

Center on an Aging Society

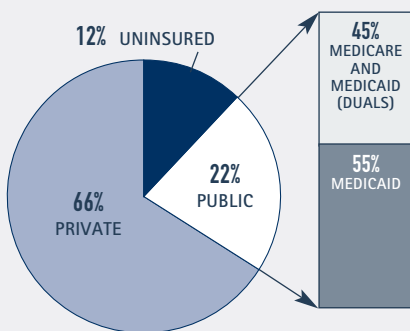
GEORGETOWN UNIVERSITY

The Decade Preceding Medicare Coverage

Insurance matters for people with chronic conditions

Health insurance is an important determinant of access to health care. Adults with chronic conditions who are uninsured as they approach age 65 are a vulnerable population. They are less healthy and more likely to need health care services than insured adults the same age who have chronic conditions. They are less likely to have a regular medical doctor and less likely to use preventive care and screening services. Lack of insurance coverage substantially increases the risk that individuals with chronic conditions will delay or not receive care. As a result, their conditions may become worse and more costly to treat. Uninsured adults have the highest proportion of out-of-pocket expenditures for health care, which may affect their decisions to seek and receive care. Prescription drugs are particularly costly, and uninsured adults are more likely to take fewer prescription drugs due to cost.

TYPE OF INSURANCE COVERAGE FOR ADULTS AGE 55 TO 65 WITH CHRONIC CONDITIONS



SOURCE: Center on an Aging Society analysis of data from the 2000 Medical Expenditure Panel Survey.

Over half of all adults age 55 to 65 – some 13 million adults – have arthritis, cancer, diabetes, heart disease, or hypertension. Unless otherwise noted, this Data Profile uses the term “adults” to refer to the population age 55 to 65 with one or more of these chronic conditions.

Some 1.5 million adults with chronic conditions do not have health insurance

Some two thirds – 66 percent – of adults with chronic conditions have private insurance. An additional 22 percent have public insurance which, for this age group, is only available to those who have disabling illnesses or conditions. The remaining 12 percent are uninsured. Most will have Medicare coverage when they turn 65, but until then, their options for health care will likely be limited.

WHO HAS PUBLIC INSURANCE COVERAGE?

Generally, adults age 55 to 65 do not qualify for public insurance coverage because they are not among the categories of people targeted for public insurance programs. There are exceptions for people with significant medical problems, however.

In the Medicare program, for example, coverage is available to people younger than age 65 if the person is entitled to receive benefits under the Social Security Disability Insurance (SSDI) program. A person is qualified to receive SSDI benefits if they have worked in jobs covered by Social Security and have a medical condition that meets the Social Security definition of disability. Under Social Security rules, a person who is unable to work in their previous capacity and cannot adjust to other work because of a medical condition is considered disabled. The physical or mental disability also must be expected to last at least one year or result in death.¹ Once the application is approved, individuals must wait five months for their disability benefits to begin. Then they must wait an additional two years before they can receive Medicare benefits.²

The Medicaid program provides coverage for some individuals with low incomes and disabilities. The Medicaid program has both financial and functional eligibility requirements. Many states use the standard Social Security definition of disability, though some have created their own criteria for functional eligibility.

