

# Who's uninsured in 2007? It's more than just the poor

46 million people are stuck; here's how it happened in 6 cases

By Julie Appleby

Susan Squire lost her health benefits in 2000 when her company downsized and she was laid off. A few years later, she had a heart attack — leaving her with a \$92,000 hospital bill.

Dianne Stewart, who once had a six-figure income and health insurance benefits as an advertising saleswoman, now relies on the generosity of a group of doctors in her town near Charlotte for low-cost medical care.

Joe Cesa, owner of a Philadelphia coffee shop, put a \$3,000 emergency room bill on his credit card when he accidentally cut off the tip of his thumb. He can't afford insurance for himself or his employees.

While each of their backgrounds is different, all have one thing in common: Through choices, circumstance, bad luck — or a combination of all — they are among the more than 46 million people in the USA, nearly 16% of the population, who lack health insurance.

For the first time in more than a decade, the debate over how to provide health care for the uninsured is moving back to center stage in Washington and many state capitals. After languishing as a major issue since President Clinton's plan failed in 1994, health care reform is back on the agenda — from President Bush's State of the Union speech to stump speeches from presidential candidates. "It's amazing and extraordinary," says Drew Altman of the Kaiser Family Foundation, a non-partisan research group based in California. "This issue was nowhere as a top political priority four or five months ago. Now it's front and center again."

And it's not just Washington lawmakers: In recent weeks, business leaders, including those from Wal-Mart and the Business Roundtable, have teamed with their traditional opponents — labor unions — in

calling for health system change. Several states, including Massachusetts and Vermont, have enacted laws aimed at covering the uninsured, while more than a dozen other states have some type of proposal under debate.

For the uninsured — whose ranks include the poor and the well-off, the employed and the jobless, the young and the middle-aged — the issue is more than just a political debate: Those without insurance face financial difficulties and are less likely to get comprehensive care for chronic conditions. The Institute of Medicine, in a series of reports published in 2004, concluded that 18,000 people in the USA die each year because they lack insurance.

Stewart, Cesa and Squire are among people from around the nation who shared with USA TODAY how they came to be without insurance — and how they cope.

## The Robichaux family *A special-needs child*

Lela and T.J. Robichaux's son has autism, for which he needs ongoing physical and occupational therapy. While Trenton, 8, once qualified for Louisiana's Medicaid program, the family's income rose and he has not been eligible for more than a year.

So the Shreveport family relies on what therapy he can get at school, which Lela Robichaux says is barely adequate. "He gets an hour a month of occupational therapy and 30 minutes of speech therapy a week," says Robichaux, 33. Trenton was recently placed in classes for high-functioning autistic children. "He gets a little more attention there," she says.

Lela, an internal quality-control officer at a company that does not offer health benefits, is the family breadwinner, earning about \$750 a week, or \$39,000 for the year. That puts them over the \$34,340 annual income limit to get Trenton care through the state's Medicaid program for children.

As in the majority of states, Louisiana limits family income to no more than 200% of the federal poverty level, or \$34,340 for a family of three, to qualify. In nine states, the upper limit is less than that, and in 17 states and the District of Columbia, families can earn more than 200% of the federal poverty level and still qualify.

The couple looked into private insurance for their son. But, with his health conditions, the cost was prohibitive, she says. "There's no way we could afford a private policy," she says. "When my son was 3, we applied for a policy just for him. It was \$700 a month."

T.J., 33, is working toward becoming a physical therapy assistant, and expects to complete his training in about a year. The couple hope he can land a job that comes with insurance.

"My husband and I don't go to the doctor unless it's absolutely necessary," Lela says.

She takes her son to see the doctor when he needs care and pays cash. They have no credit cards, having survived a bankruptcy filing several years ago.

"A lot of the doctors are very good working with us," Lela says. "They don't demand full payment right then. I know that some of them have adjusted their pricing."

When Trenton was born, the family did not have medical insurance. "We took out a loan from the bank," Lela says, "because the hospital wanted a down payment. We paid the rest off a few years after that."

She says the Medicaid program needs to be more flexible to accept families with higher incomes.

"The system is designed to keep people down," she says. "If you start stepping up, (and) accepting raises (you don't qualify). People will actually get divorced to get service."

## “Who’s uninsured in 2007? It’s more than just the poor”: Understanding health insurance

Unmarried people who then marry and combine incomes don’t qualify for help. The whole system needs to be looked at.”

### **Kendra Pitts**

*Work insurance too costly*

While the majority of people who have insurance — 59.5% — get it through their jobs, not everyone who is offered coverage at work takes it. Some turn it down because they have coverage through a spouse, parent or state program. Some workers take the coverage for themselves, but find that putting the kids on the plan would cut too sharply into the monthly budget.

