



Treatment Without Insurance

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Background

Nearly 40 million Americans between the ages of 18 and 64 carry no health insurance coverage. In the past, only the poor or the unemployed faced this problem. Today, with health care costs rising dramatically each year, the threat of being uninsured now extends to low- and moderate-income people as well. Between 1980 and 1998, according to the Health Care Financing Administration, the amount of money Americans spent on health care quadrupled. In 1998 Americans spent \$1.1 trillion on health care, roughly \$4,000 for every person in the United States.

Health insurance costs have continued to rise, a problem that has been particularly difficult for small companies and the self-employed. Small companies often have less clout with insurers because they have a smaller premium base and thus cannot negotiate large-scale deals. For the self-employed it is worse. Insurance companies that in the past have offered health insurance policies to individuals have gradually been eliminating this coverage. Even if a person is willing to pay high premiums, there is simply less to choose from in the insurance market. Some people get around this dilemma by getting their insurance through professional associations; others get insurance through a spouse. Some take insurance policies with high deductibles of perhaps \$5,000 or even \$10,000. These are known as "catastrophic coverage" and are meant to protect individuals from unforeseen major medical events (such as cancer). An alarmingly large number of people, however, seem to be saying that it may be easier and more cost-effective to take their chances and go completely without coverage.

The number of uninsured people had actually been falling since the late 1990s, in response to the strong economy. But with the economic downturn beginning in 2000, the belief was that numbers would begin to rise again. Even if those numbers were to remain steady, the grim fact remains that the most recent figures translate into one in four working-age people.

The Dangers of Being Uninsured

Clearly the greatest danger in having no health insurance is that a serious illness could destroy one's finances. But there are other less obvious dangers whose combined effects can be quite dramatic.

Quality of Care

Many who are uninsured may receive poorer quality health care simply because they do not carry insurance. According to the Employee Benefit Research Institute (EBRI) in its 2001 *Health Confidence Survey*, more than two-thirds of uninsured Americans are concerned that they will not get top quality care should they need medical treatment. Moreover, they worry about how they would pay for prescription medication (which can be an enormous expense, especially for a chronic condition) if they needed it.

Failure to Get Treatment

Moreover, perhaps, about 44 percent of the uninsured have consciously delayed getting needed medical treatment or simply foregone care altogether. Not surprisingly, they may also fail to seek preventive care, such as check-ups or follow-up doctor's visits. The failure to seek needed care may cause the person to become sicker, until there is no choice but to seek care. By then, what might have been a minor or easily treatable problem may have turned into something more serious.

The fear of getting lesser care may not be without merit. A number of studies have shown that the uninsured are given less attention than those who have insurance. The Center for Studying Health System Change released a report in 1998 that showed the level of treatment for the uninsured varied depending in part on where they live. Those in large urban areas fare slightly better, even if they are poor, because there are usually more physicians and hospitals, as well as more social programs that might help them take care of their needs. A report released in 2000 by the Consumers Union (the publisher of *Consumer Reports*) revealed that the uninsured in general do receive lesser care than the insured.

This is not necessarily the fault of the health care profession. Part of the difficulty is that, as more people become uninsured, more seek help through the programs that are set up to help them. Eventually such programs get overwhelmed.

How Are the Uninsured Protected?

EMTALA

In 1986 Congress passed the Emergency Medical Treatment and Labor Act (EMTALA), part of the 1985 Consolidated Omnibus Reconciliation Act (COBRA). Most people know COBRA as the law that mandates that a company has to let an employee who leaves pay into the health insurance plan and remain covered temporarily. This mandate protects employees from suddenly losing their health insurance after, for example, being laid off. EMTALA focuses on another issue: the practice of patient "dumping." Dumping occurs when a hospital fails to treat, screen, or transfer patients. Not surprisingly, a patient's ability to pay plays heavily into this treatment. Before EMTALA was passed, hospitals could transfer indigent patients instead of treating them.

Under EMTALA, no patient who arrives in a hospital with an emergency condition will be turned away or transferred unnecessarily. Anyone who shows up in a hospital emergency room will be screened to determine the severity of his or her condition. If the condition is deemed an emergency, the hospital is obligated to stabilize the patient. The hospital can transfer patients only when it lacks the ability to stabilize the patient beyond a certain limit; a transfer to a charity hospital merely to avoid treating the patient is a violation.

A woman who is in labor is deemed to be in an emergency medical situation and cannot be denied care or unnecessarily transferred.

Encyclopedia of Everyday Law: Treatment Without Insurance

The hospital does have the right to inquire whether the patient can pay. It is a violation, however, if [EXAMINATION](#) or treatment is delayed while the hospital asks the question. The hospital is not permitted to base its decision to treat a patient on whether there is an expectation of payment.

The hospital has no obligation to the patient if an emergency condition does not exist. Nor does the hospital have an obligation to a patient who refuses examination, treatment, or transfer. The hospital is required to keep a record of this and also must try to get the patient's refusal in writing. The patient should also be told about the risks incurred in leaving the hospital.

EMTALA imposes harsh penalties for hospitals that violate the law. The hospital may face fines of up to \$50,000 per incident; attending physicians can also be fined if they are found to have hidden the true nature of a patient's condition.

While laws like EMTALA are helpful, they ignore the issue of how uninsured people can pay for nonemergency care. Uninsured people have to pay full price for their prescription medication, for any routine doctor's visit, and for elective procedures. Some uninsured individuals try to get around the law by showing up at a hospital's emergency room for nonemergency care, in the hope that the emergency staff will provide some degree of assistance. Trying to use the emergency room for more routine health problems still provides inadequate care to these people, and it also ties up staff and resources needed for true emergencies

Other Options

What options are there for those who are uninsured, short of paying out-of-pocket or trying to use the emergency room for routine care? Part of the difficulty in sorting out the health care dilemma is that there are so many groups with agendas that may not necessarily converge. On the surface, everyone wants the same thing: top-quality health care at the most reasonable cost possible. How to get to that point is what keeps the different sides so far apart. The attempts by the Clinton Administration to create a more comprehensive health care system in the early 1990s showed just how firmly entrenched different groups are in their own beliefs and opinions on the subject.

