

Numbers growing for the uninsured

The U.S. Census Bureau has reported that almost 25 percent of Arizona's population lacks health care insurance.

Nationally, this same agency indicated there were 43.3 million or 16.1 percent of the U.S. population uninsured in 1997.

And this is supposed to grow to 54 million or 19.1 percent of the population by 2007.

Who are these people?

There have been several studies conducted recently by some notable organizations. Namely, The Galen Institute, a nonprofit health and tax-policy research organization; the National Federation of Independent Businesses; the Employee Benefit Research Institute; and the Lewin Group, which specializes in health care finance issues.

Here is a listing of some of their findings that shed some light on just who are the uninsured.

- Over the past decade, health insurance costs have increased faster than overall consumer prices. The average annual premium for employment-based family health insurance increased by 111 percent between 1988 and 1996.

- Data shows that at the state level, the thousands of new rules and regulations passed with the intent of forcing health insurers to offer coverage at a reasonable cost have, in effect, increased the cost of health insurance.

- The U.S. General Accounting Office has directly linked the erosion of health insurance coverage to cost pressures. They estimate for every 1 percent increase in the cost of health insurance,



MY VIEW

Henry C.
Grosjean

200,000 more Americans are thrown off the insurance rolls.

- The uninsured are disproportionately young, minority, lower income and either work for small companies or are their employees' dependents.

- About 40 percent of businesses with fewer than 50 workers do not offer health insurance,

indicating that costs make it prohibitive.

- The GAO determined that between 1990 and 1994, 16 states were most aggressive in passing laws regulating health insurance. By 1996 these 16 states were seeing their uninsured populations grow an average of eight times faster than the 34 other states.

- A study in 1997 found that 28 percent of the uninsured workers were offered health insurance by their employer but declined the coverage.

- A high proportion of young adults are without health insurance because they no longer are covered by a family policy, may not have established themselves as permanent members of the work force, or think they have a low probability of encountering a costly medical event.

- The time frame for being uninsured is either very short or very long with 37 percent lasting four months or less, 33 percent lasting 12 months or longer.

Those most likely to be insured for longer than four months are: Hispanic, individuals 25 and older, the self-employed and the individuals with long

spells of unemployment.

- The number of uninsured increase at a rate of roughly 10 million people every decade.

- Females are less likely than males to be uninsured because many mothers and pregnant women qualify for Medicaid.

- About 40.7 percent of the uninsured are in the middle income groups with incomes between \$20,000 to \$50,000.

- Nearly 20 percent of the uninsured have family incomes in excess of \$50,000 per year yet do not purchase insurance.

- About 76.2 percent of the uninsured are either employed or are the dependent child or spouse of a worker at some time during the year.

- In any given month only 54.2 percent of the uninsured are working full time or are the dependent of the full-time worker.

Also, in any given month, about 45 percent have no connection to employment.

In dealing with this "moving target" some are suggesting that we allow the employer-based tax code to encompass the self-employed, part-time workers and contract workers.

Regardless of this tax issue, Americans long have recognized that in every other industry regulation drives up prices, restricts innovation, drives up competition and forces businesses to cater to regulators and not consumers.

This is exactly what's happening in health care.

Henry Grosjean is a member of the Association of Health Insurance Advisors, the National Association of Health Underwriters and is the benefit advisor to the Arizona Small Business Association.