

Expanding Health Coverage for 50- to 64-Year-Olds: Why It's a Health Reform Priority

- **Nearly one in five Americans (63 million adults) will be age 50-64 in 2015**—reflecting aging of the Baby Boomers.
- **Medicare spending is significantly higher**—as is the risk of mortality—for those without continuous health coverage after age 50.
- **7.1 million adults age 50-64 were uninsured in 2007**—compared to 5.2 million in 2000, a 36 percent increase. By 2015, more than 8 million adults age 50-64 will be uninsured.
- **Out of pocket spending for health care is much higher for the 50-64 age group than for younger Americans.**
 - One in four (28 percent) 50-64 year olds spent more than 10 percent of disposable family income on health care in 2005, compared to one in six (16 percent) 18-49 year olds.
 - Two-thirds of those buying coverage on the individual market spent at least 10 percent of their disposable family income on health. Their average out of pocket costs with individual insurance were more than twice as high as those with employer coverage.
 - Half of 50-64 year olds with incomes below the federal poverty level spent more than 10 percent of their disposable income on health care.
- **Health care costs make job loss financially devastating for most 50-64 year olds.** Almost three-quarters (69 percent) of this age group depend on employers for health insurance.
- **More than half of uninsured Americans ages 50 to 64 are employed.** However, they may work for employers that do not offer coverage, or may not be eligible for benefits.
- **Individual health insurance for older adults is hard to get and expensive**
 - Many insurance applications from individuals age 50-64 are rejected: AHIP data shows one in six rejected at age 50, and one in four rejected at age 60.
 - Most states allow insurers to charge higher premiums based on age and health. Chronic health problems and pre-existing conditions adversely affect eligibility.
 - For this age group, average spending on premiums for individual insurance is three times as high as average spending on premiums for employer coverage.
- **Public coverage is generally not an option**
 - Medicare is not open to many adults under age 65. Medicaid serves only the poor who have young or aged dependents or those who are disabled.

Uninsured Population Ages 50 to 64, 2007

State	Number	Percent of Population Ages 50–64
Alabama	71,555	8.2%
Alaska	22,723	17.0%
Arizona	159,240	13.8%
Arkansas	69,393	13.1%
California	1,100,298	18.7%
Colorado	89,235	9.7%
Connecticut	70,405	10.4%
Delaware	17,440	10.6%
District of Columbia	7,284	7.4%
Florida	612,779	17.7%
Georgia	270,639	16.7%
Hawaii	26,751	10.8%
Idaho	29,009	11.8%
Illinois	267,521	11.8%
Indiana	157,816	12.6%
Iowa	63,036	11.0%
Kansas	70,947	14.0%
Kentucky	70,753	9.0%
Louisiana	128,371	18.1%
Maine	19,703	7.2%
Maryland	100,177	9.5%
Massachusetts	63,832	5.5%
Michigan	154,842	8.3%
Minnesota	57,956	5.8%
Mississippi	94,914	17.2%
Missouri	97,628	8.8%
Montana	25,413	12.2%
Nebraska	31,534	9.8%
Nevada	69,065	15.8%
New Hampshire	30,220	11.2%
New Jersey	176,219	10.8%
New Mexico	83,191	23.6%
New York	426,488	12.2%
North Carolina	245,031	14.5%
North Dakota	12,409	9.5%
Ohio	196,063	8.8%
Oklahoma	94,551	14.9%
Oregon	102,065	13.5%
Pennsylvania	229,237	9.5%
Rhode Island	13,429	6.3%
South Carolina	116,925	14.8%
South Dakota	11,834	8.4%
Tennessee	168,379	14.2%
Texas	780,479	20.5%
Utah	21,914	5.8%
Vermont	9,947	7.4%
Virginia	155,133	10.9%
Washington	120,107	9.5%
West Virginia	50,480	12.4%
Wisconsin	66,329	6.4%
Wyoming	8,909	8.5%

Source: AARP Public Policy Institute analysis of March 2008 Current Population Survey.