Kendra Pitts, 28, gets coverage though her job for herself at a cost of \$60 a month. But to add her 5-year-old daughter, A’Nya, would cost an additional \$300 a month, money Pitts says she doesn’t have between rent, car payments, child care costs and student loan payments.

“God forbid something happens to her and we have to go to the emergency room,” Pitts says of her daughter.

Because family policies cost more than individual ones, many workers pay a larger monthly amount toward their coverage if they want to include their families. On average, insured workers pay 27% of the premium for a family plan vs. 16% for single coverage, according to a survey of employers by the Kaiser Family Foundation.

A study released Wednesday by the Robert Wood Johnson Foundation found that only 47% of parents in families earning less than \$40,000 annually are offered health insurance through their employer — a 9% drop since 1997. Insurance coverage for parents earning \$80,000 or more held steady at about 78%.

Pitts works in Columbia, S.C., running cardiac stress tests in a busy cardiology practice, and makes about \$34,000 a year. The annual cost to add her daughter would be \$3,600.

But there’s hope: A’Nya’s dad has a new job, and his 90-day probation period at work ends soon, so he’ll be eligible for benefits for himself and A’Nya.

“I feel very fortunate that she doesn’t have to go to the doctor much,” Pitts says. She looked into a private plan for A’Nya, but it was about \$150 a month, with a \$200 sign-up fee.

A local clinic offers office visits for \$55, so when A’Nya needs care, Pitts takes her there.

More affordable health insurance is needed, Pitts says, particularly for working families.

“You have working-class families that are pretty much in a gray area,” she says. “The poor get assistance. The people who can afford it stay afloat. It’s the people in the middle, like myself, working-class people, that have a decent income, that are not able to afford adequate health care.”

### **Dianne Stewart**

*A job, but no benefits*

The rise in both the number and percentage of uninsured in recent years is at least partly due to a decline in the percentage of employers offering coverage. About 61% of companies in the USA offer health insurance to their workers, down from about 69% in 2000, according to the Kaiser survey.

Dianne Stewart, 57, had health insurance as an advertising saleswoman for television stations in the Charlotte area for years. But she lost her coverage in 2000 when she left that job to work as a partner in a small advertising agency that didn’t offer insurance.

In 2003, she left that job to live off her savings for a while. Returning to work proved to be harder than she had anticipated: Few employers wanted to hire someone her age, she says. And she found it even harder to find affordable insurance.

“For a while I had a policy and was paying \$400 a month,” says Stewart, who is relatively healthy but takes a thyroid medication and drugs for blood pressure and cholesterol. “I paid them more than they paid back in benefits.”

Her savings are dwindling and she’s had no income, a big change from the days when she worked for television stations and says she made a six-figure income. After a stint trying to sell advertising as an independent contractor, Stewart is studying for a health and life insurance broker license. She takes the test next week and hopes to start selling health insurance to small businesses.

For medical care, her lifeline has been the support of two services in town. One is called Physicians Reach Out, a group of physicians who offer low-cost health care to low-income residents. The other is MedAs-

sist, a free pharmacy for uninsured and low-income residents of Mecklenburg County, N.C.

Without them, she says she would have had to file for bankruptcy. “I had to have surgery to remove my parathyroid gland three months ago,” Stewart says. “We tried to treat it with medication, but it got worse.”

Although the hospital tab easily topped \$7,000, Stewart says the payments were waived through the program, and she had only small doctors’ bills to pay. Every few months they check her income to make sure she still qualifies.

“I thank them from the bottom of my heart,” she says. “Because of my medication, hopefully I will live to be 80 at least.”

She plans to buy health insurance as soon as her earnings as an insurance broker allow, and no, she doesn’t expect to get a break on the cost because she’s a broker.

“I’ll have to pay the same as everyone else,” Stewart says. “Health and life insurance is not something everyone wants to buy, but it’s something you have to buy.”

### **Joe Cesa**

*Self-employed, no insurance*

Joe Cesa hasn’t had health insurance since he left his corporate job in 2001 to open a coffee house, called Joe, in downtown Philadelphia. Business is going OK, but not as well as he had expected. He doesn’t have insurance, and he can’t offer it to his workers, either.

“Years ago I had a small restaurant and catering business, and the employees had insurance,” says Cesa, 55. “But between the economy and the price of health care now, as opposed to 10 or 12 years ago, I just can’t do it.”

When a bout with the flu left him bedridden for days, he just toughed it out. “I lost 15 pounds in two weeks,” Cesa says. “Luckily, it didn’t turn into pneumonia.”

He sometimes helps his workers pay their medical bills.

“When an employee gets sick, the only thing I can do is send them home. If they didn’t have money to go to the doctor, and it’s progressed, I offer to pay their health care. I’ve paid (for) a doctor visit and a couple of prescriptions.”

