



Consequences of Underinsurance and Uninsurance: The American Experience

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Why the U.S. Needed Health Reform

- **47 million *uninsured* at any moment in time**
 - Approximately 70 million uninsured at some time in a year
- **Another 25 million adults 19-64 *underinsured***
 - Underinsurance = insured all year but:
 - Hi medical expenses
 - >10% of income for “higher income”; > 5% for “low-income”
 - High deductibles - 5% or more of income
 - A major cause of bankruptcy

Though Australia Does Comparatively Well Overall, Cost to Patients Seems to Be a Problem

Country Rankings	
	1.0-2.33
	2.33-4.66
	4.66-7.0



	AUS	CAN	GER	NETH	NZ	UK	US
OVERALL RANKING (2010)	3	6	4	1	5	2	7
Quality Care	2.5	7	5	1	2.5	4	6
Effective Care	3.5	7	6	2	5	1	3.5
Safe Care	5.5	5.5	3	1	4	2	7
Coordinated Care	1	6	5	3	2	4	7
Patient-Centered Care	2	6	3	5	1	7	4
Access	6.5	5	3	1	4	2	6.5
Cost-Related Problem	6	3.5	3.5	2	5	1	7
Timeliness of Care	6	7	2	1	3	4	5
Efficiency	2	6	4	3	5	1	7
Equity	4	5	3	1	6	2	7
Long, Healthy, Productive Lives	1	2	3	4	5	6	7
Health Expenditures/Capita, 2007	\$3,357	\$3,895	\$3,558	\$3,837*	\$2,454	\$2,992	\$7,290

Note: * Estimate. Expenditures shown in US PPP.

Source: Calculated by the Commonwealth Fund based on 2007 International Health Policy Survey; 2008 International Health Policy Survey of Sicker Adults; 2009 International Health Policy Survey of Primary Care Physicians; Commonwealth Fund Commission on a High Performance Health System National Scorecard; and OECD Health Data 2009 (November 2009)



Comparative Results on Cost

Raw Scores (Percent)

SOURCE AUS CAN GER NETH NZ UK US

Cost-Related Access Problems

Did not fill a prescription; skipped recommended medical test, treatment, or follow-up; or had a medical problem but did not visit doctor or clinic in the past 2 years, because of cost	2008	36	25	26	7	31	13	54
Patient had serious problems paying or was unable to pay medical bills	2007	8	4	4	5	8	1	19
Out of pocket expenses for medical bills more than \$1000 in the past year, U.S. \$ equivalent	2008	25	20	13	8	14	4	41
Physicians think their patients often have difficulty paying for medications or out-of-pocket costs	2009	23	27	28	33	25	14	58

Needed Dental Care But Did Not See a Dentist Because of the Cost

	2008^a	2007^b	2004^b	2002^c	2001^b
Australia	35%	35%	35%	44%	33%
Canada	31%	20%	26%	35%	26%
France	19%				
Germany	12%	9%			
Netherlands	7%	5%			
New Zealand	39%	41%	37%	47%	37%
United Kingdom	18%	18%	21%	21%	19%
United States	48%	33%	38%	40%	35%

