



Underinsured Rate Rose From 2014-2018, With Greatest Growth Among People in Employer Health Plans

Commonwealth Fund Survey Shows Coverage Gains Under ACA Have Stalled; Erosion of Health Plan Coverage Threatens to Further Stymie Progress

People who are “underinsured” have high health plan deductibles and out-of-pocket medical expenses relative to their income and are more likely to struggle paying medical bills or to skip care because of cost. Among adults who were insured all year, 29 percent were underinsured in 2018, up from 23 percent in 2014, according to results from the Commonwealth’s Fund’s latest Biennial Health Insurance Survey, released today.

The survey offers a big-picture look at Americans’ health insurance, including the quality of their coverage, in 2018. It finds that:

- ▶ **More U.S. adults are underinsured compared to 2014, with the largest growth among people with job-based health plans.** Twenty-eight percent of U.S. adults who have health insurance through their employer were underinsured in **2018**, up from 20 percent just four years earlier. At the same time, people who bought plans on their own through the individual market or the marketplaces were the most likely to be underinsured, with 42 percent reporting a lack of adequate coverage in 2018.

Underinsured adults report having trouble affording their care:

- **Problems getting care:** 41 percent of underinsured adults said they delayed needed care because of cost, compared to 23 percent of people with adequate insurance coverage.
- **Difficulty paying medical bills:** Almost half (47%) of underinsured adults report medical bill and debt problems –nearly twice the rate as those who are not underinsured (25%).
- ▶ **Since the Affordable Care Act (ACA) became law, fewer adults lack insurance, but gains have stalled.** Despite changes by the Trump administration and Congress that were expected to weaken the ACA, this survey finds no change in the adult uninsured rate between 2016 and the second half of 2018. By late fall of 2018, 12.4 percent of adults were uninsured, down from a high of 20 percent in the Commonwealth Fund’s 2010 survey, conducted the year the ACA became law.

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The Commonwealth Fund is a private, nonprofit foundation supporting independent research on health policy reform and a high-performance health system.

- ▶ **Gaps in people’s coverage are shorter.** The share of people who are insured but who experienced a period without coverage in the past year has not changed since 2010. However, these coverage gaps have become significantly shorter on average than they were before the ACA’s major coverage expansions.
 - In 2018, 61 percent of people who reported a gap said they had been without coverage for less than six months, compared to 31 percent who had been uninsured for a year or longer. This is nearly the reverse of the situation in 2012, when 57 percent were uninsured for a year or longer, and just one-third reported having a shorter coverage gap.
 - There has been some improvement in the prevalence of very long gaps – 2 years or more – in insurance coverage. Among adults who were uninsured at the time of the survey, 54 percent reported that they had been without coverage for two years or longer, down from 72 percent before the ACA coverage expansions went into effect.
- ▶ **Adults with continuous insurance coverage, including people who are underinsured, get preventive care and cancer screenings at higher rates than those without it.** Having continuous coverage – even coverage that does not provide adequate cost protection – makes a significant difference in people’s access to care. The majority of adults insured all year report a regular source of care, get timely preventive care, and receive recommended cancer screenings.

This better access stems in part from the ACA’s requirement that insurers and employers cover recommended preventive care and cancer tests without cost-sharing.

- *Access to care:* 93 percent of adults with continuous full coverage and 94 percent of adults who were underinsured for all of 2018 had a regular source of care.
- *Cancer screenings:* 71 percent of women ages 40 to 64 who were continuously insured, including those who were underinsured, received mammograms.

From the experts:

Sara Collins, lead author of the study and Commonwealth Fund Vice President for Health Care Coverage and Access

“U.S. working-age adults are significantly more likely to have health insurance since the ACA became law in 2010. But the improvement in uninsured rates has stalled. In addition, more people have health plans that fail to adequately protect them from health care costs, with the fastest deterioration in cost protection occurring in employer coverage. Moving forward, it will be essential to protect, and grow, the ACA’s coverage gains while also working to ensure people with health insurance can get and afford the care they need.”

David Blumenthal, M.D., Commonwealth Fund President

“More than 150 million people get their health insurance through their employers. While the ACA expanded and improved coverage options for people without a job-based health plan, the law largely left the employer market alone. The results of this survey indicate that it may be time for policymakers to pay some serious attention to the relatively quick erosion of employer coverage and its impact on workers.”

