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New Evidence on Health Coverage For Aging Boomers: Findings from the Commonwealth Fund Survey of Older Adults

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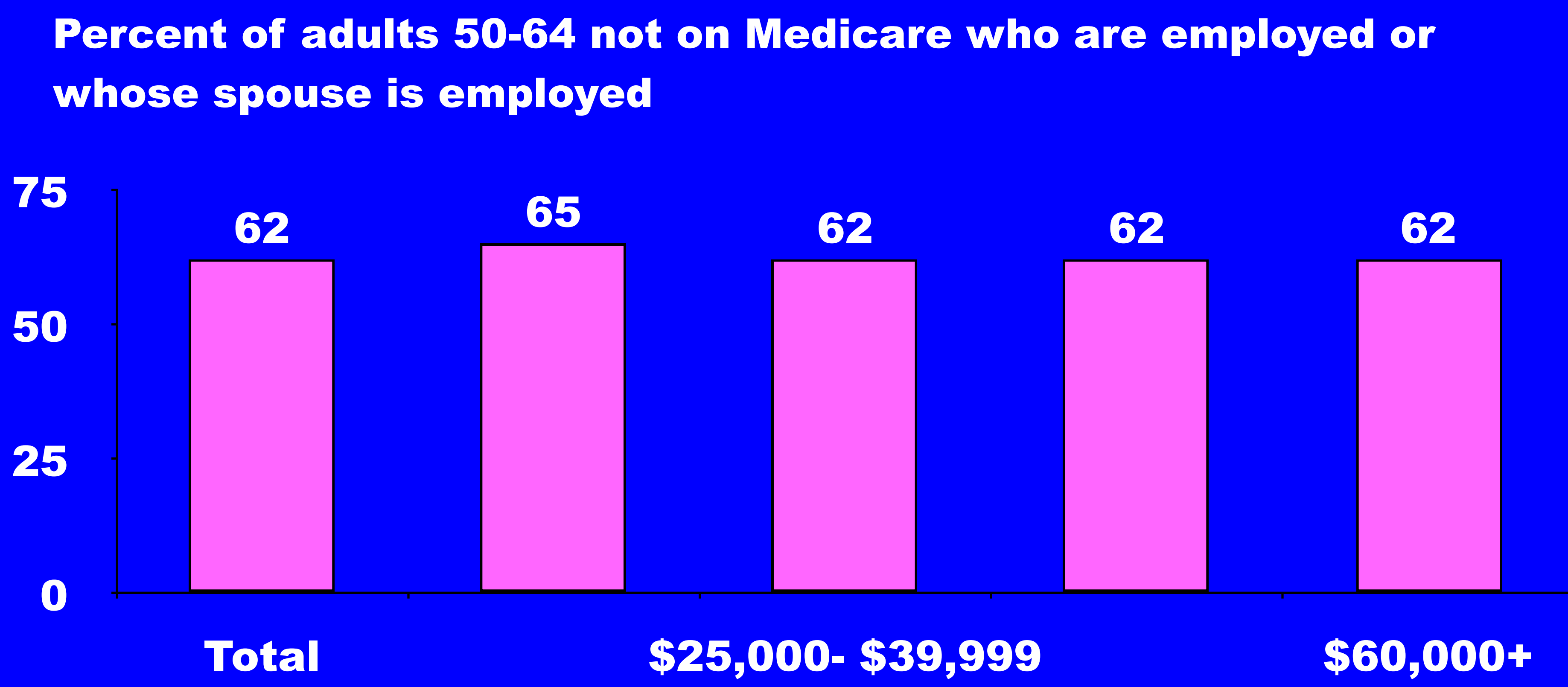
The Commonwealth Fund
NASI 18th Annual Conference
Panel on Disability, Social Insurance, And Health Coverage at Older Ages
Washington, D.C. – January 20, 2006

Figure 1. Chronic Health Conditions* by Income Among Older Adults in Working Families



*Chronic health conditions include hypertension/high blood pressure, heart disease/heart attack, cancer, diabetes, arthritis, or high cholesterol.

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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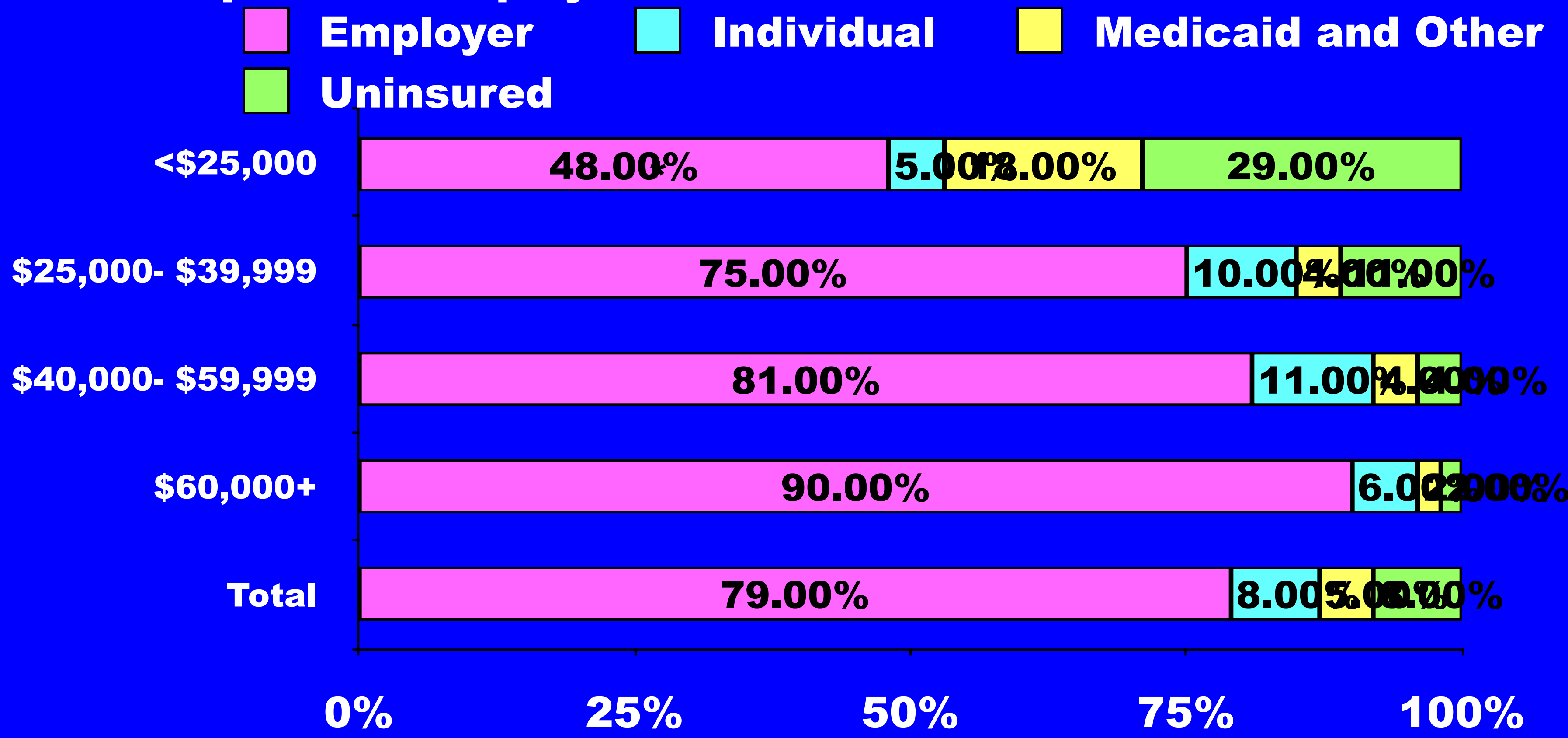
Figure 2. Source of Insurance Coverage by Income

