More than 41 million Americans without health insurance

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A census report released at the end of September found that the number of Americans without health insurance rose to 41.2 million last year, a rise of 2.5 million from the figure that had been reported for 2000. The increase has two components: an upward adjustment of 1.1 million in the number of uninsured in 2000, based on more accurate census figures, and an increase of 1.4 million in the number becoming uninsured during 2001 itself.

The proportion of the US population without insurance rose from 14.2 percent in 2000 to 14.6 percent in 2001. Households at every income level showed an increase in the proportion of uninsured, with the biggest increase among middle-income families earning $75,000 a year or more. Some 6.6 million people were uninsured in that income bracket, a 14 percent rise in just one year, reflecting the heavy impact of business cost-cutting on white-collar workers and lower levels of management.

The increase in the number of uninsured would have been even greater, but for a surge in the number of people covered by Medicaid, the federal-state health insurance plan for the poor. The number of Medicaid recipients rose from 29.5 million in 2000 to 31.6 million in 2001. This was the result, not of any liberalization in Medicaid benefits, but of increasing unemployment and poverty, which made millions more people eligible for this means-tested program.

The major factor in the increase in the number of uninsured is not unemployment itself—many families losing a full-time job are quickly plunged into poverty, making them eligible for Medicaid—but reductions in benefits for workers still on the job, especially at small businesses.

The percentage of people covered by employment-based health insurance fell from 63.6 percent in 2000 to 62.6 percent in 2001. The decrease was much steeper for those employed at businesses with fewer than 200 workers, where insurance coverage plunged from 67 percent to 61 percent in one year. Among the smallest businesses, those employing 25 or fewer workers, only 31.3 percent of workers were covered by health insurance.

The peculiar structure of the US health insurance system—with government-run Medicare for the elderly and Medicaid for the poor, but only private insurance for everyone else—means that the employed workers with full-time jobs are less likely to have health insurance coverage than anyone else. Low-paid workers, those who are least able to afford large medical bills, have the worst medical coverage, with some 23 percent uninsured.

The majority of workers who do have employment-based health insurance face ever-rising costs for premiums, co-pays and other charges. According to a recent Kaiser Foundation study, the average worker paid $2,084 for family coverage this year, up $300, or 16 percent, from the previous year. For single coverage, the average payment was $454, up 27 percent.

A separate survey by the benefits management group Towers Perrin found that large corporate employers expected to pass along cost increases of 15 percent his year, the largest annual increase in 13 years of such studies. The total cost of family coverage is expected to reach an average of $11,000 by 2005, increasing the pressure on employers to shift the burden to workers.

Corporations are also cutting their supplementary health coverage for retired workers, which pays for health care before the retirees became eligible for Medicare at age 62, or costs not covered under Medicare. Nine percent of large companies eliminated retiree health benefits for new or existing employees over the past two years, and eleven percent said they were likely to do so over the next two years.

Medicaid recipients also face cutbacks in coverage. Eighteen states are tightening eligibility rules in the current fiscal year, compared to eight the previous year. The number of states cutting services has risen from nine to fifteen, while 40 states are cutting their subsidies for prescription drugs by restricting choices or increasing co-pays.

Figures such as these are a phenomenon unique to America among the industrialized countries. The United States is the only major industrialized country that does not provide either state-run or state-paid medical care.

Concealed in the statistics are the countless individual tragedies caused by restricted access to health care—from financial disaster (medical bills are the leading cause of personal bankruptcy in the US) to needless illnesses, pain, suffering and death.

Myriad reports have documented the US health care crisis. There is no doubt that far more Americans lost their lives in 2001 because of lack of access to needed medical care than were killed on September 11. But there is no call from Bush or the congressional Democrats for a declaration of war on this entirely preventable social evil.

The big business politicians defend the system of private profit that has resulted in the widespread denial of a fundamental human right—adequate medical care—in the wealthiest country in the world.