Physicians want to have more freedom to make choices without being beholden to insurance companies that are forever trying to place cost containment over patient well-being. Insurance companies want to find ways to cut the cost of medical care instead of letting physicians take control of the industry and price the insurers out of business.

Health advocacy groups have suggested a number of options:

- Tax credits for the poor to help them pay for their health insurance
- Greater access to "medical savings accounts" (MSAs). These accounts allow people to set aside money for medical costs. Typically, a person with a high [DEDUCTIBLE](#) insurance policy will use an MSA to cover the cost of that deductible
- Overhauling the entire health care system to eliminate waste and inefficiency
- Encouraging all Americans to adopt healthier lifestyles, thus making the public healthier in general and reducing the overall need for complicated medical care

To be sure, each of these ideas may have some merit. From the standpoint of the would-be patient who has no insurance and who cannot afford a trip to the doctor, however, the issue is more immediate: how to get decent medical care *now*.

Government Assistance

Examining the dozens of resources that are available through the U. S. Government alone is enough to leave one's head spinning. The U.S. Department of Health and Human Services has tried to streamline the information overload through the Center for **MEDICARE** and **MEDICAID** Services (formerly the Health Care Financing Administration). This group oversees not only Medicare and Medicaid, but also children's insurance through the State Children's Health Insurance Program (SCHIP).

Medicaid, which is designed to cover the health costs of those whose income falls beneath a certain minimum number, can be helpful for some people. But each state determines how Medicaid is distributed and individual levels of eligibility. For someone who is struggling but not quite poor enough to receive Medicaid, the program offers little consolation.

The SCHIP offers more leeway, trying to [REDRESS](#) the problem of what to do when a family makes too much money for Medicaid but not enough to pay for private coverage. In [FISCAL](#) year 2000, some 3.3 million children were covered by SCHIP. Again, each state administers its own program, with oversight by the U. S. Department of Health and Human Services. Some states will do a better job than others, and no system is foolproof, but at least SCHIP begins to address what for many families is the most unnerving drawback to lack of coverage: how to pay for their children's needs.

One of the problems that Medicaid, SCHIP, and other programs to help the uninsured pay for medical expenses is that there is a surprising lack of knowledge of these programs among the very people they are designed to serve. In 1999, according to EBRI, only 22 percent of uninsured Americans were aware of low-cost or free insurance or medical programs for uninsured adults and children in their state. That number rose to 37 percent in 2000 and dropped to 31 percent in 2001. Part of the reason for the rise and then drop is that the economy began a downward shift in 2000; more people lost their jobs and more companies cut back on health care offerings, which left more people uninsured.

Seeking Quicker Solutions

For the person who is suddenly uninsured and who may not have time to wait for the health care system to be reformed, what are the options?

The first step is to gather information from the U. S. Department of Health and Human Services as well as state and local agencies, to find out precisely what options might be available to individuals and their families. Whether out of embarrassment or fear of inadequate care, many people will fail to explore these options. In fact, depending on the state or local initiatives, there may be ways to get low-cost or no-cost services without fear of substandard care. The resources exist, but it will take research on the individual's part to find out what the options are.

Another option may be to seek out a professional organization that offers its members health insurance at group rates. These programs can offer relatively reasonable coverage. More important, since the coverage is group rather than individual, there is less danger that the insurance company will discontinue the program (many companies that used to make individual private insurance available have stopped, citing rising costs). Local business associations, community organizations, Chambers of Commerce, and similar groups may have something to offer. It is hardly a perfect solution, but it is better than carrying no insurance.

Unfortunately, this is a problem that has no easy answers and many, many different approaches to "fixing" the problem. The most important step that anyone, insured or uninsured, can take is to try to keep informed about

the options. There is no shortage of information, and identifying the best sources will at least provide some of the tools necessary to better understand an increasingly complex issue.

Additional Resources

Covering America: Real Remedies for the Uninsured. Meyer, Jack A., project director; Elliot K. Wicks, editor.; Economic and Social Research Institute, 2001.

The Future U. S. Healthcare System: Who Will Care for the Poor and Uninsured? Altman, Stuart H., et al, editors, Health Administration Press, 1998.

System in Crisis: The Case for Health Care Reform. Blendon, Robert J., and Jennifer N. Edwards, editors, Faulkner & Gray, 1991.

Organizations

American Medical Association

515 N. State Street
Chicago, IL 60610 USA
Phone: (312) 464-5000
URL: <http://www.ama-assn.org>
Primary Contact: Michael D. Maves, M.D., Chief
Executive Officer

Consumers Union

101 Truman Road
Yonkers, NY 10703 USA
Phone: (914) 378-2455
Fax: (914) 378-2928
URL: <http://www.consumersunion.org>
Primary Contact: Jim Guest, President

Employee Benefit Research Institute (EBRI)

2212 K Street NW, Suite 600
Washington, DC 20037 USA
Phone: (202) 659-0670
Fax: (202) 775-6312
URL: <http://www.ebri.org>
Primary Contact: Dallas L. Salisbury, President and
Chief Executive Officer

U. S. Department of Health and Human Services Center for Medicare and Medicaid Services

7500 Security Boulevard
Baltimore, MD 21244 USA

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Phone: (410) 786-3000

URL: <http://cms.hhs.gov>

Primary Contact: Tom Scully, Administrator

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