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Statement from Karen Davis: New Census Data on Uninsured Americans

New York, NY, September 10, 2009—Today, the Census Bureau released the latest data on the number of Americans without health insurance. The number of uninsured individuals rose from 45.7 million in 2007 to 46.3 million in 2008. This increase of 0.6 million would have been much worse without a growth in government-provided insurance of 4.4 million, including a 3.0 million increase in coverage under Medicaid. In contrast, employment-based coverage declined by about 1.1 million, from 177.4 million in 2007 to 176.3 million in 2008.

Today's data release shows the importance of the nation's safety net insurance system--Medicaid and the Children's Health Insurance Program (CHIP). The major bright spot in these new data was the fact that the rate of uninsured children is at its lowest rate since 1987 – at 9.9 percent. This improvement was a reflection of increased coverage for children under government health insurance programs, which rose from 31.0 percent in 2007 to 33.2 percent in 2008. However, more than 7.3 million children remain uninsured, which highlights the importance of the reauthorization and expansion of the CHIP program to 4 million more uninsured low-income children earlier this year.

States have also played an important role in stepping up to the plate to address the issue of the uninsured. Massachusetts, which enacted health reform in April 2006, has moved into first place with the lowest uninsured rates in the nation -- just 5.5 percent of the state's population was uninsured in 2008, compared with 25.1 percent in Texas, the state with the highest uninsured rate. Massachusetts leads the nation as a result of its comprehensive health reform.

The most alarming news in today's Census release is that the number of adults under age 65 without health insurance is high and rising -- with 20.3 percent of adults 18-64 uninsured in 2008, up from 19.6 percent in 2007, an additional 1.5 million adults. About 1 million fewer people are receiving coverage through employers, down from 177.4 million in 2007 to 176.3 million in 2008, including a marked decline in coverage among part-time workers. But even these numbers may be an understatement of the individuals affected by the severe and on-going recession. The Census numbers are based on counts of people without coverage at any point during the year. Those insured early in 2008 who lost coverage later

in the year are counted as insured for 2008. The continued rise in unemployment rates in 2009 likely means many more uninsured in 2009.

The problem of unstable and insecure health insurance coverage is no longer a problem just for lower-income families. About one in five of the uninsured are in households earning \$75,000 or more. Individuals with higher incomes who lacked coverage in 2008 increased to 8.2 percent, from 7.8 percent in 2007, an increase of 610,000 people.

An uninsured population of 46.3 million Americans is staggering. But millions more are uninsured at some point during the year, face unstable coverage that can easily vanish with the loss of a job or change in family circumstances, or have inadequate coverage that leaves them exposed to substantial out-of-pocket costs. As a result, millions of people do not have access to needed health care, struggle under a load of medical debt, and all too often must choose between medical care and other essentials, like food or housing. A [study](#) by The Commonwealth Fund found that 72 million Americans ages 18-64 have problems paying medical bills or are paying off accumulated medical debt. Nobody should face bankruptcy or the loss of their income as a result of a serious illness.

President Obama in his address to the Congress and the American people last night called for action on health reform this year. He reminded Congress and the public of the goals of health reform, which have often gotten lost in the din of the debate. These goals are 1) to ensure the stability and security of coverage for those who have it; 2) to provide insurance for those who don't; and 3) to slow the rise in health care costs for employers, individuals, and government. He reiterated his commitment to comprehensive reform and coverage for all, committing \$900 billion in federal funds over 10 years to help make coverage affordable and set a limit on out-of-pocket expenses.

He offered a pragmatic solution, modeled in many ways on the Massachusetts health reforms, including a requirement that everyone have coverage, creation of an insurance exchange, income-related assistance to pay health insurance premiums, expansion of Medicaid and CHIP to the very lowest income individuals, and an assurance of affordable choices within the exchange.

Again following the lead of Massachusetts, the President called for creation of an independent commission to identify ways of achieving savings, such as expansion of integrated health care delivery systems. He made it clear he is committed to fiscal responsibility and outlined how he would pay for coverage in a deficit-neutral way -- including both fees on insurers and savings to Medicare and Medicaid.

Over the last decade, the numbers of uninsured have jumped 20 percent, up from 38 million in 2000. As the President made clear, it is time to act to reverse this trend. Health reform is too important to those who are harmed by our

inadequate insurance system, too important to our economy, and too important to our character as a country. This year we need bold action on the part of Congress to ensure that all Americans have access to the best health care. Our nation's future health and prosperity depend on it.

The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.