He bristles at the stereotype of the uninsured. People think “it’s lazy people who don’t work, who just can’t be bothered or spend their money on other stuff,” Cesa says.

Nationally, the average family policy offered by employers to their workers costs more than \$11,765 a year, according to the Kaiser foundation survey. About 17 million people in the USA buy their own coverage, typically because they are self-employed or have jobs that don’t offer insurance. Some families are able to find policies for less than what employers pay, while others, particularly those with health problems, could pay far more — or get turned down for coverage entirely.

Cesa says his businesses netted him less than \$4,000 in 2005, after he paid his expenses, including the \$3,000 in medical bills from his finger injury. He’s hoping the numbers for 2006 come in better, but he’s certain it will be less than \$15,000. There’s just no wiggle room to buy insurance, he says.

“What am I supposed to do? Sell my house to pay for insurance for my employees and me? Then, after two years, I may not have a house or health care or a business.”

He thinks a universal care system is needed in the USA.

“Everyone contributes to our society. I don’t have children, but I pay school taxes. I don’t have a problem with that. There should be a basic (health insurance) system where coverage is provided for everyone.”

### **Susan Squire**

#### *Bills and bankruptcy*

Some people are uninsured because they have health problems that either prevent them from getting coverage on the individual market or put the cost of premiums beyond their reach. Some of them face devastating financial consequences as a result.

Susan Squire of Warren, Mich., shopped around for a policy after she lost her benefits when she was laid off in 2000. Because she has diabetes, buying her own policy directly from a health insurer was too expensive, she says.

“The only one that would take me was Blue Cross Blue Shield. At that time, for just basic medical, no prescription drugs, it was over \$500 a month,” says Squire, 57.

She’s now working again, making about \$30,000 a year, but the job does not include medical benefits. She pays \$200 a month for a “discount card,” one of many sold around the country by a variety of companies, which promises discounts on doctors and prescriptions. On top of that, she pays about \$300 a month for the seven medications she takes and the test strips she needs to monitor her blood sugar levels.

“It’s not saving me a lot,” says Squire of the discount card, which she plans to cancel because the company has yet to pay for some doctor visits and lab tests from three months ago.

Squire knows first-hand the devastating effects of being uninsured. She had a heart attack in 2005, was rushed to the hospital and had open-heart surgery.

“The doctor said, ‘Well, Susan, you’re having a heart attack,’” Squire says. “That’s when it hit me, ‘Oh my God, I can’t be going through this. I don’t have insurance.’” Cost of her treatment came to about \$92,000.

“I’m a bookkeeper. I do income taxes, so I know finances and how to deal with them and pay your bills,” Squire says. “I never had a problem with that, until I got hit with \$92,000 in one lump sum.”

She filed for bankruptcy in January 2006, and she says she now does not owe anything for the hospital bills. “I was trying to set up payment plans, but they (hospitals and doctors) weren’t willing to work with the amount of money I was able to send them,” she says.

People who are uninsured may be so for only a few months, while between jobs. Others may go in and out of coverage several times in a period of years. About 59% of uninsured adults have been without coverage for at least two years, according to a Kaiser survey of the uninsured.

Earlier this month, Squire got some good news: She’s been accepted into a new Blue Cross Blue Shield individual health insurance plan that will cost her \$171 a month and cover 70% of doctor and hospital bills after she meets a \$1,000 annual deductible. The plan also offers discounts on prescription medications. She will have coverage starting next week.

### **Kevin Wurtzbacher**

#### *Can’t afford coverage*

Some of the uninsured simply choose not to buy coverage. Particularly those who are young and healthy — the very group that insurance companies want to attract — tend to see health insurance as an expense with little payback, rather than a hedge against financial disaster. So they don’t buy it.

About 33% of those ages 19 to 24 are uninsured, and about 27% of those ages 25 to 34 are uninsured, according to a Kaiser analysis of Census Bureau data.

Many of the uninsured have multiple reasons for being uninsured.

Kevin Wurtzbacher, 31, has been diabetic since 14, taking insulin shots. That makes the Valley Grove, W.Va., man an unlikely candidate for private insurance, and his job as a concrete worker is seasonal and doesn’t come with health insurance. His wife, Julie, works as a waitress, and the restaurant does not offer health coverage.

Together, the couple make about \$39,000. He now relies on a free clinic.

The couple’s income qualifies them for low-cost care from Wheeling Health Right, in Wheeling, W.Va., which is funded by state, city and county governments, grants from foundations and donations. It is a popular spot and even draws patients from across the river in Ohio.

Their 4-year-old daughter is covered by a state program. Wurtzbacher’s insulin and supplies cost him only \$2 a prescription through the clinic. He’s appreciative of the program, which also provides him with eyeglasses.