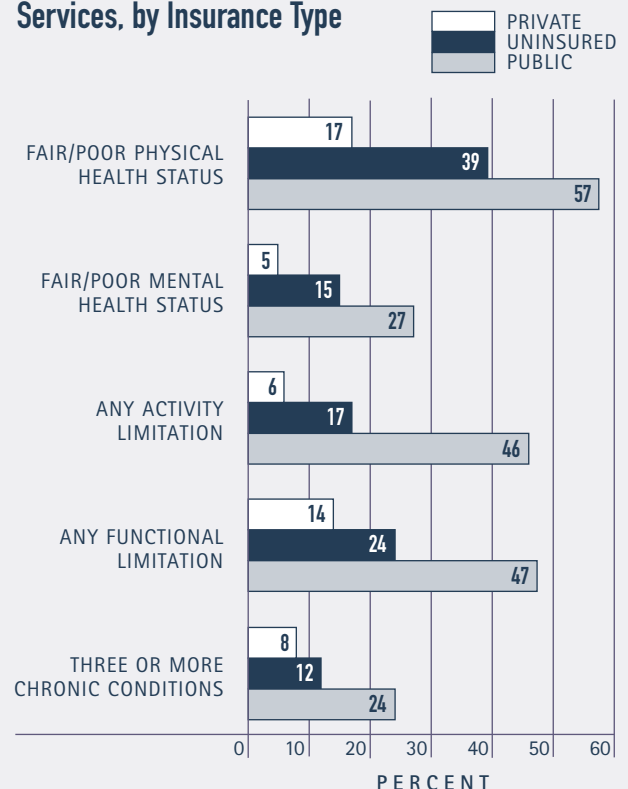
Financial eligibility for the Medicaid program is based on income and asset criteria, which vary from state to state. In general, disabled individuals who receive cash assistance from the Supplemental Security Income (SSI) program are covered by the Medicaid program. Some states set income limits at the benefit level for the SSI program (\$552 per month for an individual in 2003), and some states exercise the option of increasing income limits up to three times as high (\$1,656 per month). States have wide flexibility in determining their own income and resource standards and the methods for calculating financial eligibility.

Adults who do not have private insurance are not as healthy

Uninsured adults and publicly insured adults are more likely to need health care services than privately insured adults. For example, the uninsured are more than twice as likely to report fair or poor physical health status and three times as likely to report fair or poor mental health status as privately insured adults. Even higher proportions of publicly insured adults say they have fair or poor health (see Figure 1).

In a study of adults age 51 to 61, uninsured adults were more likely to have a major decline in health than insured adults within a four-year time period. Uninsured adults were 63 percent more likely than privately insured adults to experience a decline in their overall health and 23 percent more likely to have a new physical mobility limitation, such as walking or climbing stairs.³

FIGURE 1
Proportion of Adults Age 55 to 65 with Chronic Conditions and Various Indicators of Need for Services, by Insurance Type

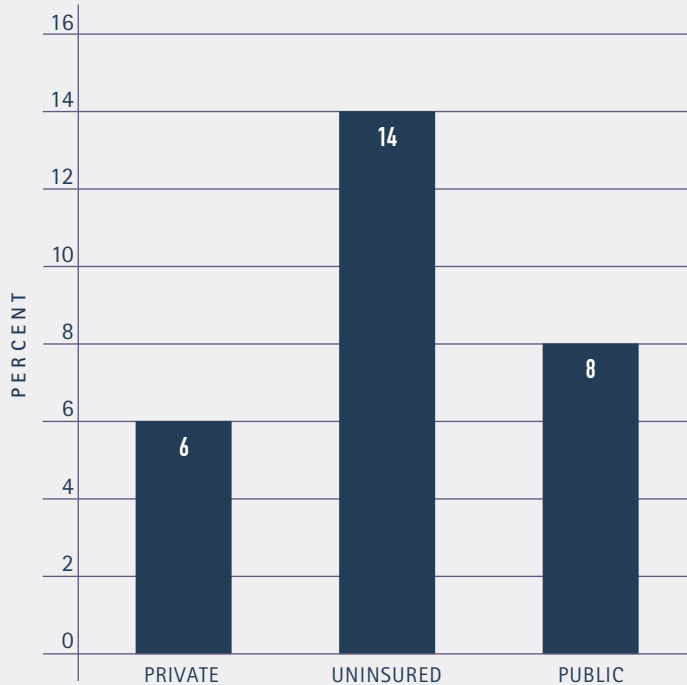


SOURCE: Center on an Aging Society analysis of data from the 2000 Medical Expenditure Panel Survey.