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



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

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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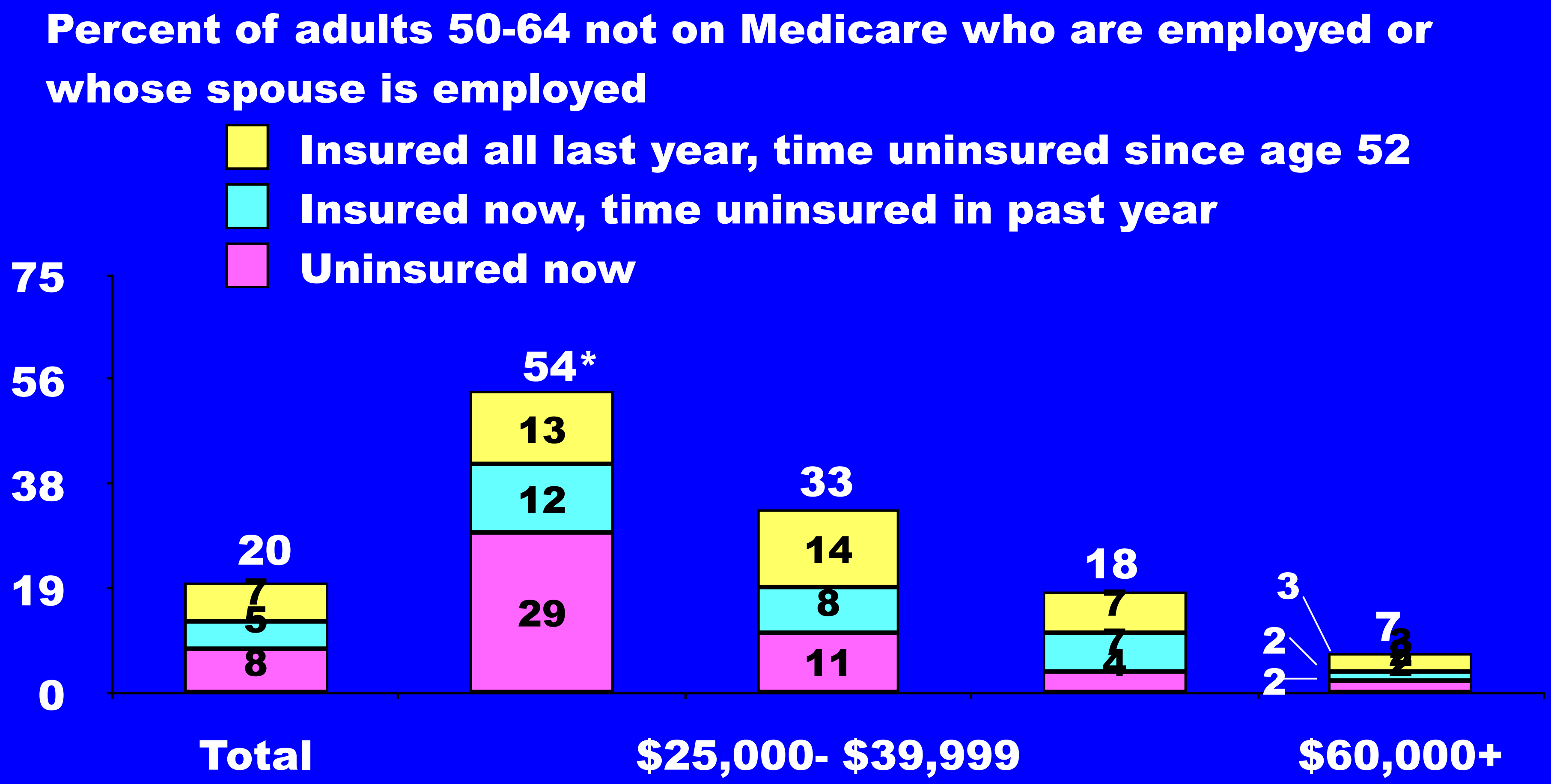
Figure 3. Insurance Instability Among Older Adults in Working Families



