

82 million Americans lacked health insurance in 2002-2003

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23 June 2004

In yet another sign of the social misery endured by growing sections of the US population, a new study reports that one in three Americans under the age of retirement lacked medical health insurance coverage at some point during the last two years.

The Families USA publication “One in Three: Non-Elderly Americans Without Health Insurance, 2002-2003” reveals that approximately 82 million people under the age of 65 were without health insurance for all or part of the period, with two thirds going without coverage for six months or longer. This represents a 9 percent increase in the space of just two years. The same agency reported that 75 million people were without insurance for all or part of 2001-2002.

In 14 states, more than one in three under 65 were uninsured. More than 40 percent of Texans and New Mexicans were uninsured, while California, Florida and New York (three of the most populous states in the country) registered levels over 33.33 percent.

The 10 states with more than half of the total number of uninsured people were, in descending order, California, Texas, New York, Florida, Illinois, Pennsylvania, Ohio, Michigan, Georgia and North Carolina.

(The report notes in passing that the Current Population Survey of the US Census Bureau estimated that there were 43.6 million people in the US in 2003 without health insurance of any kind, an increase of 14.6 percent *over the previous year*—the largest jump in a decade.)

The Families USA study explains that the vast majority of the uninsured—more than four in five of the individuals in question—were connected to the work force (78.8 percent employed and 5.7 percent actively seeking employment). Indeed, a full one quarter of the uninsured workers and their families were making between 300 and 400 percent of the federal poverty level (\$55,980 to \$74,040 a year for a family of four). Among families with incomes of more than \$75,000 a year (four times the poverty level), 13.5 percent went without health insurance for all or part of 2002-2003.

“One out of three non-elderly Americans without health

insurance constitutes an enormous epidemic that that requires immediate attention.... The growing number of Americans without health insurance is now a phenomenon that significantly affects middle class and working families. As a result, this problem is no longer an altruistic issue affecting the poor, but a matter of self-interest for almost everyone,” said Ron Pollack, executive director of Families USA, in a press release.

Although almost half of the uninsured were non-Hispanic whites, the report found unsurprisingly that a disproportionate share were minorities—42.9 percent of African Americans and 59.5 percent of Hispanics went without health insurance for some part of the past two years.

Reasons for lack of coverage

According to the Associated Press, Pollack blamed the sharp rise in the number of uninsured on fast-rising health care costs, a “soft” labor market in which employers are passing more health costs on to their workers, and budget cuts in state medical programs. (A January 28, 2004, Congressional Budget Office Testimony from Director Douglas Holtz-Eakin claimed that prescription drugs spending—now averaging more than 14 percent a year—is the fastest-growing component of health spending.) The Families USA report outlines some of these issues.

Employer-based coverage is the most common source of health insurance for people under age 65 in the US, although small and low-wage employers are less likely to offer coverage. In companies that carry insurance, many employees cannot afford to pay their frequently escalating portion of the premiums. In addition, when workers lose their jobs, it is financially prohibitive for many to maintain their insurance despite the federal COBRA (Consolidated Omnibus Budget Reconciliation Act) provisions. (Under COBRA, a former worker is allowed to participate

temporarily in the employer health plan by paying the *full* premium plus a 2 percent administration fee—the national average cost for a family plan is \$9,249 a year.)

Although Medicaid, which provides assistance to the poor, is a federally funded national health care program, its coverage varies significantly from state to state. “Medicaid is really 51 programs run by the states and the District of Columbia with 51 different sets of rules about who is eligible for coverage, different income guidelines, different enrollment procedures, and different reporting requirements to stay in the program,” according to the Families USA study, which points out that eligibility levels differ radically based on family status.

A parent in a family of three working full time for the federal minimum wage of \$5.15 an hour would earn too much to qualify for Medicaid in half the states, even though the family’s annual income of \$10,700 is well below the federally designated poverty level. In 42 states, adults without children are ineligible for Medicaid even if they have no income at all!

Nearly 70 percent of uninsured adults in poor health and nearly 50 percent of uninsured adults in fair health complained that they were unable to access a physician over the past year because of the high cost of the service.

Uninsured children

One particularly disturbing trend is the growth in the number of children lacking medical insurance. The report found that 36.7 percent of all children were uninsured in 2002-2003, or 27 million people under the age of 18. Two out of five children (39.9 percent) were from families where one parent worked full time for *all* 24 months in the 2002-2003 period.

The inquiry found that “low-income children’s access to health insurance coverage was affected by state actions taken during 2002-2003 in response to fiscal crises and the resulting pressure to reduce state Medicaid budgets. Not only did many states act to increase the barriers to enrollment and eligibility review...but six states—Alabama, Colorado, Florida, Maryland, Montana, and Utah—also stopped enrolling eligible children in their State Children’s Health insurance Programs.”

Consequences of lack of medical insurance

According to the Families USA study, every year the deaths of 18,000 people between the ages of 25 and 64 can be attributed to a lack of insurance coverage, making uninsurance the sixth leading cause of death—ahead of HIV/AIDS and diabetes. The Institute of Medicine has concluded that uninsured adults were 25 percent more likely to die prematurely than those with private health insurance, due to the fact that long-term uninsured adults are three to four times more likely to go without preventive services, such as screenings for breast cancer and hypertension.

Hospitals and other providers that negotiate discounts for major insurance companies and federal programs, such as Medicare and Medicaid, compensate by raising fees for the uninsured. Some 40 percent of all uninsured people state they would have to cut back on basic necessities, such as food, rent and utility bills, in order to purchase health insurance.

“When the uninsured can no longer avoid obtaining care from professional health care providers, they borrow money to pay up front costs, work more than one job, charge credit cards for large health care bills that will take years to repay, or eventually file for bankruptcy,” states the Families USA investigation.

(A preview of information compiled in the new Economic Policy Institute book *The State of Working America 2004/2005* explained that employer-provided health insurance among recent high-school graduates in their entry-level jobs fell by nearly half from 1979 to 2002—from 63.3 percent in 1979 to 34.7 percent in 2002.)

Health care expenditures in America reached 1.6 trillion dollars in 2002. In a for-profit environment, pharmaceutical companies, private insurance companies and health care providers rake in billions of dollars in profits as working class and middle class men, women and children suffer preventable illnesses and deaths, and are denied access to life-saving technologies and services for lack of money.

The US health care system, boasted about by right-wing politicians as the “best in the world,” is a disaster for increasingly wide layers of the population. Health care for profit constitutes a danger to the physical well-being not only of present but also of future generations.



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