

## Health Care for the Uninsured

---

April, 2006

### Issue

Millions of Americans continue to go without health care coverage. In 2004, the number was 45.8 million Americans – 15.7% of the population, or almost one out of six -- an increase of 800,000 from the year before. This is the largest number of Americans reported to be without insurance since the Census Bureau began issuing data on the uninsured data in 1987. At the same time, almost two million more people relied on Medicaid for their health insurance in 2004 than in 2003 – without the Medicaid safety net, many of those people would have been added to the ranks of the uninsured. The increase in the uninsured is due in large part to the drop in those covered by employer-based plans. The picture is even worse for people in more vulnerable communities: 19.7% of African-Americans, 32.7% of Hispanics, and 33.7% of immigrants do not have health insurance.

### Background

**More Americans may become uninsured:** The strong economy and low unemployment rates of the 1990s helped more Americans gain health insurance coverage. But a sluggish job market in the years since then, declining employer coverage and rising health care costs reversed that movement. If those conditions continue or worsen, the ranks of the uninsured will swell.

**Employer-sponsored health insurance premiums continued to rise at a faster rate than overall inflation or wage gains.** Premiums increased by 9.2% in 2004. While this was a decline in the rate after 4 years of double-increases, it was a faster pace of increase than general inflation, which was up by 3.5%. Premiums also increase more than wages did – wages gains were 2.7% in 2004. In addition, the percentage of firms offering retiree coverage has declined substantially over time.

While uninsured families may qualify for coverage under Medicaid or the State Children's Health Insurance Program (SCHIP), between 2002 and 2006 43 states restricted eligibility and 39 states reduced benefits. These moves were in large part cost-containment measures, in response to tight state fiscal situations. While many states are facing improved fiscal pictures, they are still under pressure to control Medicaid costs.

**Who are the uninsured?** By and large, they are working Americans or their family members.

- 8 out of 10 of the nonelderly uninsured are from working families – 70 % are in families with at least one full-time worker - and more than one-half are in low-wage earning families with incomes below 200% of the federal poverty level.
- More than 8 million children are uninsured - and more than 80% of them live in households headed by a working adult.

**What are the consequences of being uninsured or underinsured?** People who lack health insurance are far less likely to receive basic health care services, and are generally in poorer health as a result. They may delay seeking needed medical care and filling prescriptions, or have trouble paying medical bills while meeting other essential needs such as food, housing and utilities. The uninsured receive less preventive care, are diagnosed at more advanced disease stages, and once diagnosed, tend to receive less care. Babies whose mothers are low-income and uninsured are 60% more likely to die in infancy. The Institute of Medicine estimates that 18,000 Americans die unnecessarily each year due to the lack of health insurance coverage.

**The prospects for Congressional action:** Affordable and accessible health care will be a topic of significant national attention in the coming months. However, it remains to be seen whether legislation to

help significant numbers of the uninsured will become law this year. If additional cuts in Medicaid are included as part of a plan to reduce the budget deficit, this could lead to a further increase in the number of the uninsured.

Among the kinds of proposals likely to be discussed this year are: tax credits for individuals to buy their own health coverage in the open market or through state sponsored purchasing agreements; incentive to participate in health savings accounts tied to high deductible insurance; expanding existing federal health programs such as Medicaid and SCHIP; expanding funding for community health centers; and restoring access to SCHIP and Medicaid for legal immigrants.

## Our Position

The Catholic community has consistently worked for access to affordable health care for all that reflects these principles: Respect for Life; Priority Concern for the Poor; Universal Access; Comprehensive Benefits; Pluralism; Quality; Cost Control; and Equitable Financing. (See USCCB statements **Health and Health Care** and **A Framework for Comprehensive Health Care Reform**).

The Catholic Health Association (CHA), in consultation with the USCCB and others, has put forward its framework for health care reform, **Continuing the Commitment: A Pathway to Health Care Reform** in April 2000. Through its **Covering a Nation** program, CHA is working with Catholic health care providers, other Catholic ministries, and local and national partners to create the momentum for real, sustainable change in our health care delivery and financing systems.

The USCCB has developed a campaign, Health Care for All, to inform the Catholic community about the uninsured and Catholic teaching on health care. Working with CHA, Catholic Charities USA (CCUSA), and other segments of the Catholic community, we hope to prepare Catholics to advocate for (1) continued public commitment to health care for low income children and families, the elderly, and people with disabilities; and (2) changes in our health care system - from small improvements to major restructuring - that will lead to health care for all.

## What You Can Do

- Contact your Senators and Representatives and urge them to take action to help uninsured Americans, and to start taking steps toward achieving affordable, accessible health care for all by insisting on resources for health care programs in the fiscal 2007 budget plan.
- Take steps to make sure your community is aware that covering the uninsured remains a serious and growing problem. The USCCB and the Catholic Health Association of the United States are participating in a public awareness campaign called *Cover the Uninsured Week*. The week-long series of events from May 1-7, 2006 is intended to increase awareness of the crisis of the uninsured. Check out the USCCB and CHA websites for more information on how to participate in your area.
- Contact USCCB, CHA, CCUSA and other community resources to learn about what bills are active in Congress and whether they will truly help more uninsured people gain health coverage

## For More Information

USCCB: Kathy Curran, 202-541-3188, [kcurran@usccb.org](mailto:kcurran@usccb.org), [www.usccb.org](http://www.usccb.org)

CCUSA: Desmond Brown, 703-549-1390, [dbrown@catholiccharitiesusa.org](mailto:dbrown@catholiccharitiesusa.org), [www.catholiccharitiesusa.org](http://www.catholiccharitiesusa.org)

CHA: Lisa Smith, 202-296-3993, [lsmith@chausa.org](mailto:lsmith@chausa.org), [www.chausa.org](http://www.chausa.org)