Uninsured adults are least likely to have a regular medical provider

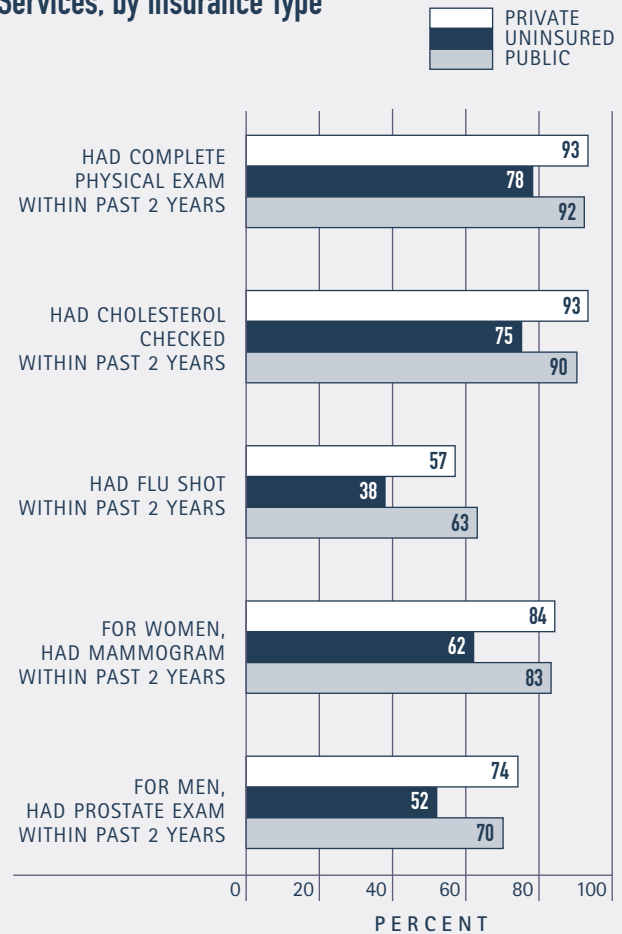
Adults who are uninsured are at higher risk of not receiving the medical care they need than adults who have public or private insurance. Uninsured adults are the least likely to have a medical care provider that they see regularly, which means they may not receive needed routine and preventive care. Some 14 percent of uninsured adults do not have a regular source of care (see Figure 2).

FIGURE 2
Proportion of Adults Age 55 to 65 with Chronic Conditions Who Do Not Have a Regular Source of Care, by Insurance Type



SOURCE: Center on an Aging Society analysis of data from the 2000 Medical Expenditure Panel Survey.

FIGURE 3
Proportion of Adults Age 55 to 65 with Chronic Conditions Who Use Preventive Care and Screening Services, by Insurance Type



SOURCE: Center on an Aging Society analysis of data from the 2000 Medical Expenditure Panel Survey.

Uninsured adults are least likely to use preventive care and screening services

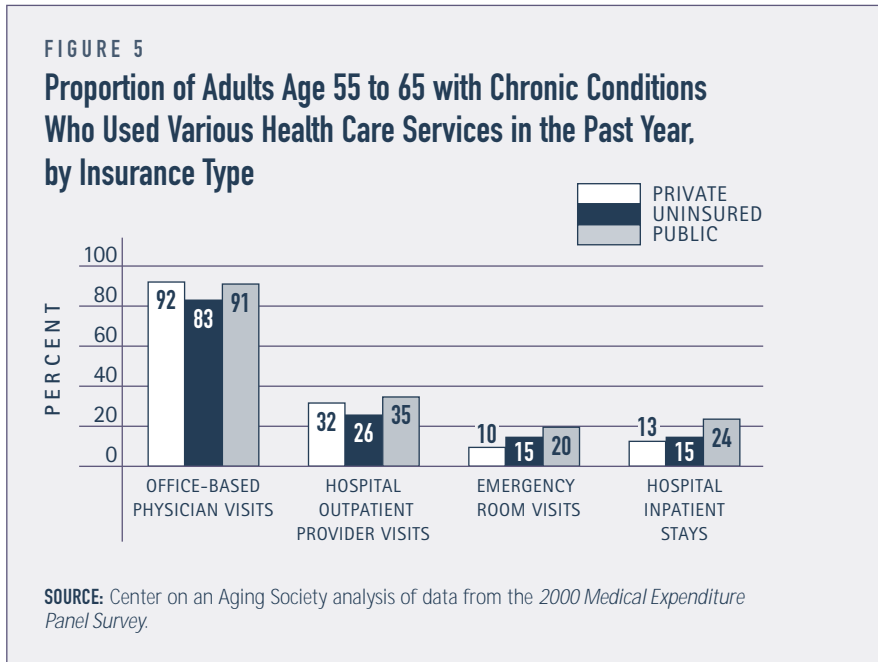
Routine physical checkups and screening are particularly important for adults with already identified chronic conditions to prevent them from getting worse and to identify other conditions early. Yet, uninsured adults are substantially less likely than those with public or private insurance to have physical exams, immunizations, cholesterol screening, or cancer screening (see Figure 3).

