsured are more than three times as likely as the insured to report an unmet medical need.
- Compared to those with insurance, the uninsured are almost seven times more likely (3% to 20%) to not obtain needed medical care for a serious condition.

Uninsured More Likely To Postpone or Fail To Get Needed Medical Care for Serious Conditions Because of Cost



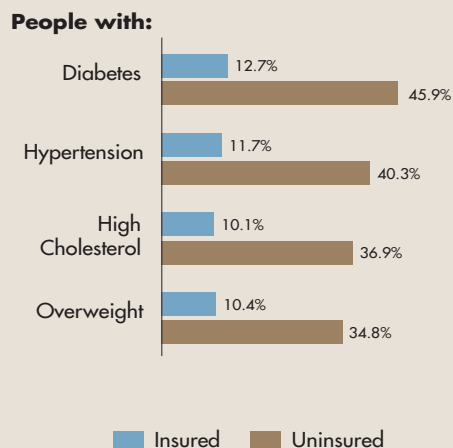
Source: C Hoffman and A Schlobohm, *Uninsured in America – A Chart Book* (Washington, DC: The Kaiser Commission on Medicaid and the Uninsured, 2000).

The Uninsured Receive Less Screening and Preventive Care

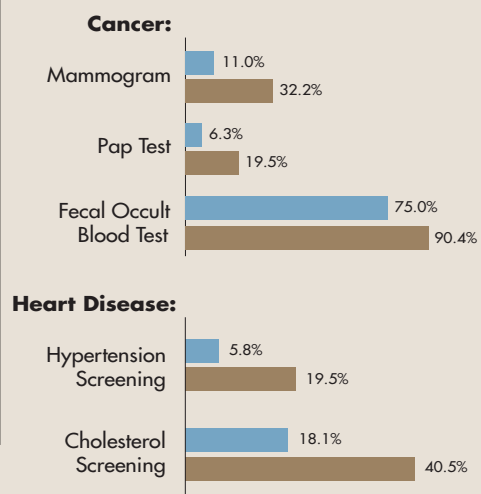
- The successful treatment and management of cancer, cardiovascular diseases, and diabetes depends heavily on the early detection of these diseases. Nevertheless, the uninsured are significantly less likely to receive screening and preventive care for these conditions.

Uninsured Less Likely To Be Screened for Serious Illnesses

% Unable to See a Physician Last Year Because of Cost, by Risk Group



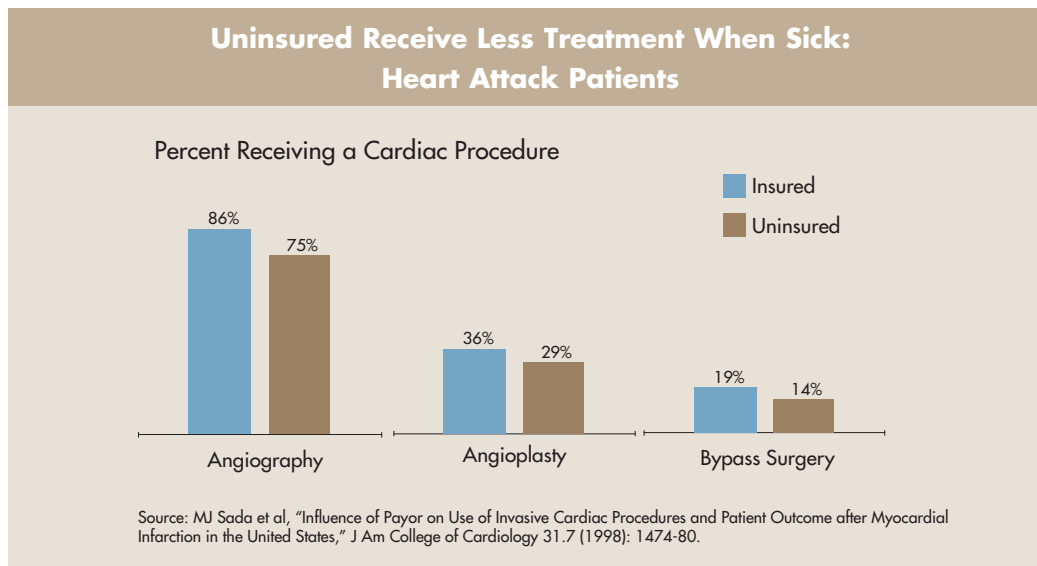
% Not Receiving Screening



Source: JZ Ayanian et al, "Unmet Health Needs of Uninsured Adults in the United States," *JAMA* 284.16 (2000): 2061-9.

The Uninsured Receive Less Care for Serious Illnesses and Chronic Conditions

- Uninsured diabetics are almost half as likely as insured diabetics to receive recommended monitoring or treatment for their condition.
- Roughly 5-10 percent fewer uninsured heart attack patients receive angiography, angioplasty, or bypass surgery.
- In one study, uninsured trauma patients were 20-30 percent less likely to undergo surgery, even in cases of severe trauma or when treated in a Level I trauma unit.
- The uninsured are at much greater risk of substandard hospital care due to negligence or poor quality: 40.3 percent of adverse events among the uninsured were due to negligence, compared to 20.3 percent for the privately insured who experienced adverse events.



The Value of Lost Health

- The bulk of the economic cost due to the lack of insurance takes the form of lower productivity, time lost from work, lower earnings, and the lost intrinsic value that people place on a year of healthy life.
- Workers in poor health earned about 11 percent less per year than workers in good health.
- A 10-year longitudinal study found that long-term health problems reduced annual earnings by 20 percent for men, 12.5 percent for white women, and 27.8 percent for black women.
- In 2004 dollars, the total national value of health lost in a single year because of lack of insurance is estimated at \$104 billion, which represents more than two times the estimated \$48 billion cost of covering all of the nation's uninsured.

Cost Consequences of Being Uninsured

Internal or Private Costs (for Individuals, Families, and Firms)

- Greater morbidity and premature mortality
- Developmental losses for children
- Family financial uncertainty and stress, depletion of assets including bankruptcy
- Lost income of uninsured breadwinner in ill health
- Lower business productivity (e.g., absenteeism, reduced efficiency on the job)

External or Spillovers Costs

- Diminished quality and availability of personal health services (e.g., emergency rooms)
- Diminished public health system capacity because resources are diverted for acute care services for the uninsured
- Diminished population health (e.g., higher rates of vaccine-preventable disease)
- Higher public program costs connected with worse health (e.g., Medicare, disability payments) (primarily transfer costs)
- Diminished workforce productivity, lower tax payments

About This Fact Sheet

The information presented here was taken from *Cover Missouri Project: Report 1: Consequences of the Lack of Health Insurance on Health and Earnings*, written by Jack Hadley, PhD, Principal Research Associate, The Urban Institute Health Policy Center. Report 1 is the first in a series of research papers about the uninsured in Missouri being prepared by The Urban Institute in Washington, DC, and published by the Missouri Foundation for Health.

The complete report is available online at www.mffh.org. Printed copies of Report 1 and this Fact Sheet are available upon request while supplies last. Please contact the MFH Health Policy Group at info@mffh.org or toll-free at 1-800-655-5560.



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