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

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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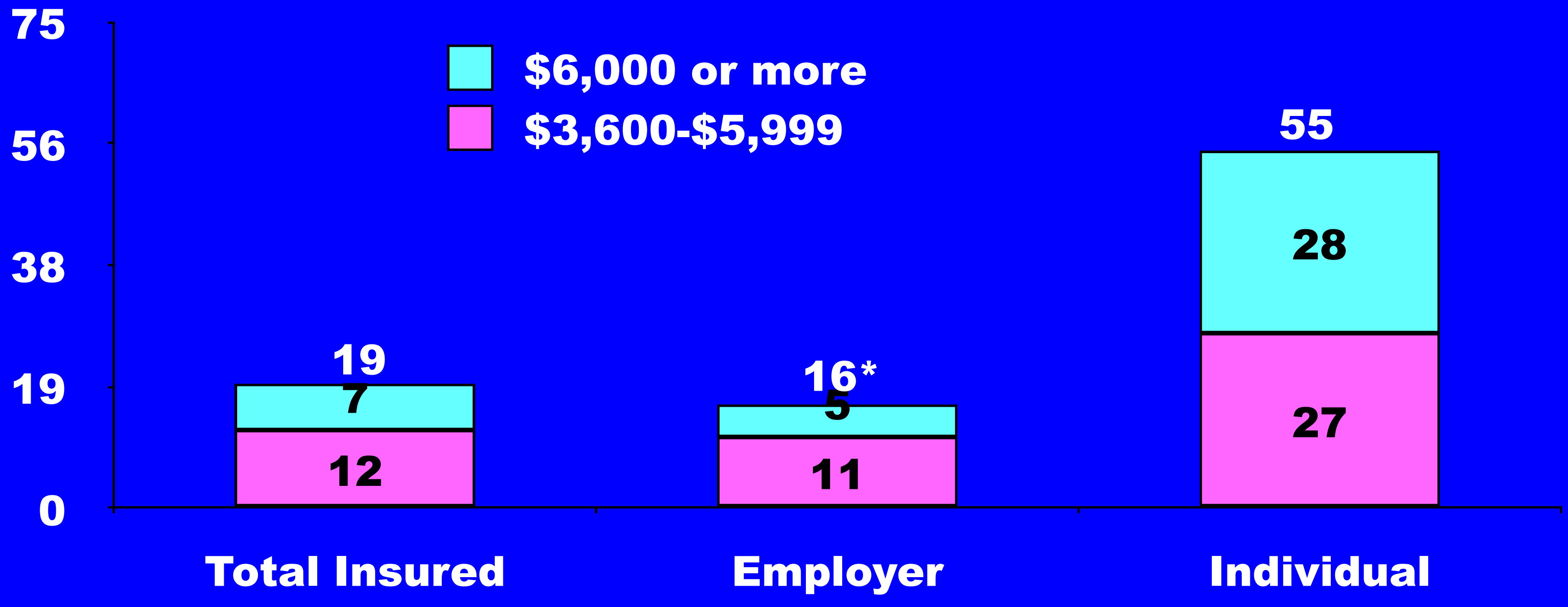
Figure 4. Annual Premiums Among Older Adults in Working Families

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



*Difference across insurance coverage is statistically significant at p ≤ 0.05 or better.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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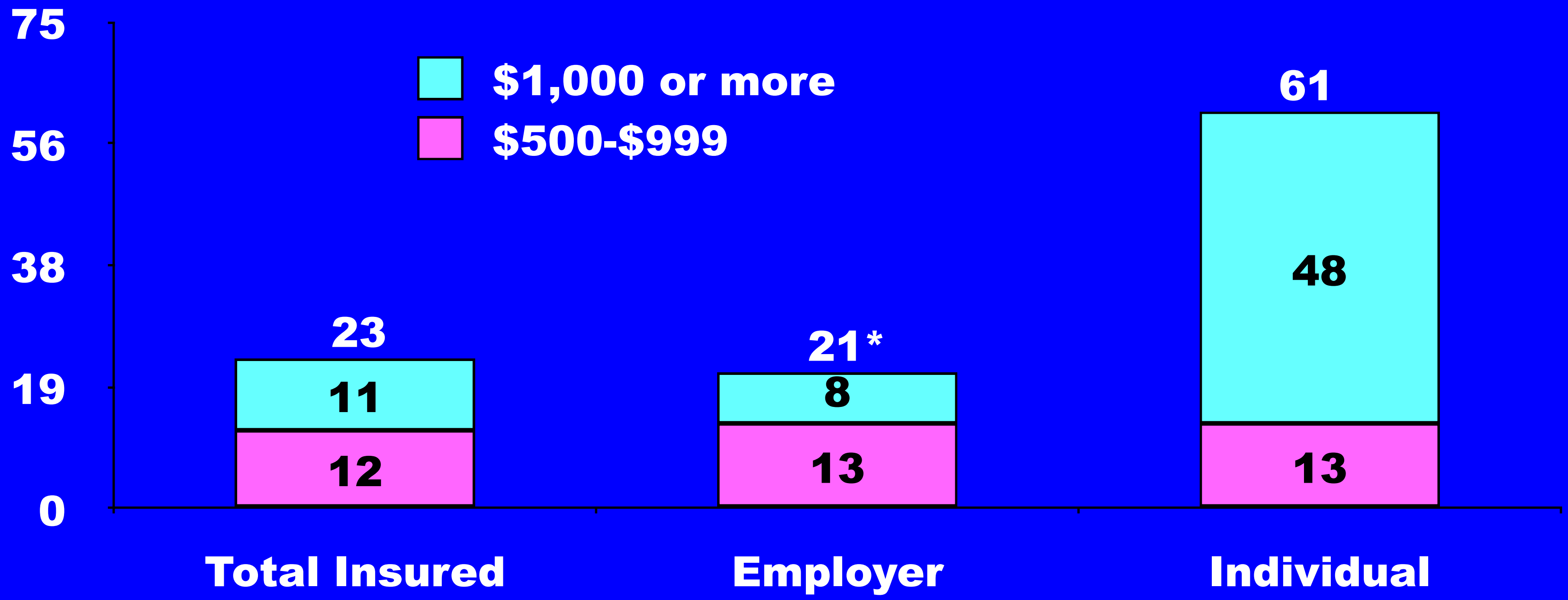
Figure 5. Annual Deductibles Among Older Adults in Working Families

