

Report concludes uninsured are costly for all

May 28 2009, By ERICA WERNER , Associated Press Writer

(AP) -- The average family with health insurance shells out an extra \$1,000 a year in premiums to pay for health care for the uninsured, a new report finds.

And the average individual with private coverage pays an extra \$370 a year because of the cost-shifting, which happens when someone without medical insurance gets care at an [emergency room](#) or elsewhere and then doesn't pay.

The report was being released Thursday by advocacy group Families USA, which said the findings - which it calls a "hidden tax" - support its goal of extending coverage to all the 50 million Americans who are now uninsured. Congress and the Obama administration are working on a plan to do that.

Families USA contracted with independent actuarial consulting firm Milliman Inc. to analyze federal data to produce the findings.

"As more people join the ranks of the uninsured, the hidden health tax is growing," said Ron Pollack, Families USA executive director. "That tax hits America's businesses and insured families hard in the pocketbook, and they therefore have a clear financial stake in expanding health care coverage."

The report found that, in 2008, uninsured people received \$116 billion in [health care](#) from hospitals, doctors and other providers. The uninsured paid 37 percent of that amount out of their own pockets, and

government programs and charities covered another 26 percent.

That left about \$43 billion unpaid, and that sum made its way into premiums charged by private insurance companies to businesses and individuals, the report said.

The major government insurance programs - Medicare for the elderly and Medicaid for the poor - are structured in a way that doesn't easily allow payments to insurers to adjust upward. And somebody has to pay.

Ronald A. Williams, chairman and chief executive of Aetna Inc., gave the example of a local community hospital that provides care to someone without insurance who arrives at the emergency room. When it's not paid for, the hospital has to raise its rates to insurance companies, and they pass that on in higher premiums, Williams said.

"Our members then say, 'Well, why is health [insurance](#) so expensive?'" Williams said in an interview. "And the answer is because you're paying for your own care as well as for the care of some of the uninsured in the community."

Aetna was not involved in writing or funding the report but Williams planned to appear at a news conference Thursday with Families USA officials to release its findings.

On the Net: <http://www.familiesusa.org/>

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