

Insuring America's Future As Unemployment Rises, The Nation Is Due For A Reality Check

The uncertain economy has many of us on pins and needles. And a new survey by eHealthInsurance finds Americans ages 18-64 facing many unknowns beyond the stability of their jobs and bank accounts. Many are also in for a reality check, as they are unsure how long they could last without a health plan and lack the fundamental knowledge to make smart purchasing decisions on their own.

With healthcare reform on the national agenda, and thousands losing their jobs – and their coverage – every day, it's certainly crucial for Americans to understand the facts about health insurance. But a critical knowledge gap about the health insurance market exposed by this study indicates that consumers may not be prepared to make informed decisions if their lives suddenly changed. The good news is that there are options, some more affordable than the public perceives to be the case.

Detailed below are some highlights of the study, followed by a more comprehensive summary of the data and perceptions in the market:

1. Americans are feeling vulnerable about jobs and health insurance. (page 2)

- Less than one in five (19%) employed Americans can claim they're extremely secure about their jobs.
- One in three (34%) with a job think they're more likely to lose their job than get a raise in the next year.
- Uninsured suffer more than the insured from: depression (36% vs. 30%), fear (36% vs. 30%) and even sleeplessness (35% vs. 28%).

2. Americans agree that health insurance is important, but at different levels of priority. (page 3)

- Almost four in five (79%) of those with employer-provided health insurance would be more willing to cut back on or give up their vacation time than their health insurance coverage.
- While the majority of Americans are willing to cut back on various budget items in order to pay for health insurance if suddenly unemployed, fewer would cut back on certain expenses such as cell phone payments (53%) and cable TV (49%).

3. Americans are unclear on the real costs and benefits of health insurance. (page 4)

- Almost two in three (64%) who are covered through their jobs have no idea what their employers contribute towards their health insurance on a monthly basis.
- Over a quarter (27%) of insured Americans don't even know how much they pay themselves in an average month for health insurance, whether it's out of their paychecks or bank accounts.
- Unfortunately, just 26 percent are aware that private health insurance is typically less expensive than COBRA coverage.

1) ON UNSTEADY GROUND

- **Stress On The Job.** Constant news of layoffs and companies about to collapse has many of us worried for our own livelihoods. Less than one in five (19%) employed Americans can claim they're extremely secure about their jobs.
- **Bleak Futures.** The situation is so shaky that over one in three (34%) who are employed right now think they're more likely to lose their job than get a raise in the next year.
 - More men than women (37% vs. 30%) believe a job loss is more likely in the cards for them than a raise this year.
- **Tossing And Turning.** For the millions of Americans without a health plan, the situation is even more stressful. In the past six months, thinking about their personal finances has caused more uninsured than insured Americans to suffer from depression (36% vs. 30%), fear (36% vs. 30%) and even sleeplessness (35% vs. 28%).

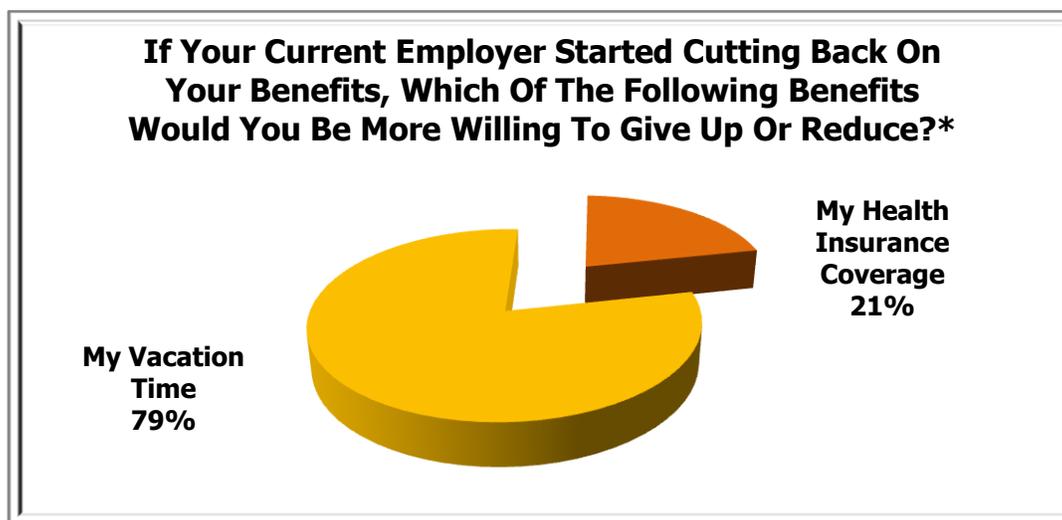
Which Of The Following Have You Experienced Regarding The State Of Your Personal Finances In The Last Six Months? Please Choose All That Apply.	Health Insurance Status	
	Insured	Uninsured
Anxiety	53%	56%
Depression	30%	36%
Fear	30%	36%
Sleeplessness	28%	35%
Other	7%	5%
None Of These	29%	23%

- **Affecting Everyone.** This is a problem that has touched most of the nation – nearly seven in ten (69%) admit they've been without health insurance at some point in their lives.
 - Unemployment is the primary reason for this situation, whether they weren't able to afford it during this time (31%) or felt there were no options out there to anyone without a job (27%).