Uninsured adults are seven times more likely to go without care than adults with private insurance

For many uninsured adults, particularly those with low incomes, routine health care may not be a priority when faced with choices such as buying groceries or paying the rent. Some 21 percent of the uninsured report that they did not receive care when they needed it, compared to 14 percent of those with public insurance and only 3 percent of those with private insurance. Delaying or not receiving care is sometimes the only alternative, but may lead to more serious health problems that could have been avoided with proper care.⁴ Yet another barrier to access is the ability to use the health care system easily. Uninsured adults are almost four times more likely to report that they have difficulty obtaining care than those with private insurance (see Figure 4).

Uninsured adults visit doctors less and use the emergency room more

Adults who do not have insurance coverage are least likely to visit physicians and outpatient providers. The average number of visits to these types of providers is also



much lower for uninsured adults than for insured adults. For example, uninsured adults make an average of four office visits to physicians annually, compared to nine office visits for those with public insurance and six office visits for those with private insurance.

Uninsured adults are more likely to use emergency room services and hospital inpatient care than those with private insurance, but less likely than those with public insurance (see Figure 5).

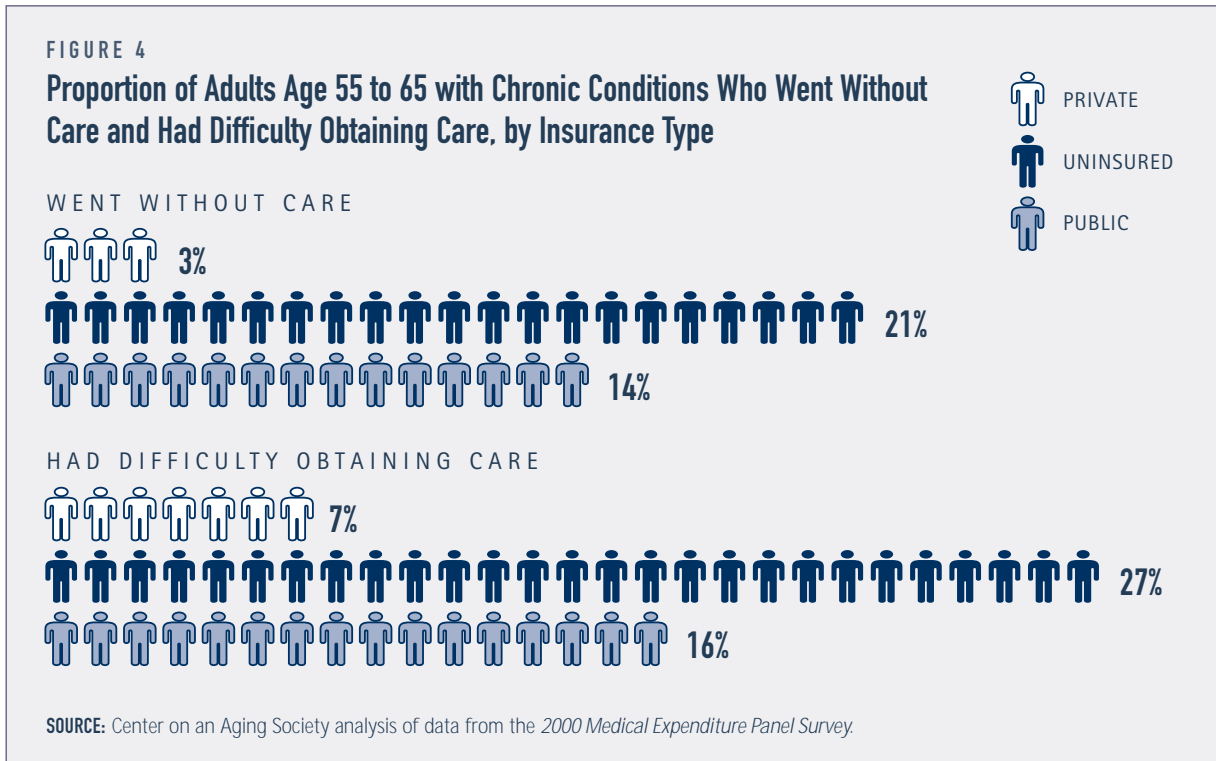
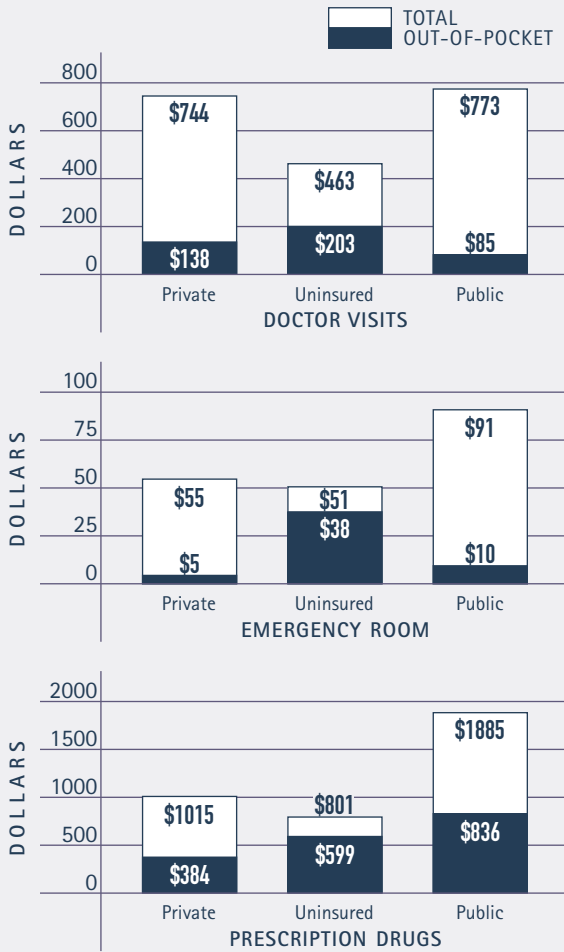