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

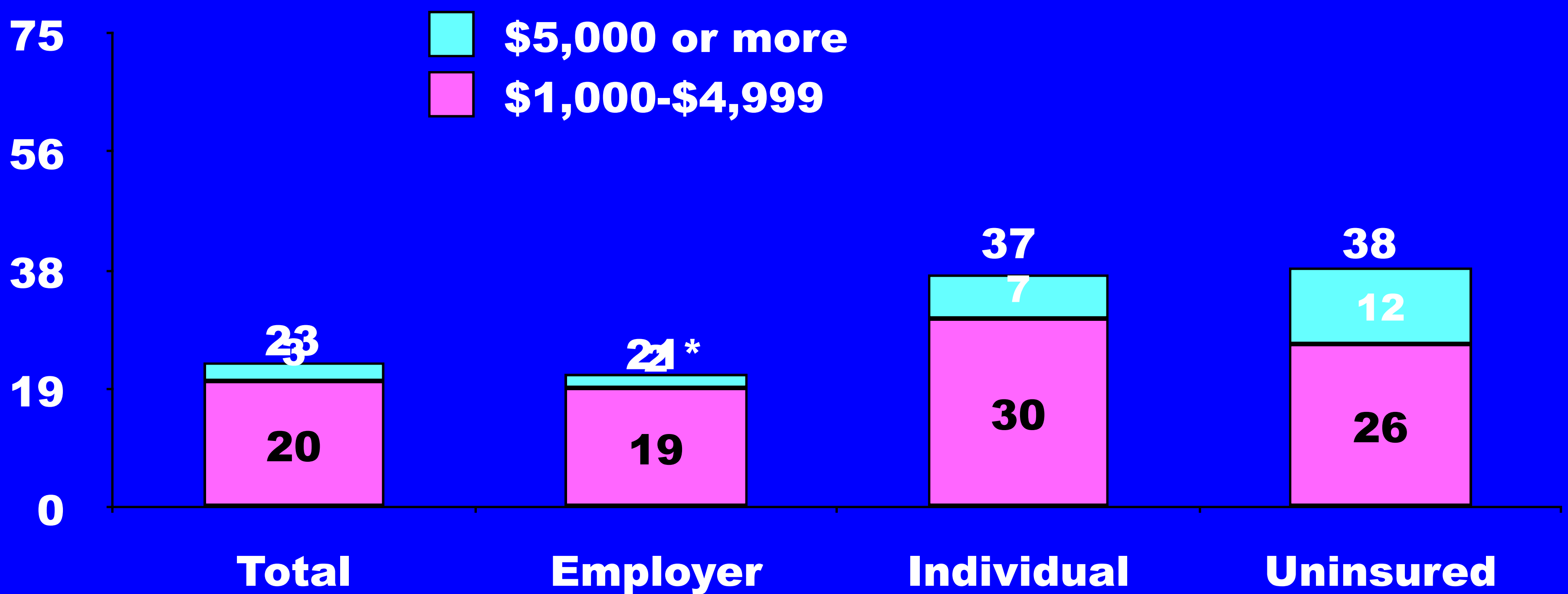


*Difference across insurance coverage is statistically significant at $p \le 0.05$ or better.

Source: The Commonwealth Fund Survey of Older Adults (2004).

Figure 6. Annual Out-of-Pocket Medical Expenses** Among Older Adults in Working Families

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



*Difference across insurance coverage is statistically significant at p ≤ 0.05 or better.
**Including prescription drug expenses.
Source: The Commonwealth Fund Survey of Older Adults (2004).

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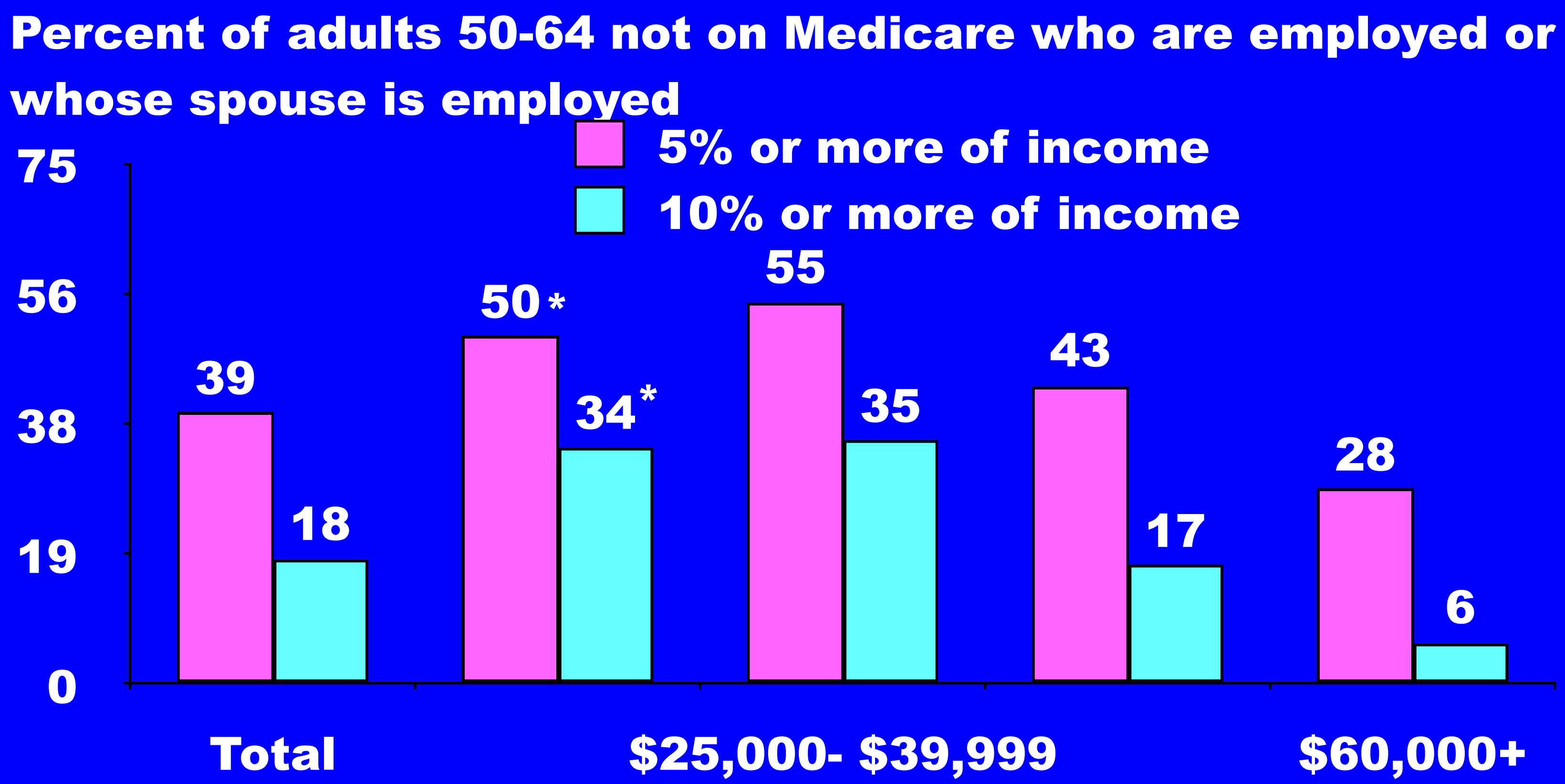
Figure 7. Percent of Older Adults Who Spend ≥5% and ≥10% of Annual Income on Out-of-Pocket Medical Expenses and Premiums, by Income



