

# 75 million had no health insurance in US some time during 2001-02

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A recently released study estimated that some 75 million Americans under retirement age lacked health care insurance at some point in 2001 and 2002. The total represents those who were uninsured for at least six months (65 percent) and those who were uninsured throughout the entire two-year period (24 percent). There are 248.3 million people under the age of 65 in the US.

The report compiled by the Robert Wood Johnson Foundation, entitled *Going Without Health Insurance: Nearly One in Three Non-Elderly Americans*, argues that the US Census Bureau figures are misleading because they do not include individuals who lacked health coverage for only a portion of the year. The Census Bureau number of uninsured in 2001 was 41.2 million, itself representing a 1.4 million increase over 2000.

In nine states more than 30 percent of the population were uninsured during 2001 and 2002. Those states include Texas (39.9 percent), New Mexico (38.6 percent), Louisiana (36 percent), California (35.5 percent), Mississippi (34.9 percent), Arizona (34.7 percent), Arkansas (34 percent), Florida (33.8 percent) and Oklahoma (33.7 percent).

California and Texas led the country with the largest number of uninsured persons, followed by New York and Florida.

*Going Without Health Insurance* states: “[C]ontrary to popular perception, most people who experienced periods without health insurance in the last two years were connected to the workforce.” Nearly four in five individuals (77.9 percent) were in the workforce in December 2002; of that 70.7 percent were employed and 7.2 percent were actively seeking employment. The remaining 22.1 percent not in the labor force were adults and parents of uninsured children. But the study added: “Past research has shown that more than 80 percent of individuals without health insurance are part of families where at least one member works full- or part-time.”

Elaborating on this data, the report surmised that “the current recession is actually increasing the number of former workers who have stopped actively seeking a job and have

left the labor force.... Economists suggest that, even though the official unemployment rate may hold steady, an estimated one million people left the labor force since the summer of 2002. Many of these discouraged former workers were in lower-wage jobs without health insurance benefits.”

*Going Without Health Insurance* cites three primary reasons why adults, or their children, employed in December 2002 went without health insurance coverage for all or part of the previous two years: (1) working for employers who did not offer benefits; (2) being unable to afford employee co-payments of health insurance premiums in companies who offer coverage; (3) experiencing temporary job loss—through layoff, job elimination, termination or quitting—which lapsed the coverage.

The study does point out that the majority of workers who lose employer-based health insurance are eligible to remain temporarily on their former employer’s plan through the federal COBRA (Consolidated Omnibus Budget Reconciliation Act) law or a state COBRA-like mandate affecting small employers. However, the cost of such coverage is prohibitive and generally only one out of five unemployed workers who are COBRA eligible purchase it. Including a 2 percent company administrative surcharge, the national average cost of employer-offered family coverage is \$8,113 a year, well out of reach for low-wage or unemployed workers.

People in families at or below the derisory federal poverty level (\$8,860 a year for a single adult and \$15,020 for a family of three) are obviously likely to lack health care. More than half of the individuals in that category were uninsured and nearly half of persons in families with incomes between 100 and 200 percent of the federal poverty level (\$17,720 for a single adult and \$30,040 for a family of three) had no health coverage. The study also found that more than half (52.2 percent) of all non-elderly Hispanics and nearly four in ten (39.3 percent) of all non-elderly African Americans were uninsured.

As an age group, young people are the most likely to be uninsured. More than one third of those without health

insurance during the last two years were between the ages of 25 and 44.

Most tragic is the disclosure that 20.2 million children were uninsured, nearly 30 percent of the total number of children in the US. The report outlines how children are continuously being moved off and on Medicaid and SCHIP (State Children's Health Insurance Program) programs that serve most children in families with incomes below 200 percent of the federal poverty level. "Sometimes called 'churning,' this pattern of enrollment and disenrollment is caused by a number of factors. For example, some states have periodic eligibility review processes that a parent may not successfully navigate in a timely manner. Other states require families to pay monthly premiums to receive health services, and the inability of an unemployed or low-wage parent to pay these premiums can result in the loss of SCHIP eligibility, at least temporarily, until the premium is paid," according to *Going Without Health Insurance*.

It is not only the poor and disadvantaged who are shut out from the health care system. According to a study compiled by the National Institute for Health Care Management (NIHCM), some 57 percent (800,000) of the 1.4 million people who joined the ranks of the uninsured in 2001 lived in households with incomes of \$75,000 or greater. "More middle and upper income Americans are uninsured because health insurance [is] driven by escalating health care costs ... largely because of increasing spending on hospitals and prescription drugs," opines the NIHCM report.

A survey of small, medium and large businesses issued in March by Public Opinion Strategies concluded that 50 percent of the companies queried report a significant problem "keeping up with the cost of health care premiums." Businesses project that their health care costs will jump by an average of 18 percent from 2003 to 2004 and that they anticipate passing 25 percent of the increase onto their employees. Along these lines, the NIHCM investigated the decreasing health care coverage for retirees and related that only 34 percent of American companies offered retiree health benefits in 2002, versus 66 percent in 1988.

In the section, "Why Insurance Matters," the authors of *Going Without Health Insurance* present the following conclusions, among others:

\* Uninsured adults more often go without screening tests for cancer and other fatal diseases and are therefore more likely to die from these diseases. Uninsured adults with serious chronic problems, such as hypertension and HIV infection, lack regular access to a source of care and medications that help control these conditions.

\* Uninsured women and their newborns receive less prenatal care and are more likely to have poor outcomes

during pregnancy and delivery, including infant death and low birth weight.

\* Uninsured children use fewer medical and dental services and are less likely to receive preventative checkups and immunizations. Easily treatable conditions such as ear infections more often go undetected, adversely affecting hearing, language and other areas of development.

\* The uninsured generally pay more for health services than people with insurance. Even though uninsured families are often poor, they pay, on average, up to 40 percent of their medical costs out of their pockets, including 88 percent of prescription drug costs.

A series of meetings were held across the country to commemorate the first national "Cover the Uninsured Week." In Detroit, where 20 percent of the population is uninsured, a 19-year-old worker with malignant skin cancer, Nicholas Swinehart, told the gathering: "Having cancer is bad enough without worrying about not having health insurance." Swinehart has been working as a drying installer since he was 16, making an average of \$100 a day. He has not been able to afford health insurance and is worried about his girlfriend and newborn baby girl in the event that he is unable to access proper treatment for his cancer.

The health care industry, currently topping \$1 trillion annually, accounts for 15 percent of GDP. The fact that nearly 75 million pre-retirement age people have gone without minimal health care coverage for part or all of the last two years is an indictment of American capitalism and one of the most glaring signs of its failure as a social organism. In particular, it is a condemnation of the irrational, brutal for-profit health system and the corporate giants who benefit from it. In reality, at the beginning of the twenty-first century, in "the richest country on earth" a health care emergency exists for wide layers of the population.



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