



Tennessee Health Care Campaign

Working for Guaranteed Affordable Choices

ANOTHER REASON WE MUST HAVE NATIONAL HEALTH CARE REFORM: MEDICAL SECURITY NO LONGER COMES WITH THE JOB

Introduction

Most Americans have health insurance through their employers; however, employment is no longer a guarantee of health insurance coverage. As America continues to move from a manufacturing-based economy to a service economy and employee-working patterns continue to evolve, health insurance coverage has become less stable. Many small employers cannot afford to offer health benefits due to rising costs. Companies that do offer health insurance, often require employees to contribute a larger share toward their coverage. As a result, an increasing number of Americans cannot take advantage of job-based health insurance because they cannot afford it.

Who are the uninsured?

- 47 million Americans, or 18% of the population under the age of 65, have no health insurance.¹
- The number of uninsured rose 2.2 million between 2005-2006¹ has increased by 8 million people since 2000.¹
- The large majority of the uninsured (80%) are native or naturalized citizens.²
- Increase in the number of uninsured in 2006 was focused among working age adults who had no health coverage climbed from 19.7% in 2005 to 20.2% in 2006.¹ Nearly 1.3 million full-time workers lost their health insurance in 2006.
- Nearly 90 million people – about 1/3 of the population below the age of 65 spent a portion of either 2006 or 2007 without health coverage.³
- Over 8 in 10 uninsured people come from working families – almost 70% from families with one or more full-time workers and 11% from families with part-time workers.²
- The percentage of people (workers and dependents) with employment-based health insurance has dropped from 70% in 1987 to 62% in 2007.¹ It's at the lowest level in more than a decade.^{4, 5}
- In 2005, nearly 15% of employees had no employer-sponsored health coverage available to them, either through their own job or through a family member.⁶
- 37 million workers were uninsured in 2007 because not all businesses offer health benefits, not all workers qualify for coverage & many cannot afford their share of the premium even when coverage is at their fingertips.¹
- The number of uninsured children in 2007 was 8.1 million – or 10.7% of all children in the U.S.¹
- Young adults (18-to-24 years old) remained the least likely of any age group to have health insurance in 2007 – 28.1% of this group did not have health insurance.¹
- The percentage and the number of uninsured Hispanics increased to 32.1% and 15 million in 2007.¹
- Nearly 40% of the uninsured population reside in households that earn \$50,000 or more.¹ A growing number of middle-income families cannot afford health insurance payments even when employers offer coverage.

Why is the number of uninsured people increasing?

- A third of firms in the U.S. did not offer coverage in 2007 for millions of workers.⁴
- Nearly two-fifths (38%) of workers are employed in smaller businesses, where less than two-thirds of firms now offer health benefits.⁷ About 266,000 companies dropped their health coverage between 2000-2005 & 90% of those firms have less than 25 employees.
- Rapidly rising health insurance premiums are the main reason cited by all small firms for not offering coverage. Health insurance premiums are rising at extraordinary rates. The average annual increase in inflation has been 2.5% while health insurance premiums for small firms have escalated an average of 12% annually.⁴
- Employee spending for health insurance coverage (employee's share of family coverage) has increased 120% between 2000 and 2006.⁸
- Losing a job, or quitting voluntarily, can mean losing affordable coverage – not only for the worker but also for their entire family. Only seven (7)% of the unemployed can afford to pay for COBRA health insurance – the continuation of group coverage offered by their former employers. Premiums for this coverage average almost \$700 a month for family coverage and \$250 for individual coverage, a very high price given the average \$1,100 monthly unemployment check.⁹
- Coverage is unstable during life's transitions. A person's link to employer-sponsored coverage can also be cut by a change from full-time to part-time work, or self-employment, retirement or divorce.¹⁰





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How does being uninsured harm individuals and families?

- Lack of insurance compromises the health of the uninsured because they receive less preventive care, are diagnosed at more advanced disease stages, and once diagnosed, tend to receive less therapeutic care and have higher mortality rates than insured individuals.¹¹
- Regardless of age, race, ethnicity, income or health status, uninsured children were much less likely to have received a well-child checkup within the past year. One study shows that nearly 50% of uninsured children did not receive a checkup in 2003, almost twice the rate (26%) for insured children.¹²
- The uninsured are increasingly paying “up front” – before services will be rendered. When they are unable to pay the full medical bill in cash at the time of service, they can be turned away except in life-threatening circumstances.⁷
- 20% of uninsured (vs. 3% insured) say their usual source of care is the emergency room.²
- Studies estimate that the number of excess deaths among uninsured adults age 25-64 is in the range of 18,000 a year. This mortality figure is more than the number of deaths from diabetes (17,500) within the same age group.¹⁰
- According to one study, over a third of the uninsured have problems paying medical bills. The unpaid bills were substantial enough that many had been turned over to collection agencies – and nearly a quarter of the uninsured adults said they had changed their way of life significantly to pay medical bills.¹³

What additional costs does the uninsured population create?

- The United States spends nearly \$100 billion per year to provide uninsured residents with health services, often for preventable diseases or diseases that physicians could treat more efficiently with earlier diagnosis.¹⁴
- Hospitals provide about \$34 billion worth of uncompensated care a year.¹⁴
- Another \$37 billion is paid by private and public payers for health services for the uninsured and those who lack coverage pay \$26 billion out-of-pocket.¹⁴
- The uninsured are 30 to 50% more likely to be hospitalized for an avoidable condition, with the average cost of an avoidable hospital stay estimated to be about \$3,300.¹⁴
- Increasing reliance of the uninsured on the emergency department has serious economic implications, since the cost of treating patients is higher in the ER than in other outpatient clinics and medical practices.¹¹
- 29% of people who had health insurance were “under-insured” with coverage so meager they often postponed medical care because of costs.¹⁵ 50% overall, and 43% with health coverage, said they were “somewhat” to “completely” unprepared to cope with a costly medical emergency over the coming year.¹⁵

Getting everyone covered will save lives and money.

The impacts of going uninsured are clear and severe. Many uninsured individuals postpone needed medical care, which results in increased mortality and billions of dollars lost in productivity and increased expenses to the health care system. There also exists a significant sense of vulnerability to the potential loss of health insurance, which is shared by tens of millions of other Americans who have managed to retain coverage. Every American should have health care coverage, participation should be mandatory, and everyone should have basic benefits.

Notes

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For more information or to get involved with health care reform and health care justice, visit the Tennessee Health Care Campaign online @ www.thcc2.org .



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