“COVID Coverage” Is Not Enough: The American People Need Comprehensive Health Insurance During the Coronavirus Pandemic and Resulting Economic Crash

At lightning speed, COVID-19 created both health and economic crises for our nation. In less than six months after the virus was first diagnosed in America:

» More than 125,000 U.S. residents lost their lives to the disease — exceeding the number of Americans who died in the Vietnam War, 9/11, and the wars in Iraq and Afghanistan combined.

» State and local health departments reported more than 2.5 million COVID-19 cases, and the director of the U.S. Centers for Disease Control and Prevention estimated that more than 24 million people had become infected. The latter figure is the equivalent of every man, woman, and child living in all the Southwest and Rocky Mountain states coming down with COVID-19.

» The number of unemployed adults more than tripled, rising from 6 million in February to 23 million, 21 million, and 18 million in April, May, and June, respectively. During each of the three past months, the number of unemployed adults was higher than in any month before COVID-19’s arrival.

The economic crash resulting from the pandemic led an estimated 5.4 million workers to become uninsured — by far the largest coverage loss in U.S. history. After just three months, the number of adults joining the ranks of the uninsured was already 39% higher than the highest previous annual increase ever recorded.

Unless Congress acts swiftly, these coverage losses will take a terrible toll on families’ health and economic security. Comprehensive health insurance protects against crushing medical bills and provides access to care for both COVID-19 and other medical conditions. Regardless of the pandemic, patients still have cancer and heart disease, babies are still being born, and children still need comprehensive coverage to grow up healthy and strong.

Aside from a modest increase in federal funding for Medicaid, no COVID-19 Congressional package signed into law thus far has helped struggling families keep their comprehensive health insurance.

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Congress has improved access to testing and treatment of those diagnosed with COVID-19. These were important and positive steps but, on their own, they are grossly insufficient. **Congressional action to protect comprehensive insurance is urgently needed for four reasons.**

1. **Comprehensive Health Insurance Protects Communities from COVID-19**
   - **Without the affordable access to diagnosis and care furnished by comprehensive health insurance, people who begin to feel sick will delay seeking medical attention.** Coverage loss results in a four-fold increase in the likelihood of delaying or going without necessary care because of cost (28% vs. 7%).
   - **Delays in seeking diagnosis and care endanger uninsured patients who do not yet know they are infected with COVID-19.** Accessing medical advice is essential to determine whether someone with potential COVID-19 symptoms must seek immediate care. COVID-19 patients’ delays in seeking care earlier this year likely contributed to death rates at home far above historic levels.
   - **When uninsured patients who are unaware they have COVID-19 delay diagnosis and treatment, the virus infects others.** A highly contagious virus “left undetected” can “spread to family, neighbors, and other contacts. Their lack of insurance is a known risk to their own health, but it must now also be recognized as a risk to the nation’s health,” according to leading academic experts analyzing the impact of insurance gaps on infectious disease. In April 2020, 14% of respondents polled by Gallup/West Health said cost would deter them from seeking care for symptoms like coughing and fever. Precisely such symptoms frequently mark the arrival of COVID-19. That proportion rose to 22% among low-income respondents, young adults, and people of color — groups particularly likely to be uninsured.

2. **Comprehensive Health Insurance Protects Against Other Diseases**
   - **When people with serious health problems cannot get health insurance elsewhere, they often obtain health benefits by returning to work.** The same health problems that drive them back to work also put them at risk of serious health harm or even death if their contact with a customer or co-worker exposes them to the virus. By the same token, customers and colleagues face heightened risks when sick people return to work because it is their only source of comprehensive insurance.
   - **Health insurance gaps place patients at risk.** Losses of comprehensive health insurance are compounding a sharp drop in access to medical care, as clinicians report that the chronically ill have “trouble getting treatment due to job loss [or] health insurance loss.”
For the unemployed and uninsured, the burden of unpaid medical bills now compounds enormous financial challenges.

» Unless Congress protects comprehensive health insurance, health problems unrelated to COVID-19 will take a significant toll in preventable death and disease. Costs deter many uninsured people from seeking necessary care, as noted earlier. The uninsured are thus far more likely to have health problems worsen until hospitalization is required. Uninsured patients have cancer, heart disease, and other serious conditions diagnosed at later stages, when treatment is more likely to fail. A growing body of evidence shows that, without insurance, people have a significantly higher risk of death from a broad range of conditions that have nothing to do with Coronavirus. Diseases unrelated to COVID-19 will thus cause needless suffering and even death unless Congress acts swiftly to protect comprehensive health insurance.

3. Comprehensive Health Insurance Protects Against Financial Hardship

» Families who lose health insurance frequently face financial hardship. In 2017, “nonelderly uninsured adults were over twice as likely as those with insurance to have problems paying medical bills (29% vs. 14%), with nearly two thirds of uninsured who had medical bill problems unable to pay their medical bills at all (65%),” according to the Kaiser Family Foundation. A later Kaiser survey found that, in 2019, three in five uninsured adults were very or somewhat worried about their ability to afford “utility bills like electricity and heat” or their “rent or mortgage” (60% and 61%, respectively). Among uninsured patients hospitalized due to auto accidents or other trauma, 70% incur out-of-pocket medical costs that consume more than 40% of their entire annual income. At some point during the year, collection agencies contact 20% of the uninsured about unpaid medical bills, and 21% of the uninsured report that they had to change their way of life because of medical bills.