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

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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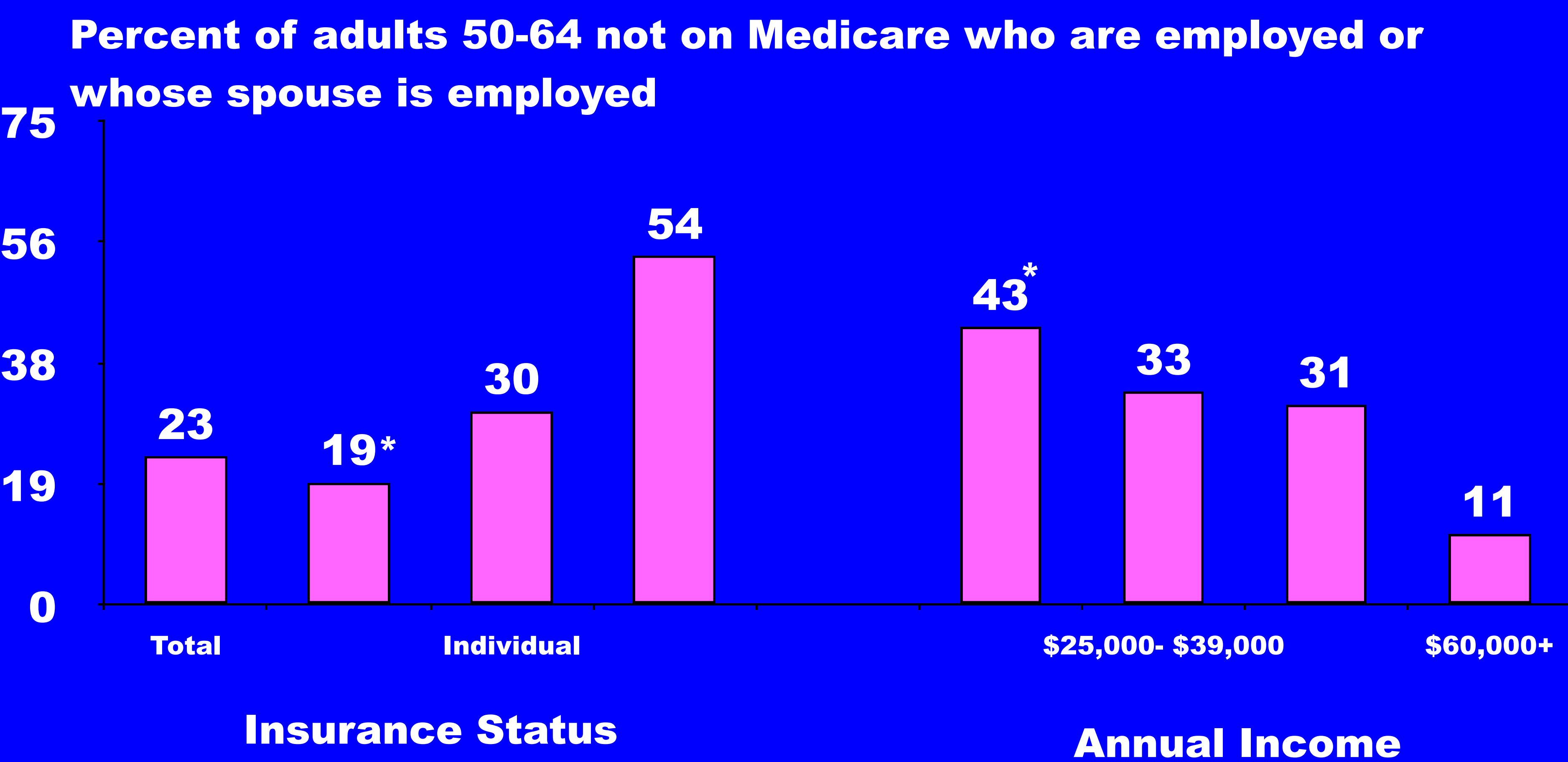
Figure 8. Percent of Older Adults Who Have At Least One of Four Cost-Related Access Problems,** by Insurance Status and Income



*Difference across insurance coverage/income is statistically significant at p ≤ 0.05 or better.

