

The Uninsured

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The Problem

The number of uninsured has steadily increased.

- Over the course of the Bush administration, the number of uninsured Americans has increased 22%, from 38.4 million in 2000 to 45.6 million in 2007.¹
- Of the 47 million uninsured Americans, 65% were below 200% of the federal poverty line,² 71% are in families with at least one full-time worker,³ and nearly 80% are native or naturalized U.S. citizens.⁴

The most recent increase in the uninsured population is not due to rising unemployment or job-loss, but to decreasing rates of employer-sponsored health insurance, the cornerstone of the American health care system.⁵

- From 2000 to 2003 increases in the uninsured population were accompanied by increasing unemployment, job-loss, and slow economic growth. From 2003 to 2006 employment grew but the number of uninsured still continued to increase.
- A major cause of declining rates of insurance in both periods has been the soaring costs of health care premiums. Health insurance premiums have risen 10% annually since 2000, significantly higher than the annual average of 2.76% for inflation and 3.23% for wages.⁶

The most recent increase in the uninsured population has hurt children in particular.

- Over 8 million children are uninsured.⁷
- The number of uninsured children has grown 3.3% from 8.4 million to 8.6 million from 2000 to 2006.
- 30% of uninsured children in 2006 are between 200-400% of the federal poverty line, and thus do not qualify for public assistance in 32 states, according to 2007 state eligibility criteria.

The uninsured are less healthy than the insured.

- 60% of uninsured individuals and families do not have a regular place to go for medical care.⁸
- 25% of uninsured Americans say they do not follow recommended treatments or prescriptions because they cannot afford them;⁹ and
- Uninsured Americans are twice as likely to be in poor health as insured individuals.¹⁰

The uninsured pay significantly more for the same medical services as the insured.

- Uninsured patients pay on average 4.10 times more than insured patients at private hospitals, and 2.49 times more at public hospitals for the same treatments and services.¹¹

What has President Bush done?

President Bush vetoed a bill that would have reauthorized and expanded the State Children's Health Insurance Program (SCHIP)

- SCHIP provides health insurance for low-income children and families who are not eligible for Medicaid. The bill would have expanded coverage to children up to 300% of the federal poverty line, covering 10 million uninsured children through a combination of SCHIP expansion and new health insurance tax credits. The veto was sustained by House Republicans.

Bush subsequently enacted highly restrictive federal guidelines for state-level SCHIP policies, which are often more generous than the minimum required by the federal government.

- The nonpartisan General Accountability Office and Congressional Research Service have both determined that these restrictions are illegal because they were passed without Congressional approval.
- The guidelines restrict states from offering SCHIP programs to near-poor families above 250% of the federal poverty line (\$53,000 for a family of four) unless they have already covered 95% of children below 200% of the federal poverty line.
- Eighteen states and Washington, D.C. enroll children at levels above 250% of the federal poverty line. No state has achieved 95% enrollment for families with incomes less than 200%.
- As a result of the restrictions, many states will be forced to prevent the coverage of near-poor children.
 - Louisiana had to prevent 6,000 uninsured children from joining when they lowered the standard to 250% from 300% of the poverty line.¹²
 - The administration stopped New York from raising its eligibility to 400% of the poverty line, thus restricting the coverage of 70,000 additional uninsured children.¹³

Bush proposed new cuts in federal Medicaid spending that will severely restrict the program's ability to serve current beneficiaries and expand coverage for the uninsured poor. These cuts total \$12 billion in essential services that will likely be paid by individual states, many of which cannot afford the cost. These proposed restrictions include:¹⁴

- Limiting payment to health care safety-net providers, thus restricting access for at risk populations;
- Ending support for graduate medical education, greatly restricting the scope and size of teaching hospital services, which disproportionately serve Medicaid patients;

- Reducing coverage of state-operated rehabilitative and therapeutic programs; and
- Prohibiting the transportation of low-income children to school, either on days they received medical treatment, or if they are disabled and receive treatment or therapy, at the school itself.

What has President Bush failed to do?

President Bush failed to expand public coverage for low-income families, especially children.

- SCHIP has proven to be an extremely effective program for enrolling near-poor and moderate income families with children, yet it is underutilized. Sixty-seven percent—1.7 million—of eligible uninsured children do not enroll¹⁵.
- More needs to be done to cover these eligible children. A low-cost option involves automatically enrolling children in SCHIP programs based on information already on file with the government, such as tax and employment record filings, which already indicate income levels.

President Bush failed to commit to expanding coverage for all Americans.

- Build on the most effective components of the existing health care system to expand coverage to all Americans through large public and private risk pools of individuals, thereby lowering administrative costs and increasing efficiency.
- The highly effective and popular Federal Employees Health Benefit Program could be expanded to allow any American worker to enroll. At the same time, private insurers would be required to provide coverage as good or better as the new public plan. This would ensure that no one with a direct or family tie to the labor market would be uninsured.
- Further information about this proposal can be found in the Economic Policy Institute's *Health Care for America* plan: <http://www.sharedprosperity.org/bp180/bp180.pdf>

¹ "Income, Poverty, and Health Insurance Coverage in the United States: 2007" U.S. Census Bureau, August 2008, Table C-1

<http://www.census.gov/prod/2008pubs/p60-235.pdf>

² Kaiser Family Foundation Commission on Medicaid and the Uninsured Report:

www.kff.org/uninsured/upload/7571.pdf

³ Kaiser Family Foundation Commission on Medicaid and the Uninsured Report:

www.kff.org/uninsured/upload/7571.pdf

⁴ Census Bureau CPS 2008 Data.

⁵ Kaiser Family Foundation Commission on Medicaid and the Uninsured Report:

www.kff.org/uninsured/upload/7571.pdf

⁶ Kaiser Family Foundation Employer Health Benefits 2007 Annual Survey.

<http://www.kff.org/insurance/7672/upload/76723.pdf>

⁷ "Income, Poverty, and Health Insurance Coverage in the United States: 2007" U.S. Census Bureau, August 2008, Table C-3

<http://www.census.gov/prod/2008pubs/p60-235.pdf>

⁸ Hadley, J. 2007. "Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition." *JAMA* 297(10):1073-84.

⁹ Hadley, J. 2007. "Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition." *JAMA* 297(10):1073-84.

¹⁰ Kaiser Family Foundation Commission on Medicaid and the Uninsured Report:
www.kff.org/uninsured/upload/7571.pdf

¹¹ Andersen, G. 2007. "From 'Soak the Rich' to 'Soak the Poor': Recent Trends in Hospital Pricing." *Health Affairs* 26(3):780-789.

¹² "White House Rules Clip Kids From SCHIP" *The Washington Independent*, March 7, 2008
<http://washingtonindependent.com/view/report-calls-bush>

¹³ "White House Rules Clip Kids From SCHIP" *The Washington Independent*, March 7, 2008
<http://washingtonindependent.com/view/report-calls-bush>

¹⁴ "Medicaid: Overview and Impact of New Regulations" Kaiser Family Foundation, January 2008
<http://www.kff.org/medicaid/upload/7739.pdf>

¹⁵ "Why Did the Number of Uninsured Continue to Increase in 2005?" Kaiser Family Foundation, October 2006
www.kff.org/uninsured/upload/7571.pdf