Uninsured Population Ages 50 to 64 by Work Status, 2007

State	Total Uninsured Ages 50–64	Worked in 2007	% of Uninsured Ages 50–64	Did Not Work in 2007	% of Uninsured Ages 50–64
Alabama	71,555	39,397	55.1%	32,158	44.9%
Alaska	22,723	19,098	84.0%	3,625	16.0%
Arizona	159,240	97,601	61.3%	61,639	38.7%
Arkansas	69,393	48,843	70.4%	20,550	29.6%
California	1,100,297	690,164	62.7%	410,133	37.3%
Colorado	89,236	67,379	75.5%	21,857	24.5%
Connecticut	70,404	49,126	69.8%	21,278	30.2%
Delaware	17,441	10,496	60.2%	6,945	39.8%
District of Columbia	7,284	4,301	59.0%	2,983	41.0%
Florida	612,779	445,846	72.8%	166,933	27.2%
Georgia	270,639	186,453	68.9%	84,186	31.1%
Hawaii	26,750	19,410	72.6%	7,340	27.4%
Idaho	29,009	22,737	78.4%	6,272	21.6%
Illinois	267,521	163,100	61.0%	104,421	39.0%
Indiana	157,816	104,384	66.1%	53,432	33.9%
Iowa	63,036	43,554	69.1%	19,482	30.9%
Kansas	70,947	59,119	83.3%	11,828	16.7%
Kentucky	70,753	41,540	58.7%	29,213	41.3%
Louisiana	128,371	64,639	50.4%	63,732	49.6%
Maine	19,702	15,404	78.2%	4,298	21.8%
Maryland	100,178	72,150	72.0%	28,028	28.0%
Massachusetts	63,832	47,023	73.7%	16,809	26.3%
Michigan	154,842	93,508	60.4%	61,334	39.6%
Minnesota	57,956	36,412	62.8%	21,544	37.2%
Mississippi	94,914	52,837	55.7%	42,077	44.3%
Missouri	97,628	69,930	71.6%	27,698	28.4%
Montana	25,413	19,142	75.3%	6,271	24.7%
Nebraska	31,535	22,352	70.9%	9,183	29.1%
Nevada	69,065	42,542	61.6%	26,523	38.4%
New Hampshire	30,220	22,090	73.1%	8,130	26.9%
New Jersey	176,218	106,225	60.3%	69,993	39.7%
New Mexico	83,191	61,376	73.8%	21,815	26.2%
New York	426,489	300,278	70.4%	126,211	29.6%
North Carolina	245,030	164,394	67.1%	80,636	32.9%
North Dakota	12,409	10,239	82.5%	2,170	17.5%
Ohio	196,063	121,105	61.8%	74,958	38.2%
Oklahoma	94,552	51,619	54.6%	42,933	45.4%
Oregon	102,064	66,889	65.5%	35,175	34.5%
Pennsylvania	229,237	156,834	68.4%	72,403	31.6%
Rhode Island	13,429	8,481	63.2%	4,948	36.8%
South Carolina	116,925	81,002	69.3%	35,923	30.7%
South Dakota	11,835	9,552	80.7%	2,283	19.3%
Tennessee	168,379	91,355	54.3%	77,024	45.7%
Texas	780,479	471,530	60.4%	308,949	39.6%
Utah*	21,914	16,260	74.2%	5,654	25.8%
Vermont	9,947	6,994	70.3%	2,953	29.7%
Virginia	155,133	104,657	67.5%	50,476	32.5%
Washington	120,108	85,904	71.5%	34,204	28.5%
West Virginia	50,479	30,289	60.0%	20,190	40.0%
Wisconsin	66,328	49,895	75.2%	16,433	24.8%
Wyoming	8,909	5,675	63.7%	3,234	36.3%

* Due to small sample size, caution should be used when interpreting Utah data.

Note: "Working" population includes all respondents who reported working in some capacity in 2007.

Source: AARP Public Policy Institute analysis of March 2008 Current Population Survey.