One of his co-workers, a man in his 20s, buys insurance on the private market, a move Wurtzbacher says doesn’t make much sense.

“There’s nothing wrong with him, and he’s paying for health insurance,” Wurtzbacher says.

**Objectives**

- ▶ Read the article “Who’s uninsured in 2007? It’s more than just the poor.”
- ▶ Recount the financial costs of health insurance for specific individuals in the story.
- ▶ Relate the pros and cons of health insurance.
- ▶ Identify and link terms and definitions used in health insurance policies.

**Preparation**

Each student will need:

- ▶ A copy of the article “Who’s uninsured in 2007? It’s more than just the poor.”
- ▶ A copy of the lesson.

**1. Read the article and answer discussion questions. (20 minutes)**

- ▶ How much did Susan Squire owe the hospital after her heart attack? What did she do to take care of the bill?

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- ▶ How much would insurance be for just Trenton Robichaux each month? How much would that cost in one year? What percent of the family’s annual income would that be? \_\_\_\_\_

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- ▶ What are two of the resources Dianne Stewart relies on for health care? When she looked for insurance in 2000, how much would it have cost her per month? How much money was she earning at the time?

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- ▶ On average, how much do companies have to pay each year to provide family insurance coverage for each employee? \_\_\_\_\_

- ▶ Which of these stories do you identify with? Do you know someone who has a similar story to tell?

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- ▶ How much can it cost to have health insurance? How much can it cost if you don’t have health insurance? \_\_\_\_\_

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- ▶ Do you think people with health insurance go to the doctor more often? Why or why not?

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- ▶ What are the benefits of health insurance? What are the drawbacks of health insurance?

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- ▶ Do you plan to have health insurance after high school? Why or why not? \_\_\_\_\_

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**2. Know the jargon.** (15 minutes)

Below is a list of 15 terms you will need to know before wisely choosing which, if any, health care insurance is the best investment for you. On each line, write the letter of the definition that goes with the term. The first is marked for you.

1. Coinsurance	<u>    D    </u>	A. Health plans offered to a group of individuals by an employer, association, union or other entity.
2. Copay	<u>          </u>	B. An organized way of getting health care services and paying for care. Managed care plans feature a network of physicians, hospitals and other providers who participate in the plan. In some plans, covered individuals must see an in-network provider; in other plans, covered individuals may go outside of the network, but they will pay a larger share of the cost.
3. Deductible	<u>          </u>	C. The amount you must pay each year before your plan begins paying.
4. Exclusions	<u>          </u>	D. The amount you must pay for medical care after you have met your deductible. Typically, your plan will pay 80 percent of an approved amount, and your coinsurance will be 20 percent, but this may vary from plan to plan.
5. Group Insurance	<u>          </u>	E. The amount you pay to belong to a health plan. If you have employer-sponsored health insurance, your share of premiums usually are deducted from your pay.
6. Health Maintenance Organization (HMO)	<u>          </u>	F. Traditional, fee-for-service health insurance that does not limit where a covered individual can get care.
7. Health Savings Account	<u>          </u>	G. Services that are not covered by a plan – sometimes called limitations. These exclusions and limitations must be clearly spelled out in plan literature.
8. High-Deductible Health Plan	<u>          </u>	H. A plan that provides comprehensive coverage for high-cost medical events. It features a high deductible and a limit on annual out-of-pocket expenses. This type of plan is usually coupled with a health savings account or a health spending account.
9. Indemnity Insurance	<u>          </u>	I. A federal program administered by the states to provide health care for certain poor and low-income individuals and families. Eligibility and other features vary from state to state.
10. Individual Health Insurance	<u>          </u>	J. The flat fee you pay each time you receive medical care. For example, you may pay \$10 each time you visit the doctor. Your plan pays the rest.
11. Managed Care	<u>          </u>	K. A group of physicians, hospitals and other providers who participate in a particular managed care plan.
12. Medicaid	<u>          </u>	L. An account established by an employer or an individual to save money toward medical expenses on a tax-free basis. Any balance remaining at the end of the year “rolls over” to the next year.
13. Network	<u>          </u>	M. A form of managed care in which you receive all of your care from participating providers. You usually must obtain a referral from your primary care physician before you can see a specialist.
14. Preferred Provider Organization	<u>          </u>	N. Coverage purchased independently (not as part of a group), usually directly from an insurance company.
15. Premium	<u>          </u>	O. A form of managed care in which you have more flexibility in choosing physicians and other providers than in an HMO. You can see both participating and nonparticipating providers, but your out-of-pocket expenses will be lower if you see only plan providers.

\* Source: These terms are from the Agency for Healthcare Research and Quality, a part of the U.S. Department of Health and Human Services.