IMPLICATIONS

Both the federal government and states could extend the law's coverage gains and improve the cost protections of both individual market and employer plans, the Commonwealth Fund report finds. A short list of policy options that they could pursue includes:

▶ **Improving Premium Affordability and Increasing Coverage**

- Expanding Medicaid in all states without restrictions.
- Placing limits on short-term health plans and other insurance options that do not comply with the ACA.
- Reestablishing outreach and navigator funding for the 2020 open-enrollment period to help people enroll in marketplace plans.
- Lifting the 400 percent-of-poverty cap on eligibility for marketplace tax credits so more families can afford marketplace plans.
- Making premium contributions for individual market plans tax deductible.
- Fixing the so-called family coverage glitch, which has left many families with high-cost employer plans ineligible for marketplace subsidies. That's because under the ACA, affordability and access to subsidies are based on a plan for a single employee instead of the higher-cost family plan.

▶ **Establishing State or Federal Reinsurance Programs to Lower Marketplace Premiums**

- After the ACA's reinsurance program expired in 2017, several states implemented their own programs – including Alaska, which reduced premiums by 20 percent in 2018. These lower costs particularly help people whose incomes are too high to qualify for ACA premium tax credits. More states are seeking federal approval to run programs in their states, and several congressional bills have proposed a federal reinsurance program.

▶ **Improving the Cost Protection of Individual Market and Employer Plans**

- Offering cost-sharing-reduction subsidies to more of the people who currently earn too much to qualify for them.
- Providing refundable tax credits to offset high out-of-pocket costs.
- Excluding more health services from plan deductibles in all health plans.
- Increasing the required minimum value of employer plans.

In addition to these options, policymakers must address rising health care costs, the authors note. Doing so will be critical for keeping down employer premiums and deductibles.

The full report will be available after the embargo lifts at:

<https://www.commonwealthfund.org/publications/issue-briefs/2019/feb/health-insurance-coverage-eight-years-after-aca>

HOW THIS STUDY WAS CONDUCTED

The Commonwealth Fund Biennial Health Insurance Survey, 2018, was conducted by SSRS from June 27 to November 11, 2018. The survey consisted of telephone interviews in English and Spanish and was conducted among a random, nationally representative sample of 4,225 adults ages 19 to 64 and older living in the continental United States. A combination of landline and cellular phone random-digit dial samples was used to reach people.

Statistical results are weighted to correct for the stratified sample design, the overlapping landline and cellular phone sample frames, and disproportionate nonresponse that might bias results. The resulting weighted sample is representative of the approximately 193.9 million U.S. adults ages 19 to 64.

The survey has an overall margin of sampling error of ± 1.9 percentage points at the 95 percent confidence level. The RDD landline portion of the survey achieved a 8.4 percent response rate and the RDD cellular phone component achieved a 5.2 percent response rate.

We also report estimates from the 2001, 2003, 2005, 2010, 2012, 2014, and 2016 Commonwealth Fund Biennial Health Insurance Surveys. These surveys were conducted by Princeton Survey Research Associates International using the same stratified sampling strategy that was used in 2018, except the 2001, 2003, and 2005 surveys did not include a cellular phone random-digit dial sample. In 2001, the survey was conducted from April 27 through July 29, 2001, and included 2,829 adults ages 19 to 64; in 2003, the survey was conducted from September 3, 2003, through January 4, 2004, and included 3,293 adults ages 19 to 64; in 2005, the survey was conducted from August 18, 2005, to January 5, 2006, among 3,352 adults ages 19 to 64; in 2010, the survey was conducted from July 14 to November 30, 2010, among 3,033 adults ages 19 to 64; in 2012, the survey was conducted from April 26 to August 19, 2012, among 3,393 adults ages 19 to 64; in 2014, the survey was conducted from July 22 to December 14, 2014, among 4,251 adults ages 19 to 64; and in 2016, the survey was conducted from July 12 to November 20, 2016, among 4,186 adults ages 19 to 64.

ADDITIONAL PERTINENT RESEARCH

[Commonwealth Fund Biennial Health Insurance Surveys](#)

[David Blumenthal, Lovisa Gustafsson, and Shawn Bishop, “To Control Health Care Costs, U.S. Employers Should Form Purchasing Alliances,” *Harvard Business Review*, Nov. 2, 2018.](#)

[Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* \(Commonwealth Fund, Dec. 2018\).](#)

[Jack Hoadley, Kevin Lucia, and Maanasa Kona, “State Efforts to Protect Consumers from Balance Billing,” *To the Point* \(blog\), Commonwealth Fund, Jan. 18, 2019.](#)

[Jodi Liu and Christine Eibner, *Expanding Enrollment Without the Individual Mandate: Options to Bring More People into the Individual Market* \(Commonwealth Fund, Aug. 2018\).](#)

[Richard M. Scheffler, Daniel R. Arnold, and Christopher M. Whaley, “Consolidation Trends in California’s Health Care System: Impacts on ACA Premiums and Outpatient Visit Prices,” *Health Affairs* 37, no. 9 \(Sept. 2018\): 1409–16.](#)