**Did not fill a prescription; did not see a specialist when needed; skipped recommended medical test, treatment, or follow-up; did not see doctor when sick.

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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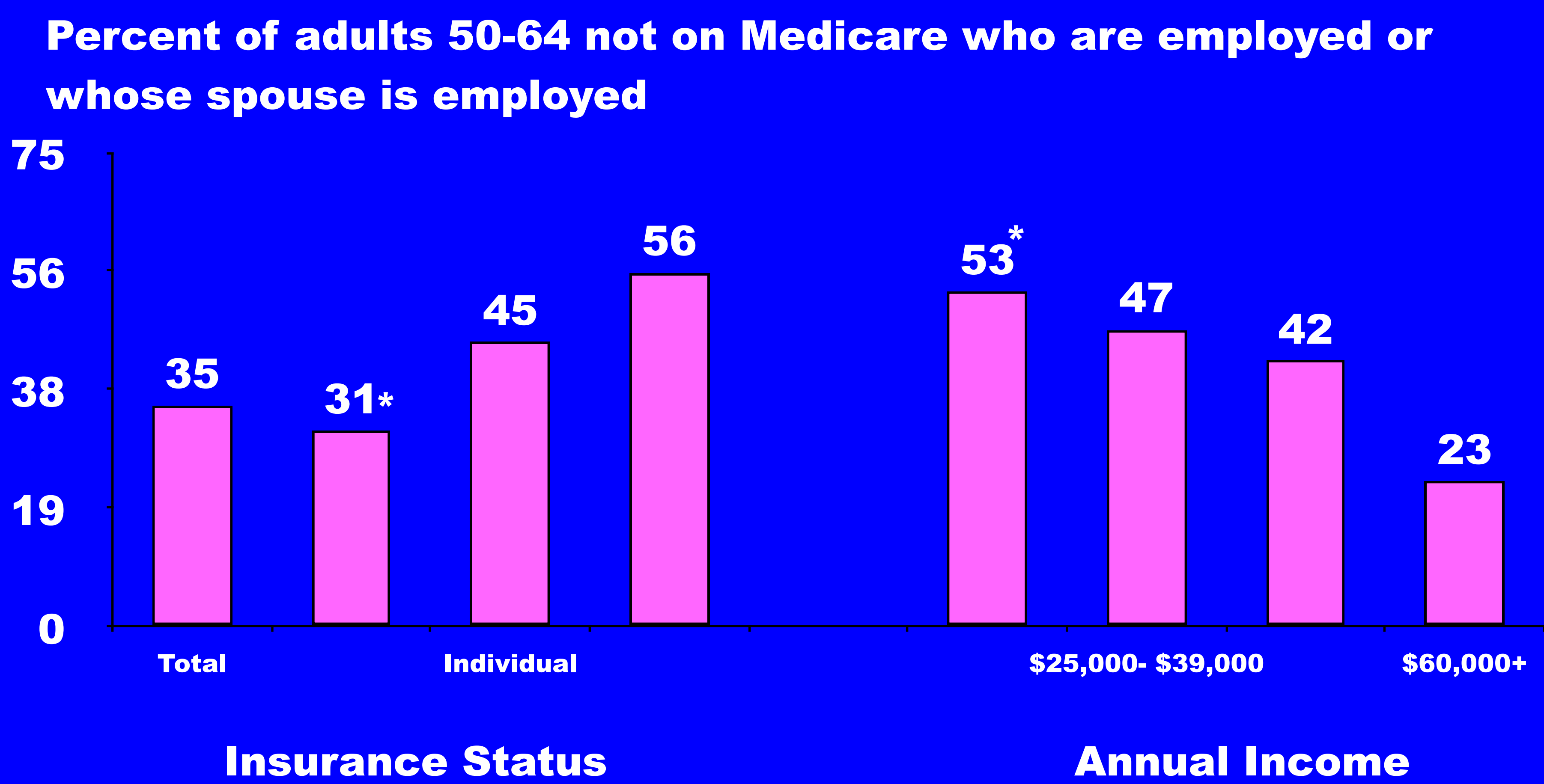
Figure 9. Percent of Older Adults with Medical Bill Problems** or Accrued Medical Debt, by Insurance Status and Income



*Difference across insurance coverage/income is statistically significant at $p \leq 0.05$ or better.

**Problems paying/not able to pay medical bills, contacted by a collection agency for medical bills, had to change way of life to pay bills, or has medical debt being paid off over time.