FIGURE 6

Out-of-Pocket Expenditures as a Proportion of Total Expenditures for Adults Age 55 to 65 with Chronic Conditions, by Insurance Type



SOURCE: Center on an Aging Society analysis of data from the 2000 Medical Expenditure Panel Survey.

to \$5 for privately insured adults and \$10 for publicly insured adults.

The majority of older adults with chronic conditions use prescription drugs, regardless of insurance type. Out-of-pocket expenditures for prescription drugs are high for all adults, but particularly high for the uninsured. Uninsured adults pay an average of \$600 annually for prescription drugs. Although less than the \$836 paid by people with public insurance, the proportion that the uninsured are paying out-of-pocket is significantly higher. They pay 75 percent of their prescription drug expenditures, compared to 38 percent for people with private insurance and 44 percent for people with public insurance (see Figure 6).

For some, the cost of prescription drugs impedes access to needed medical care

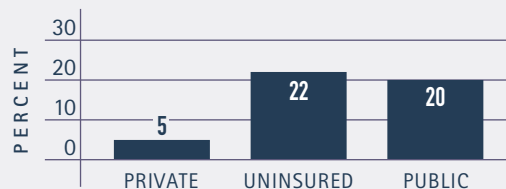
Publicly insured adults fill almost twice as many prescriptions annually as privately insured or uninsured adults, who fill an average of 20 and 19 prescriptions, respectively. The number of prescriptions filled does not always reflect the number of prescriptions needed, however. High out-of-pocket costs for prescription drugs may mean that some people choose to take less medication than prescribed. For example, uninsured and publicly insured adults are four times more likely than privately insured adults to report taking fewer prescription drugs because of the cost (see Figure 7).