2) THE IMPORTANCE OF INSURANCE

Though we all know health insurance is critical, would we really have the situation under control if our lives suddenly changed?

- **More Valuable Than Vacation.** Most know that health plans should take precedence over other benefits. Almost four in five (79%) of those with employer-provided health insurance would be more willing to cut back on or give up their vacation time than their health insurance coverage.

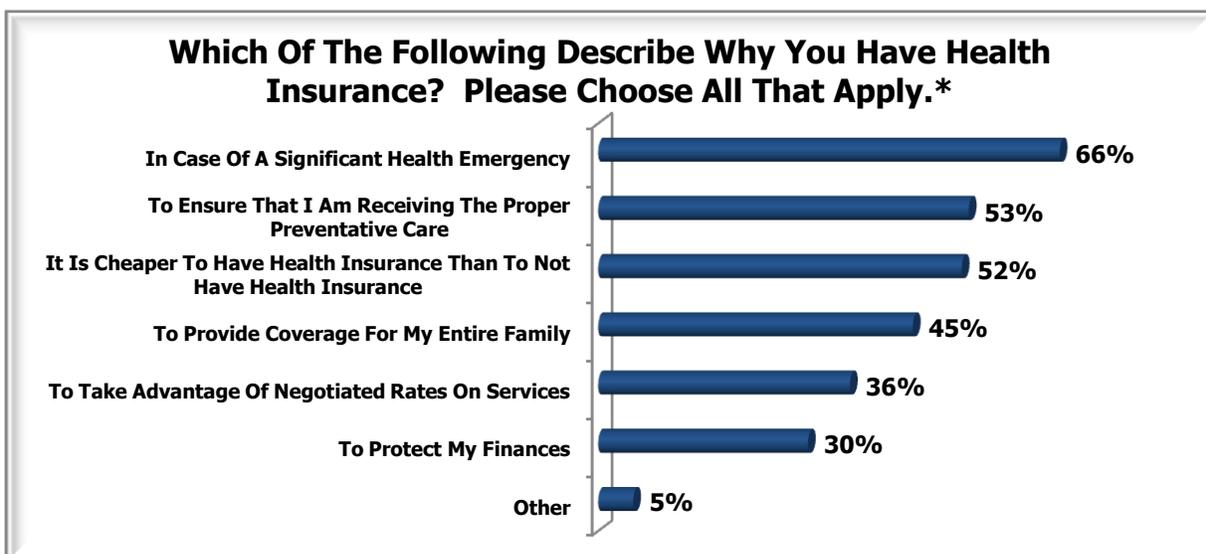


*Among Respondents Who Are Insured By Their Employers

- More than eight in ten (84%) 35-64-year-olds would sooner cut back on hard-earned vacation time than their health benefits, vs. 70 percent of 18-34-year-olds who would do so.
- **Making Sacrifices.** However, other items are likely to stay in American budgets even if they were uninsured. Many admit that they wouldn't cut back on expenses such as cell phone payments (53%) and cable TV (49%) if they lost their job and needed the money for health insurance.
- **Give Them Credit.** Almost seven in ten (69%) also say that they wouldn't skimp on any credit card payments even if they needed the cash for coverage.
- Uninsured Americans would be less apt than insured Americans to cut back on various expenses to pay for health insurance if they lost their jobs, including entertainment (62% vs. 86%), vacation (53% vs. 76%), cable TV (36% vs. 55%), and cell phone usage (27% vs. 51%).

