



Rx: Health Care FYI #42

Subject:

The Uninsured

From:

Rep. Tim Murphy (PA-18)

The problem: A recent U.S. Census Bureau report claimed that 46.6 million Americans do not have health insurance.¹ However, the majority of the “uninsured” can either afford insurance, voluntarily do not carry coverage or are eligible for existing government programs such as Medicaid or the State Children’s Health Insurance Programs (SCHIP).

The facts on the uninsured in America:

- In 2005, 8.3 million uninsured people (14.1 percent) had annual incomes from \$50,000-\$74,999.²
- Another 8.7 million (8.5 percent) had annual incomes of \$74,000 or more.³ In 2005, health insurance coverage rates increased to 91.5 percent for those in households with incomes of \$75,000 or more.⁴
- Medicaid and the State Children’s Health Insurance Program is available to families making 200% or less below the federal poverty level (\$40,000 per year for a family of four).⁵ The U.S. Census reports that 14.5 million or 24.4 percent of the uninsured have an annual household income of \$25,000. A number of these households are eligible for federal or state health care assistance programs.⁶
- Almost 75 percent of all uninsured children are eligible for Medicaid or SCHIP, compared to only 14 percent of uninsured adults.⁷
- Almost 19 million or 57 percent of the uninsured are between the ages of 18-24 (8,566) and 25-34 (10,412). Many choose voluntarily to forgo health insurance coverage even when their employer offers.⁸
- The total number of Americans covered by health insurance increased from 245.9 million in 2004 to 247.3 million in 2005.⁹
- The number of people covered by government health programs increased between 2004 and 2005, from 79.4 million to 80.2 million.¹⁰

¹ Denavis-Walt, Carmen. Income, Poverty and Health Insurance Coverage in the United States: 2005. U.S. Census. August 2006.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Center for Medicare and Medicaid Services. Medicaid at a Glance. 2005.

⁶ Denavis-Walt, Carmen. Income, Poverty and Health Insurance Coverage in the United States: 2005. U.S. Census. August 2006.

⁷ Zuckerman, Stephen. The Role of Medicaid and SCHIP as an Insurance Safety Net. Issue Brief. Urban Institute. August 21, 2006.: L Dubay, J Holahan, and A Cook, "The Uninsured and the Affordability of Health Insurance Coverage," 2006 Urban Institute Working Paper.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

The federal government's role:

- H.R. 4241, the Deficit Reduction Act: Grants 115,000 children or parents of children with severe disabilities whose income is at or below 300 percent of the federal poverty level (approximately \$60,000 for a family of four) access to federal Medicaid coverage.¹¹ (Enacted into law).
- H.R. 5573, the Health Centers Renewal Act of 2006: Would reauthorize \$2 billion annually for community health centers to meet the health care needs of medically underserved populations including nearly 14 million uninsured and underinsured. (Passed the House).
- H.R. 525, the Small Business Health Fairness Act of 2005: Would allow small businesses to establish Association Health Plans to negotiate lower prices with insurance companies for employees and their families. (Passed the House).
- H.R. 2355, the Health Care Choice Act of 2005: Would allow families to purchase individual insurance policies from other states to give uninsured families more health care coverage choices for less cost. (Passed the Energy and Commerce Committee).

Recommendations:

- Require the Centers for Medicaid and Medicare (CMS) to report the number of Americans eligible but not enrolled in federal health care programs by age and income to allow policy makers to target health care coverage programs to lower the number of uninsured.
- Establish a pilot program to enroll eligible children into federal health care coverage assistance programs.
- Allow small businesses to pool risk to purchase lower cost health insurance for employees and their families.
- Educate higher income individuals of the benefits of possessing health care coverage (including physicals and preventive care programs) to defray health care costs.

¹¹ Congressional Budget Office. Letter to Chairman Joe Barton RE: Budget Impact of Medicaid provisions in S. 1932, the Deficit Reduction Act. January 31, 2006.