The uninsured pay the highest proportion of medical care costs out-of-pocket

Uninsured adults have the highest proportion of out-of-pocket expenditures for many health care services. For example, the uninsured pay 75 percent of charges for emergency room visits out-of-pocket. This is significantly more than the 9 percent that privately insured individuals pay or the 11 percent that publicly insured individuals pay. The emergency room often serves as the primary source of care for many uninsured adults. The uninsured pay about \$38 for their emergency room visits, compared

FIGURE 7

Proportion of Adults Age 55 to 65 with Chronic Conditions Who Have Taken Fewer Prescription Drugs Because of Cost, by Insurance Type



SOURCE: Center on an Aging Society analysis of data from the 2000 Health and Retirement Survey.

FIGURE 8

Proportion of Adults Age 55 to 65 with Chronic Conditions and Their Beliefs that They Have a High Chance of Living to an Old Age, by Insurance Type

	PRIVATE	UNINSURED	PUBLIC
High chance of living to be age 75 or older	53%	41%	29%
High chance of living to be age 85 or older	30%	30%	22%

SOURCE: Center on an Aging Society analysis of data from the 2000 Health and Retirement Study.

Uninsured adults are less optimistic about living to an old age

When asked about their chances of living to be 75 or older and 85 or older, respondents' answers differ by insurance type. Those with public insurance are least likely to expect to live to an old age. The uninsured are less likely than individuals with private insurance, but substantially more likely than individuals with public insurance to believe they will live to be 75 or older. This difference becomes less pronounced when the question asks about chances of living to be 85 or older.

ABOUT THE PROFILES

This is the second set of *Data Profiles* in the series, *Challenges for the 21st Century: Chronic and Disabling Conditions*. The series is supported by a grant from The Robert Wood Johnson Foundation. This *Profile* was written by Emily Ihara with assistance from Laura Summer. Previous *Profiles* in the new series include:

1. Screening for Chronic Conditions: Underused services
2. Childhood Obesity: A lifelong threat to health
3. Visual Impairment: A growing concern as the population ages
4. Cancer: A major national concern
5. Prescription Drugs: A vital component of health care
6. Chronic Obstructive Pulmonary Disease: A chronic condition that limits activities
7. Rural and Urban Health: Health care service use differs
8. Chronic Back Pain: A leading cause of work limitations
9. Older Hispanic Americans: Less care for chronic conditions
10. Obesity Among Older Americans: At risk for chronic conditions

The Center on an Aging Society is a Washington-based nonpartisan policy group located at Georgetown University's Health Policy Institute. The Center studies the impact of demographic changes on public and private institutions and on the economic and health security of families and people of all ages.

1. See <http://www.ssa.gov/dibplan/dqualify4.htm>

2. Dale, S. B., Verdier, J. M. 2003. *Elimination of Medicare's Waiting Period for Seriously Disabled Adults: Impact on Coverage and Costs*. New York: The Commonwealth Fund.

3. Baker, D. W., Sudano, J. J., Albert, J. M., Borawski, E. A., Dor, A. 2001. Lack of health insurance and decline in overall health in late middle age. *New England Journal of Medicine* 345(15), 1106-1112.

4. Kaiser Commission on Medicaid and the Uninsured. 2001. *The Uninsured and Their Access to Health Care*. Washington, DC: Author.

ABOUT THE DATA

Unless otherwise noted, the data presented in this *Profile* are from two national surveys of the United States civilian non-institutionalized population. The 2000 Medical Expenditure Panel Survey (MEPS), cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics, provides national estimates of health care use, expenditures, sources of payment, and insurance coverage. The 2000 Health and Retirement Study (HRS) provides information about the population age 51 and older. HRS is sponsored by the National Institute on Aging and conducted by the Institute for Social Research at the University of Michigan.

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