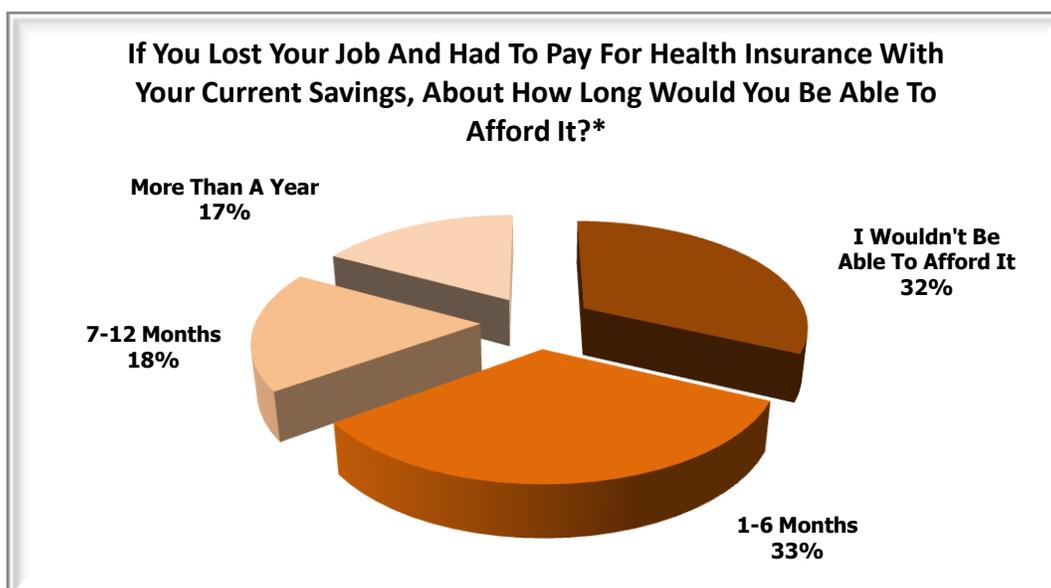
3) TIME FOR A REALITY CHECK

- **Underinformed United States.** Too many Americans know too little about the plans their employers provide. Almost two in three (64%) who are covered through their jobs have no idea what their employers contribute towards their health insurance on a monthly basis. And those with fewer people to take care of are even less aware:
 - Nearly two in three (66%) who cover less than three people on their health plan can't name the amount their employers contribute, vs. 58 percent of those who cover three people or more.
- **Awareness Starts At Home.** More than a quarter (27%) of insured Americans don't even know how much they pay themselves in an average month for health insurance, whether it's out of their paychecks or bank accounts.
 - More men than women (30% vs. 24%) are unaware of what they pay out of pocket for their health insurance every month.
- **Monthly Commitments.** Among those who are aware of what they pay for coverage, the national average is \$179 per month. This is more of an investment for Americans covering three or more people on their health plans - \$262 every month, compared to \$143 for those who provide for less than three people.
- **Private Matters.** Individually purchased private plans are a better option in some cases, but the public needs to learn a little more about them. While almost four in five (79%) know they exist, only 26 percent are aware that these plans are typically less expensive than COBRA coverage.
- **In Case Of Emergency.** Furthermore, Americans have different incentives to get insured, with most doing so in case of a health emergency and few feeling that it helps them protect their finances:



*Among Respondents Who Have Health Insurance

- Almost two in three (66%) cite a potential health emergency as the reason they have a health plan. This rationale is echoed more strongly by almost three in four (74%) of those who are supporting just themselves financially, compared to 64 percent of Americans with dependents.
- Fewer think of their health plans as crucial in order to receive preventative care (53%) or to take advantage of negotiated rates on medical expenses (36%).
- **Imagining The Unknown.** Those with lives that are still fairly stable paint a pretty bleak picture of what might happen if their situation were to change:
 - One in two (50%) Americans with insurance doubt that if they lost their current coverage, they'd be able to find similar coverage with another plan. More women than men (56% vs. 42%) share this fear.
 - If they had to apply for a new health plan for any reason, the average insured American estimates a 31 percent chance they'd be declined. Almost two in five (35%) feel their odds are 50 percent or higher.
 - Just four in ten (40%) would be willing to pay \$200 or more per month to insure themselves or their family if they lost their current jobs.
 - Those currently covering three or more people on their health plan would be willing to part with about \$318 per month for insurance if they found themselves unemployed, compared to an average of \$169 for Americans covering less than three people if they were to find themselves in the same situation.
 - With this in mind, almost two in three (65%) predict they'd be unable to afford health insurance for longer than 6 months, if at all, if they lost their jobs and had to use their current savings. Nearly a third (32%) admit they wouldn't be able to afford it all.



- **Not Confident In COBRA.** Perhaps because they're not sure what they can afford, many are hesitant about pursuing coverage under COBRA, which can require a monthly investment of up to \$400 for individuals and \$1,200 for families. Over three in five (62%) employed Americans would be unlikely to sign up for this plan if offered to them if they lost their jobs.
- Sharing this skepticism of COBRA coverage are women (66%, vs. 57% of men) and unmarried Americans (68%, vs. 56% of those who are married).
- On the flip side, Americans who are currently insured (43%, vs. 18% of the uninsured), covering three or more people on their current health plan (56%, vs. 37% of those insuring less than three people), and have a serious health condition (49%, vs. 35% of those without) are more likely to consider the COBRA route.