



## Human Development Report **2005**

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# The Impact of Health Insurance Coverage on Health Disparities in the United States

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## **Inequality and health in the United States**

The United States leads the world in spending on health care, devoting 13% of national income to health, and more than twice as much per person as the OECD average. Yet despite this investment, countries spending substantially less than the US have healthier populations. America's performance is marred by deep inequalities linked to income, health insurance coverage, race, ethnicity, geography, and – critically – access to care.

Despite high levels of spending, some US health indicators are far below those that might be anticipated on the basis of national wealth. Infant mortality trends are especially troublesome. Since 2000, a half-century of sustained decline in infant death rates first slowed and then reversed. The infant mortality rate for the U.S. is now higher than for many other industrial countries. Malaysia – a country with one tenth of the U.S.' average income – has achieved the same infant mortality rate. And the Indian state of Kerala has an infant death rate close to that of Washington D.C.

Wide differences in health across socio-economic groups explain in large part, poorer health outcomes in the U.S. compared to other industrialized countries. From the cradle to the grave, the health of U.S. citizens shows extreme divergence. For example, racial and ethnic health disparities are persistent -- explained in part by insurance coverage, income, language, and education differences, as well as the cultural competence of health care providers. African American mothers are twice as likely as white mothers to give birth to a low birth weight baby. Their children are twice as likely to die before their first birthday. Income differences are closely correlated with health differences. A baby boy from a family in the top 5% of the U.S. income distribution will enjoy a life span a quarter longer than a child born in the bottom 5%.

The US is the only wealthy country with no universal health insurance system. Its mix of employer-based private insurance and public coverage has never reached all Americans. While over half the population have health insurance coverage through their employers and almost all the elderly are covered through Medicare, more than one in every six nonelderly Americans (45 million) lacked health insurance in 2003. Over a third (36%) of families living below the poverty line are uninsured. Hispanic Americans (34%) are more than twice as likely to be uninsured as white Americans, (13%) while 21% of black Americans have no health insurance. Health insurance coverage also varies widely across the 50 states, depending on the share of families with low incomes, the nature of employment, and the breadth of each state's Medicaid program for low-income people.

More than in any other major industrial country, the cost of treatment is a major barrier to access in the U.S. Over 40% of the uninsured do not have a regular place to go when they are sick and over a third of the uninsured say that they or someone in their family went without needed care, including recommended treatments or prescription drugs in the last year, because of cost. (If you want to reference us in the sentence itself, please use full name: Kaiser Commission on Medicaid and the Uninsured).

Unequal access to health care has clear links to health outcomes. The uninsured are less likely to have regular outpatient care, so they are more likely to be hospitalized for avoidable health problems. Once in hospital, they receive fewer services and are more likely to die in the hospital than are insured patients. They also receive less preventive care. The Institute of Medicine estimates that at least 18,000 Americans die prematurely each year solely because they lack health insurance. Being born into an uninsured household increases the probably of death before age one by around 50% (Source for this last statement?)

Unequal access to health care has a powerful effect on health inequalities linked to race, which are only partly explained by insurance and income inequalities. One study finds that eliminating the gap in health care between African Americans and white Americans would save nearly 85,000 lives a year. To put this figure in context, technological improvements in medicine save around 20,000 lives a year. (Can't derive this last number from Woolf et al's paper, -- please check source)

The comparison highlights a paradox at the heart of the U.S. health system. High levels of personal health care spending reflect the country's cutting edge medical technology and treatment. Yet racial inequalities alone between 1991 and 2000 cost five times as many lives as those saved by medical advances. (This fact can be derived from Woolf's paper for the years indicated).

Infant Mortality  
Rate

|                         |      |
|-------------------------|------|
| National IMR            | 7    |
| White                   | 5.7  |
| Black                   | 14   |
| District of<br>Columbia | 10.6 |
| DC Black                | 15   |
| South Carolina          | 8.9  |
| New Hampshire           | 3.8  |
| California              | 5.4  |
| California White        | 5    |
| California Black        | 12.9 |
| Texas                   | 5.2  |
| Texas White             | 5.2  |
| Texas Black             | 12   |
| Sri Lanka               | 13   |
| Chile                   | 8    |
| Cuba                    | 6    |
| Kerala                  | 14   |
| Malaysia                | 7    |

status, race, selected states, 2003

Since you will be citing Kaiser as a source , please use the revised numbers provided by us below.

|                            | Rate  |
|----------------------------|-------|
| Poor (<100% Poverty level) | 36.0% |
| 100-199% of Poverty        | 30.1% |
| 400%+ poverty level        | 5.5%  |
| Children (age<19)          | 11.8% |
| Poor Children              | 22.8% |
| Adults (ages 19-64)        | 20.3% |
| Poor Adults                | 44.8% |
| White                      | 12.9% |
| Black                      | 21.0% |
| Hispanic                   | 34.3% |
| National                   | 17.7% |
| Florida                    | 21.2% |
| Texas                      | 27.7% |
| California                 | 20.3% |
| New Hampshire              | 11.4% |
| Minnesota                  | 9.3%  |

Recommend deleting this table completely, but you may want to include children vs. adult uninsured rate differences in your 2<sup>nd</sup> table (see my insert)

| Income and Uninsured Rates Among Children (age <19) | Percent of Children from Low-Income Families (<200%of the federal poverty level) | Percent of Low-Income Children who are Uninsured (<200% of the federal poverty level) |
|---|--|---|
| National  | 42.4%  | 20.6%   |
| Florida   | 44.7%  | 25.7%   |
| Texas   | 53.5%  | 31.3%   |
| California  | 46.4%  | 22.2%   |
| New Hampshire                                       | 23.3%  | 10.7%   |
| Minnesota   | 26.5%  | 17.2%   |
| Washington DC                                       | 58.2%  | 14.8%   |

