

One in six lacks health coverage

Number of US uninsured rises to 43.6 million in 2002

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A key barometer of the well-being of a society is its ability to provide for the health of its citizens. New figures on the numbers of uninsured Americans show that the US is failing miserably. In a country where the right to universal health care does not exist, one in six men, women and children had no health coverage last year.

According to a Sept. 29 report from the US Census Bureau, 2.4 million more people in the US found themselves without medical insurance in 2002, raising the total to 43.6 million—or a shocking 15.2 percent of the population. The report on the uninsured follows on the heels of a Sept. 26 Census Bureau report showing that the ranks of Americans living in poverty rose by 1.7 million in 2002, to 34.6 million people.

Every region of the country was affected by this health care crisis, with the South having the highest percentage of uninsured—17.5 percent. The Midwest had the lowest levels, with 11.7 percent uninsured, while the West had 17.1 percent and the Northeast 17.1 percent. Minnesota had the lowest level of uninsured, 8 percent, while Texas had the highest, 24.1 percent.

About 8.5 million children—or 11.6 percent of those under age 18—are uninsured, accounting for about one fifth of the total. When a child's parent loses insurance, he or she does so as well unless the child can qualify for Medicaid, which provides limited insurance for the poor. Federal budget cuts, however, have affected Medicaid benefits, which are administered through the states. Genevieve M. Kenney, an economist at the Urban Institute in Washington, D.C., told the *New York Times*, "Many states, in the midst of a fiscal crisis, have reduced efforts to locate and enroll children eligible for Medicaid."

Despite the Medicaid program, more than 10 million people living below the official poverty line—or about 30

percent of the poor—had no health insurance last year. Those living in poverty accounted for about one quarter of the total number of uninsured. Half of those people with full-time jobs—but whose incomes place them below the poverty level—were uninsured.

And as more and more adults and children lose medical coverage, they find fewer "safety net" alternatives to catch them. In Texas, for example, where close to a quarter of residents have no health insurance, state authorities have cut back on Medicaid and the Children's Health Insurance Program (CHIP) this year.

The numbers of African-Americans and non-Hispanic whites without insurance rose last year to 20.2 percent and 10.7 percent, respectively. While the figure for Hispanics was unchanged from the prior year, it remained at an alarmingly high rate—32.4 percent.

About one third of the foreign-born population in the US has no medical insurance. Of the 20.6 million non-citizens, 8.9 million were uninsured—or about 43 percent; 17.5 percent of naturalized citizens lack coverage.

The jump in the loss of coverage—the largest increase in a decade—is mainly attributable to job cuts, scaled-back benefits provided by employers, and huge increases in premiums charged by insurance companies. Because people must rely on employer-sponsored health insurance—or purchase it privately at exorbitant costs—the loss of a job often means not only lost income but lost medical coverage as well. At least 11 million US workers remain jobless, the highest figure in a decade, and 3.3 million jobs have been lost in the private sector since the beginning of the recession in March 2001.

However, being employed does not necessarily translate into having health insurance. The proportion of employees covered by health insurance also dropped to 61.3 percent in 2002, from 63.6 percent in 2000. Last

year, 897,000 more full-time workers became uninsured, rising to a new high of 19.9 million full-time workers—or 45 percent of all those without health insurance.

Middle-income households—those with annual incomes of \$25,000 to \$75,000—saw the largest increase in lack of health coverage. Among these households, where at least one family member is working, the number of uninsured rose by 1.4 million, to 21.5 million, with the sharpest increase among those families earning \$25,000 to \$50,000.

Small and medium-sized businesses are paring down health insurance for employees, charging higher premiums and requiring workers to pay larger co-payments for prescription drugs, office visits, and hospital and other costs. Fees charged by private health care companies have spiraled out of control in recent years, with health care costs rising by 14 percent in the past year alone, causing businesses to either eliminate health insurance plans for workers or decrease coverage.

At companies with fewer than 25 employees, only 30.8 percent of workers had health coverage in 2002, down from 31.3 percent in 2001. At companies with 25-99 employees, coverage also dropped, from 56.8 percent in 2001 to 54.4 in 2002. Coverage for workers at companies with more than 1,000 employees also declined by about a percentage point, to 68.7 percent.

While smaller businesses struggle with soaring health care costs, large corporations are increasingly exploiting the health care crisis with the aim of reaping more profits by slashing benefits for their workforces. Case in point: Wal-Mart Stores—the nation's biggest private employer with 1.16 million workers. Wal-Mart utilizes a team of six people to search each state for the lowest-cost networks of doctors and hospitals. It then offers the most cut-rate level of medical insurance to its employees.

The retail giant requires new workers to wait six months to sign up for its health care benefits plan and provides no coverage for retirees. Some services are simply not covered: flu shots, eye exams, child vaccinations, chiropractic services, among others. Deductibles—the amount the patient must pay before coverage kicks in—run as high as \$1,000. In many cases, workers are not covered for pre-existing conditions for the first year of employment. Wal-Mart also charges employees \$50 every two weeks to cover spouses eligible for medical insurance elsewhere.

The *Wall Street Journal* cites the case of Larry Allen, 47, and his wife Jacque, who were hired at a Las Vegas Wal-Mart store last year. They each earned only \$8 an

hour as produce clerks and chose to forgo coverage, which averages \$13 every two weeks (while carrying a \$1,000 deductible). However, Allen suffered a heart attack soon after he began working and ran up \$31,000 in medical bills and is constantly hounded by collection agencies.

The case indicates the plight faced by the 43 million in the US with no health coverage and the millions more with inadequate benefits. In increasing numbers, working people and their families are forced to choose between the necessities of life—food, housing, utilities, transportation—and medical care. By contrast, five members of the Walton family, which owns Wal-Mart, were recently cited in the top 10 of the Forbes list of the 400 richest Americans, with fortunes of more than \$18 billion *each*.

Working and poor Americans can expect little relief from health care costs from the Bush administration or the Democrats and Republicans in Congress. The House of Representatives last week approved a \$368 billion war budget for the Pentagon, but Congress has yet to pass any reform to the Medicare program to provide even the most minimal prescription drug benefits for seniors.

Congress has also consistently blocked passage of any kind of universal health plan, but pushed through a Bush-sponsored tax cut earlier this year, giving every US millionaire a tax cut averaging \$93,500.

The latest figures on the growth in the ranks of the uninsured are an indictment of a system that is witnessing an ever-widening gap between the super-wealthy and the mass of working people struggling to meet basic, everyday needs.



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