» For the unemployed and uninsured, the burden of unpaid medical bills now compounds enormous financial challenges. From February to May, the number of adults out of work grew by 21.9 million. A staggering 120 million adults, or 48% of all U.S. residents over the age of 18, have lost employment income since mid-March. In May, a Census Bureau survey found that 26 million families did not have enough to eat during the week before the survey, and 38 million adults reported little or no confidence in their ability to pay the next month’s mortgage or rent. Adding loss of health insurance and resulting unpaid medical bills to this extraordinary level of American deprivation threatens unconscionable harm to tens of millions of families.
No one should be forced to choose between getting necessary health care and putting food on the table or keeping the lights on — but millions of us will face precisely such decisions unless Congress safeguards comprehensive health insurance.

4. Comprehensive Health Insurance Protects American Jobs

» Already, our health care system has suffered terrible financial losses. Fully 43% of the first quarter’s historic 5.0% drop in Gross Domestic Product involved a precipitous decline in health care revenue.25 More than 1 million health-care jobs disappeared between February and June — greater losses than in any private economic sector outside the restaurant industry.26

» With one in seven American workers still employed in health care, numerous jobs remain at risk if Congress does not provide the comprehensive health coverage needed for doctors, hospitals, and clinics to stay open and well-staffed. As of June 2020, 16.5 million people, or 14% of all private-sector workers, were employed in health care — more than the number who worked in all retail or all manufacturing combined.27

» Comprehensive health insurance provides revenue for hospitals, doctors, clinics, and other health care providers. By triggering major revenue reductions in a huge economic sector, health insurance losses cause additional layoffs, with millions of health care workers joining the ranks of the unemployed, along with others in businesses that rely on the health care industry to thrive. An upcoming Families USA report will estimate job losses, nationally and by state, if Americans lose comprehensive health insurance as projected.

To Safeguard Comprehensive Health Insurance, the Next COVID-19 Package Must Include the Following Core Elements:

1. Full COBRA subsidies, as proposed in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act passed by the House. Assistance that pays laid-off workers’ premium costs in full is critical for most of them to retain health insurance. Otherwise, many must forego health insurance to pay for such priorities as food, shelter, and electricity.

2. Increased premium tax credits (PTCs) for low- and moderate-income consumers, as proposed in H.R. 1425, the Patient Protection and Affordable Care Enhancement Act. Even before COVID-19, low-income consumers were the group of PTC-eligible people most likely to be uninsured.28 The PTC increases in H.R. 1425 would finally make private coverage a realistic and affordable option for most laid-off workers and other uninsured people who are ineligible for COBRA and Medicaid.29

3. $600 million in annual funding for consumer assistance to help laid-off workers enroll in coverage.30 Such workers are often traumatized by job loss31 and focused on core survival needs. Many lack the bandwidth to learn about health coverage programs and complete the paperwork needed for enrollment. In the past, intensive one-on-one help has proven essential and effective to sign up families who were uninsured because of job loss.32
4. A special enrollment period (SEP) that lets uninsured families quickly obtain private health coverage through the federal health insurance exchange, which serves residents of 38 states. Twelve out of 13 state-based exchanges have provided such an SEP, which let more than 300,000 uninsured enroll. If the federal exchange had operated a similar SEP, approximately 500,000 to 600,000 additional uninsured would likely have signed up for coverage before the end of June.33

5. A substantial boost to federal matching funds for state Medicaid programs, with accompanying guardrails to maintain coverage. Nearly all states are legally required to balance their budgets, even when recession cuts revenue and raises the cost of need-based programs. Enhanced federal funding is thus essential for Medicaid to avoid major cutbacks and continue serving the lowest-income uninsured.

Comprehensive health insurance is disappearing for millions of families, endangering their health, economic security, employment — and even their survival. The next COVID-19 package must protect comprehensive health coverage.
Endnotes


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This group includes former employees of companies that went out of business or stopped sponsoring health insurance, people who did not receive health insurance from their former employer, and people who worked for firms too small to be covered by COBRA or comparable state laws. COBRA is generally limited to companies with 20 or more workers. Some states have enacted legislation applying COBRA requirements to firms with fewer than 20 employees.

For the first year of the ACA’s major coverage expansions, policymakers provided $413 million in consumer assistance funding. Pollitz, K., J. Tolbert, and R. Ma. “Survey of Health Insurance Marketplace Assister Programs.” Kaiser Family Foundation, July 15, 2014. https://www.kff.org/health-reform/report/survey-of-health-insurance-marketplace-assister-programs/. The current enrollment challenge is likely to require more resources, given the unusual intensity of effort required to enroll laid-off workers into health coverage and the need to provide assistance telephonically rather than in person.