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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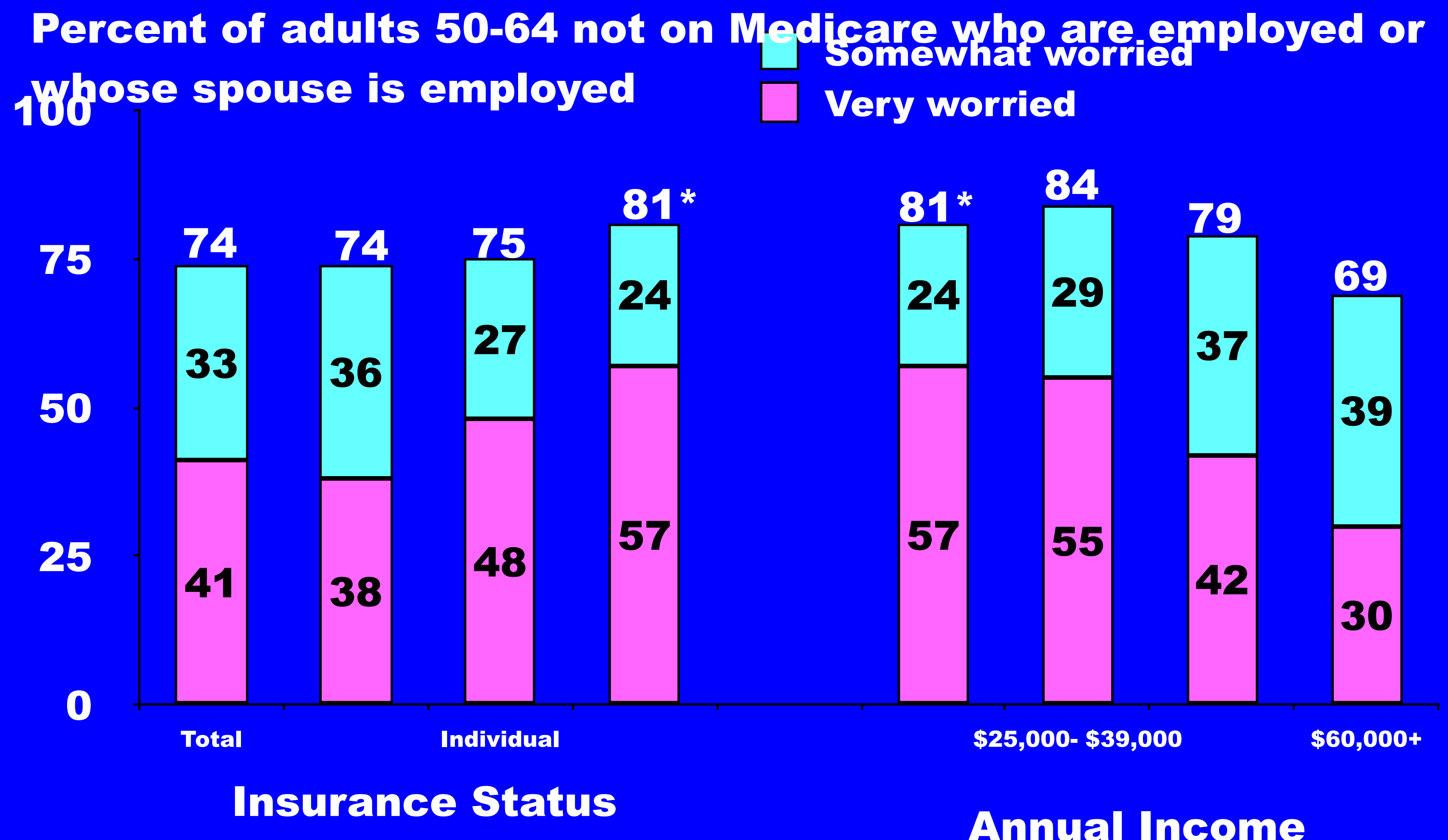
Figure 10. Percent of Older Adults Who Are Worried That Health Insurance Will Become So Expensive That They Will Not Be Able to Afford It



*Difference between uninsured and employer coverage is statistically significant at p ≤ 0.05 or better; Difference across income is statistically significant at p ≤ 0.05 or better.

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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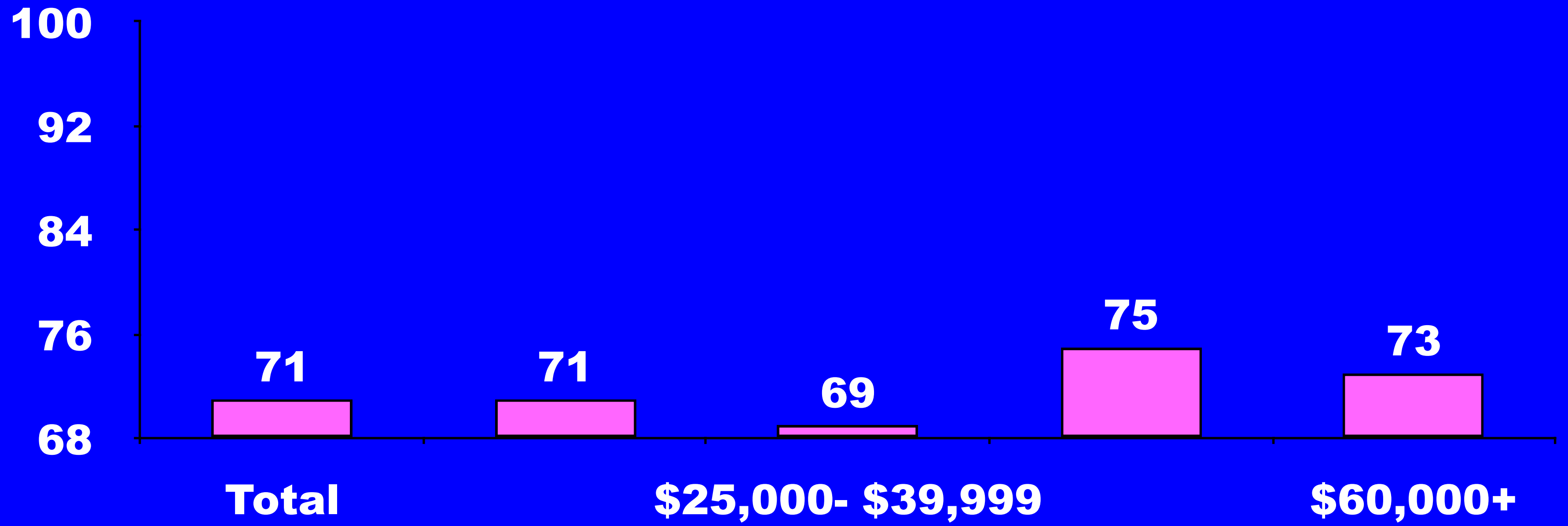
Figure 11. Interest in Medicare Health Accounts* Among Older Adults in Working Families

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



*Respondents were asked: "Thinking about paying for your healthcare in the future, would you be interested in having 1% of your (and/or your spouse's) earnings deducted from your paycheck(s), tax-free, and placed in your own Medicare account(s) to use for long-term care or other expenses not covered by Medicare?"

Note: Income groups based on 2003 household income.

Source: The Commonwealth Fund Survey of Older Adults (2004).