Source: Commonwealth Fund International Surveys of Health Policy & Practice

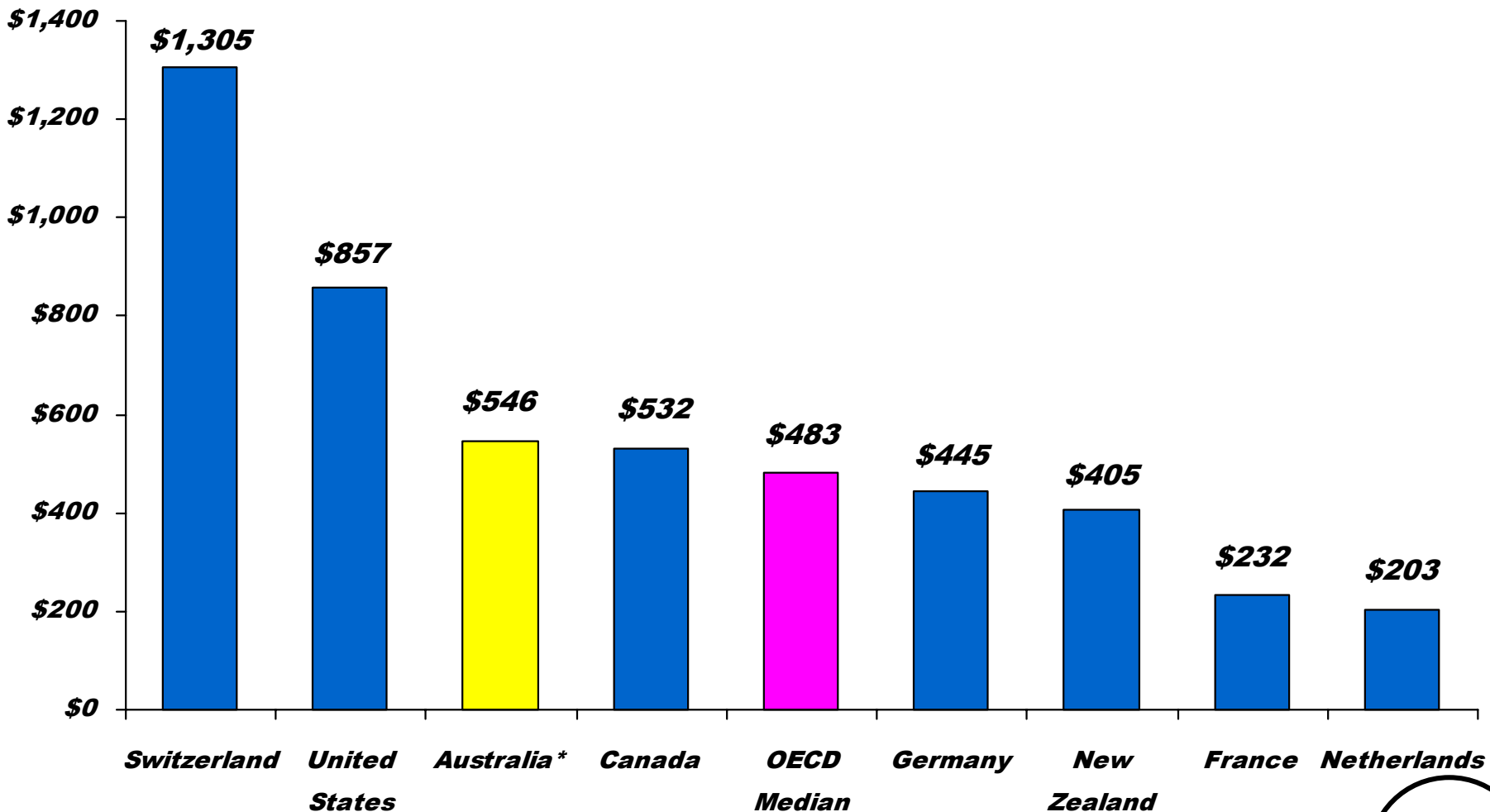
^a Sample: Adults with chronic conditions

^b Sample: General population

^c Sample: Adults w/ health problems

Out-of-Pocket Health Care Spending per Capita, 2006

Adjusted for Differences in the Cost of Living



*2005

In the U.S., Being Sicker Is Associated With Higher Out-of-Pocket Costs

- **Out of pocket expenses for adults > 20 percent of income**
 - 3+ chronic conditions = 12 percent
 - 1 chronic condition = 2.5 percent
 - 0 chronic conditions = 1.3 percent
- **Majority of costs attributed to prescription drugs**

Source: Peter Cunningham, Center for Health Care Strategies, Washington, DC

***Could the same be the case in
Australia?***

Poor Coverage Is Bad For Health/Well-Being

U.S. data:

- *Underinsured* (for medical care) less likely to have dental coverage
- *Underinsured* more likely to forgo needed health care
- *Uninsured*: poorer continuity of care
 - More emergency room use
 - Less preventive care

Deaths of U.S. Adults Ages 25 – 64, 1999

1. Cancer – 156,485
2. Heart disease – 115, 827
3. Injuries – 46,045
4. Suicide – 19,549
5. Cerebrovascular disease – 18,369
6. *Uninsured* – 18,000
7. Diabetes – 16,156
8. Respiratory disease – 15,809
9. Chronic liver disease and cirrhosis – 15,714
10. HIV/AIDS – 14,017

Some Issues

- **Cost-related access**
 - *Uninsured* (unique to the U.S.)
 - *Underinsured* (U.S., Australia)
- **Australians with chronic conditions report more cost-related access problems for medical care than persons in several other countries**
 - But, Australian GPs perceive less problem than primary care physicians in other countries and than their patients
 - Extensive bulk billing for GP visits seems to address just part of the problem for patients
- **What options do you have for addressing the problems of cost-related access to dental care in Australia?**

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