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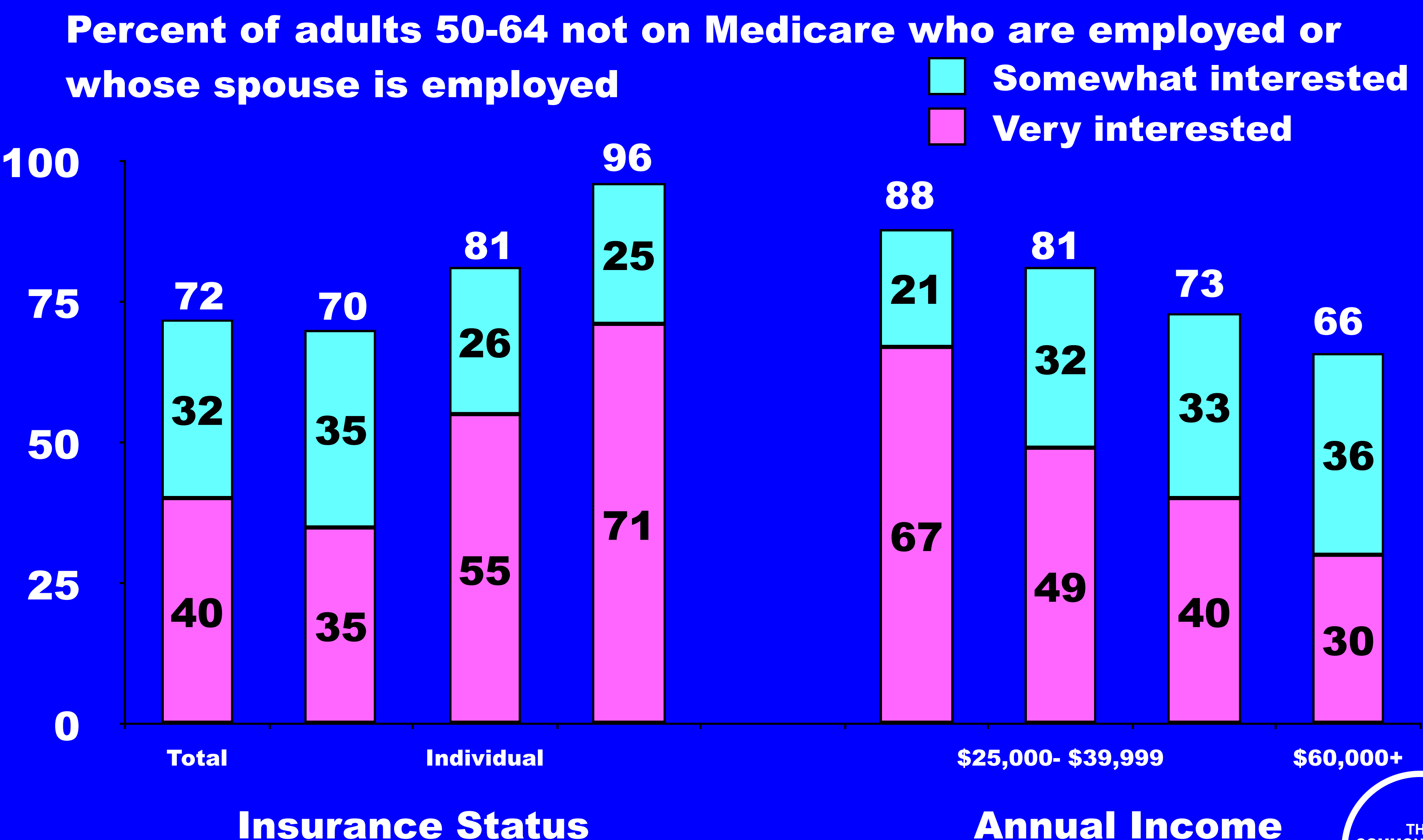
Figure 12. Percent of Older Adults Who Are Very/Somewhat Interested in Receiving Medicare Before Age 65, by Insurance Status and Income



Note: Income groups based on 2003 household income.
Source: The Commonwealth Fund Survey of Older Adults (2004).

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Discussion

- Older adults are becoming less protected from health care costs: 50-64 uninsured climbed from 5.5 m. in 2000 to 6.6 m. in 2004
- 1.8 million insured older adults in working households are underinsured
- Concerns about effect of high deductible plans and HSAs on access to care and savings in this age group
- With high rates of chronic conditions, poorly covered older adults at risk of spending large shares of income on out-of-pocket costs, suffering adverse health events from skipping needed care, and accumulating medical debt
- Poor health can hinder older adults' ability to work and save for retirement
- J.M. McWilliams, et al. found uninsured adults 55- 64 have reduced access to preventive care; more than 13,000 premature deaths occur annually in this age group because of a lack of health insurance coverage
- If older adults postpone/avoid care for chronic health problems, at risk of entering the Medicare program in deteriorating health and with costly medical conditions

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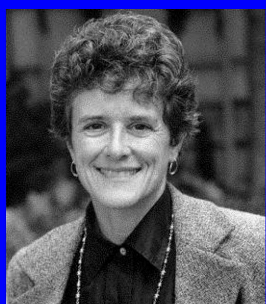
Policy Implications

- Survey shows strong interest among older adults in setting up Medicare accounts to set aside income for long-term and other health care expenses not covered by Medicare
- Strong interest in participating in the Medicare program before age 65
- Eliminating the two-year waiting period for the disabled in Medicare would alleviate the financial hardship of those under age 65 too ill or disabled to work

Acknowledgements

Karen Davis,
President
Commonwealth Fund

Michelle Doty,
Senior Analyst
Commonwealth Fund



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Sara R. Collins, Karen Davis, Cathy Schoen, Michelle M. Doty, Jennifer L. Kriss, New Evidence on Health Coverage for Aging Boomers: Findings from The Commonwealth Fund Survey of Older Adults, Paper presented at NASI Annual Conference, January 20, 2006.

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